



Procurement Policy

Date Board Approved: June 30, 2020

Resolution #: 5356

Revision #: IX

Revision Date: June 30, 2020

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1.0 INTRODUCTION

Established for the Housing Authority of the Cincinnati Metropolitan Authority (hereinafter, “CMHA”) by Action of CMHA Board of Commissioners (Board) on March 31, 2015, this Procurement Policy (Policy) complies with the Annual Contributions Contract (ACC) between CMHA and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR 200, the procurement standards of the Procurement Handbook for Public Housing Authorities (PHAs), HUD Handbook 7460.8, REV 2 (7460.8 rev-2), and applicable State and Local laws.

2.0 GENERAL PROVISIONS

2.1 General. CMHA shall:

- 2.1.1** Provide for a procurement system of quality and integrity;
- 2.1.2** Provide for the fair and equitable treatment of all persons or firms involved in purchasing by CMHA;
- 2.1.3** Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to CMHA;
- 2.1.4** Promote competition in contracting; and
- 2.1.5** Assure that CMHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.

2.2 Application. This Policy applies to procurement actions of CMHA. There are sections which only apply to procurement actions funded by federal funds and governed by 2 CFR 200. Those sections are noted within the section. However, nothing in this Policy shall prevent CMHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both federal and non-Federal grant funds are used for a project, the work to be accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, federal procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by a new contract, then regulations applicable to the source of funding may be followed. (7460.8 rev-2 §1.2)

2.3 Definition. The term “procurement,” as used in this Policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance; consultant services, (3) Architectural and Engineering (A/E) services, (4) Social Services, and (5) other services. (7460.8 rev-2 §1.9)

- 2.4 Exclusions.** This policy does not govern administrative fees earned under the Section 8 voucher program, the award of vouchers under the Section 8 program, the execution of landlord Housing Assistance Payments contracts under that program, or non-HUD program income, e.g., fee-for-service revenue under 24 CFR Part 990. These excluded areas are subject to applicable State and local requirements. (7460.8 rev-2 §1.2)
- 2.5 Changes in Laws and Regulations.** In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.
- 2.6 Public Access to Procurement Information.** Most procurement information shall be available to the public to the extent provided in The Government in the Sunshine Act (Pub.L. 94-409, 90 Stat. 1241, enacted September 13, 1976, 5 U.S.C. § 552b and the Ohio Public Records Act (ORC 149.43). Requests for procurement information should follow the policy and procedures as is defined by the CMHA Public Record Policy.

3.0 ETHICS IN PUBLIC CONTRACTING

- 3.1 General.** CMHA hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, etc., is consistent with applicable Federal, State, or local law.
- 3.2 Conflicts of Interest.** No employee, officer, Board member, or agent of CMHA shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:
- 3.2.1** An employee, officer, Board member, or agent involved in making the award;
 - 3.2.2** 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);
 - 3.2.3** His/her partner; or
 - 3.2.4** An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

(7460.8 rev-2 §4.4.A; 2 CFR §200.318(c), ACC §19)

- 3.3 Gratuities, Kickbacks, and Use of Confidential Information.** No officer, employee, Board member, or agent of CMHA shall ask for or accept gratuities, favors, or items from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain. (7460.8 rev-2 §4.5, 2 CFR §200.318(c))
- 3.4 Prohibition Against Contingent Fees.** Contractors wanting to do business with CMHA must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies. (7460.8 rev-2 §4.6, 2 CFR §200.318(c) and (h))
- 3.5 Delivery of Material Goods and Equipment.** No CMHA officer, employee, Board Member, or agent of CMHA shall purchase material goods or equipment on behalf of the Agency and have them delivered to anywhere but a CMHA owned property, regardless of efficiency and/or cost savings.

4.0 PROCUREMENT PLANNING

- 4.1 General.** Planning is essential to managing the procurement function properly. Hence, CMHA will periodically review its record of prior purchases, as well as future needs, to:
 - 4.1.1** Find patterns of procurement actions that could be performed more efficiently or economically;
 - 4.1.2** Maximize competition and competitive pricing among contracts and decrease CMHA’s procurement costs;
 - 4.1.3** Reduce CMHA administrative costs;
 - 4.1.4** Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and
 - 4.1.5** Minimize errors that occur when there is inadequate lead time.

