

**OKLAHOMA HOUSING FINANCE AGENCY  
HOME DEPARTMENT**

<b>Chapter 2</b>	<b>Reference: 2 CFR Part 200</b> <b>24 CFR 92.504(b)</b> <b>24 CFR, Part 92.505</b> <b>24 CFR, Part 85 (State Recipients)</b> <b>24 CFR, Part 84 (Nonprofit organizations)</b> <b>H.B. No. 1709, Section 35</b>
<b>Subject: Procurement</b>	

**General Requirements**

**Notes**

- ⌋ Comply with 24 CFR Part 200 and 24 CFR 92.504(b) and the requirements set forth in this requirement.
- ⌋ Comply with 24 CFR, Part 92, 24 CFR, Part 85 (State Recipients), 24 CFR, Part 84 (Nonprofit organizations) and the requirements set forth in this requirement.
- ⌋ Funds shall not be used to pay for services procured and/or delivered prior to the beginning date of the award unless specifically set forth in the special conditions of the written agreement. Payment for services through the use of retainer contracts is prohibited.
- ⌋ Maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using federal funds. At a minimum, the following shall apply:
  - ⇒ No employee, officer or agent shall participate in the selection, award or administration of a contract in which (s)he or his/her immediate family, partners or organization has a financial interest or with whom (s)he is negotiating or has any arrangement concerning prospective employment.
  - ⇒ No employee, officer, or agent shall solicit or accept gratuities, favors, or anything of monetary value from contractors or potential contractors.
- ⌋ To the greatest extent feasible, Awardees must solicit small and minority-owned businesses, particularly those, located in the same metropolitan area (or non-metropolitan county) as the project.

- ↳ Owners and Developers (including CHDOs) are not subject to Federal procurement requirements, but always subject to cost reasonableness.
- ↳ The state recipients and subrecipients shall follow their own procurement procedures if more restrictive.
- ↳ Awards shall be made to the lowest and/or most responsive bid.
- ↳ Solicitations shall be based upon a clear and accurate description of the specifications of the procured items or services.

## **Procedures**

- ↳ Administrative Services
  - ⇒ House Bill No. 1709, Section 35, effective July 1, 1995 requires: Municipalities and counties assisted with federal pass-through funds may elect to utilize the services of their sub-state planning district, private contractors, or their own staff in implementing the projects. In selecting private professional contractors, including engineers, architects, planners, administrators, and accountants, the municipalities and counties may utilize their own procedures, if those procedures are consistent with state statutes, federal regulations and the requirements of particular federal funding sources, including requests for proposals or bids.
  - ⇒ The U.S. Department of Housing and Urban Development, in its July 31, 1995 issuance, has determined that Awardees may use certain entities to provide administrative services using HOME funds without following any competitive procurement requirements of 24 CFR Part 85.36 (c). The exempt entities that may be used are: 1) Sub-state Planning Districts, and 2) Nonprofit Agencies.
  - ⇒ State recipients are required to negotiate a contract with the public agency or nonprofit organization for the services to be provided.
  - ⇒ Procurement Warning: Costs may be disallowed for administrators that engage in either of the following practices:
    - ⇒ Assisting the municipality or county in conducting the procurement process, including

assisting and/or preparing the administrative services RFP that ultimately results in the selection of that administrator to provide HOME administrative services.

- ⇒ Offering to prepare an application to OHFA for HOME funding assistance with the understanding that no fees for preparing the application will be charged if that administrator is selected to administer the project with payment from HOME funds.

- ↳ Materials, supplies, services, and equipment costing less than \$7,500.00, in the professional and non-professional aggregate, may be procured by the Awardee through price or rate quotation. If the cost in the aggregate is \$7,500.00 or more, procure through a competitive sealed bid process except for services negotiated with a public agency or nonprofit organization.

Obtain price or rate quotes through direct mail or by telephone from an adequate number of qualified vendors/suppliers. In all cases, there will be a minimum of two (2). Document the following:

- ⇒ The date and name of vendor/supplier contacted;
- ⇒ The name of the person submitting the quote;
- ⇒ The specific item for which the price or rate quotes is requested;
- ⇒ The expiration date of the quoted price; and
- ⇒ The name of the person obtaining the quote.

- ↳ Competitive Sealed Bids must be obtained for procurement of materials, supplies, services, and equipment costing \$7,500.00 and above.

