



PROCUREMENT POLICY

Adopted February 24, 2025

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1.0. INTRODUCTION AND GENERAL PROVISIONS

1.1. Intent

This Procurement Policy is established by the [Housing Authority of the City of Longview, dba Housing Opportunities of Southwest Washington][*and* the Joint Pacific County Housing

Authority] (*together*, “HA”) by action of the Board of Commissioners of Housing Opportunities of Southwest Washington on February 24, 2025 and by action of the Board of Commissioners of the Joint Pacific County Housing Authority (*together*, “Board”) on March 25, 2025, for compliance with applicable contracts and federal, state and local laws.

This Policy is not intended to be the only source of information about a HA procurement. If a provision of this Policy may be inconsistent with applicable federal, state or local requirements, the provisions of applicable law will govern. This Policy is not a promise of specific process or procedure. The specific dollar limits expressed in this policy are directory and not mandatory and may be modified for a specific procurement, unless otherwise controlled by law. HA reserves its rights to and may select the method and process for procurement that HA determines to be in the best interest of its mission, and in compliance with law. The terms of a procurement advertisement or announcement; selection; and resulting contract will govern the specific procurement. Nothing in this Policy modifies or alters the terms of any written agreement that HA may enter into with a contractor or provider of goods or services.

1.2. General Provisions

- 1.2.1. General.** The HA endeavors to provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the HA; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to the HA; promote competition in contracting; and assure that the HA purchasing actions are in full compliance with applicable federal standards, including HUD regulations, and state, and local laws.
- 1.2.2. Captions.** The headings in this Policy are provided for convenience only and shall not affect the interpretation of any provision or create or confer any legal rights, obligations, or duties.
- 1.2.3. Procurement Defined.** 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; (3) personal services, and (4) Architectural and Engineering (A/E) services.
- 1.2.4. Application.** This Policy represents the guiding framework for all procurement that HA does in its own name. The type or availability of procurement options under this Policy may depend on the source of funds. However, nothing in this Policy shall prevent HA from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with the law.

1.2.5. 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-program income, e.g., fee-for-service revenue under 24 CFR Part 990. These excluded areas are subject to applicable state and local requirements.

1.2.6. 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.

1.2.7 Publication. Except as otherwise required by law, publication on the HA’s website is deemed to be satisfactory notice.

1.3. Expenditure Authority

1.3.1. General. Expenditure Authority refers to the delegation of responsibility to recommend, commit and expend HA financial resources. Expenditure Authority does not include authority to execute contracts or agreements on behalf of the HA without prior authorization and budget authority. The HA shall maintain an expenditure authority list with details regarding employment positions with authorized expenditure authority. Modifications to this list must be approved by the Board of Commissioners.

1.3.2. Chief Executive Officer. The CEO is responsible for providing oversight and management of all expenditures for the agency. Only the CEO (Acting CEO in CEO’s absence) may authorize commitments and expenditures of more than \$10,000 and above. The Chief Executive Officer must receive Board approval before authorizing any unbudgeted expenditure exceeding \$50,000.

<u>Expenditure</u>	<u>Authority</u>
\$0–\$10,000	Designated positions as established in the expenditure authority list
\$10,000–\$50,000	Chief Executive Officer
>\$50,000 and was provided for in the Board-approved Annual Budget	Chief Executive Officer
>\$50,000 and was <u>not</u> provided for in the Board-approved Annual Budget	Requires Board of Commissioner approval

1.4. Delegation of Contracting Authority

1.4.1. Delegation. While the CEO is responsible for ensuring that the HA’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 the HA.

1.4.2. 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 2.0 herein, consistent with federal, state, or local law.

1.5. Contract Administration

The HA endeavors to maintain a system of contract administration designed to ensure that Contractors perform in accordance with their contracts. These systems provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, wage interviews, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent consistent with the governing cost principles of the procurement contract.

1.6. Documentation

1.6.1. Best Practices. HA may sometimes be required to submit records to federal, state, or local agencies to ensure compliance with applicable laws, contracts, grants, and other requirements. Records should usually include, to the extent it is not self-evident, the following information: (1) the rationale for the method of procurement; (2) the rationale of the contract pricing arrangement; (3) the reason for accepting or rejecting the bids or offers; (4) the basis for the contract

price; (5) a copy of the contract documents awarded or issued and signed by the Contracting Officer; (6) the basis for contract modifications; and (7) any related contract administration actions.

