



City of Leavenworth
Purchasing Policy

Approved by City Commission February 13, 2024

Table of Contents

INTRODUCTION	3
SCOPE	3
POLICY & RESPONSIBILITIES	3
PURCHASE CARDS	5
INVOICE & PAYMENT PROCESSING	6
REQUISITIONS	6
ETHICS & CONFLICTS OF INTEREST	7
PURCHASING LIMITS.....	8
EXCEPTIONS TO PURCHASING LIMITS	9
PUBLIC IMPROVEMENTS.....	9
PREFERENCE FOR LOCAL VENDORS DOMICILED WITHIN CITY LIMITS	10
VENDOR QUOTATIONS	10
FORMAL BIDS.....	15
REQUEST FOR PROPOSALS (RFPs).....	21
COOPERATIVE PURCHASING	25
SOLE SOURCE PURCHASES.....	26
DESIGN/BUILD CONTRACTS	27

LEASE AGREEMENTS AND LEASE PURCHASE AGREEMENTS.....	28
CHANGE ORDERS	28
EMERGENCY PURCHASES.....	29
DEBARMENT OR SUSPENSION.....	29
INSURANCE.....	30
BONDS	31
ANNUAL PURCHASE ORDERS	32
FREIGHT.....	32
RECEIPT OF GOODS & SERVICES.....	33
APPENDICES	34
Appendix A-1: Record of Written / Verbal Quotes (Quotation Form)	35
Appendix A-2: Request for Solicited Quote / Bid / Proposal	37
Appendix A-3: Cooperative Purchasing Request	38
Appendix A-4: Sole Source Request	39
Appendix A-5: Change Order Request	40
Appendix A-6: Purchasing Limits	41
Appendix A-7: Leavenworth Housing Authority Purchasing Policy	42

CITY OF LEAVENWORTH, KANSAS

PURCHASING POLICY

Approved by City Commission February 13, 2024

INTRODUCTION

A Purchasing Policy reinforces effective management of financial resources through the establishment of sound procurement processes and procedures. The proper administration of procurement for goods and services requires written policies that assign the duties and responsibilities of all participants involved in the purchasing process. Reviewing and updating these policies periodically helps maintain adherence to laws, regulations, and best business practices.

PURPOSE

The purpose of this policy is to establish guidelines for all City personnel on the processes, limits, and authorities for the purchase of materials, supplies, equipment, and services. This policy is designed to consider the best interests of the City, maximize resources, eliminate unapproved purchases, avoid conflicts of interest, and maintain practical methods of procurement.

SCOPE

The City's purchasing policy is based upon Kansas State Statutes and City Ordinances. This policy shall apply to any expenditure of City funds. However, this policy shall not prevent the City from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

On January 26, 2010, the City Commission adopted the HUD (Housing and Urban Development) Program Purchasing Policy as the principle guideline for the use of federal funds at Planters II. The HUD Program Purchasing Policy is included in this document, immediately following the Purchasing Policy Appendices.

POLICY & RESPONSIBILITIES

City Commission:

The responsibility for all purchases made by the City of Leavenworth is held by the City Commission. The City Commission authorizes the City Manager to establish procurement rules and regulations for all City personnel.

City Manager:

The City Manager establishes the rules and regulations for the procurement of all goods and services. The City Manager and City Commission possess the sole authority for any deviation from established procurement procedures. The City Manager is responsible for invoking potential disciplinary actions in the event of improper procurement practices.

Finance Director:

The Finance Director is responsible for:

- Hiring and directing the Purchasing Agent.
- Recommending purchasing policies and procedures to the City Manager.
- Directing and managing the purchasing processes and operations.
- Reviewing and updating purchasing policies and procedures on a regular basis.

Department Directors:

Department Directors, or their designees, are responsible for:

- Ensuring that all personnel in their department are knowledgeable of and fully understand the procurement procedures established by the City Manager.
- Ensuring that purchasing policies are applied uniformly and consistently to all purchases made by their department.
- Ensuring that specifications and requirements submitted for purchases provide for maximum competition among vendors providing goods or services.
- Planning purchases in a manner that allow sufficient time for compliance with purchasing policies and procedures.

Senior Accountant:

The Senior Accountant is responsible for:

- Managing the vendor list including adding new vendors, updating vendor information, and inactivating vendors as necessary.
- Managing the chart of accounts including establishing new account codes and project numbers.

Purchasing Agent / Accountant II:

The Purchasing Agent is responsible for:

- Ensuring compliance with purchasing policies, statutes, and other purchasing regulations.
- Assembling and disseminating bid packets and requests for proposals (RFPs).
- Providing bid information to the City Clerk for publication in the City designated newspaper.
- Establishing and presiding over bid openings.
- Reconciling the Accounts Payable sub-ledger to the General Ledger on a monthly basis.

Accounts Payable / Accountant I:

The Accountant I is responsible for:

- Reviewing all invoices that have been entered into the ERP system including checking for:
 - Proper documentation (every transaction must have an attached invoice, receipt, or contract),
 - Approvals, and
 - Correct account codes.
- Entering invoices for utilities and some annual contracts.
- Entering purchases on behalf of departments which exceed their annual budget.
- Releasing batches and paying invoices once they have been reviewed and fully approved.
- Preparing the Claims Report for the City Commission on a bi-weekly basis.

PURCHASE CARDS

The use of City-issued purchase charge cards provides Departments with an expedient method to make purchases of goods and services within their spending authority. The following section outlines the responsibilities of individuals related to the Purchase Card program.

Finance Director:

- Approves the issuance of purchase cards.
- Approves temporary increases to credit limits and single-purchase transactions.

Department Directors:

- Request purchase cards for new employees.
- Request and/or endorse temporary increases on behalf of cardholders.
- Review and approve cardholders' purchases prior to cardholder making purchase.
- Review receipts from cardholders to ensure accuracy and appropriateness of purchases.
- Approve purchase card transactions in the ERP system after the cardholder has reconciled their purchase card statement.

Senior Accountant:

- Requests and issues new purchase cards at the direction and approval of the Finance Director.
- Cancels and disposes of purchase cards no longer used.
- Notifies bank of lost or stolen purchase cards.
- Executes the temporary limit increases for cardholders at the direction and approval of the Finance Director.

Purchasing Agent / Accountant II:

- Reviews receipts from cardholders to ensure accuracy and appropriateness of purchases.
- Manages weekly purchase card reconciliation process in coordination with cardholders.
- Reconciles the purchase card liability account to the credit card statement on a monthly basis and creates journal entries to re-class expenditures as necessary.
- Creates year-end journal entry to re-class purchase card expenditures to the proper year.
- Assists cardholders with notification of erroneous, disputed, or returned charges.

Cardholders:

- Will be familiar with and comply to the purchasing policies.
- Make purchases within the limitations as established in these policies.
- Ensure purchases are used for only City business.
- Ensure the security of City purchase cards.
- Maintain itemized receipts for all purchases.
- Notify supervisor of erroneous charges, disputed items, or returns as soon as possible.
- Notify card provider and supervisor of lost or stolen cards as soon as possible.
- Reconcile purchase card statements on a weekly basis in the ERP system with direction and assistance from the Purchasing Agent.
- Will reimburse City for inadvertent or unauthorized use of purchase card.

INVOICE & PAYMENT PROCESSING

For purchases of less than \$7,500 and for invoices received by the department associated with existing purchase orders, invoices are scanned and attached to the request for payment in the ERP system.

By approving the electronic payment request, the Department Director, or designated assignee, indicates agreement with the invoice, specifies that the goods and services were required for the proper operation of their department, and verifies that the goods or services procured have been received by the department.

After invoices have been approved for payment by all assigned approvers, the Purchasing Agent or Accounts Payable staff will process the invoice for payment via check or EFT based on that vendor's preference.

REQUISITIONS

A requisition is a departmental request seeking authorization to initiate a purchase. Requesting Departments create a requisition within the ERP system with assistance from the Purchasing

Agent, if necessary. Requisitions must be submitted with adequate lead time to allow the approval process to be completed by all approvers before making the purchase.

By approving the electronic requisition, the Department Director, or designated assignee, indicates agreement with the contents of the requisition, specifies that the goods and services are required for the proper operation of their department, and that sufficient funds exist in the departmental budget to pay for the procurement.

After the requisition is approved by the Department Director, or designated assignee, it is approved by the Finance Director and/or the City Manager, depending on the dollar amount of the requisition. After the required approvals have taken place, the requisition creates a purchase order in the ERP system.

ETHICS & CONFLICTS OF INTEREST

No City Commissioner, City employee, or business (in which any Commissioner, their spouse or City employee has a 50% or more proprietary interest) shall:

- Sell, buy, or lease real or personal property to or from the City.
- Sign contracts with the City to perform services.
- Buy, barter for, or in any way engage in bonds, warrants, or other transactions that involve the indebtedness of the City.

PURCHASING LIMITS

Purchasing limits are outlined on the following page.

PURCHASING LIMITS

Amount of Purchase	Approval Level	Type of Bid/Quote	Vendor Selection	Purchase Process
Up to \$7,499	Supervisor or higher	none	Department preference	Purchase card, Invoice, or Requisition
\$7,500-\$14,999	Department Director + Finance Director	Price comparison w/ 3 verbal quotes	Lowest price / best vendor	Invoice or Requisition
\$15,000-\$24,999	Department Director + Finance Director + City Manager	Price comparison w/ 3 written quotes	Lowest price / best vendor	Invoice or Requisition
\$25,000-\$49,999	Department Director + Finance Director + City Manager	Published quote process	Lowest price / best vendor that meets all specifications + City Manager approval	Published quote process
\$50,000-\$99,999	City Manager + City Commission approval	Published quote process	Lowest price / best vendor that meets all specifications + City Manager approval + Commission approval	Published quote process
\$100,000+	City Manager + City Commission approval	Sealed bid process	City Manager recommendation + Commission approval	Sealed bid process

A purchase shall not be split so as to avoid the bid process or bypass an approval authority.

EXCEPTIONS TO PURCHASING LIMITS

The following are exceptions to the established purchasing limits and the City’s competitive procurement process:

- Approved sole source procurements, cooperative purchase agreements, and design/build projects.
- Emergency purchases as defined on page 29.
- Utility service costs for City-owned or operated facilities.
- Utility relocation payments negotiated in accordance with resolutions and ordinances adopted by the City Commission.

PUBLIC IMPROVEMENTS

The purchase of goods and/or services related to public improvement projects shall be governed by K.S.A. 13-1017, as amended by City ordinances.

K.S.A. 13-1017 States:

“Before undertaking the construction or reconstruction of any sidewalk, curb, gutter, bridge, pavement, sewer or any other public improvement of any street, highway, public grounds or public building or facility, or any other kind of public improvement in any city of the first class is commenced or ordered by the governing body, or under its authority, a detailed estimate of the cost of the improvements shall be made under oath by the city engineer (or some other competent person, appointed for such purposes by the governing body). Such estimate shall be submitted to the governing body for its action thereon. In all cases where the estimated cost of the contemplated building, facility or other improvement amounts to more than ~~\$2,000*~~, \$10,000,000** sealed proposals for the improvement shall be invited by advertisement, published by the city clerk once in the official city paper.” ... ”This section shall not be construed to include any repair or maintenance work not amounting to substantial alteration, addition or change in any structure, street or facility. "Public improvement" as used herein shall not include the making of repairs or the maintenance of any building, street, sidewalk or other public facility in such cities by employees of such cities or the making of any expenditure from the city budget for such purposes.”

Given the technical nature of such improvement projects, the City of Leavenworth has determined that the Public Works Director shall be responsible for adhering to applicable Federal and State purchasing requirements and shall be responsible for conducting the appropriate formal proposal processes.