Consideration shall be given to storage, security, and handling requirements when planning the most appropriate purchasing actions. (7460.8 rev-2 §3.1)

5.0 PROCUREMENT METHODS

- 5.1 Petty Cash Purchases.** A minimal amount of purchases as defined by Petty Cash procedures may be handled through the use of a petty cash account. Petty Cash Accounts are established in an amount sufficient to cover small purchases for the following departments:

- 5.1.1** Finance - \$900
- 5.1.2** Management Services - \$500

Petty Cash Purchases shall not exceed a total of \$1,400 agency wide, and should be made during a reasonable period, e.g., one month. For all Petty Cash Accounts, CMHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically. In the event that a Petty Cash Purchase would exceed its monthly limit by department use, the purchases must be approved by the Chief Executive Officer or their designee. Petty Cash purchases should follow the rules for all other purchases and the procurement policy. (7460.8 rev-2 §5.6, 2 CFR Part 200)

5.2 Credit (Purchasing) Cards. Credit card usage should follow the rules for all other small purchases and as is defined by the Purchasing Card Procedures. For all Purchasing Cards, CMHA shall ensure that security is maintained and only authorized individuals and/or their designees have access to the use of the Purchasing Cards. These accounts shall be reconciled periodically to ensure timely payment to the Provider. When using credit cards, CMHA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

5.2.1 Credit (Purchasing) Cards should be limited to the following on a monthly basis:

5.2.1.1 Maintenance - \$500 (limit) For emergency purchase of supplies, materials, and services that do not exceed the small purchase threshold and to be used only after normal business hours.

5.2.1.2 Travel and Training - \$10,000 (limit) For approved travel and training requests.

5.2.1.3 Administrative - \$2,000 (limit) For the purchase of small items when petty cash is unavailable or impractical, and when credit card payment is the only option available.

5.2.1.4 Information Technology - \$2,000 (limit) For the small purchase items on the web when price comparison has been completed and the web purchase is the lowest price; and also for emergency computer equipment.

5.2.1.5 Fuel Purchases - \$350 (monthly limit per individual) For job-related fuel purchases in CMHA owned vehicles

In the event that the use of a credit card should exceed the stated limits (i.e. emergency purchase by Maintenance) the purchase must be approved by the Chief Executive Officer or their designee.

5.2.2 Credit (Purchasing) Card information may be kept by a vendor procured in accordance with this policy (i.e. hotels). Use shall be limited to authorized individuals, and must be approved by a member of the Finance Department.

(7460.8 rev-2 §5.7)

5.3 Micro Purchases. Purchases involving an expenditure of \$10,000 or less may be made after obtaining one price quotation, if the price is considered reasonable. Vendor catalogs, as well as previous purchases, where applicable, of the same or similar item should be considered in determining price reasonableness. To the extent practicable, such micro-purchases must be distributed equitably among qualified sources and if practical, a quotation shall be solicited from other than the previous source before placing a repeat order. The aggregate amount of expenditures with a contractor is limited to the micro purchase limit per fiscal year when using the micro purchase procurement method. (7460.8 rev-2 §5.3.B, 2 CFR §200.320(a), §200.67, and §200.102)

5.4 Small Purchase Procedures. For any amounts above the Micro Purchase threshold, but not exceeding \$50,000, CMHA may use small purchase procedures. Under small purchase procedures, CMHA should solicit from a minimum of three qualified sources. Written documentation shall include, at a minimum, the company name, phone number or e-mail address and amount of quote.

For those purchases funded by federal funds and governed by 2 CFR 200, small purchases shall include the mandatory clauses contained in Table 5.1 of the HUD Handbook 7460.8 rev-2. Additionally, Construction Contracts require HUD 5370-EZ although HUD 5370 may be used. Maintenance contracts require Section II of HUD 5370-C.

To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotations for Small Purchases (QSP), or quotes, may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to CMHA.

If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. CMHA shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold. (7460.8 rev-2 §5.3, 5.4, 5.5, 5.10; 2 CFR §§200.319(a), 200.320(b), 200.323(a), 200.318(i), and Appendix II to 2 CFR Part 200, ORC 125.05)

5.5 Sealed Bids. Sealed bidding, also known as Invitation For Bids (IFB), shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this Policy. Under sealed bids, CMHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with

all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$50,000. (7460.8 rev-2 §6.2)

5.5.1 Conditions for Using Sealed Bids. CMHA shall use the sealed bid method when the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price. (7460.8 rev-2 §6.3; 2 CFR §200.320(c)(1))

5.5.2 Solicitation and Receipt of Bids. An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening. (7460.8 rev-2 §6.5; 2 CFR §200.320(c)(2))

5.5.3 Bid Opening and Award. Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis. (7460.8 rev-2 §6.9; 2 CFR §200.320(c)(2))

5.5.4 Mistakes in Bids. Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may 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 a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of CMHA or fair competition shall not be permitted. (7460.8 rev-2 §6.10; 2 CFR §200.320(c))