1.6.2. Level of Documentation. The level of documentation should be commensurate with the value of the procurement, i.e., the higher the dollar value of the procurement, the more documentation should be maintained.

1.6.3. Record Retention. Records are to be retained for a period of six (6) years after final payment and all matters pertaining to the contract are closed.

1.6.4. Public Access to Procurement Information. Most procurement information is a matter of public record and shall be available to the public to the extent provided in the federal Freedom of Information Act and chapter 42.56 RCW.

1.7. Unbundling Prohibited. The HA shall not break down any contract requirements into several purchases that are less than the applicable bidding/purchase threshold merely to: (1) permit use of the small purchase procedures; (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold; or (3) for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process.

2.0. ETHICS IN PUBLIC CONTRACTING

2.1. General. The HA hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable federal, state, or local law. See also Chapter 42.23 RCW.

2.2. Conflicts of Interest. No employee, officer, Board member, or agent of the HA 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: (1) an employee, officer, Board member, or agent involved in making the award; (2) a relative¹; (3) a domestic

¹ “Relative” for purposes of this policy includes, but is not limited to, the following relations: 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

partner/significant other; or (4) an organization which employs or is negotiating to employ or has an arrangement concerning prospective employment of any of the above.

2.3. Gratuities, Kickbacks, and Use of Confidential Information. No officer, employee, Board member, or agent of the HA shall ask for or accept gratuities, favors, or items of more than nominal value (i.e. inexpensive hat with logo) from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

2.4. Prohibition Against Contingent Fees. Contractors wanting to do business with the HA 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.

3.0. PROCUREMENT PLANNING

3.1. Purpose. Planning is essential to managing the procurement function properly. Hence, the HA will periodically review its record of prior purchases, as well as future needs, to: (1) find patterns of procurement actions that could be performed more efficiently or economically; (2) maximize competition and competitive pricing among contracts and decrease the HA's procurement costs; (3) reduce HA administrative costs; (4) ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and (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.

3.2. Funding Availability. Before initiating any contract, the HA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

3.3. Specifications and Limitations

3.3.1. General. HA will draft all specifications to promote overall economy for the purpose intended and to encourage competition in satisfying the HA'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 take advantage of economies of scale and to achieve a more economical purpose. However, this consideration must not result in bid splitting for the purpose of individual purchases or

contract awards in violation of applicable legal requirements. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

3.3.2. Limitations. The following types of specifications should be avoided:

3.3.2.1. geographic restrictions not mandated or encouraged by applicable federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);

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

3.3.3. No Preemption. 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.

3.4. Contractor Qualifications and Duties. The HA shall not award any contract until it determines the prospective contractor (i.e., the lowest responsive bidder, or successful offeror) is responsible. The HA shall make this determination based on the criteria included in the procurement solicitation. The HA reserves the right to require bidder responsibility criteria from, but not limited to, RCW 39.26.160 and RCW 39.04.350.

3.4.1. Suspension and Debarment. The HA shall not award any contract to debarred, suspended, or ineligible contractors. Contractors may be debarred, suspended, or determined to be ineligible based on applicable federal, state, or local criteria established by a government agency with authority over labor standards. Such an agency includes but is not limited to the U.S. Department for Housing and Urban Development, the U.S. Department of Labor, or the Washington State Department of Labor and Industries.

3.4.2. Required Exclusion Search. Prior to the issuance of a contract, HA staff will conduct any required searches within relevant databases to determine that the contractor is in good standing, including but not limited to the HUD Limited Denial of Participation system, the U.S. General Services Administration Excluded Parties Listing Service system, and the debarred contractor list maintained by the Washington State Department of Labor & Industries.