***Charter Ordinance 40** was passed May 27, 1997, exempting the City of Leavenworth from the \$2,000 limit and allows the City to make future changes by simple ordinance. **Charter Ordinance 40** was amended on May 9, 2023, with **Ordinance No. 8213**.

****By City ordinance, the \$2,000 threshold has been changed to \$10,000,000.**

PREFERENCE FOR LOCAL VENDORS DOMICILED WITHIN CITY LIMITS

In circumstances where quotes or bids are received by both local* and non-local vendors, the City of Leavenworth may give up to a 1% preference to vendors domiciled within city limits provided that the goods or services meet the required specifications.

*Maintains a permanent place of business within the Leavenworth City limits

VENDOR QUOTATIONS

Soliciting quotations from vendors requires preparation and proper data recording. All goods/services with a cost exceeding \$7,499 require quotes to be obtained prior to purchase. Verbally received quotes are allowable for requirements between \$7,500 and \$15,000. For requirements between \$15,000 - \$24,999, requesting departments must receive a written/documented quote from each vendor. For requirements between \$25,000 and \$99,999, requesting departments must solicit quotes by publishing the quote requirements in the City approved newspaper and on the City website, at a minimum. Requesting departments are encouraged to publish the quote requirements on additional relevant platforms, when available.

Verbal and Written Quotes for Less Than \$25,000:

The following steps will be followed when obtaining verbal and written quotes with requirements less than \$25,000:

- Utilize the Record of Written / Verbal Quotes (Quotation Form).
- Decide in advance what vendors represent possible suppliers (minimum of 3 when possible).
- When contacting the vendor be sure to:
 - Identify yourself by name as City representative.
 - Inform the vendor that the City is soliciting competitive verbal (\$7.5k - \$15k) or written (\$15k - \$25k) quotations.
 - Provide a delivery date for the good/service requested.
 - Provide the quantity, unit of measure, and complete description of the item(s).
 - Request firm pricing for the required item(s) and ask what credit terms will be extended to the City if an order is placed with their firm.
- Ensure that quotes represent equivalent goods or services.
- Using the Quotation Form, mark the selection of the most competitive quotation with the lowest total price that meets or exceeds the requirements of the quotation. For written quotes, attach quotations received from the vendor.

When Verbal Quotations Are Not Appropriate:

Under the following circumstances, it may be desirable to obtain written quotations from vendors despite a cost falling below the \$15,000 threshold:

- Special specifications or technical problems.
- A large number of separate items are involved in the quotation.
- Potential vendors are located outside the local trade area.
- It is not possible to secure verbal quotes.

Written Quotes for Requirements Between \$25,000 and \$99,999:

A public solicitation for written quotes or a formal sealed bid is required for all quotes with requirements greater than \$25,000. The Purchasing Policy allows for the public solicitation of quotes between \$25,000 and \$99,999 in lieu of the formal sealed bid process. The goal of this process is to encourage the competitive participation of as many potential vendors as possible while not requiring some of the more burdensome requirements of the formal sealed bid process. The Department Director or City Manager may request that a formal bid process be used for purchases below \$100,000, in which case, the formal bid process will be followed. The following steps will be followed when obtaining written quotes through a public solicitation:

Solicited quotes require public notice (legal publication), and will include a quote due date and time. The public notice shall be published in the local paper a minimum of 10 working days prior to the bid opening. Distribution of the Quote Document will not occur until after publication occurs. All publication notices shall be issued by or through the Purchasing Agent. Publication costs shall be charged to the requesting department.

Specifications:

Specifications identify the minimum acceptable requirements of any proposed procurement thereby assuring that the required quality level is procured. A specification may be a description of the physical (design specification) or functional (performance specification) characteristics of an item or a combination of physical and functional characteristics of an item.

It is the responsibility of requesting departments to provide the Purchasing Agent with open, competitive and non-restrictive specifications related directly to the aspects of proper quality levels. The specifications should provide procurements that are able to perform as necessary and are as durable as needed.

To avoid organizational conflicts of interest and to assure objective specifications, potential contractors for any given procurement should not prepare or assist in the preparation of specifications for that procurement except as a participant in a Pre-Specification Conference.

The Finance Director is ultimately responsible for ensuring that specifications are complete, competitive, and non-restrictive before a request for quote is published and distributed. Finance will not unilaterally alter departmentally supplied specifications. Specifications will only be changed with the concurrence of the requesting department.

Vendor List:

The Purchasing Agent maintains listings of potential vendors of City required goods and services. Any potential vendor may request the Purchasing Agent to place their firm on the City's vendor lists.

Initiation of Public Solicitation for Written Quotes:

Solicitations for written quotes are initiated by completing the Request for Solicited Quote / Bid, / Proposal Form (Quote, Bid, or Proposal Form). A completed Quote, Bid, or Proposal Form contains all specifications, has relevant descriptive literature attached, and has been authorized and signed by the Department Director. After the Quote, Bid, or Proposal Form has been completed, it is submitted to the Purchasing Agent.

Preparation of Quote Documents:

Upon receipt of a completed Quote, Bid, or Proposal Form the Purchasing Agent will prepare the Quote Document and specifications in cooperation with the requesting department.

Contents of Quote Document:

The quote document shall include:

- A Cover Sheet detailing quote title, quote number, and quote tally date.
- City's Standard Terms and Conditions describing the procedures and requirements for responding to the quote.
- Special Terms and Conditions governing subsequent contractual provisions between the successful vendor and the City (includes insurance and bonds), if necessary.
- Open and competitive specifications (provided by the department requesting the quote) that detail the physical and/or functional requirements of the goods or services required.
- Quote sheets to be filled in, signed and dated by responders to the quote.

Pre-Specification Conference:

If required, the Purchasing Agent reserves the right to convene pre-specification conferences to assist in the drafting of open and competitive quote specifications. Such conferences are attended by potential vendors, appropriate departmental personnel involved in the proposed procurement, and the Purchasing Agent.

Approval of the Quote Document:

Prior to the publication (legal notice) of the request for quote, the requesting Department Director shall review the vendor list and the quote document and indicate their approval by initialing both documents.

Publication Notice:

The Purchasing Agent will provide a Quote publication notice (legal notice) to the City Clerk, who will publish the Quote notice in the newspaper officially designated by the City a minimum of 10 working days prior to the Quote's due date. Quote Documents will only be distributed after the notice is published.

Additional publications may be utilized based on the need of and suitability for any particular proposed procurement. The requesting department and Purchasing Agent will work together to determine if additional publications are suitable for a particular project.

The publication notice will invite prospective respondents to submit Quotes for the proposed procurement. The notice will summarize the Quote specifications; state the due date and time for the Quote; and will instruct prospective respondents on how to obtain copies of the Quote document. The notice will contain verbiage signifying the City is an Equal Opportunity Employer. If a pre-quote conference is contemplated, the time, date and location of such conference will be included in the publication notice.

All publication notices shall be issued by or through the Purchasing Agent. All costs related to the publication shall be borne by the requesting department.

Pre-Quote Conference:

If required, the Purchasing Agent will convene a pre-quote conference for the purpose of reviewing and clarifying the published specifications and answering potential vendor's questions about the project. Such conferences are open to the public, attended by potential vendors, appropriate departmental personnel involved in the proposed procurement, and the Purchasing Agent. The Purchasing Agent will maintain a list of attendees. The date, time, and place of any such pre-quote conference will be included both in the quote document and notice of publication if such a conference is contemplated.

Addenda:

Any and all changes, modifications or clarifications to a distributed Quote Document will be issued by the Purchasing Agent in the form of a written addendum distributed to all potential vendors of record. Any addenda shall reset the 10-day submission window for potential quotes. After their issuance, addenda become a part of the Quote Document.

Cancellation of Quotes Prior to Quote Tally:

The City reserves the right to cancel distributed quotes prior to the date and time of the quote tally.

Withdrawal of Quote or Submission of a Corrected Quote:

Potential vendors may withdraw their quotes, for any reason, prior to the time and date of the quote tally. Such withdrawal shall be requested in writing by an authorized agent of the vendor. Potential vendors may submit a corrected quote any time prior to the time and date of the quote tally.

Quote Tally:

The Purchasing Agent shall tally all quotes on the day specified in the quote document. All quotes shall be date & time stamped upon receipt. Quotes received after the time and date designated in the quote document shall not be considered for award. Potential vendors will be notified if their quote was received after the deadline for submission.

Modification or Withdrawal of Quotes after the Quote Tally:

Quotes may not be modified after the quote tally. Negotiations with vendors after the quote tally are not allowed. Quotes may be withdrawn without prejudice after the quote tally upon written request of the vendor. In this case, the next lowest quote will be considered.

Rights Reserved by the City:

The City reserves the right to reject any and all quotes and any part of a quote, and to waive informalities, technical defects and minor informalities in quotes received. In the event of a tie, the city reserves the right to select the responsive vendor that provides the best value to the city.

Public Access to Quote Documents:

After quotes have been tallied, the quotes become public information and will be available for inspection by the general public in accordance with the Kansas Open Records Act. Generally, information contained in the quotes that discloses proprietary or financial information is not available to the general public.

Failure to Enter into Contract:

If the successful vendor fails to enter into a contract as provided for in the quote document, the quote will be awarded to the next lowest responsive and responsible vendor or the request for quote process will be restarted.

Equal Opportunity:

All contracts with the City shall contain an Equal Opportunity section. When the vendor signs a City contract or accepts a purchase order from the City, the vendor agrees to abide by the City's

policy which prohibits discrimination against any person on the basis of race, religion, color, sex, disability, national origin, ancestry or age and shall comport its performances with all pertinent provisions of the Kansas Acts Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Discrimination in Employment Act (K.S.A. 44-1110 *et seq.* (including the Kansas Age Discrimination in Employment Act, K.S.A. 44-1111 *et seq.*)).

Quote awards for Contracts over \$50,000:

After a complete quote evaluation, the requesting department shall furnish a written Policy Report under the signature of the appropriate Departmental Director. If the recommendation is other than the lowest responsive and responsible bidder, the Policy Report shall note the specific justification. The Policy Report shall be submitted to the City Manager for approval and then to the City Commission for consideration.

Notification of Award:

Departments will notify the Purchasing Agent of the selection of a successful vendor. Successful vendors will be notified by the Purchasing Agent of the quote award. The signed contract (if applicable) will be filed at the City Clerk’s office and an official Purchase Order will be created in the ERP system by the requesting Department. The Purchase Order serves as the official contract document between the City and the contractor. Other contractual documents may be issued to supplement the Purchase Order if deemed to be in the best interest of the City by the City's Legal Counsel.

FORMAL BIDS

Formal bids are written documents issued by the Purchasing Agent inviting potential vendors to submit written pricing for specific goods and services in conformance with specifications, terms, conditions and other requirements described in the Bid Document.

Sealed bids require public notice (legal publication), and will include a public bid opening at a designated place and time. The public notice shall be published in the local paper a minimum of 10 working days prior to the bid opening. Distribution of the bid document will not occur until after publication occurs. All publication notices shall be issued by or through the Purchasing Agent. Publication costs shall be charged to the requesting department. Sealed bids require strict adherence to the formal bidding process outlined below. Final approval authority on sealed bids remains with the City Commission.

Specifications:

Specifications identify the minimum acceptable requirements of any proposed procurement thereby assuring that the required quality level is procured. A specification may be a description of the physical (design specification) or functional (performance specification) characteristics of an item or a combination of physical and functional characteristics of an item.

It is the responsibility of requesting departments to provide the Purchasing Agent with open, competitive and non-restrictive specifications related directly to the aspects of proper quality levels. The specifications should provide procurements that are able to perform as necessary and are as durable as needed.