- 5.6 Competitive Proposals.** Unlike sealed bidding, the competitive proposal method, also known as Request For Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award. Award is normally made on the basis of the proposal that represents the best overall value to CMHA, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price. (7460.8 rev-2 §7.1.A; 2 CFR §200.320(d))
- 5.6.1 Conditions for Use.** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold. As detailed within Section 7.2.B of HUD Procurement Handbook 7460.8 REV 2, “Only under limited circumstances would construction services be procured by competitive proposals.” (7460.8 rev-2 §7.2.B; 2 CFR §200.320(d))
- 5.6.2 Form of Solicitation.** Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals 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 until after award. CMHA may assign price a specific weight in the evaluation factors or CMHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP. (7460.8 rev-2 §7.2; 2 CFR §200.320(d))
- 5.6.3 Evaluation.** The proposals shall be evaluated only on the factors stated in the RFP. Where not apparent from the evaluation factors, CMHA shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract. (7460.8 rev-2 §§7.2.K and L; 2 CFR §§200.320(d) and 200.318(i))
- 5.6.4 Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No

offeror shall be given any 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. A common deadline shall be established for receipt of proposal revisions based on negotiations. Negotiations are exchanges (in either competitive or sole source environment) between CMHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal, and shall be conducted by the contracting officer with each offeror within the competitive range. The primary object of discussions is to maximize CMHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation. The Procurement Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as technical approach, past performance, and terms and conditions) that could, in the opinion of the contracting officer, be altered or explained to enhance materially the proposer's potential for award. The scope and extent of discussions are a matter of the contracting officer's judgment. The Procurement Officer may inform an offeror that its price is considered by CMHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that CMHA's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited. (7460.8 rev-2 §7.2.P; 2 CFR §200.323(b))

5.6.5 Award. After evaluation of the revised proposals, if any, and Board Approval of contracts more than \$100,000, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to CMHA. The determining dollar threshold for the contract award shall be based on the total amount of the contract period inclusive of any option years. The contract price must be within the maximum total project budgeted amount established for the specific property or activity. (7460.8 rev-2 §§7.2.R and S; 2 CFR §200.318(h))

5.6.6 A/E Services. CMHA may contract for A/E Services using Qualifications-based Selection (QBS) procedures, utilizing a Request For Qualifications (RFQ). Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, other than

Developer services, though architectural/engineering firms are potential sources. (7460.8 rev-2 §7.3; 2 CFR §200.320(d)(5); 24 CFR 905.604(h)(1))

5.7 Noncompetitive Proposals.

5.7.1 Conditions for Use. Procurement by noncompetitive proposals (sole- or single-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

5.7.1.1 The item is available only from a single source, based on a good faith review of available sources;

5.7.1.2 An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to CMHA, 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 of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;

5.7.1.3 HUD authorizes the use of noncompetitive proposals; or

5.7.1.4 After solicitation of a number of sources, competition is determined inadequate.

(7460.8 rev-2 §8.2; 2 CFR §200.320(f))

5.7.2 Justification. Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include the following information:

5.7.2.1 Description of the requirement;

5.7.2.2 History of prior purchases and their nature (competitive vs. noncompetitive);

5.7.2.3 The specific exception in 2 CFR 200 (§200.320) (f)(1) through (4) which applies;

5.7.2.4 Statement as to the unique circumstances that require award by noncompetitive proposals;

- 5.7.2.5** Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
- 5.7.2.6** Statement as to efforts that will be taken in the future to promote competition for the requirement;
- 5.7.2.7** Signature by the Contracting Officer’s supervisor (or someone above the level of the Contracting Officer); and
- 5.7.2.8** Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

(7460.8 rev-2 §8.5; 2 CFR §200.320(f))

5.8 Cooperative Purchasing/Intergovernmental Agreements. CMHA may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency 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. CMHA may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. For those purchases funded by federal funds and governed by 2 CFR 200, the goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 2 CFR 200. (7460.8 rev-2 §14.2; 2 CFR §200.318(e);ORC 125.02 and 125.04)

5.9 Multi-Step Bids. CMHA may use a two-step or multi-step sealed bidding procedure for the design-build delivery method in which the person or firm forms an integrated delivery system for which they are responsible to CMHA for both the design and construction, demolition, alteration, repair, or reconstruction of a specified project. The two-step procedure is designed to obtain the benefits of both the competitive proposal method and the sealed bidding method allowing CMHA to take full advantage of the industry’s experience and creativity at the lowest cost.