3.5. Procurement Threshold Limits

- 3.5.1. General.** The HA has adopted procurement threshold limits that determine the procurement process for the use of public funds based on the dollar value of the procurement. The five threshold limits are discussed below and apply throughout this Policy.
- 3.5.2. Petty Cash Purchase (\leq \$50).** Purchases under \$50 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the HA shall ensure that security is maintained, and only authorized individuals have access to the account. These accounts shall be reconciled and replenished monthly.
- 3.5.3. Micro Purchases (\leq \$10,000).** A micro purchase is a purchase of less than \$10,000, or less than or equal to \$2,000 if the acquisition is for construction services subject to the Davis-Bacon Act. To the extent practicable, micro purchases should be distributed equitably among qualified suppliers. Only one quote is required, so long as the buyer considers the price to be reasonable.
- 3.5.4. Small Purchases/Simplified Acquisition Threshold (\leq \$250,000).** A small purchase is a purchase greater than \$10,000 and less than \$250,000. While small purchase procedures are relatively simple and informal procurement methods for securing services, supplies, or other property, the HA should generally solicit an adequate number of quotes from qualified vendors and perform a cost or price analysis to ensure the HA is maximizing its value.
- 3.5.5. Sealed Bids ($>$ \$250,000).** Sealed bidding, also called “Invitation for Bids” (“IFB”), involves the HA soliciting bids and awarding a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid is the lowest in price. The bid must conform with all the material terms and conditions of the IFB, and the HA must prepare an Independent Cost Estimate (“ICE”) prior to solicitation. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that will exceed \$250,000. Proposals must be solicited from an adequate number of qualified sources.
- 3.5.5.1. Independent Cost Estimate.** For all federally funded purchases above the Small Purchase threshold (\$250,000), the HA shall prepare an ICE prior to solicitation pursuant to 24 CFR 85.36(f). The level of detail shall

be commensurate with the cost and complexity of the item to be purchased.

- 3.5.5.2. Davis-Bacon Construction.** Any construction contract that is expected to exceed \$2,000 and is subject to the Davis-Bacon Act requirements must use the sealed bid process.
- 3.5.6. Competitive Proposals (>\$250,000).** Competitive proposals, also called “Requests for Proposals” (“RFP”), are the preferred method for procuring services that will exceed the Simplified Acquisition Threshold and when conditions are not appropriate for the use of sealed bidding. RFPs consider a broader range of factors than an IFB, including the bidder’s qualifications, approach to services, quality of service or goods, and the overall best “value” for the HA, as determined by the HA. The RFP will be published in places likely to elicit responsive and responsible proposals not less than once a week for at least two consecutive weeks.

3.6. Cost and Price Analysis (CPA)

- 3.6.1. General.** Prior to entering a contract, the HA will require assurance that the price is reasonable, in accordance with the following instructions.
- 3.6.2. Petty Cash and Micro Purchases (\leq \$10,000).** No formal cost or price analysis is required; the execution of a contract by the Contracting Officer serves as the Officer’s determination that the price obtained is reasonable. This may be based on the Officer’s prior experience or other appropriate factors.
- 3.6.3. Small Purchases Below Simplified Acquisition Threshold (\leq \$250,000).** A comparison with other offers is generally sufficient to determine the reasonableness of the price and no further analysis would be required. But if a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer may document price reasonableness through other appropriate means.
- 3.6.4. Sealed Bids (>\$250,000).** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received or when the bid received is substantially higher than the ICE, and if the HA cannot reasonably determine price reasonableness, the HA must conduct a cost analysis consistent with federal guidelines.

3.6.5. Competitive Proposals (>\$250,000). The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, the HA 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, the HA must conduct a cost analysis, to ensure that the price paid is reasonable.

3.6.6. Contract Modification. 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 \$250,000.

3.7. Contract Pricing Arrangements

3.7.1. Contract Types. Any type of contract which is appropriate to the procurement, and which will promote the best interests of the HA 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 the HA. For all cost reimbursement contracts, the HA 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. All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the HA.

3.7.2. Options. Options for additional quantities or performance periods may be included in contracts, provided that: (1) the option is contained in the solicitation; (2) the option is a unilateral right of the HA; (3) the contract states a limit on the additional quantities and the overall term of the contract; (4) the options are evaluated as part of the initial competition; (5) the contract states the period within which the options may be exercised; (6) the options may be exercised only at the price specified in or reasonably determinable from the contract; and (7) the options may be exercised only if HA, in its sole discretion, determines it to be more advantageous to HA than conducting a new procurement.

3.8. Required Nondiscrimination Clause. Pursuant to RCW 49.60.530, every state contract and subcontract for public works or for goods or services must contain a nondiscrimination clause prohibiting discrimination on the basis of age, sex, marital status, sexual orientation, gender identity, race, creed, color, national origin, citizenship or immigration status, veteran or military status, disability, or use of a service animal, unless based upon a bona fide occupational qualification.

4.0. PUBLIC WORKS AND CONSTRUCTION PROCUREMENT

4.1. “Public Work” Defined. A public work is all work, construction, alteration, enlargement, improvement, repair, and/or demolition that is executed by contract, purchase order, or any other legal agreement and that is executed at the cost of the state of Washington (including at HA’s cost) or of any municipality. Accordingly, any such project that is funded by a grant of any public body of the state of Washington is a public work, unless otherwise exempted by law.