To avoid organizational conflicts of interest and to assure objective specifications, potential contractors for any given procurement should not prepare or assist in the preparation of specifications for that procurement except as a participant in a Pre-Specification Conference.

The Finance Director is ultimately responsible for ensuring that specifications are complete, competitive, and non-restrictive before a bidding document is published and distributed. Finance will not unilaterally alter departmentally supplied specifications. Specifications will only be changed with the concurrence of the requesting department.

Bidders List:

The Purchasing Agent maintains listings of potential contractors of City required goods and services. Any potential vendor may request the Purchasing Agent to place their firm on the City's bidder's lists.

Initiation of Formal Bid Process:

Formal bids are initiated by completing the Request for Solicited Quote, Bid, or Proposal Form (Quote, Bid, or Proposal Form). A completed Quote, Bid, or Proposal Form contains all specifications, has relevant descriptive literature attached, and has been authorized and signed by the City Manager or designee. After the Quote, Bid, or Proposal Form has been completed, it is submitted to the Purchasing Agent.

Preparation of Formal Bids:

Upon receipt of a completed Quote, Bid, or Proposal Form the Purchasing Agent will prepare the Bid Document and specifications in cooperation with the requesting department.

Contents of Formal Bidding Document:

The bidding document shall include:

- A Cover Sheet detailing bid title, bid number, bid opening date and time, and location of the bid opening.
- City's Standard Terms and Conditions describing the procedures and requirements for responding to the bid.
- Special Terms and Conditions governing subsequent contractual provisions between the successful bidder and the City (includes insurance and bonds), if necessary.

- Open and competitive specifications (provided by the department requesting the bid) that detail the physical and/or functional requirements of the goods or services required.
- Bid sheets to be filled in, signed and dated by bidders.

Pre-Specification Conference:

If required, the Purchasing Agent reserves the right to convene pre-specification conferences to assist in the drafting of open and competitive bidding specifications. Such conferences are attended by potential bidders, appropriate departmental personnel involved in the proposed procurement, and the Purchasing Agent.

Approval of the Bidding Document:

Prior to the publication (legal notice) of the bid, the requesting Department Director shall review the bidder's list and the Bid Document and indicate their approval by initialing both documents.

Publication Notice:

The Purchasing Agent will provide a Bid publication notice (legal notice) to the City Clerk a minimum of ten (10) working days prior to the Bid's submission due date (or as otherwise required by Kansas statute). The City Clerk will publish the Bid notice in the newspaper officially designated by the City a minimum of 10 working days prior to the Bid's submission due date. Bid documents will only be distributed after the notice is published.

Additional publications may be utilized based on the need of and suitability for any particular proposed procurement. The requesting department and Purchasing Agent will work together to determine if additional publications are suitable for a particular project.

The publication notice will invite prospective respondents to submit sealed Bids for the proposed procurement. The notice will list the Bid number; Bid title; the date, time and place of the Bid submission; and will instruct prospective respondents on how to obtain copies of the Bid document. The notice will contain verbiage signifying the City is an Equal Opportunity Employer. If a pre-bid conference is contemplated, the time, date and location of such conference will be included in the publication notice. If such pre-bid conference is required, the publication notice will state that attendance at the pre-bid conference is mandatory.

All publication notices shall be issued by or through the Purchasing Agent. All costs related to the publication shall be borne by the requesting department.

Pre-Bid Conference:

If required, the Purchasing Agent will convene a pre-bid conference for the purpose of reviewing and clarifying the published specifications and answering potential bidder's questions about the

bid project. Such conferences are open to the public, attended by potential bidders, appropriate departmental personnel involved in the proposed procurement, and the Purchasing Agent. The Purchasing Agent will maintain a list of attendees. The date, time, and place of any such pre-bid conference will be included both in the bid document and notice of publication if such a conference is contemplated.

Addenda:

Any and all changes, modifications or clarifications to a distributed Bid Document will be issued by the Purchasing Agent in the form of a written addendum distributed to all potential bidders of record. Any addenda shall reset the 10-day submission window for potential bidders. After their issuance, addenda become a part of the Bid Document.

Cancellation of Bids Prior to Bid Opening:

The City reserves the right to cancel distributed bids prior to the date and time of the bid opening.

Withdrawal of Bid or Submission of a Corrected Bid:

Bidders may withdraw their bids, for any reason, prior to the time and date of the bid opening. Such withdrawal shall be requested in writing by an authorized agent of the bidder. Bidders may submit a corrected bid any time prior to the time and date of the bid opening.

Public Bid Opening:

A minimum of two City representatives shall be present at bid openings to open and record the bids. Upon opening of each bid, the Purchasing Agent will first review the submission to confirm that each respondent has provided all required documentation. All bids received in accordance with instructions specified in the bidding document will then be publicly opened and read aloud.

All bids shall be date & time stamped upon receipt. Bids received after the time and date designated in the bidding document shall not be opened or considered for award. Such bids will be returned unopened to the bidder.

Modification or Withdrawal of Bids after the Bid Opening:

Bids may not be modified after the public bid opening. Negotiations with bidders after the receipt and opening of bids are not allowed.

Bids may be withdrawn without prejudice after the public bid opening upon written request of the bidder only if it can be proven to the satisfaction of the Finance Director that an error of sufficient magnitude occurred in the preparation of the bid that so damaged the bid that the City's

acceptance of the bid would be unconscionable. Minor clerical or mechanical errors in a bid shall not confer to any bidder the right of bid withdrawal.

Bids withdrawn in opposition of this procedure may subject the bidder to forfeiture of any required bid security and debarment or suspension.

Selection and Award

Bids will be awarded to the lowest qualified bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the bid request. If a bid request contains a base bid plus alternates, the bid will be awarded based on the combination of the base bid plus the selected alternates that provide the most benefit to the City within the resources available for the project.

The City reserves the right to reject any and all bids and any part of a bid, to waive informalities, technical defects and minor informalities in bids received. In the event of a tie, the city reserves the right to select the responsive bidder that provides the best value to the city.

Equal Opportunity:

All contracts with the City shall contain an Equal Opportunity section. When the vendor signs a City contract or accepts a purchase order from the City, the vendor agrees to abide by the City's policy which prohibits discrimination against any person on the basis of race, religion, color, sex, disability, national origin, ancestry or age and shall comport its performances with all pertinent provisions of the Kansas Acts Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Discrimination in Employment Act (K.S.A. 44-1110 *et seq.* (including the Kansas Age Discrimination in Employment Act, K.S.A. 44-1111 *et seq.*)).

Public Access to Bid Documents:

After bids have been publicly opened, the bids become public information and will be available for inspection by the general public in accordance with the Kansas Open Records Act. Generally, information contained in the bid that discloses proprietary or financial information is not available to the general public.

Bid Award for Contracts over \$50,000:

After a complete bid evaluation, the requesting department shall furnish a written Policy Report under the signature of the appropriate Departmental Director. If the recommendation is other than the lowest responsive and responsible bidder - the Policy Report shall note the specific justification.

The Policy Report shall be submitted to the City Manager for approval and then to the City Commission for consideration.

Failure to Enter into Contract:

If the successful bidder(s) fails to enter into a contract as provided for in the bid document, the bid will be awarded to the next lowest responsive and responsible bidder(s) or the proposed procurement will be rebid.

A successful bidder that fails to enter into a contract as provided for in the bid document is subject to debarment or suspension, and forfeiture of any applicable bid bond.

Notification of Award:

Departments will notify the Purchasing Agent of the selection of a successful bidder. Successful bidders will be notified by the Purchasing Agent of the bid award. The signed contract will be filed at the City Clerk's office and an official Purchase Order will be created in the ERP system by the requesting Department. The Purchase Order serves as the official contract document between the City and the contractor. Other contractual documents may be issued to supplement the Purchase Order if deemed to be in the best interest of the City by the City's Legal Counsel.

Challenges:

A challenge is defined as a written objection by a participating bidder regarding a bid, proposal, or quote specifications. If a vendor wishes to challenge an aspect of the proposal, they will contact the Purchasing Agent and submit their challenge in writing. The Department Director shall investigate the written challenge and any evidence or documentation submitted with the challenge. The Department Director will issue a written decision regarding the challenge. The decision rendered by the City is final.

Written challenges of the bid specifications must be filed with the City Clerk, at least five (5) business days prior to the bid opening due date and time listed on the bid documents. Any challenge received after the five (5) days deadline shall not be considered.

Protests:

A valid protest can only be filed by a bidder that can show it would be awarded the contract if the protest is successful. Suppliers or subcontractors to a bidder or proposer cannot file a valid protest. The written protest must be filed with the City Clerk prior to 5:00 p.m. on the fifth (5th) business day following the Commission's approval of the bid. Written protests received after the five (5) business days shall be invalid and not considered.

The protest shall include the name and contact information of the bidder, identification of the bid and project title, a detailed statement of the reason for the protest, and supporting evidence or documentation to substantiate the protest. Following the review of the written protest and any information available from City sources, the City Manager shall be render a decision within ten

(10) business days after receipt of the protest. The decision will include the reasons for the decision, and be provided to the bidder in writing. The decision rendered by the City Manager is final.

REQUEST FOR PROPOSALS (RFPs)

Requests for Proposals (RFPs) are written documents issued by the Purchasing Agent inviting potential contractors to submit sealed proposals for specific professional services in conformance with scope of services, terms, conditions and other requirements described in the proposal document.

RFPs are utilized for procurements of professional services whose estimated aggregate cost is \$50,000 or greater.

Scope of Services:

A Scope of Services is the section of an RFP in which the specific needs of the requesting department are outlined along with how those needs can be met.

The Scope of Services must detail, with reasonable minuteness, the:

- Specific individual and collective work tasks to be performed,
- Specific work products to be furnished, and
- Required timeframes for performance for the completion of the proposed project.

The Scope of Services must be as clear and detailed as possible to assure a consistency of response to the RFP from potential contractors.

Requesting departments are responsible for supplying a complete and detailed Scope of Services section along with the Request for Solicited Quote, Bid, or Proposal Form (Quote, Bid, or Proposal Form) to the Purchasing Agent to initiate the RFP process.

Selection Committee:

The City's RFP process requires the formation of a selection committee to evaluate all respondents' initial proposal submittals and to assist in contract negotiations with the successful respondent. The selection committee will be comprised of at least three City employees familiar with the services being proposed, with a minimum of two employees from the requesting department. Additional individuals, which may include City Commissioners and citizens, may also serve on a selection committee.

Contents of Formal Proposal Document:

The RFP document will include the following sections (sections marked with an asterisk* are provided by the requesting department) and information:

- A Cover Sheet detailing the RFP title, RFP number, proposal submittal deadline date and time, and location of the proposal submittal.
- A General Conditions section describing the procedures and requirements for responding to the RFP.
- A Special Conditions* section, when necessary, governing subsequent contractual provisions between the successful respondent and the City (including insurance and bonds).
- An Introductory Section* providing an overview of the proposed project including a narrative of the historical and present circumstances and future considerations bearing on the services required, the problem to be solved, and a general description of the actual services required.
- A Scope of Services* section providing the detailed tasks, work products, and time lines required for the project.
- A City Will Provide* section that contains a listing of assistance, materials, supplies, drawings, etc. the City will supply, at no charge to the successful respondent, to be utilized in the completion of the City's project.
- An Instruction for Responding to the RFP section in which potential respondents are instructed to utilize the City supplied Proposal Forms and how many copies of their proposal must be submitted in response to the RFP.
- The Proposal Instructions* section, which list the items the respondent must include in the proposal in order for it to be complete. Those items include:
 - The respondent's Firm Profile that contains specific, defined information on the firm or joint-venture submitting the proposal.
 - A List of Outside Key Consultants and/or Associates that the respondent will use to complete the City's project. The list will include specific, defined information on any consultants and/or associates that will be used by the responding firm that are not employees of or joint ventures with that firm.
 - Resumes of all individuals that will be assigned responsibilities for completing the City's project. The resumes will include specific and defined professional information for each individual and the sections of the project to which they will be assigned.
 - Representative Illustrative Work that best establishes the firm's collective and/or individual qualifications for completing the project. The only Illustrative Work that will be included in the Proposal is work that was performed by the individuals that will be assigned to the project.
 - Additional Information that allows the submitting firm or joint venture to list additional information or describe resources that support their qualifications.
 - Other forms or attachments such as drawings, maps, etc., if applicable.