Under the two-step sealed bidding process, technical proposals alone are requested first. Then the proposals are evaluated for acceptability and negotiations or discussions held, if necessary. In the second step, the normal sealed bid process is followed except that only bidders with acceptable technical proposals may bid, and each bidder’s price is based on its own technical proposal. (7460.8 rev-2 §6.14)

6.0 INDEPENDENT COST ESTIMATE (ICE)

- 6.1 General.** For all purchases above the Micro Purchase threshold, CMHA shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased. (7460.8 rev-2 §3.2; 2 CFR §200.323(a))

7.0 COST AND PRICE ANALYSIS (CPA)

- 7.1 General.** CMHA shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions. (7460.8 rev-2 §10.3)

7.1.1 Petty Cash and Micro Purchases. No formal cost or price analysis is required. Rather, the execution of a contract by the Contracting Officer (through a Purchase Order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors. (7460.8 rev-2 §§3.2.D.1 and 5.5.A.1; 2 CFR §200.323(a))

7.1.2 Small Purchases. A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis. (7460.8 rev-2 §5.5.A.2; 2 CFR §200.323(a))

7.1.3 Sealed Bids. The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where CMHA cannot reasonably determine price reasonableness, CMHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable. (7460.8 rev-2 §10.3.A; 2 CFR §200.323(a))

7.1.4 Competitive Proposals. The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, CMHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, CMHA must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable. (7460.8 rev-2 §10.3.A; 2 CFR §200.323(a))

7.1.5 Contract Modifications. A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were

procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$100,000. (7460.8 rev-2 §10.3.C.5; 2 CFR §200.323(a))

8.0 SOLICITATION AND ADVERTISING

8.1 Method of Solicitation.

8.1.1 Petty Cash and Micro Purchases. CMHA may contact only one source if the price is considered reasonable. (7460.8 rev-2 §5.3.B; 2 CFR §200.320(a))

8.1.2 Small Purchases. Quotes may be solicited orally, through fax, E-Procurement, or by any other reasonable method. (7460.8 rev-2 §5.4; 2 CFR §200.320(b))

8.1.3 Sealed Bids and Competitive Proposals. Solicitation must be done publicly. CMHA must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.

8.1.3.1 Advertising in newspapers or other print mediums of local or general circulations.

8.1.3.2 Advertising in various trade journals or publications (for construction).

8.1.3.3 E-Procurement. CMHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR 200, State and local requirements, and CMHA's procurement policy.

(7460.8 rev-2 §§6.5.B and 7.1.F; 2 CFR §§200.320(c)(2)(i) and (d); ORC 3735.36)

8.2 Time Frame. For purchases of more than \$50,000, the public notice should run not less than once each week for two consecutive weeks. (7460.8 rev-2 §§6.5.C and 7.1.G; 2 CFR §§200.320(c)(2)(i) and (d)(1); ORC 3735.36)

8.3 Form. Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s). (7460.8 rev-2 a-9; ORC 7.16)

8.4 Time Period for Submission of Bids. A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals after the first advertised date. However, the Contracting Officer may allow for a shorter period under extraordinary circumstances. (7460.8 rev-2 a-9)

8.5 Cancellation of Solicitations.

8.5.1 An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:

8.5.1.1 The supplies, services or construction is no longer required;

8.5.1.2 The funds are no longer available;

8.5.1.3 Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or

8.5.1.4 Other similar reasons.

(7460.8 rev-2 §§7.2.F.4)

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

8.5.2.1 The supplies or services (including construction) are no longer required;

8.5.2.2 Ambiguous or otherwise inadequate specifications were part of the solicitation;

8.5.2.3 All factors of significance to CMHA were not considered;

8.5.2.4 Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

8.5.2.5 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

8.5.2.6 For good cause of a similar nature when it is in the best interest of CMHA.

(7460.8 rev-2 §6.8.A; 2 CFR §§200.320(c)(2)(v) and 200.318(i))

- 8.5.3** The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request. (7460.8 rev-2 §§6.8.B and 7.2.F.6; 2 CFR §200.318(i))
- 8.5.4** 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.
- 8.5.5** 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 CMHA'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
 - 8.5.5.1** Re-solicit using an RFP; or
 - 8.5.5.2** Complete the procurement by using the competitive proposal method. The Procurement Officer must determine, in writing, that such action is appropriate, must inform all bidders of CMHA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- 8.5.6** If problems are found with the specifications, CMHA should cancel the solicitation, revise the specifications and re-solicit using an IFB.

9.0 BONDING REQUIREMENTS

- 9.1 General.** The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchases or for competitive proposals. CMHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.
 - 9.1.1 Bid Guarantee.** For construction contracts exceeding \$100,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 10% of the bid price.
 - 9.1.2 Payment Bonds.** For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:
 - 9.1.2.1** A performance and payment bond in a penal sum of 100% of the contract price; or
 - 9.1.2.2** Separate performance and payment bonds, each for 50% or more of the contract price; or

9.1.2.3 A 20 % cash escrow; or

9.1.2.4 A 25 % irrevocable letter of credit.

These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State of Ohio. Individual sureties shall not be considered. U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

(7460.8 rev-2 §6.11; 2 CFR §200.325; ORC §153.54)

10.0 CONTRACTOR QUALIFICATIONS AND DUTIES

10.1 Contractor Responsibility

10.1.1 CMHA 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:

10.1.1.1 Have adequate financial resources to perform the contract, or the ability to obtain them;

10.1.1.2 Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;

10.1.1.3 Have a satisfactory performance record;

10.1.1.4 Have a satisfactory record of integrity and business ethics;

10.1.1.5 Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;

10.1.1.6 Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,

10.1.1.7 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.