4.1.1. Federal Funding. For applicable standards for public works projects involving any amount federal funds, see Section 7.0, “Federal Procurement.” The terms in this section only apply to state-funded public works projects.

4.2. “Ordinary Maintenance” Defined. Ordinary maintenance is not a public work subject to this section. Ordinary maintenance means work not performed by contract and that is performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary. Note that [RCW 39.04.010\(5\)](#) provides: "All public works, including maintenance when performed by contract shall comply with [chapter 39.12 RCW](#)." That means prevailing wage requirements that would normally apply are still applicable even though the maintenance work might not be procured as a public work. See, Policy Section 4.9.

4.3. Content of Solicitation. Notices/advertisements should state, at a minimum, the following information: (1) the place, date, and time that the bids or proposals are due; (2) the solicitation number; (3) a contact that can provide a copy of, and information about, the solicitation; (4) the specifications and all contractual terms and conditions applicable to the procurement; (5) the appeals process; and (6) a brief description of the needed construction work.

- 4.4. 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. However, the CEO may allow for a shorter period under particular circumstances.
- 4.5. Public Works Under the Simplified Acquisition Threshold (\leq \$250,000).** For public works contracts expected to be less than \$250,000, the HA may use an informal competitive bidding process. An HA representative will endeavor to obtain an adequate number of quotes. All quotes should be collected and presented at the same time to the decision-maker, who will select the lowest responsible bidder. The HA may also utilize the MRSC small works roster or other appropriate vendor list from which the HA may solicit bids for contract for providing these services. The HA may also use a sealed bidding process at HA's discretion, following the procedure described in Section 4.6 below.
- 4.6. Public Works Above the Simplified Acquisition Threshold ($>$ \$250,000).** For public works contracts expected to exceed \$250,000, the HA will use a sealed bidding/IFB process. An IFB will be issued which will include the specifications and the contractual terms and conditions applicable to the procurement. Public notice of the IFB will be published at least once a week for at least two weeks in a newspaper of general circulation in the HA's jurisdiction at a reasonable time prior to the submission deadline. Late bids will not be accepted or considered. The HA will award purchases to the lowest responsible bidder whose bid meets the specifications and evaluation criteria set forth in the IFB. The HA may reject all bids at its discretion.
- 4.7. Construction Contracts Which Are Not Public Works.** Non-public works procurement for construction projects may use the MRSC small works roster, the informal competitive bidding process described in Section 4.5 above, or the IFB process described in Section 4.6 above.
- 4.8. Public Works Bonding and Retainage Requirements.** All public works projects are subject to the bonding and retainage requirements of this section.
- 4.8.1. Bid Bonds.** For construction contracts exceeding the Simplified Acquisition Threshold (\$250,000), offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.
- 4.8.2. Performance and Payment Bonds.** A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract. A "payment bond" is one executed in

connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. The following bond requirements shall apply:

- 4.8.2.1.** For all public works contracts exceeding the Simplified Acquisition Threshold of \$250,000, the successful bidder shall furnish performance and payment bonds, each, for 100% or more of the contract price.
- 4.8.2.2.** For public works projects which cost less than \$150,000, the HA may, in lieu of the performance and payment bond and at the option of the contractor/construction manager, retain 10% of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later. The recovery of unpaid wages and benefits must be the first priority for any actions filed against retainage held by a state agency or authorized local government.
- 4.8.2.3.** 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 Washington. 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.
- 4.8.3. Retainage Bonds and Retainage.** The contractor may elect to procure a retainage bond in lieu of withholding 5% retainage. Unless a retainage bond has been secured or the HA has chosen to accept 10% retainage in lieu of a performance and payment bond, the HA must reserve a contract retainage not to exceed 5% of the moneys earned by the contractor as a trust fund for the protection and payment of: (i) The claims of any person arising under the contract; and (ii) the state with respect to taxes, increases, and penalties imposed pursuant to Titles 50, 51, and 82 RCW which may be due from such contractor.
- 4.9. Prevailing Wages.** Prior to procuring a contractor for construction, repair or maintenance work, the HA will determine what prevailing wages it will require the

contractor to pay, as this may greatly affect pricing. Workers, laborers, and mechanics must be paid, at a minimum, the prevailing rate of wages, as determined by the Department of Labor and Industries, when performing a “public work” except when the federal Davis-Bacon wages pre-empt state prevailing wages.