Approval of the Proposed Document:

After the Purchasing Agent has compiled all information provided by the requesting department and completed the RFP and before the RFP is published or distributed, the requesting department will review and approve the bidder's list and proposal document.

Publication Notice:

The Purchasing Agent will provide an RFP publication notice (legal notice) to the City Clerk a minimum of ten (10) working days prior to the RFP's submission due date (or as otherwise required by Kansas statute). The City Clerk will publish the RFP in the newspaper officially designated by the City a minimum of 10 working days prior to the RFP's submission due date. Proposal documents will only be distributed after the notice is published.

Additional publications may be utilized based on the need of and suitability for any particular proposed procurement. The requesting department and Purchasing Agent will work together to determine if additional publications are suitable for a particular project.

The publication notice will invite prospective respondents to submit sealed proposals for the proposed procurement. The notice will list the RFP number, RFP title, date, time and place of the RFP submission, and will instruct prospective respondents how to obtain copies of the proposal document. The notice will contain verbiage signifying the City is an Equal Opportunity Employer. If a pre-proposal conference is contemplated, the time, date and location of such conference will be included in the publication notice. If such pre-proposal conference is required, the publication notice will state that attendance at the pre-proposal conference is mandatory.

All publication notices shall be issued by or through the Purchasing Agent. All costs related to the publication shall be borne by the requesting department.

Pre-Proposal Conference:

If required, the Purchasing Agent reserves the right to convene a pre-proposal conference for the purpose of reviewing and clarifying the published proposal document and answering potential respondent's questions about the proposed project. Such conferences are attended by potential respondents, appropriate departmental personnel involved in the proposed procurement, and the Purchasing Agent.

All pre-proposal conferences will be open to the public, and all potential respondents will be encouraged to attend. The Purchasing Agent also reserves the right to require mandatory attendance of potential respondents at the pre-proposal conference. The date, time and place of any such pre-proposal conference will be included both in the proposal document and in the notice of publication.

Addenda:

Any and all changes, modifications or clarifications to the distributed proposal document will be issued by the Purchasing Agent in the form of a written addendum distributed to all potential respondents of record.

Without providing an extension of the proposal submission date, addenda shall not be issued within timeframes so close to the proposal submission date as to present potential respondents with insufficient time to properly complete and submit their proposal. After their issuance, addenda become a part of the proposal document.

Cancellation of RFP Prior to RFP Submission:

The City reserves the right to cancel a distributed RFP prior to the date and time of the proposal opening.

Withdrawal of Proposal or Submission of a Corrected Proposal:

Respondents may withdraw their proposals, for any reason, prior to the time and date of the RFP submission. Such withdrawal shall be requested in writing by an authorized agent of the respondent.

Respondents may submit a corrected proposal any time prior to the time and date of the RFP submission.

RFP Opening:

A minimum of two City representatives shall be present at the RFP openings to open and record the RFPs. All proposals received in accordance with instructions specified in the City's RFP document will be publicly opened and accepted for consideration immediately following the deadline designated in the proposal document.

Proposals received after the time and date designated in the proposal document shall not be opened or considered for award. Such proposals will be returned unopened to the respondent if a return address is furnished on the RFP envelope.

Modification or Withdrawal of Proposals After the Proposal Opening:

Proposals may not be modified after the public RFP opening. They may be withdrawn without prejudice after the public opening upon written request of the respondent only if it can be proven to the satisfaction of the Finance Director that an error of sufficient magnitude occurred in the preparation of the RFP that so damaged the proposal that the City's acceptance of the proposal would be unconscionable. Minor clerical or mechanical errors shall be considered insufficient for a respondent to withdraw their proposals.

Proposals withdrawn in opposition of the established RFP procedure subject the respondent to debarment or suspension as outlined in this policy.

Rights Reserved by the City:

The City reserves the right to reject any and all proposals, reject any part of a proposal, and waive informalities, technical defects, or minor informalities in proposals received.

In the event of a tie, the city reserves the right to select the responsive bidder that provides the best value of the city.

Public Access to Proposal Documents:

After proposals have been publicly opened, they become public information and will be available for inspection by the general public in accordance with the Kansas Open Records Act. Generally, information contained in the proposal that discloses proprietary or financial information is not available to the general public.

RFP Award:

After a complete proposal evaluation, the selection committee will negotiate the cost proposal with the highest ranking firm. If the selection committee cannot negotiate mutually agreeable terms with the successful firm, the selection committee will then enter into negotiations with the next highest ranked firm, and so on until mutually agreeable terms can be reached.

For proposals that equal or exceed \$50,000, the requesting department shall furnish a written Policy Report under signature of the appropriate Departmental Director and the City Manager recommending the proposal for award. The Policy Report shall be presented to the City Commission for consideration and approval.

Notification of Award:

Successful respondents will be notified of the award by the Purchasing Agent via official City Purchase Order. The purchase order serves as the official contract document between the City and the contractor.

COOPERATIVE PURCHASING

K.S.A. 12-2901 authorizes local governments to participate in purchasing cooperatives.

Cooperative purchasing is a process by which two or more jurisdictions cooperate to purchase items from the same vendor. It has the benefit of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information, and taking advantage of expertise and information that may be available in only one of the jurisdictions.

The Purchasing Agent, under the direction of the Finance Director, is authorized to facilitate the participation in cooperative agreements on behalf of the City in order to combine requirements, increase efficiency, or reduce administrative expenses. Participation in cooperative purchasing as described in this section is exempted from the competitive bidding and advertising requirements.

In order to initiate the Cooperative Purchasing process, Department Directors will complete a Cooperative Purchasing Request Form. The form will contain the following information:

- The department making the request,
- The items or project being requested,
- A detailed explanation of why Cooperative Purchasing for this item serves the best interest of the City, and
- Identification of the recommended Cooperative Purchasing service.

The Cooperative Purchasing Request Form will be approved by the City Manager and then submitted to the Purchasing Agent.

Cooperative Purchasing Request over \$50,000:

For Cooperative Purchase Requests greater than \$50,000, the requesting department shall furnish a written Policy Report under the signature of the appropriate Departmental Director. The Policy Report will provide a detailed explanation of why Cooperative Purchasing for this item serves the best interest of the City.

The Policy Report shall be submitted to the City Manager for approval and then to the City Commission for consideration.

Cooperative Purchasing Requests will only be granted when it can be demonstrated that cooperative purchasing is in the best interest of the City.

SOLE SOURCE PURCHASES

There are limited occasions when it is in the best interest of the City to Sole Source a purchase or contract. Sole Sourcing a purchase or contract is permitted when:

- The Vendor is the original equipment provider and required parts or equipment are unavailable from another vendor.
- City-owned equipment, parts, materials, or expertise is compatible with a specific vendor, and non-conformance with such compatibility would cause additional expenditures.
- No other equipment is available that meets the specialized needs of the department or performs the intended function.

In order to initiate the Sole Sourcing process, Department Directors will complete a Sole Source Request Form. The form will contain the following information:

- The department making the request
- The items or project being requested
- A detailed explanation of why Sole Sourcing this item serves the best interest of the City
- Identification of the vendor which the department intends to use for the purchase.

Sole Source Requests of an aggregate amount less than \$50,000 will be approved by the City Manager.

Sole Source Request over \$50,000:

For Sole Source Requests greater than \$50,000, the requesting department shall furnish a written Policy Report under the signature of the appropriate Departmental Director. The Policy Report will provide a detailed explanation of why sole sourcing for this item serves the best interest of the City.

The Policy Report shall be submitted to the City Manager for approval and then to the City Commission for consideration.

After the Sole Source Request has been approved, the Sole Source Request Form will be submitted to the Purchasing Agent. The Finance Director reserves the right to require references from the approved vendor

Sole Source Requests will only be granted when it can be demonstrated that Sole Sourcing is in the best interest of the City.

DESIGN/BUILD CONTRACTS

There are limited occasions when it is in the best interest of the City to work with a contractor on a Design/Build contract. Design/Build contracts are permitted when the requesting department has reviewed all other purchasing options and it is determined that a Design/Build contract is in the best interest of the City. All Design/Build contracts must be approved by the City Manager.

Design/Build contracts over \$50,000:

For Design/Build contracts greater than \$50,000, the requesting department shall furnish a written Policy Report under the signature of the appropriate Departmental Director. The Policy Report will provide a detailed explanation of why a Design/Build contract for this project serves the best interest of the City.

The Policy Report shall be submitted to the City Manager for approval and then to the City Commission for consideration.

After the Design/Build contract has been approved, the contract will be submitted to the Purchasing Agent.

Design/Build requests will only be granted when it can be demonstrated that a Design/Build Contract is in the best interest of the City.

LEASE AGREEMENTS AND LEASE PURCHASE AGREEMENTS

Lease agreements and lease purchase agreements must contain a non-appropriation clause pursuant to Kansas cash-basis law in accordance with K.S.A. 10-1116b and K.S.A. 10-1116c. All litigation and arbitration venues must be in Leavenworth County, Kansas. Lease agreements shall not be in conflict with Kansas Statutes and City Policies. All lease agreements shall be reviewed by the Department Director, Purchasing Agent, and City Attorney for approval. A copy of any approved lease agreement will be provided to the Purchasing Agent.

The City Commission appropriates annual lease payments and/or lease purchase payments unless it chooses not to appropriate under Kansas cash basis law. If lease payments and/or lease purchase payments are not appropriated, ownership of the property remains with the leasing party. At the conclusion of the lease term, the City either receives unencumbered ownership of the asset or receives an option to purchase the asset at a predetermined price.

CHANGE ORDERS

Changes during the performance of a contract are usually accomplished by issuance of a Change Order, modification, stop-work or termination notice, or by renewal/extension of a contract. Change Orders should be reviewed carefully to determine the legitimacy of the requested change. Vendors shall not intentionally lower the pricing of a bid or proposal with the intent to increase it at a later date through Change Orders.

A project Change Order is a written order negotiated by the City with a contractor covering changes in the plans, quantities, time, or work items, within or beyond the scope of the original contract and/or bid documents and establishing the basis of payment and time adjustments for the work affected by the change.

The City utilizes a Purchase Order form authorizing a vendor to deliver goods and services as specified and within the terms and conditions contained thereon. The Change Order Form is used to amend a Purchase Order. Upon completion, the Purchasing Agent enters the approved changes into the ERP system.

The following approval limits apply to Change Orders:

- Change Orders on contracts may be approved by the City Manager for amounts less than \$50,000 as long as the amount of change doesn't exceed 20% of the original contract.
- Change Orders that seek to revise the amount of the contract more than \$50,000 or an amount that exceeds 20% of the original contract shall be approved by the City Commission.

EMERGENCY PURCHASES

An emergency situation is defined as a circumstance in which:

- The functioning of the City government is at risk.
- The health or safety of any person is at risk.
- The preservation or protection of property, machinery, or equipment is at risk

An emergency purchase may be made outside of the standard competitive procurement process. However, emergencies must be bona fide as defined above and cannot be used to simply circumvent the competitive process.