(7460.8 rev-2 §10.2.A; 2 CFR §200.318(h))

10.1.2 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. (7460.8 rev-2 §10.2.E-G; 2 CFR §200.318(h); ORC 153.54)

10.2 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., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings. Prior to issuance of a contract, CMHA staff shall, as detailed within Section 10.2.H.1 and 10.2.H.2 of HUD Procurement Handbook 7460.8 REV 2, conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration (GSA) Excluded Parties Listing Service system and place within the applicable contract file a printed copy of the results of each such search. The State of Ohio debarment list should also be searched. (7460.8 rev-2 §10.2.H; 2 CFR Appendix II to Part 200 (H); ORC 125.25 and 153.02)

10.3 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. (7460.8 rev-2 a-12; 2 CFR §200.319(d))

11.0 CONTRACT PRICING ARRANGEMENTS

11.1 Contract Types. Any type of contract which is appropriate to the procurement and which will promote the best interests of CMHA may be used, provided the cost -plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and CMHA. For all cost reimbursement contracts, CMHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk. (7460.8 rev-2 §10.1.A; 2 CFR §200.323(d))

11.2 Options. Options for additional quantities or performance periods may be included in contracts, provided that: The determining dollar threshold for the contract award shall be based on the total amount of the contract period inclusive of any option years.

11.2.1 The option is contained in the solicitation;

11.2.2 The option is a unilateral right of CMHA;

- 11.2.3 The contract states a limit on the additional quantities and the overall term of the contract;
- 11.2.4 The options are evaluated as part of the initial competition and the determining dollar threshold for the contract award is based on the total amount of the contract period inclusive of any option years;
- 11.2.5 The contract states the period within which the options may be exercised (A maximum of 5 years);
- 11.2.6 The options may be exercised only at the price specified in the contract; and
- 11.2.7 The options may be exercised only if determined to be more advantageous to CMHA than conducting a new procurement.

(7460.8 rev-2 §10.8)

12.0 CONTRACT CLAUSES

- 12.1 **Contract Pricing Arrangements.** All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by CMHA.
- 12.2 **Required Forms.** Additionally, for those purchases funded by federal funds and governed by 2 CFR 200 the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$100,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by CMHA. (7460.8 rev-2 §10.5; 2 CFR 200.326; 2 CFR Appendix II to Part 200)
- 12.3 **Required Contract Clauses:** For those purchases funded by federal funds and governed by 2 CFR 200 CMHA shall ensure that each contract executed by CMHA contains the required contract clauses detailed within 2 CFR 200 (§200.326).

13.0 CONTRACT ADMINISTRATION

- 13.1 **General.** CMHA shall maintain a system of contract administration designed to ensure that Contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18. (7460.8 rev-2 §11 and a-13; 2 CFR §200.318(b))

14.0 SPECIFICATIONS

14.1 General. All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying CMHA’s needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement. (7460.8 rev-2 Chapter 9, a-13; 2 CFR §200.319(c))

14.2 Limitation. The following types of specifications shall be avoided:

14.2.1 For those purchases funded by federal funds and governed by 2 CFR 200 geographic restrictions not mandated or encouraged by applicable Federal law;

14.2.2 Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur. (7460.8 rev-2 §§9.3.B and 13.2.A; 2 CFR §200.319, §200.324(b)(3))

15.0 APPEALS AND REMEDIES

15.1 General. It is CMHA policy to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences. (7460.8 rev-2 §§5.14, 10.4.B.7; 2 CFR §200.318(k))

15.2 Informal Appeals Procedure. CMHA shall adopt an informal bid protest/appeal procedure for contracts of \$100,000 or less. Under these procedures, the bidder/contractor may request to meet with the Procurement Officer. (7460.8 rev-2 §§5.14, 10.4.B.7; 2 CFR §200.318(k))

15.3 Formal Appeals Procedure. A formal appeals procedure shall be established for solicitations/contracts of more than \$100,000.

15.3.1 Bid Protest. Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the

receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contract receives notice of the contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.

- 15.3.2 Contractor Claims.** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Procurement Officer or designee for a written decision. The contractor may request a conference on the claim. The Procurement Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in CMHA. Contractor claims shall be governed by the Changes clause in the form HUD-5370.