- 4.9.1. Payment When Both State Prevailing Wages and Federal Wages Apply.** When a public works project is subject to both Washington State prevailing wage laws and the Federal Davis-Bacon and related acts, the contractor and every subcontractor on that project must pay the higher of the two applicable rates to its workers, laborers and mechanics. **Exception.** With respect to work on public housing, Davis-Bacon and HUD-determined rates preempt state law and therefore Washington state prevailing rates will not apply if they are higher.
- 4.10. Apprenticeship Utilization Requirements.** A contractor will comply with the apprenticeship utilization requirements of RCW 39.04.320 whenever a public works contract is subject to such requirements.
- 4.11. Annual Publication of Small Works Roster Awards.** The HA is authorized to use the small works roster process established in RCW 39.04.151 through 39.04.154 to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property if the estimated cost is under \$350,000, not including sales tax. Pursuant to RCW 39.04.200, HA must publish a list of the contracts awarded under that small works roster process at least once per year. This list must contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed or items purchased under the contract, and the date it was awarded. The list must also include the location where the bid quotations of these contracts are available for public inspection.

5.0. MATERIALS, GOODS, AND EQUIPMENT PROCUREMENT

- 5.1. No Affiliation to Public Works.** The procedures in this section may only be used for the purchase of materials, goods, and equipment not reasonably affiliated with a public works contract. If a purchase is made in connection with a public works contract, the purchase must follow public works bidding requirements.
- 5.2. “Materials, Goods, and Equipment” Defined.** Materials, goods, and equipment are tangible goods used in the HA’s daily operations. Examples include, but are not limited to, office supplies and furniture, computer equipment (hardware) and off-the-shelf

software (e.g., Microsoft Office suite), vehicles and parts, fuel products, and asphalt or other road maintenance materials *not* in connection with a public works contract.

- 5.3. Content of Solicitation.** For any solicitations under this section, regardless of the purchase threshold, the HA solicitation should include at minimum the following information: (1) the statement of need for the goods, materials, or equipment; (2) the estimated purchasing budget; (3) the estimated schedule; (4) the criteria by which the proposals will be evaluated; (5) a list of the relevant information that interested vendors should submit; (6) the submission deadline; and (7) a copy of the HA's standard terms and conditions.
- 5.4. 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. However, the CEO may allow for a shorter period under extraordinary circumstances.
- 5.5. Micro Purchases (\leq \$10,000).** There is no required statutory process for purchases under the micro purchase threshold. The Contracting Officer may publicly solicit bids, use the MRSC small works roster, or determine that it is in the best interest of the HA to not solicit bids. A written record shall be made by the Contracting Officer of each vendor's quote on the materials, supplies, or equipment, and of any conditions imposed on the quote by such vendor. The Contracting Officer may use criteria other than cost in making the award. If the HA determines that bids will not be solicited, an explanation of the reasons why such solicitation would be unnecessary should be included in the procurement file.
- 5.6. Purchases Under the Simplified Acquisition Threshold ($<$ \$250,000).** For purchases greater than the micro purchase threshold but less than the simplified acquisition threshold, the HA may use an informal competitive bidding process. An HA representative will make an effort to obtain an adequate number of quotes, which may be lower when the item being sought is only available from a small number of vendors. When possible, quotes should be solicited on a lump-sum or a fixed unit price basis. All of the quotes should be collected and presented at the same time to the decision-maker, who will select the lowest responsible bidder. The HA may also utilize the MRSC small works roster or other appropriate vendor list from which the HA may solicit bids for contract for providing these services.
- 5.7. Purchases Over the Simplified Acquisition Threshold ($>$ \$250,000).** For purchases of materials, goods, or equipment expected to exceed \$250,000, the HA will use a sealed bidding/IFB process. An IFB will be issued which will include the specifications

and the contractual terms and conditions applicable to the procurement. Public notice of the IFB will be published at least once a week for at least two weeks in a newspaper of general circulation in the HA's jurisdiction at a reasonable time prior to the submission deadline. Late bids will not be accepted or considered. The HA will award purchases to the lowest responsible bidder whose bid meets the specifications and evaluation criteria set forth in the IFB. The HA may reject all bids at its discretion.

5.8. Contracts for Telecommunications and Computer Equipment. If the HA seeks to purchase telecommunications and/or computer equipment over the micro purchase threshold (\$10,000), the HA may use the alternative competitive negotiation process outlined in RCW 30.04.270.

5.9. Other Applicable Preferences. Where practicable, the HA will seek to purchase products that comport with applicable laws and policies, including the purchase of recycled materials and products, products with the lowest possible cost to the HA based on "life cycle costing" as described in RCW 39.35.050, and from those businesses described in Section 10.0 below.