The City Commission or City Manager can declare an emergency during the hours of the City's normal work week. Department Directors can declare an emergency outside the hours of the City's normal work week as long as the situation meets the criteria outlined above. Emergencies which require a Purchase Order outside the hours of the City's normal work week may be made by authorized departmental personnel and followed-up immediately by the submission of a confirming requisition.

- The City Manager or Assistant City Manager shall approve emergency purchase requests of an aggregate cost of between \$5,000 and \$50,000.
- The City Commission shall approve emergency purchase requests of an aggregate cost of more than \$50,000.

DEBARMENT OR SUSPENSION

After consultation with the City's Legal Counsel, the City Manager is authorized to suspend a firm or person from consideration for award of contracts if there is probable cause to believe that the firm or person has engaged in any activity, which might lead to debarment. The suspension shall be for a period not to exceed twelve (12) months.

After reasonable notice to the firm or person involved and after reasonable opportunity for that firm or person to be heard, the City Manager, after consultation with the City's Legal Counsel, is authorized to debar a firm or person for cause from consideration for award of contracts. The debarment shall be for a period not to exceed three (3) years.

The causes for debarment include:

- Conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
- Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a City vendor.
- Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
- Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Director to be so serious as to justify debarment action:
 - Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - Failure to perform or unsatisfactory performance with the terms of one (1) or more contracts, (excluding acts beyond the control of the contractor shall not be considered to be a basis for debarment).
- Any other serious or compelling cause, decided by the City Manager, which deem the necessary forfeiture of the rights to be a City vendor.

When the decision has been reached to debar or suspend, the City Manager shall issue a written decision concerning the matter. The written decision shall state the reasons for the action taken and inform the vendor involved of their rights concerning judicial or administrative review. The written decision shall be provided to the vendor immediately.

INSURANCE

Certificates of insurance shall be provided by the successful bidder or proposer to assure that the City's insurance program will not be called upon to respond to losses from claims resulting from the contractor's operations, products, activities, or services for the City.

Construction and service contractors will provide evidence of commercial general liability, workers' compensation, and automobile liability coverage. Professional services and environmental contractors will provide evidence of professional liability, commercial general liability, workers' compensation, and automobile liability coverage.

The certificate of insurance will be issued to:

The City of Leavenworth
c/o City Clerk
City Hall
100 North 5th Street
Leavenworth, Kansas 66048

The certificate will evidence a thirty (30) day cancellation clause and the inclusion of the City Commissioners, City of Leavenworth, its officers, commissions, agents, employees, and volunteers as additional insured.

Depending upon the services requested in the procurement, additional or specialty coverage or specific limits of coverage may be required. The amounts and types of insurance required will be detailed in the bidding or proposal document.

BONDS

There are four (4) major types of bonds used by the City in the competitive procurement process.

- Original Bid Bonds (duplicates are not accepted) are used when bid security is required to ensure that a firm or individual awarded a contract will subsequently enter into contract with the City.
- Performance Bonds are used when a guarantee is required to ensure that a firm or individual that has entered into contract with the City will complete the project within the terms of the agreement.
- Labor and Material Payment Bonds (Statutory Bonds) are used for all contracts exceeding \$100,000 entered into by the City for the purpose of making public improvements, constructing any public building or making repairs on same. The bonds are required by K.S.A. 60-1111 and insure the payment of all indebtedness incurred for labor furnished, materials, equipment, or supplies used or consumed in connection with, or in or about, the construction, improvements or repairs. These bonds are issued in favor of the State of Kansas and are filed with the Clerk of the District Court.
- Maintenance Bonds – a two-year warranty protecting the City on completed construction projects; a requirement for all construction awards.

Checks or other security deposits shall not be accepted in lieu of the above bonds unless specifically approved by the City Clerk prior to the publication and distribution of the bidding documents.

Bid Bonds, when required, are generally written in an amount equal to five percent (5%) of the total amount bid. Performance and Labor and Material Payment Bonds are normally written in

an amount equal to one hundred percent (100%) of the awarded contract. Maintenance Bonds are written to protect against the cost of any potential repairs required within the first two years following completion.

Construction projects estimated to cost \$100,000 or more require all bonds listed above. Bid security for other purchases may be required by applicable statute or at the discretion of the City Clerk.

ANNUAL PURCHASE ORDERS

An Annual Purchase Order is a purchase order that is issued for specified goods with a limit on the period of time the order is valid and the maximum amount of money which may be expended during the period of the order. Annual purchase orders facilitate departmental order placement and reduce the administrative overhead inherent in repetitive price comparison and order placement.

Annual purchase orders should be used when departments purchase repetitive, specified goods, or categories of goods, from the same vendor that require numerous orders and/or shipments over specified periods. Annual purchase orders may not be issued for periods extending past the fiscal year in which they are issued.

Annual purchase orders are issued by the Purchasing Agent - subject to proper authorizations upon request of user departments. Once issued, the department may place orders against the purchase order until either the dollar limit is reached or the time has expired. An increase in expenditure authority of the purchase order may be requested by furnishing a change order request to the Purchasing Agent.

The following information is required to initiate Annual purchase orders:

- A completed and properly authorized requisition.
- A description of the goods required, or a description of the categories of goods required.
- The maximum dollar amount authorized.
- The maximum quantities authorized (if applicable).

FREIGHT

F.O.B. is a transportation term meaning "free on board." Legally, the term is used to determine where the title to a shipment passes from the contractor to the buyer (City) and whether the contractor or the buyer pays the freight charges to the common carrier. All shipments to the City shall be accomplished F.O.B. Destination.

F.O.B. Destination implies that the City takes legal possession (title) to the shipment only when the shipment is delivered to the City's receiving location and that the vendor pays the shipping

charges to the common carrier. F.O.B. Destination also implies that the vendor files and pursues all freight claims for missing or damaged shipments.

The City shall not contract for shipments on an F.O.B. Origin basis. F.O.B. Origin implies that the City takes legal possession (title) to the shipment when the vendor delivers the shipment to the common carrier and that the City pays all freight charges. F.O.B. Origin also implies that the City files and pursues all freight claims for missing or damaged shipments.

RECEIPT OF GOODS & SERVICES

As shipments arrive at the City's receiving locations, they should be properly received and inspected without delay. A thorough and prompt inspection of received goods is necessary to preserve the City's legal rights if goods arrive in damaged condition. All shortages, overages, evidence of damage, or other inconsistencies between the order and the shipment must be clearly noted and outlined by the City's receiving personnel on the carrier's bill of lading or other delivery document.

If time does not permit a thorough and timely receiving process, the carrier's bill of lading or other delivery document must be marked "Received subject to the City's inspection, count and testing." It is good practice to note such verbiage on all received shipments whether or not a complete inspection was accomplished.

APPENDICES

Appendix A-1: Record of Written / Verbal Quotes (Quotation Form)

RECORD OF WRITTEN / VERBAL QUOTES						
<p>Instructions: This form to be filled out by requesting departments. <u>FOR GOODS & SERVICES ESTIMATED TO BE OVER \$15K, YOU MUST RECEIVE A WRITTEN QUOTE FROM VENDORS.</u> Identify yourself and inform the vendor that you are soliciting for quotes from vendors for a specific goods/service Provide the vendor the quantity, unit of measure, description of the item(s) for requested pricing Request firm pricing for the item(s) Ensure that quotes are on equivalent goods/services DO NOT disclose quoted prices among vendors; record the first price quoted Always maintain professional conduct while soliciting for quotes as a representative of the City</p>						
SECTION I						
1. DEPARTMENT			2. NAME OF PERSON SOLICITING QUOTES			
3a. REQUEST FOR:	GOODS <input type="checkbox"/>	SERVICE <input type="checkbox"/>	3b. QUOTE TYPE	VERBAL Under \$15k <input type="checkbox"/>	WRITTEN Under \$25k <input type="checkbox"/>	PUBLISHED QUOTE Over \$25k <input type="checkbox"/>
4. GENERAL DESCRIPTION OF GOODS OR SERVICE REQUIRED						
5. UNIT OF MEASURE / QUANTITY						
6. ADDITIONAL DETAILS & SPECIFICATIONS						
SECTION II						
7. VENDOR QUOTES						
a. VENDOR #1 NAME					QUOTED PRICE	
ADDRESS / PHONE NUMBER / CONTACT INFO						
ADDITIONAL DETAILS						
b. VENDOR #2 NAME					QUOTED PRICE	
ADDRESS / PHONE NUMBER / CONTACT INFO						
ADDITIONAL DETAILS						
c. VENDOR #3 NAME					QUOTED PRICE	
ADDRESS / PHONE NUMBER / CONTACT INFO						
ADDITIONAL DETAILS						

RECORD OF WRITTEN / VERBAL QUOTES, Page 2

d. VENDOR #4 NAME		QUOTED PRICE
ADDRESS / PHONE NUMBER / CONTACT INFO		
ADDITIONAL DETAILS		
e. VENDOR #5 NAME		QUOTED PRICE
ADDRESS / PHONE NUMBER / CONTACT INFO		
ADDITIONAL DETAILS		
f. VENDOR #6 NAME		QUOTED PRICE
ADDRESS / PHONE NUMBER / CONTACT INFO		
ADDITIONAL DETAILS		
SECTION III		
8a. DOCUMENTED BY (print name)		Title
Signature		Date
8b. REVIEWED BY (print name)		Title
Signature		Date
8c. APPROVED BY (print name)		Title
Signature		Date

Appendix A-2: Request for Solicited Quote / Bid / Proposal

REQUEST FOR SOLICITED QUOTE / BID / PROPOSAL							
<p>Instructions: This form to be filled out by requesting departments. Fill out this form as completely as possible. Requirements estimated to be under \$100,000 will be Solicitations for Quotes and NOT subject to a "Sealed Bid" process. Requests for Formal Bids are solicitations for goods or services which will require a sealed bid process as outlined in the Purchasing Policy. Requests for Proposals are solicitations from vendors to provide expert services. Identify the characteristics (physical / functional) of the good or service needed. Avoid characteristics that become too restrictive and would exclude fair competition. Attach additional pages and/or documents, as needed. Requesting department director will review and approve this form. The Request will be reviewed and endorsed by the Finance Director before final approval with the City Manager.</p>							
SECTION I							
1. DEPARTMENT				2. PERSON SUBMITTING REQUEST			
3a. REQUEST FOR:	GOODS (BID)	<input type="checkbox"/>	SERVICE (PROPOSAL)	<input type="checkbox"/>	3b. ESTIMATED TOTAL COST:		
4. REQUEST TYPE:	SOLICITATION FOR QUOTES (for requirements less than \$100k)		<input type="checkbox"/>	FORMAL / SEALED BID (for requirements over \$100k)	<input type="checkbox"/>	REQUEST FOR PROPOSAL	<input type="checkbox"/>
5. FUNDING SOURCE AND AMOUNT OF BUDGET AVAILABLE							
6. GENERAL DESCRIPTION OF GOODS/SERVICES REQUESTED							
7. ADDITIONAL DETAILS							
ITEM NAME AND DESCRIPTION			UNIT OF MEASURE		QUANTITY		
SECTION II							
8a. REQUESTED BY (print name)					Title		
Signature					Date		
8b. APPROVED BY (print name)					Finance Director		
Signature					Date		
8c. APPROVED BY (print name)					City Manager		
Signature					Date		