(7460.8 rev-2 §10.4; 2 CFR §200.318(k))

16.0 DIVERSITY & ECONOMIC INCLUSION IN CONTRACTING

- 16.1 Required Efforts.** Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, as amended, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, Section 3 business concerns, and other individuals or firms located in or owned in substantial part by persons residing in the area of the CMHA project are used when possible. Such efforts shall include, but shall not be limited to:

- 16.1.1** Including such firms, when qualified, on solicitation mailing lists;
- 16.1.2** Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- 16.1.3** Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- 16.1.4** Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- 16.1.5** Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and
- 16.1.6** Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

(7460.8 rev-2 §§15.1, 15.5, a-14; 2 CFR §200.321)

16.2 Goals. Shall be established periodically for participation by minority-owned business enterprises, women-owned business enterprises, and Section 3 business concerns in CMHA prime contracts and subcontracting opportunities. CMHA’s economic inclusion goal is to meet and/or surpass the following:

16.2.1 Minority-Owned Business Enterprise:

- General Construction: 20%
- Professional Services: 12%
- Material/Supplies: 5%

16.2.2 Women-Owned Business Enterprise goal 5%

16.2.3 Section 3 Business Concerns:

- Construction Contracts goal 20%
- Non-Construction Contracts 5%

(7460.8 rev-2 §15.5.B; 2 CFR §200.321)

16.3 Definitions.

16.3.1 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 Part 121 should be used to determine business size.

16.3.2 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, Asian Indian Americans, and Hasidic Jewish Americans.

16.3.3 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 control and operate the business.

16.3.4 “Section 3” as defined under 24 CFR Part 135 is a provision of the HUD Act of 1968, as amended to ensure that when employment or contracting opportunities are generated due to a covered project or activity which necessitates the employment of additional persons or the awarding of contracts for work, to the greatest extent feasible, preference must be given to

low-and very low-income persons or section 3 business concerns residing in the community where the project is located and is used for the following projects:

- (1) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement;
- (2) Housing construction; *and*
- (3) Other public construction.

16.3.5 A “*Section 3 business concern*” as defined under 24 CFR Part 135 means a business concern, as defined in this section—

- (1) That is 51 percent or more owned by section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “section 3 business concerns.”

16.3.6 “*Section 3 clause*” means the contract provisions set forth in 24 CFR Part 135.38.

16.3.7 “*Section 3 covered contract*” as defined under 24 CFR Part 135 means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. “*Section 3 covered contracts*” also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract.

(7460.8 rev-2 §§15.2, 15.5.A; 13 CFR §121; 24 CFR 135, Executive Order 11625, 13 CFR §127.300)

16.4 Section 3 Procurement Procedures. This section provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the “contracting party”) for implementing the section 3 contracting preference for each of the competitive procurement methods authorized in 2 CFR 200 (§200.320).

16.4.1 Small Purchase Procedures. For section 3 covered contracts aggregating no more than \$50,000.00, the Authority shall follow its small purchase procedures as outlined in the procurement policy.

- (A) Where the Section 3 covered contract is to be awarded based on lowest price, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive

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quotation from any qualified source. If no responsive quotation by a qualified Section 3 Business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

- (B) Where the Section 3 covered contract is to be awarded based on factors other than price, a request of quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price and cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating systems.

16.4.2 Procurement by sealed bids (Invitations for Bids). Preference in the award of section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if the bid—

- (A) Is within the maximum total contract price established in the contracting party’s budget for the specific project for which bids are being taken, and
(B) Is not more than “X” higher than the total bid price of the lowest responsive bid from any responsible bidder. “X” is determined as follows:

x=lesser of:

When the lowest responsive bid is less Than \$100,000.	10% of that bid or \$9,000.
When the lowest responsive bid is: At least \$100,000, but less than \$200,000.	9% of that bid or \$16,000.
At least \$200,000, but less than \$300,000.	8% of that bid or \$21,000.
At least \$300,000, but less than \$400,000.	7% of that bid or \$24,000.
At least \$400,000, but less than \$500,000.	6% of that bid or \$25,000.
At least \$500,000, but less than \$1 million.	5% of that bid or \$40,000.
At least \$1 million, but less than \$2 million.	4% of that bid or \$60,000.

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At least \$2 million, but less than \$4 million.	3% of that bid or \$80,000.
At least \$4 million, but less than \$7 million.	2% of that bid or \$105,000.
\$7 million or more	1\1/2\% of the lowest responsive bid, with no dollar limit.

2. If no responsive bid by a section 3 business concern meets the requirements of paragraph (1) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.
3. In both paragraphs 1 and 2 above, a bidder, to be considered as responsible, must demonstrate compliance with the submission of a Section 3 Action Plan which will need to demonstrate compliance with the “greatest extent feasible” requirement of Section 3.