5.10. Use of Informal Vendor Lists. HA is authorized to use the informal vendor list process established in RCW 39.04.190 instead of formal competitive bidding to secure quotes and award contracts. An informal vendor list is a directory maintained by HA of vendors who are interested in selling equipment, materials, and supplies to HA. HA may also create multiple vendor lists for different types of products. HA must advertise the existence of each vendor list maintained by HA at least twice a year in a newspaper of general circulation in HA's jurisdiction. This process may only be used to award contracts for the purchase of any materials, equipment, supplies, or services by HA under \$250,000.

5.10.1. Publication of Informal Vendor Lists. Immediately after awarding a contract from the informal vendor list, HA must record all bid quotes it obtained and make them available for public inspection. At least every two months, the agency must post a list of contracts awarded using each list pursuant to RCW 39.04.200. The published list of contracts awarded must include the date of the award, the name of the contractor, the amount of the contract, a brief description of the items purchased, and the location where the bid quotations for these contracts are available for public inspection.

6.0. PERSONAL SERVICES PROCUREMENT

6.1. Architectural and Engineering Services (A/E)

- 6.1.1. Qualifications Based Selection (QBS).** Qualifications Based Selection is used primarily to procure A/E services. It is a specialized form of a Request for Qualifications and should not be used to purchase other types of services. 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.
- 6.1.2. Publication.** The HA will publish in advance the requirement for A/E services in places likely to elicit responsive and responsible proposals, such as trade journals or the newspaper of largest circulation in the HA's jurisdiction. The HA may comply with the publication requirement either by publishing an announcement on each occasion when A/E services are required, or by announcing generally to the public once every three years its projected requirements for any category or type of A/E services. The HA may also utilize the MRSC small works roster or other appropriate vendor list from which the HA may solicit bids for contract for providing these services.
- 6.1.3. Content of Solicitation.** The QBS solicitation should include, at a minimum, the following information: (1) the general scope and nature of the project or work for which services are required; (2) the factors the HA will use to make its selection; (3) the appeals process for bid contests; (4) the contact at the HA who can provide further details. The HA may encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data.
- 6.1.4. 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. However, the CEO may allow for a shorter period under extraordinary circumstances.
- 6.1.5. Evaluation and Piggybacking.** The HA will evaluate the qualifications of each firm using the factors stated in the solicitation and any other criteria required by law or which HA determines is appropriate to maximize the value of the services required. To maximize its value, the HA may enter into state and/or local cooperative or intergovernmental agreements to purchase or use common

supplies, equipment, or services, to the fullest extent allowed under Chapter 39.34 RCW.

6.2. All Other Personal Services

- 6.2.1. “Personal Services” Definition.** Professional or personal services are those services involving specialized skill, education, and special knowledge, including but not limited to accounting, art, bond brokerage, insurance brokerage, legal services, real estate appraisal, relocation assistance, title abstracts, and surveying. There are no general state statutory requirements for personal services contracts entered into by housing authorities in Washington. However, if the funding source includes grant conditions or other relevant limitations under federal, state, or local law, the HA shall comply with such conditions to the extent required.
- 6.2.2. Content of Solicitation.** Requests for Proposals (RFPs) are the most common solicitation process used for personal services, although Requests for Qualifications (RFQs) may also be distributed separately from or in combination with an RFP. At a minimum, the RFP should include: (1) the statement of need/scope of the project; (2) the estimated project budget; (3) the estimated schedule; (4) the criteria by which the proposals will be evaluated; (5) a list of the relevant information that interested firms should submit; (6) the submission deadline; and (7) a copy of the HA’s standard terms and conditions.
- 6.2.3. Contracts Under the Simplified Acquisition Threshold (≤\$250,000).** Contracts that have an estimated cost less than or equal to \$250,000 can be procured using an informal RFP process. This process requires the HA to develop a written solicitation with the information in Section 6.2.2 above, and the HA should obtain an adequate number of proposals. If multiple proposals are used to make a selection, a standard process will be used for obtaining all proposals. The HA may also utilize the MRSC small works roster or other appropriate vendor list from which the HA may solicit bids for contract for providing these services.
- 6.2.4. Contracts Over the Simplified Acquisition Threshold (>\$250,000).** Contracts for personal services in excess of \$250,000 should be procured using a formal RFP process. The development of the RFP and proper public notification will be made in accordance with this Policy.