Appendix A-3: Cooperative Purchasing Request

COOPERATIVE PURCHASING REQUEST			
Instructions:			
Cooperative Purchasing provides an opportunity for two or more entities to combine together for the purchase goods and services from a single vendor contract. Cooperative Purchasing is exempted from the competitive bidding requirements. Section II must include the reason Cooperating Purchasing is in the best interest of the City for request.			
All Requests must be reviewed and endorsed by Dept Directors, reviewed by the Finance Dept, and receive approval by the City Manager			
SECTION I			
1. REQUESTING DEPARTMENT	2. PERSON SUBMITTING REQUEST		
3. VENDOR	4. REQUEST FOR:	GOODS <input type="checkbox"/>	SERVICE <input type="checkbox"/>
5. DESCRIPTION OF REQUIREMENT			
SECTION II			
6. EXPLANATION AND JUSTIFICATION FOR COOPERATIVE PURCHASING REQUEST.			
SECTION III			
7a. REQUESTED BY (print name)		Title	
Signature		Date	
7b. APPROVED BY (print name)		Title	
Signature		Date	
7c. APPROVED BY (print name)		City Manager	
Signature		Date	

Appendix A-4: Sole Source Request

SOLE SOURCE REQUEST			
<p>Instructions:</p> <p>Sole Source Requests are used to justify the selection of a single vendor and bypass the solicitation of competitive quotes. Section II must include the reason Sole Sourcing is in the best interest of the City for this purchase.</p> <p>All Requests must be reviewed and endorsed by Dept Directors, reviewed by the Finance Dept, and receive approval by the City Manager</p>			
SECTION I			
1. REQUESTING DEPARTMENT	2. PERSON SUBMITTING REQUEST		
3. VENDOR	4. REQUEST FOR:	GOODS	SERVICE
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. DESCRIPTION OF REQUIREMENT			
SECTION II			
6. EXPLANATION AND JUSTIFICATION FOR SOLE SOURCING REQUEST.			
SECTION III			
7a. REQUESTED BY (print name)		Title	
Signature		Date	
7b. APPROVED BY (print name)		Title	
Signature		Date	
7c. APPROVED BY (print name)		City Manager	
Signature		Date	

Appendix A-5: Change Order Request

CHANGE ORDER REQUEST		
Instructions: Change Orders on Purchase Orders may be approved by the City Manager for amounts up to \$50,000 not to exceed a 20% overall change Change Orders exceeding \$50,000 or 20% of total cost require City Commission approval Requesting Departments will complete this form by listing the specific changes requested and noting the overall price changes Change Orders require approval from Requesting Department Director, Finance Director, and the City Manager		
SECTION I		
1. PROJECT NAME	2. PURCHASE ORDER NUMBER	
3. VENDOR:	4. DATE OF REQUEST	
5. DESCRIPTION OF REQUESTED CHANGES		
SECTION II		
6a. ITEM NAME AND DESCRIPTION OF CHANGE	6b. ORIGINAL AMOUNT	6c. NEW AMOUNT
	7a. ORIGINAL TOTAL	7b. NEW TOTAL
SECTION III		
8a. REQUESTED BY (print name)		Title
Signature		Date
8b. APPROVED BY (print name)		Title
Signature		Date
8c. APPROVED BY (print name)		Title
Signature		Date

Appendix A-6: Purchasing Limits

Amount of Purchase	Approval Level	Type of Bid/Quote	Vendor Selection	Purchase Process
Up to \$7,499	Supervisor or higher	none	Department preference	Purchase card, Invoice, or Requisition
\$7,500-\$14,999	Department Director + Finance Director	Price comparison w/ 3 verbal quotes	Lowest price / best vendor	Invoice or Requisition
\$15,000-\$24,999	Department Director + Finance Director + City Manager	Price comparison w/ 3 written quotes	Lowest price / best vendor	Invoice or Requisition
\$25,000-\$49,999	Department Director + Finance Director + City Manager	Published quote process	Lowest price / best vendor that meets all specifications + City Manager approval	Published quote process
\$50,000-\$99,999	City Manager + City Commission approval	Published quote process	Lowest price / best vendor that meets all specifications + City Manager approval + Commission approval	Published quote process
\$100,000+	City Manager + City Commission approval	Sealed bid process	City Manager recommendation + Commission approval	Sealed bid process

A purchase shall not be split so as to avoid the bid process or bypass an approval authority.

PROCUREMENT POLICY FOR THE LEAVENWORTH HOUSING AUTHORITY

1.0 GENERAL PROVISIONS

1.1 PURPOSE

The purpose of this Policy is to help maintain the integrity of the Authority's procurement system; ensure that the Authority procures products and services effectively, efficiently and at the most favorable prices; and ensure that Authority purchasing actions are in full compliance with applicable federal standards, and State and local laws. This Policy was designed to comply with HUD's Annual Contributions Contract (ACC), Procurement Handbook for Public Housing Agencies (Handbook 7460.8. Revision 2), and the procurement regulations at 24 CFR 85.36.

1.2 DEFINITIONS

The following definitions shall be used in this Policy:

Procurement: Refers to the purchasing, leasing or renting of goods (supplies, equipment and materials); construction and maintenance services; and architectural and engineering (A/E), legal, security, accounting, audit, social and other consulting services.

Contractor: Refers to any business entity providing contracting, maintenance, consulting or social services.

Vendor: Refers to any business entity that provides goods to the Authority who is not also hired as a contractor.

APPLICATION

This Policy applies to the expenditure of funds or other commodities of monetary value by the Authority to secure goods and services. It shall apply to every expenditure of federal funds by the Authority for public purchasing, irrespective of the source of funds, including transactions that do not involve an obligation of funds (such as concession contracts). Nothing in this Policy, however, shall prevent the Authority from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law.

CHANGES IN LAWS AND REGULATIONS

In the event that an applicable federal, state or local law, regulation or ordinance is modified or eliminated, or a new law, regulation or ordinance is adopted, the revised directive shall, to the

extent more stringent than a corresponding provision of this Policy, shall automatically superseded the applicable provision.

PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a matter of public record to the extent provided in Kansas state law and shall be available to the public as provided by that statute.

EXECUTIVE DIRECTOR'S RESPONSIBILITIES

The Executive Director shall serve as Contracting Officer, and shall administer or oversee all procurement transactions. Any delegations of contracting authority by the Executive Director must be documented in writing. The Executive Director shall ensure that the following standards are implemented:

- A. Proposed purchases are subject to a planning process to assure efficient and economical purchasing;
- B. contracts, contract amendments and purchase orders are set forth in writing, and clearly specify the desired goods and services; procurement transactions are supported by sufficient documentation regarding the history of the procurement; and contracts, purchase orders and contract amendments are awarded or approved only by Authority employees designated in writing as having such authority;
- C. for procurements other than small purchases, public notice is given of each upcoming procurement, an adequate time period is provided for preparation and submission of bids or proposals, and notice of contract awards is made available to the public;
- D. solicitation procedures are conducted in full compliance with federal regulations set forth in 24 CFR 85.36, or State and local laws (where more stringent), provided they are otherwise consistent with 24 CFR 85.36;
- E. an independent cost estimate is prepared before each Invitation for Bids or Request for Proposals is issued, the estimate is appropriately safeguarded, and a cost or price analysis is conducted of the responses received for all procurements;
- F. award is made to: The responsive and responsible contractor or vendor providing the lowest bid (for sealed bid procurements); the contractor or vendor whose proposal offers the greatest overall value (for competitive proposal procurements); and the contractor or vendor whose quotation offers the greatest overall value, price and non-price factors considered (for small-purchase procurements). For sealed-bid and competitive proposals procurements, and in instances where contractor or vendors were required to submit quotations under small-purchase procurements, unsuccessful firms shall be notified within 14 calendar days after contract or purchase order award;
- G. work is inspected before payment, and payment is made promptly for contract work performed and accepted;
- H. the Authority complies with applicable HUD review requirements; and

- I. all procurements (including contract modifications) in excess of \$10,000 are reviewed and approved by the Board of Commissioners.

CONTRACTOR AND VENDOR RESPONSIBILITY

Procurements shall be conducted only with responsible contractors and vendors, i.e., those who have the technical and financial resources to provide the products and/or services, and have a satisfactory record of performance. The Authority shall review each proposed contractor's and vendor's ability to perform the contract successfully, considering factors such as the contractor's and vendor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Non-procurement Programs published by the U.S. General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other Housing Authorities), and financial and technical resources. Awards shall not be made to debarred, suspended, or ineligible contractors or vendors.

QUALIFIED CONTRACTOR AND VENDOR LISTS

Interested businesses shall be given an opportunity to be included on a list of qualified firms used in the procurement of products and services. Such lists shall be kept current, and shall include enough qualified sources to ensure competition. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists of potential contractors and vendors shall include, but not be limited to, such pre-qualified suppliers.

COOPERATIVE PURCHASING

The Authority may enter into State and local intergovernmental agreements to purchase or use common products and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. When using a cooperative purchasing plan, the housing authority shall ensure that the procurement process followed by the governmental entity was consistent with one of the four acceptable methods of procurement listed in Section 4.0. The Authority shall use federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

2.0 ETHICS IN PUBLIC CONTRACTING

2.1 GENERAL

The Authority shall adhere to the following code of conduct and shall establish a system of sanctions for violations consistent with applicable State or local law.

2.2 CONFLICT OF INTEREST

No employee, officer or agent of this Authority shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- A. An employee, officer or agent involved in making the award;
- B. his/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
- C. his/her partner; or,
- D. an organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION

Authority officers, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts and shall not knowingly use confidential information for actual or anticipated personal gain.

PROHIBITION AGAINST CONTINGENT FEES

The Authority shall not do business with Contractors who retain a person to solicit or secure an Authority contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

3.0 PROCUREMENT PLANNING

3.1 GENERAL

Planning is essential to properly managing the procurement function. Hence, the Authority will periodically review its record of prior purchases, as well as future needs, to:

- A. Find patterns of procurement actions that could be performed more efficiently or economically;
- B. maximize competition and competitive pricing among contracts and decrease procurement costs;
- C. reduce administrative costs; and
- D. ensure that an adequate amount of supplies, equipment and materials are obtained under each procurement transaction, in order to minimize the need for frequent transactions. Consideration will be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

4.0 PROCUREMENT METHODS

4.1 SMALL PURCHASING

General. Any routine maintenance, non-routine maintenance, construction, demolition, equipment, materials, supplies and professional services (including maintenance, security, architect/engineer, legal, accounting and management) not exceeding \$100,000 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section (except as may be reasonably necessary to comply with Section 10.0 of this Policy).

Methods of Obtaining Price Quotes. Quotes may be obtained by catalog, advertisement, brochure, web site, at point-of-sale, in-person, by telephone, by fax, or in writing, unless there is need to prepare a solicitation document, in which case the document would explain how price quotes are to be submitted.

Petty Cash Purchases. Small purchases of less than \$100.00 may be processed through the use of a petty cash account. The Contracting Officer shall ensure that the account is established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month), security is maintained, and only authorized individuals have access to the account. The account shall be periodically reconciled and replenished by submission of a voucher to the Authority's Executive Director and periodically audited by the Executive Director or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers.

Small purchases of \$2,000 or less. For small purchases below \$2,000, only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.

Small purchases over \$2,000. For small purchases in excess of \$2,000 but not exceeding \$100,000, no less than three price quotations shall be obtained where practicable. If cases where the housing authority has difficulty in obtaining an acceptable number of price quotes through direct solicitation of contractors and vendors, it shall publicly advertise the procurement, if there is reason to believe that the action would result in greater competition. Award shall be made to the offeror providing the lowest acceptable quotation, unless justified in writing based on both price and non-price factors. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record.

Review and Authorization by Board of Commissioners. The Board of Commissioners shall authorize any procurement that entails an obligation of \$10,000 or greater, unless an emergency

situation exists, as deemed by the Executive Director. In that case, the Executive Director shall take the necessary action to abate the emergency condition, and then advise the Board on the details of the procurement transaction at the next meeting of the Board of Commissioners.