16.4.3 Procurement under the competitive proposals method (RFP).

- (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (2 CFR 200 (§200.320)(d)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.
- (ii) One of the evaluation factors shall address both the preference for section 3 business concerns and the acceptability of the demonstrative action plan for meeting the greatest extent feasible requirement (section 3 demonstrative action plan, as disclosed in proposals submitted by all business concerns (section 3 and non-section 3 business concerns). This factor shall provide for a maximum range of 15 percent of the total number of available points for the evaluation of these two components.
- (iii) The component of this evaluation factor designed to address the preference for section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.
- (iv) With respect to the second component (the acceptability of the section 3 demonstrative action plan, the RFP shall require the disclosure of the contractor’s section 3 demonstrative action plan to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor’s responsibility will include the submission of the acceptable section 3 demonstrative action plan. The contract award shall be made to the responsible firm (either section 3 or non-section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

(7460.8 rev-2 §15.2; 24 CFR 135; Appendix to 24 CFR 135 III (3))

16.5 Diversity and Economic Inclusion Non-Compliance Sanctions

16.5.1 The CMHA shall have the discretion to apply suitable sanctions to their

bidder/proposer if found to be in non-compliance with the Section 3 requirement. Failure to comply with the section 3 regulations will cause the section 3 amount to be placed on hold until compliance is met. Debarment, suspension and limited denial of participation pursuant to HUD regulation in 24 CFR part 24, where appropriate may be applied to the contractor. (13 CFR §§135.38.F, 135.74(d),135.76(g))

17.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

- 17.1 Authority.** The Board appoints and delegates procurement authority to the Chief Executive Officer (CEO) in the amount not to exceed \$100,000 and is responsible for ensuring that any procurement policies and procedures adopted are appropriate for CMHA. All procurements that exceed \$100,000 must have approval from the Board prior to award and/or contract execution.
- 17.2 Change Orders.** Any change order, or the cumulative thereof, as a result of necessary additions or changes to a previously approved contract amount (firm, fixed price) that is 20% or higher of the original amount (regardless of cost) must receive Board Approval.

18.0 DELEGATION OF CONTRACTING AUTHORITY

- 18.1 Delegation.** While the CEO is responsible for ensuring that CMHA's procurements comply with this Policy, the CEO may delegate in writing all procurement authority as is necessary and appropriate to conduct the business of CMHA.
- 18.2 Procedures.** Further, and in accordance with this delegation of authority, the CEO shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The CEO shall also establish a system of sanctions for violations of the ethical standards described in Section 3.0 herein, consistent with Federal, State, or local law.

(7460.8 rev-2 §§2.3, 4.7; 2 CFR §200.318(k))

19.0 DOCUMENTATION

- 19.1 Required Records.** CMHA 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:
- 19.1.1** Rationale for the method of procurement (if not self-evident);
 - 19.1.2** Rationale of contract pricing arrangement (also if not self-evident);

- 19.1.3 Reason for accepting or rejecting the bids or offers;
- 19.1.4 Basis for the contract price (as prescribed in this handbook);
- 19.1.5 A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- 19.1.6 Basis for contract modifications; and
- 19.1.7 Related contract administration actions.

(7460.8 rev-2 §3.3.A; 2 CFR §200.318(i))

- 19.2 **Level of Documentation.** The level of documentation should be commensurate with the value of the procurement. (7460.8 rev-2 §3.3.A; 2 CFR §200.318(i))
- 19.3 **Record Retention.** Records are to be retained for a period of three years after final payment and all matters pertaining to the contract are closed and shall follow the policy and procedures as is defined by the CMHA Record Retention Policy. (7460.8 rev-2 §3.3.B)

20.0 DISPOSITION OF SURPLUS PROPERTY

- 20.1 **General.** Property no longer necessary for CMHA’s purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, state, and local laws and regulations. (7460.8 rev-2 a-16)

21.0 FUNDING AVAILABILITY

- 21.1 **General.** Before initiating any contract, CMHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification. (7460.8 rev-2 a-16))

22.0 SPONSORSHIP PROGRAM POLICY

- 22.1 **Philosophy.** The Cincinnati Metropolitan Housing Authority’s current Strategic Plan and Gold Standard Philosophy encourages CMHA to take innovative approaches to the way we do business. Sponsorship is an innovative way to offset the cost of some CMHA events. When appropriate, CMHA will be receptive to sponsorship opportunities. The establishment of a sponsorship relationship does not constitute an endorsement by CMHA of the sponsor or the sponsor’s services or products. (2 CFR §200.318(c))

22.2 Policy. This document establishes CMHA’s general policy for sponsorships of CMHA events and programs. The Policy sets the standards, guidelines and approval criteria for solicitation, consideration and approval of sponsorships. This policy was designed to protect the Mission, Vision, Gold Standard Philosophy, and Integrity of CMHA. No sponsorship shall be approved that will compromise or damage the public trust or conflict with or compromise CMHA’s reputation, Mission, Vision, Gold Standard, Value or integrity. This policy does not apply to CMHA’s endorsement or support for external organizations and their programs, services, or activities.