7.0. FEDERAL PROCUREMENT

- 7.1. **Application.** The requirements of this section are only applicable to procurement by the HA using federal funding. Nothing in this section or Policy shall be interpreted to limit or restrict the HA's ability to comply with all relevant and applicable federal, state, and local laws, including grant requirements.
- 7.2. **Separation of Federal and State Funds.** When both HUD 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, HUD 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.
- 7.3. **Required Federal Forms.** 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 the simplified acquisition threshold (\$250,000), as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by the HA. These forms do not govern HA procurements which involve no federal funds.
- 7.4. **Other Federal Requirements.** The HA will comply with all other federal requirements which are imposed as conditions on the use of federal funding. The applicable federal requirements will vary based on the type or source of the funding, and all possible requirements cannot be listed in this Policy. As a result, all applicable federal requirements will be contained in the specific procurement solicitation, which will control the federal compliance standards as to that procurement contract.

8.0. EXCEPTIONS TO COMPETITIVE PROCUREMENT

HA need not use the competitive procurement procedures set forth in this Policy when otherwise authorized by law, including but not limited to emergencies and sole source procurement when properly documented.

8.1. Emergency Procurements

- 8.1.1. **Application.** Pursuant to RCW 39.04.280, in the event of an Emergency, HA is not required to follow competitive bidding requirements for public works,

personal services, A/E services, and purchases. Other requirements under other laws may apply.

8.1.2. Definition. “Emergency” means unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

8.1.3. Written Findings. If an Emergency exists, the [CEO/Board of Commissioners] may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of HA to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by HA and duly entered of record no later than two weeks following the award of the contract.

8.2. Other Exceptions to Public Bidding. In addition to emergency procurements and pursuant to RCW 39.04.280, HA is not required to follow competitive bidding requirements in the following cases:

- (1) purchases that are clearly and legitimately limited to a single source of supply, based on a good faith review of available sources.
- (2) purchases involving special facilities or market conditions.
- (3) purchases of insurance or bonds.

- (4) HUD authorizes the use of noncompetitive proposals; or
- (5) After solicitation of a number of sources, HA determines that the competition is inadequate.

8.3. 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 CEO. 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: (1) a description of the requirement; (2) the history of prior purchases and their nature (e.g., competitive vs. non-competitive); (3) the specific exception in Section 8.2 above which applies; (4) a statement as to the unique circumstances that require award by noncompetitive proposals; (5) a description of the efforts made to find competitive sources (e.g.,

advertisements in trade journals or local publications, phone calls to local supplies); (6) a statement as to efforts that will be taken in the future to promote competition for the requirement; (7) the signature by the CEO or their designee; and (8) the reasonableness of the price for all procurements based on noncompetitive proposals will be determined by performing a price analysis as described in this Policy.

9.0. CANCELLATION OF SOLICITATIONS

- 9.1. Cancellation Before Bids/Proposals Due.** An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if: (1) the supplies, services, or construction are no longer required; (2) the funds are no longer available; (3) the proposed amendments to the solicitation are of such magnitude that, at the HA's sole discretion, a new solicitation would be best; or (4) other similar reasons.
- 9.2. Cancellation After Bids/Proposals Received.** A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if: (1) the supplies, services, or construction are no longer required; (2) ambiguous or otherwise inadequate specifications were part of the solicitation; (3) the HA determines it did not consider all factors of significant; (4) the prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; (5) the HA has 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 (6) for good cause of a similar nature when the HA determines it is in its best interest.
- 9.3. Documentation of Cancellation.** 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.
- 9.4. Unreasonable Bid Prices.** 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 HA'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 (1) re-solicit; or (2) if federally funded, If federally funded, complete the procurement by using the RFP competitive proposal method. The Contracting Officer must determine, in writing,

that such action is appropriate, must inform all bidders of the HA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.

- 9.5. Problems with Solicitation.** If problems are found with the specifications, the HA should cancel the solicitation, revise the specifications, and re-solicit using an IFB.

10.0. ASSISTANCE TO SMALL AND OTHER BUSINESSES

10.1. Applicability.

- 10.1.1. Federal Funding.** HA will comply with all federally required procedures for supporting Women- and Minority-Owned Businesses (MWBE) and/or Disadvantaged Business Enterprises (DBE) as those terms are defined in federal regulations, Executive Orders, or as conditions to receiving federal funding.