Solicitation Document. When procuring services, the housing authority shall prepare a Request for Quotations (RFQ), which shall be furnished to all interested parties. The RFQ shall contain, at a minimum:

- A. Instructions for submitting offers;
- B. list of non-price factors (if any) to be considered;
- C. pre-contract conditions;
- D. wage determination (if applicable);
- E. contract form; contract general conditions;
- F. supplementary conditions (if applicable); and
- G. technical requirements of products and services. The housing authority shall utilize HUD forms, where required, in its RFQs.

Prohibition Against Dividing Purchases. The Authority shall not subdivide a procurement subject to either the sealed-bid or competitive proposals methods of procurement to permit the use of small-purchase procedures, or subdivide a small purchase procurement to permit the use of micro-purchase procedures, unless the action is clearly aimed at affording small and minority-owned businesses the chance to compete for a contract or purchase order award.

4.2 SEALED BIDDING

Conditions for Use. Contracts shall be awarded using sealed bid procedures if the following conditions are present:

- A. A complete, adequate, and realistic specification or purchase description is available;
- B. two or more responsible bidders are willing and able to compete effectively for the work;
- C. the procurement lends itself to a firm fixed price contract;
- D. and the selection of the successful bidder can be made principally on the basis of price.
For physical improvement (non-routine maintenance and construction) projects and major equipment acquisition exceeding the small-purchase limit, sealed bidding shall be used. Sealed-bidding shall not be used for professional services.

Solicitation Document. Under the sealed-bid method of procurement, the Authority shall prepare an invitation for bids (IFB). For procurements involving the provision of services (usually non-routine maintenance or construction), the IFB shall contain:

- A. Instructions for submitting bids;
- B. bid form;
- C. pre-contract conditions;

- D. wage determination (if applicable);
- E. contract form;
- F. contract general conditions;
- G. supplementary conditions (if applicable; may be included by reference); and
- H. technical requirements of products and services (e.g., specifications and drawings).

For procurement of products only, e.g., items of equipment, the IFB shall contain:

- A. Instructions for submitting bids;
- B. sample purchase order form, with terms and conditions;
- C. bid form; and
- D. technical requirements of products.

The Authority shall utilize HUD forms, where required, in its IFBs.

Solicitation. Notice of the IFB shall be published in a local newspaper of wide circulation; and the IFB shall be available through plan rooms if the nature of the work so warrants. Newspaper notices should run once each week for at least two consecutive weeks. In addition, notice of the IFB may be posted in public buildings, trade journals and publications; and shall be furnished to all interested parties, including those on the housing authority's list of qualified contractor's and vendors when appropriate. All advertisements/notices should state, at a minimum,

- A. the date, time and place the bids are due;
- B. the solicitation number;
- C. contact person and telephone or e-mail address;
- D. brief description of services/products needed;
- E. and an invitation to small, minority-owned, and Section 3 businesses, as well as women's business enterprises, to submit bids.

Receipt of Bids. The IFB shall state the time and place for both the receipt of bids and the public bid opening. In general, bidders shall be provided a minimum of 30 calendar days to submit bids following first public notice. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. A bidder may withdraw its bid at any time prior to bid opening.

Bid Opening and Award. Bids shall be opened publicly, an abstract of bids shall be recorded, and the bids shall be available for public inspection. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method, unless otherwise provided in State or local law and stated in the invitation for bids. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.

Mistakes in Bids. Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Authority or fair competition shall be permitted.

Bid Guarantee. For procurements of products and/or services whose value is estimated at over \$100,000, the bidder will be required to furnish a bid guarantee in an amount not less than 5 percent of the bid. The guarantee may be a certified check, bank draft, U.S. Government bonds at par value, or a bid bond.

Assurance of Completion. In cases where the cost of the non-routine maintenance or construction is *estimated* to exceed \$90,000, the contractor will be required to furnish one of the following assurances of completion:

- A. A performance and payment bond for 100% of the contract price;
- B. separate performance and payment bonds, each for 50% or more of the contract price;
- C. a 20% cash escrow; or
- D. a 25% irrevocable letter of credit.

Bonds. Bonds must be obtained from guarantee or surety companies acceptable to the U.S. Government and authorized to do business in the state where the work is to be performed. Individual sureties will not be considered.

4.3 COMPETITIVE PROPOSALS

Conditions for Use. Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method for technically evaluating proposals, and the Authority determines that conditions are not appropriate for the use of sealed bids. At least three proposals shall be obtained from qualified sources, where practicable.

Solicitation. The request for proposals (RFP) shall clearly identify the relative importance of price and other evaluation factors, including the weight given to each. A mechanism for fairly and thoroughly evaluating the technical and price proposals (i.e., technical evaluation system) shall be established before the solicitation is issued. Proposals shall be handled so as to prevent

disclosure of the number of offerors, identity of the offerors, and the contents of their proposals. The proposals shall be evaluated only on the criteria stated in the request for proposals.

Negotiations. Unless there is no need for negotiations with any of the offerors, negotiations shall be conducted with offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.

Award. After evaluation of proposal revisions, if any, the contract shall be awarded to the highest ranking firm.

Architect/Engineer Services. Architect/engineer services may be obtained by either the conventional form of the competitive proposals method or by the qualifications-based selection (QBS) form of the competitive proposals method, unless State law mandates QBS. Under QBS, competitor's qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications-based selection procedures shall not be used to purchase other types of services even though architect-engineer firms are potential sources.

Technical Evaluation System and Rating Panel. During the preparation of the RFP, the contracting officer shall develop a technical evaluation system; i.e., a system for technically evaluating proposals. The system will provide, for each evaluation factor,

- A. the weighting of the factor compared to other factors;
- B. a description of the process for measuring the value of the factors (e.g., a point system);
and
- C. clear and objective guidelines describing the specific qualities or features associated with each factor that will warrant a given rating.

The contracting officer shall also set up a rating panel. The panel shall be comprised of at least three persons, each of whom is a PHA employee, board member or resident council (or equivalent organization) officer. Selection of participants shall be subject to the requirements of Section 2.0 of the Procurement Policy.

4.4 NONCOMPETITIVE PROPOSALS

Conditions for Use. Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals, and one of the following applies:

- A. The item is available only from a single source, based on a good faith review of available sources;
- B. An emergency exists that seriously threatens the public health, welfare, or safety; endangers property; or would otherwise cause serious injury to the Authority, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event.

In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency;

- A. HUD authorizes the use of noncompetitive proposals; or
- B. After solicitation of a number of sources, competition is determined inadequate.

Justification. Each procurement based on noncompetitive proposals shall be supported by a written justification, approved by the Contracting Officer, for using such procedures.

Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in Section 5.0 below.

5.0 SOLICITATION AND ADVERTISING

5.1 SMALL-PURCHASES

Quotes may be obtained by catalog, advertisement, brochure, web site, at point-of-sale, in-person, by telephone, by fax, or in writing, unless there is need to prepare a solicitation document, in which case the document would explain how price quotes are to be submitted. Advertising in a local newspaper or using other public notice venues should be considered when an adequate number of reasonable quotes cannot be obtained.

5.2 SEALED-BIDS AND COMPETITIVE PROPOSALS

The Authority must use one or more following solicitation methods, provided that the method employed provides for meaningful competition:

- A. Advertising the notice of IFB/RFP in newspapers or other print mediums of local or general circulations for one day per week for at least two weeks;

- B. advertising the notice of IFB/RFP in various trade journals or publications;
- C. posting IFB in a plan room;
- D. posting the notice of the IFB/RFP in public buildings.

In addition, the Authority shall be furnished to all interested parties, including those on the housing authority's list of qualified contractor's and vendors when appropriate. All notices should state, at a minimum,

- A. the date, time and place the bids are due;
- B. the solicitation number; contact person and telephone or e-mail address;
- C. brief description of services/products needed; and
- D. an invitation to small, minority-owned, and Section 3 businesses, as well as women's business enterprises, to submit bids.

5.4 TIME PERIOD FOR SUBMISSION OF BIDS AND PROPOSALS

Time Period for Submission of Bids. A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and proposals. However, the Executive Director may allow for a shorter period under extraordinary circumstances.

5.5 VENDOR LISTS

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any lists of persons, firms, or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

6.0 CANCELLATION OF SOLICITATIONS

6.1 GENERAL

An IFB or RFP must be cancelled before bids/proposals are due if:

- A. The supplies, services or construction is no longer required;
- B. the funds are no longer available;
- C. proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or other similar reasons.

A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:

- A. The supplies or services (including construction) are no longer required;
- B. ambiguous or otherwise inadequate specifications were part of the solicitation;
- C. all factors of significance to the Authority were not considered;
- D. prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

- E. there is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
- F. for good cause of a similar nature when it is in the best interest of the Authority.

The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.

A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.

If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the Authority's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either:

- A. Re-solicit using an RFP; or
- B. complete the procurement by using the competitive proposals method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the Authority's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.

7.0 COST AND PRICE ANALYSIS

7.1 GENERAL

Some form of cost or price analysis shall be performed for all procurement actions, including contract modifications, using the procedures described in HUD Handbook 2210.18. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts surrounding each procurement.

Price Estimate. The Contracting Officer shall prepare a price estimate for all procurement transactions above the small-purchase threshold of \$100,000; and shall prepare an estimate for procurements below that threshold if he or she believes it is necessary to ensure the Authority is paying a reasonable price for goods and/or services.

Submission of Cost or Pricing Information. If the procurement is based on a contract modification, noncompetitive proposal, or when only one offer is received in response to an IFB or RFP, the offeror shall be required to submit:

- A. A cost breakdown showing projected costs and profit;

- B. commercial pricing and sales information, sufficient to enable the Authority to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
- C. documentation showing that the offered price is set by law or regulation. With respect to contract modifications, where the contract includes or consists of form HUD-5370 or HUD-51915, the offeror shall be required to conform to the provision of the document governing contract modifications.

Cost Analysis. Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted a cost analysis shall be performed of the individual cost elements, the Authority shall have a right to audit the contractor's books and records pertinent to such costs, and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, the Authority shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.

Price Analysis. For competitive procurements in which cost information is not required of contractors and vendors, the Authority shall perform a comparison of prices received in relation to the independent cost estimate (where required), to ensure that the price being paid is reasonable.

8.0 TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

8.1 CONTRACT TYPES

Any type of contract which is appropriate to the procurement and which will promote the best interests of the Authority may be used, with the exception of the cost plus a percentage of cost, and percentage of construction cost contracts, which are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy the Authority's needs otherwise; the proposed contractor's accounting system is adequate to allocate costs in accordance with applicable cost principles (for commercial firms, see HUD Handbook 2210.18); and the contractor is paid only allowable costs. A time and material contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

8.2 OPTIONS

Options for additional quantities or performance periods may be included in contracts, provided that

- A. the option is contained in the solicitation;
- B. the option is a unilateral right of the Authority;
- C. the contract states a limit on the additional quantities and the overall term of the contract;
- D. the options are evaluated as part of the initial competition;
- E. the contract states the period within which the options may be exercised;
 - i. the options may be exercised only at the price specified in or reasonably determinable from the contract; and
- F. the options may be exercised only if determined to be more advantageous to the Authority than conducting a new procurement.

8.3 CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i), such as the following:

- A. Termination for convenience.
- B. Termination for default.
- C. Equal Employment Opportunity.
- D. Anti-Kickback Act.
- E. Davis-Bacon Act.
- F. Contract Work Hours and Safety Standards Act (including a contractors Safety Plan).
- G. Reporting requirements.
- H. Patent rights.
- I. Rights in data.
- J. Examination of records by Comptroller General, and retention of records for three years after closeout.
- K. Clean air and water.
- K. Energy efficiency standards.
- L. Bid protests and contract claims.
- M. Value engineering.
- N. Payment of funds to influence certain federal transactions.
- O. Contractors Guarantee Process.
- P. Building Materials list and Hazardous Materials register.