22.2.1 This policy is also designed to:

- Ensure open and fair public process for soliciting and considering sponsorship activities.
- Provide CMHA with full and final decision making authority on any sponsorship activity.
- To clearly state that a sponsorship does not create a public forum for communication and debate.
- To help potential sponsors, CMHA, and CMHA staff to better understand the procedures for sponsorships.

22.3 Definition of Sponsorship. A sponsorship is a financial or in-kind support from an outside person or entity to associate their name, logo, products, or services with a CMHA event. A sponsorship is a business relationship in which CMHA and the sponsor exchange products, services, and/or financial remuneration for a right to associate sponsor’s name, services or products with the CMHA event.

22.4 Solicitation of Sponsor. CMHA may contact a prospective sponsor directly or CMHA may contract with an independent contractor for services related to solicitation of sponsors. CMHA retains sole and final decision-making authority for determining the appropriateness of a sponsorship and CMHA may refuse any offer of sponsorship.

22.5 Sponsorship Selection Criteria. When considering whether to accept a proposed sponsorship, CMHA shall consider the following non-exclusive criteria:

- Consistency of the prospective sponsor’s services, products, customers and promotional goals with CMHA’s character, values, Mission, Vision and Gold Standard.
- The prospective sponsor’s historical participation and association with the event and continued willingness to participate in the same in the future.
- The timeliness and readiness of the prospective sponsor to enter into a sponsorship agreement.

- Whether and the extent to which the sponsorship will establish or will be perceived as establishing an inappropriate association.
- Whether the sponsorship is, or will be perceived to be politically oriented.
- The type and level of support by the prospective sponsor.
- Whether the sponsorship is or will be perceived to be offensive to segments of CMHA’s community.
- The aesthetic characteristics of communications to the public regarding the sponsorship
- Whether the sponsor manufactures products, takes positions or otherwise engages in activity that is inconsistent with local, state or federal law or with CMHA policies or CMHA’s Mission, Vision and Gold Standard.
- Other factors that may undermine public confidence in CMHA’s impartiality or interfere with the efficient delivery of CMHA operations and services, including, without limitation, current or potential conflicts of interests between the sponsor and CMHA, CMHA staff, officials or affiliated entities and the potential for the sponsorship to tarnish CMHA’s standing amongst the community or otherwise impair CMHA’s ability to administer it’s programs.
- Community support for or opposition to the proposed sponsorship
- The actual value of the proposal in relation to the benefit to the prospective sponsor.

22.6 Sponsorship Restrictions. The following are categorically excluded as potential sponsors:

- Entities that promote the sale or consumption of alcoholic beverages;
- Entities that promote the sale or use of tobacco products;
- Entities that promote the sale or use of illegal drugs;
- Entities that promote gambling;
- Sexually oriented businesses;
- Religious or political organizations;
- Individuals or entities that have pending business agreements or are participating in an active solicitation or otherwise creates the appearance of impropriety;
- Any sponsorship that is contrary to the interest of public health, safety, or welfare.

22.7 Non-Endorsement. Acceptance of a sponsorship does not imply CMHA’s endorsement of the person, product, service, or business. Announcements, flyers and other promotional materials shall not state or imply CMHA’s endorsement unless express written consent of CMHA is obtained.

- 22.8 Sponsor’s Right to Publicize Their Association with CMHA.** A sponsor shall not use CMHA’s name or logo in any materials or communications without prior written approval of CMHA, including without limitation print, video, internet, broadcast or display items that promote or otherwise communicate the sponsorship.
- 22.9 Non-Discrimination.** CMHA shall not discriminate on the basis of race, creed, color, national origin, religion, gender, marital status, age, sexual orientation, political affiliation, or disability. Any person or entity sponsoring a CMHA program or event must follow the same non-discrimination policy.
- 22.10 Sponsorship Agreement.** All sponsorships require a fully executed sponsorship agreement prior to the exchange of goods, services, or cash. Such agreement must contain but shall not be limited to the following provisions:
- Term/duration
 - Termination for Convenience
 - Anti-Discrimination
 - Anti-Kickback
 - Conflict of interest
 - Examination of Records
 - Indemnification and insurance
 - Non-exclusivity provision
 - Required Authority Approval of Signage