- 10.1.2. Required Efforts.** HA shall comply with all applicable state and local laws and regulations which provide for feasible efforts to be made to ensure that small and minority-owned businesses, women's business enterprises, small businesses owned and controlled by a veteran or service-disabled veteran and other individuals or firms are used when possible. Such efforts include, but shall not be limited to: (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) establishing delivery schedules, where the requirement permits, which encourage participation by such firms; and (d) using the services and assistance of the Washington State Office of Minority and Women's Business Enterprises, the Northwest Minority Business Council, the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

11.0. APPEALS AND REMEDIES

- 11.1. General.** It is HA policy to resolve all contractual issues informally and without litigation. When appropriate, the HA, in its sole discretion, may use a mediator to help resolve differences.

- 11.2. Appeals Procedure.** HA shall use the following bid protest/appeal procedure for all procurement contracts.

- 11.2.1. Standing to Protest.** Only bidders that submitted a bid, subcontractors, or others that can show substantial economic interest in the bid award and who are aggrieved, are eligible to protest.
- 11.2.2. Written Complaint.** Any protest must be in writing and received by HA's Contracting Officer before the earliest of the following deadlines:
- 11.2.2.1. Solicitations.** If the protest challenges the solicitation, before the due date for receipt of bids or proposals.
 - 11.2.2.2. Awards.** If the protest challenges an award of a contract, within two business days after the bid opening PROVIDED HA's Contracting Officer must receive the protest before HA signs a contract with the successful bidder, even if that occurs within two business days of the bid opening. See also RCW 39.04.105.
 - 11.2.2.3. Responsibility.** If HA determines a bidder to be not responsible, HA must provide, in writing, the reasons for the determination. The bidder may appeal the determination within the time-period specified in the bidding documents (or in the absence of such specification, three (3) business days) by presenting additional information to HA. HA must consider the additional information before the CEO issues a final determination. If the final determination affirms that the bidder is not responsible, HA may not execute a contract with any other bidder until two (2) business days after the bidder determined to be not responsible has received the final determination.
 - 11.2.2.4. Waiver.** If protests are not filed in accordance with the deadlines in this subsection 11.2.2, all eligible protestors will be considered to have waived their right to protest.
- 11.2.3. Protest Requirements.** All bid or award protests shall include at a minimum: (1) a detailed and clear statement of facts that the protesting party believes supports its position, (2) an identification of the terms from the procurement solicitation and/or the legal authority that supports the protest, and (3) copies of pertinent documents or other materials pertaining to the protest.

11.2.4. Initial Review and Response. Within three business days of receiving the complaint, HA will: (a) acknowledge receipt of the protest; (b) review the complaint to determine if it has merit or if additional information is needed; and (c) contact the protesting party to schedule an informal resolution meeting, if appropriate.

11.2.5. Suspension. The Contracting Officer or his or her designee may, at his or her sole discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

11.2.5.1. Suspension Requirement for Public Works. Within two business days of the bid opening on a public works project subject to competitive bidding, the agency must make available copies of the bids HA has received for the project if requested by a bidder.

11.2.5.2. Suspension of Public Works Protests. If the protest is from a bidder of a public works contract subject to competitive bidding requirements, HA must not execute a contract for the project with anyone other than the protesting bidder without first providing at least two full business days' written note of the HA's intent to execute a contract for the project, PROVIDED that the protesting bidder submits notice in writing of its intent to protest no later than: (a) two full business days following bid opening, if no bidder requested copies of the bids received for the project; or (b) two full business days following when the HA provided copies of the bids to those bidders requesting bids. For purposes of this subsection, intermediate Saturdays, Sundays, and legal holidays are not counted.

11.2.6. Meet and Confer. HA's Contracting Officer may request that the parties confer to discuss the claim. Upon such a request, the parties shall convene for that purpose within a reasonable period.

11.2.6.1. Informal Resolution Meeting. The meeting requested under subsection 11.2.6 may be conducted in person, virtually, or via phone. The purpose of such a meeting is to: (a) hear the concerns of the protesting party; (b) clarify HA's

evaluation and decision-making process; and (c) explore potential solutions, which may include but are not limited to adjusting award terms, re-evaluating proposals, or providing further clarification.

11.2.7. Agency Determination. The Contracting Officer shall issue a written decision on the matter to all concerned parties, summarizing: (a) the steps taken to address the protest; (b) the resolution, if any, or final decision; and (c) any next steps or adjustments, if applicable. The Officer's decision shall be final. State law shall govern any court action concerning a protest.

11.3. Rights of Parties. Nothing in this section shall be interpreted to limit or restrict any rights to which a contracting party is entitled under federal, state, or local law.