- ⇒ State recipients and subrecipients must prepare the bid packet. The bid packet must contain the following:
  - ⇒ A cover letter clearly identifying the purpose of the bid request.
  - ⇒ Complete information and instructions necessary to allow interested parties to provide a responsive bid. The information required in the bid shall include:

- f The minimum acceptable qualifications and/or experience;
- f Cost estimate of the total project, when available;
- f Anticipated start and completion dates of the contract;
- f The complete scope of services to be provided;
- f A copy of the proposed contract which contains the following:
  - l The scope of services to be provided;
  - l Timeframe for work performance;
  - l Method and process for payment of services;
  - l Subcontract notification;
  - l Employee benefits requirements;
  - l Hold Harmless Clause regarding the State of Oklahoma (as found in the contract with OHFA);
    - l Interpretation of contract clauses;
    - l Modification Clause;
    - l Termination Clause;
    - l Severability Clause;
    - l References or clauses to federal regulations and state statutes (as found in the contract with OHFA or required by regulation.)
- ⇒ The method of reviewing and rating all bids including the evaluation criteria to be used.

{ Upon completion of the bid packet, carry out the

procurement process:

- ⇒ Advertise in a local and regional news media that ensures all potential bidders within the county and adjoining counties have the opportunity to bid. At a minimum, the public advertisement shall be two weeks prior to the date of bid opening
- ⇒ Note date and time the bid was received.
- ⇒ Evaluation criteria as set forth in the bid packet shall be strictly adhered to in the evaluation of all bids received in response to the solicitation. Listed below are specific evaluation requirements:
  - ∫ No bids received after the stated due date for bids will be evaluated.
  - ∫ Bids received after the due date must be returned to the submitter with appropriate correspondence.
  - ∫ Establish a minimum number of references to be contacted for past work performance, integrity, and overall satisfaction.
- ⇒ The evaluation process shall be properly documented and an adequate file shall be established to enable any state or federal reviewer to clearly determine the basis for the award to the specific party.
- ⇒ The award must be made on the basis of a firm, fixed price as established by publicly opened sealed bid. The award shall be made to the lowest bidder qualified to perform successfully under the terms of the contract and who best meets specification requirements.
- ⇒ All unsuccessful offerors must be notified in writing that their bids were not selected.

### Single Source

Single source occurs when only one bid is received in

response to the solicitation. As long as the bidding criteria has been followed as set forth in the bid procedure, OHFA does not need to approve single source bids.

### **Sole Source**

Sole Source occurs when particular goods or services are available only from a single source, the federal grantor agency authorizes a non-competitive procedure, or when the urgency will not permit a delay.

- { A written request must be submitted to OHFA/HD for sole source approval. The letter must include a complete description of the goods/ services to be purchased, estimated cost, the name of the vendor/supplier; and complete justification for the sole source request.
- { OHFA will review the request accordingly. Upon written approval from OHFA/HD, an agreement with the sole source provider may be established.

### **Procurement of Rehabilitation Contractors Three Options**

- { **Homeowner Selection (Option 1)**  
The property owner may choose to assume the responsibility for procuring a rehabilitation contractor, federal and state procurement requirements do not apply. However, the OHFA Awardee must qualify the rehabilitation firm selected. The contract for rehabilitation is between the rehabilitation firm and the homeowner.
- { **Formal Advertisement (Option 2)**  
A formal advertisement to procure rehabilitation firms for specified properties is accomplished. The requirements of the Sealed Bid procedures described above apply.
- { **Establish a Bidder's List (Option 3)**  
Property owners have the option to choose from a list of bidders qualified by the state recipient or subrecipient to perform housing rehabilitation work rather than publicly advertise for bids on their homes. The procedure for establishing and use of a bidders list is as follows:

- ⇒ Publicly advertise for responsive and responsible bidders.
- ⇒ After an adequate number of qualified bidders (for the purposes of this requirement adequate number shall be defined as a minimum of two) have responded to the public advertisement their names shall be placed on a list. The listed construction firms shall be solicited for bids on every unit the Awardee plans to rehabilitate.
- ⇒ Public advertisement must be a continuing process in order that responsive and responsible bidders may be added to the list at any time during the life of the project.

{ Rehabilitation bidding and contract documents must include language and requirements specified in federal, state and local regulation binding the program.

\ Successful bidders must certify to the State or Subrecipient that they are not on the Federal Debarred Contractor list. Approval from OHFA is not required.