The Authority shall use those standards HUD forms incorporating the above clauses that are applicable to a given procurement transaction.

CONTRACT TERM LIMITS

The terms for service contracts (e.g., any contract for on-going services of a repetitive nature, such as janitorial maintenance, preventive maintenance, routine maintenance, lawn maintenance, legal, architect/engineer, accounting, security, and pest control) shall be limited to three years. The Authority may not award additional work/task orders to a contractor beyond the prescribed limit in the contract, although the contractor may complete existing work/task orders that extend beyond the contract term limit. Automatic renewal provisions are prohibited.

LIQUIDATED DAMAGES

A liquidated damages clause shall be enforced for all non-routine and construction contracts whose estimated cost exceeds \$100,000. The liquidated damage amount shall generally fall in the range of \$25 to \$200 per day, and be based on the costs reasonably borne by the housing authority due to failure of the contractor to complete the project on time. The liquidated damage rate will appear in the solicitation document.

9.0 CONTRACTOR QUALIFICATIONS AND DUTIES

9.1 CONTRACTOR RESPONSIBILITIES

PHAs shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

- A. Have adequate financial resources to perform the contract, or the ability to obtain them;
- B. be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidders'/offerors' existing commercial and governmental business commitments;
- C. have a satisfactory performance record;
- D. have a satisfactory record of integrity and business ethics;
- E. have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
- F. have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
- G. be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

9.2 SUSPENSION AND DEBARMENT

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (24 CFR Part 24) or by other Federal agencies, e.g., Dept of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

10.0 CONTRACT ADMINISTRATION

10.1 GENERAL

A contract administration system, designed to ensure that contractors perform in accordance with their contracts, shall be maintained. The system shall include procedures for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters.

11.0 APPEALS AND REMEDIES

11.1 GENERAL

It is the Authority's policy to resolve all contractual issues informally at the Authority level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the Authority level. When appropriate, the Authority may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the Authority to review a complaint or protest.

11.2 PROTESTS

Any actual or prospective contractor may protest the solicitation or award of a contract or purchase order for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for receipt of offers or proposals, and any protest against the award of a contract or purchase order must be received within ten (10) calendar days after contract award, or the protest will not be considered. All protests shall be in writing and submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

11.3 WRITTEN PROCEDURES

The housing authority will develop a written procedure for handling all protests and complaints involving its procurement activities.

11.4 CONTRACTOR CLAIMS

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer, or designee, for a written decision. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the Chief Executive Officer.

12.0 ASSISTANCE TO SMALL, MINORITY-OWNED, AND LOW-INCOME AREA (SECTION 3) BUSINESSES; AND WOMEN'S BUSINESS ENTERPRISES

12.1 REQUIRED EFFORTS

Consistent with Presidential Executive Orders 11625, 12138, 12432, and Section 3 of the HUD Act of 1968, the Authority shall make efforts to ensure that small and minority owned businesses, women's business enterprises, and individuals or firms located in or owned in substantial part by persons residing in the area of an Authority development are used when possible. Such efforts shall include, but shall not be limited to the following:

- A. Including such firms, when qualified, on solicitation mailing lists;
- B. encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- C. dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- D. establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- E. using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
- F. including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the development area and to award subcontracts for work in connection with the project to business concerns which are located in, or owned in substantial part by persons residing in the area of the development, as described in 24 CFR 135; and
- G. requiring prime contractors, when subcontracting is anticipated, to take the steps listed in A through F above.

12.2 DEFINITIONS

A small business is defined as a business that is independently owned, not dominant in its field of operation, and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 shall be used, unless the Authority determines that their use is inappropriate.

A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Asian Indian Americans, and Hasidic Jewish Americans. The listing of minority-owned business may be obtained by utilizing the New York State approved Minority-owned (MBE) & Women-owned (WBE) register.

A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

A business concern located in the area of the development is defined as an individual or firm located within the relevant Section 3 covered development area, as determined pursuant to 24 CFR 135.15; listed on HUD's registry of eligible business concerns; and meeting the definition of small business above. A business concern owned in substantial part by persons residing in the area of the development is defined as a business concern which is 51% or more owned by persons residing within the Section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above.

13.0 INSURANCE

13.1 GENERAL

The following standards shall pertain to all insurance policies required to be carried by contractors hired by the Authority:

- A. If any insurance is due to expire during the contract term, the contractor (including any subcontractors, as applicable) shall not permit the coverage to lapse and shall furnish evidence of coverage to the Authority.
- B. All certificates of insurance, as evidence of coverage, shall provide that no coverage may be canceled or nonrenewed by the insurance company until at least 30 calendar days prior written notice has been given to the Authority.

The Authority will consider ratings for companies providing insurance (i.e. Standard & Poor's, Moody's and AM Best).

The Authority stipulates that all consultants, contractors and subcontractors working on site furnish certificates of insurance prior to commencing work, and that notification of insurance cancellation be received at least 30 days in advance.

The Authority must ensure that insurance companies used are authorized to do business in the State.

13.2 CONSTRUCTION CONTRACTORS

Insurance shall be required of construction contractors (new construction, major demolition, and non-routine maintenance), regardless of the value of the contract. Before beginning work, the contractor and each subcontractor shall furnish the Authority with certificates of insurance showing that the following insurance is in force and will insure all operations under the contract. All insurance shall be carried with companies which are financially responsible and rated B+VI or higher by the A.M. Best Co. or equivalent and authorized to do business in the State in which the development is located. Contractor insurance shall include:

- A. Workers' Compensation, in accordance with State or Territorial Workers' Compensation laws, for all employees engaged under the modernization contract.
- B. Commercial General Liability which is comprehensive general liability insurance with bodily injury and property damage. The minimum amount of required coverage is \$500,000 per occurrence.
- C. Automobile Liability on owned, non-owned and hired motor vehicles used on or in connection with the site(s) for a combined single limit for bodily injury and property damage of not less than \$500,000 per occurrence.

Builder's Risk

This insurance is needed only for construction of a new building or a major addition to an existing building. If the contract involves installing equipment or materials in an existing building, the contractor should have in effect an "installation floater." Before beginning work, the contractor shall furnish the HA with a certificate of insurance evidencing that a builder's risk (property) is in force. The builder's risk insurance shall be for the benefit of the contractor and the HA as their interests may appear and each shall be named, in the policy or policies as an insured.

The contractor is not required to carry builder's risk insurance on: excavations, piers, footings or foundations until such time as work on the superstructure is started; or work which does not involve structural alterations or additions and where the HA's existing policy will provide coverage.

Policies shall furnish coverage at all times for the full replacement cost of all completed construction, as well as materials in place and/or stored at the site(s), whether or not partial payment has been made by the HA. The contractor may terminate this insurance on buildings taken over for occupancy by the HA as of the date the buildings are taken over.

MAINTENANCE CONTRACTORS

Maintenance Contractors (repair work, preventive maintenance and cyclical maintenance – such as janitorial maintenance and mowing) shall provide the same insurance as set forth in Section 13.2 above with the exception of builder’s risk insurance.

ARCHITECTS AND ENGINEERS

Required Insurance shall consist of the following insurance (minimum of \$500,000 per policy): Commercial or comprehensive general liability, and automobile.

CONSULTANTS (EXCEPT A/E)

If on-site work is involved, consultants shall furnish following insurance (minimum of \$500,000 per policy): Commercial or comprehensive general liability, and automobile.

14.0 SPECIFICATIONS AND STATEMENTS OF WORK

14.1 GENERAL

All specifications and statement of work (SOWs) shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying Authority needs. Specifications and SOWs shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items.

14.2 STATEMENTS OF WORK

All SOWs shall incorporate a scope of work (a detailed description of the project for which the contractor/consultant will be providing services) and a scope of services (a detailed description of the services the contractor/consultant will provide relative to the project). All solicitation documents shall include the SOW. The Authority will include the SOW in the solicitation document and the contract documents. (In general, solicitation documents will be considered part of the contract documents.)

14.3 TECHNICAL SPECIFICATIONS

Technical specifications refer to either description of a manufactured good (i.e., supply, material or equipment) that the Authority intends to acquire; or description of a product the Authority intends to produce or construct (e.g., management system, report, building structure or fixture). When procuring goods, or hiring a contractor/consultant to produce or construct a product, the Authority will include technical specifications in the solicitation document and the contract documents. (In general, solicitation documents will be considered part of the contract documents.) If at all possible, technical specifications shall not be unduly restrictive of competition. Unless a manufactured good is truly proprietary, the Authority shall prepare specifications that include the salient design and/or performance parameters of the item. The

Authority may include a list of at least three manufacturers (including model designations, if applicable) as part of the description, but must stress that the named items are only examples of items that meet the specifications.

14.4 DRAWINGS

Drawings shall be prepared for physical improvement projects where the complexity of the project warrants.

14.5 GEOGRAPHICAL PREFERENCES

The Authority cannot impose geographical limits on contractors/consultants except for architects and engineers – but only if those limits leave an adequate number of sources from which to obtain reasonable offers.

15.0 RECORDS

15.1 FILE DOCUMENTS

The Authority must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

- A. Rationale for the method of procurement;
- B. rationale of contract pricing arrangement;
- C. reason for accepting or rejecting quotes, bids or proposals;
- D. basis for the contract price;
- E. copies of solicitation documents;
- F. bid tabulations;
- G. copies of written offers (including, where applicable, catalog pages, brochures, advertisements, web pages, etc.);
- H. transcript of offers where not in writing;
- I. copies of contract documents;
- J. copies of submittals received by the Authority (e.g., insurance certificates, payroll reports, shop drawings, payment requests, contract modification requests, requests for time extensions, etc.);
- K. basis for contract modifications;
- L. all directives issues by the Authority (e.g., notices-to-proceed, stop orders, change orders, approvals, designation of contracting officer forms, etc.);
- M. inspection reports generated by the Authority or consultant;
- N. certificates of completion;
- O. documentation describing disputes or protests; and
- P. warranty documentation.

FILING SYSTEM

The Authority shall maintain one file folder for procurement transactions under \$2,000; and at least two file folders (one set for the planning and solicitation processes; and a second set for contract award and administration processes) for all procurement transactions over \$2,000. All paperwork shall be neatly filed and in chronological order. Multi-leaf folders shall be used when the size of the contract warrants it.

RECORD RETENTION

Records are to be retained for a period of five years after final payment, or all matters pertaining to the contract are closed, whichever is longer.

16.0 SPECIAL PROVISIONS ASSOCIATED WITH THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

16.1 GENERAL

The following provisions pertain only to procurement transactions paid with Capital Fund Recovery Grants (CFRGs) funded under the American Recovery and Reinvestment Act of 2009 (ARRA).

Origin of Manufactured Products. All products (supplies, materials and equipment) secured under individual procurement transactions exceeding \$100,000 must be manufactured in America. The Authority will retain on file evidence demonstrating compliance with this provision.

Inapplicability of State and local laws. State and local laws do not apply to procurement transactions under this section.

Use of the Non-Competitive Method of Procurement. The need to expend grant funds is considered a public exigency by HUD; and the Authority may use this declaration as the basis for using the non-competitive proposals method of procurement in accordance with the standards set forth under Section 4.4 of this Policy.

Eligibility of Expenses. The Authority may not use grant funds to support housing operations. Prohibited purchases include, but are not necessarily limited to: Management improvements, including training, travel, salary costs, maintenance programs, occupancy programs, social services, consulting services (other than architectural, engineering and other types of services related to physical improvements); office equipment and furniture; and maintenance equipment.