

APPENDIX 4

QUESTION	POSSIBLE SOURCES OF INFORMATION	POSSIBLE REASONS FOR PROBLEMS	YES	NO
II. Procurement and Contract Administration				
A. Competition				
* 1. Are all procurement transactions conducted in a manner providing for full and open competition?	Sample of procurement files.		___	___
2. Are prohibited in-State or local geographic preferences used in the evaluation of bids or proposals?	Sample of contract award files.		___	___
3. Does the PHA have written selection procedures for procurement transactions?	PHA procurement policies and procedures.		___	___
4. Do solicitations incorporate clear and accurate specifications which do not unduly restrict competition?	Sample of contract solicitation files.		___	___
5. Do solicitations identify all requirements which offerors must meet and all factors for evaluating offers?	Sample of contract solicitation files.		___	___
6. Are sufficient sources solicited to assure maximum open and free competition?	Sample of contract solicitation files and PHA bidders' mailing list.		___	___

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B. Procurement by Small Purchase * Procedures				
1. Are small purchase procedures used only for purchases aggregating less than \$25,000 or the PHA's small purchase ceiling?	Sample of small purchase files.		___	___
2. Are purchases split to use small purchase procedures and to avoid the requirements associated with formal contracts?	Sample of small purchase files.		___	___
3. When small purchase procedures are used, are quotations obtained from an adequate number of qualified sources?	Sample of small purchase files.		___	___
4. Are awards made to the quoter submitting the lowest price or otherwise justified?	Sample of small purchase files.		___	___
C. Procurement by Sealed Bids				
1. Are invitations for bids publicly advertised?	Sample of contract solicitation files.		___	___
2. Are bids solicited from an adequate number of known offerors, providing them sufficient time prior to the date set for opening the bids?	Sample of contract solicitation files.		___	___
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QUESTION	POSSIBLE SOURCES OF INFORMATION	POSSIBLE REASONS FOR PROBLEMS	YES	NO
* 3. Do invitations for bids clearly and accurately define the items or services in order for bidders to properly respond?	Sample of contract solicitation files.		___	___
4. Are bids publicly opened at the time and place prescribed in the invitation for bids?	Sample of contract solicitation files and interviews with PHA staff and/or bidders.		___	___
5. Are firm fixed-price contract awards made in writing to the lowest responsive and responsible bidders?	Sample of contract solicitation files.		___	___
6. Are bids rejected only for sound documented reasons?	Sample of contract solicitation files.		___	___
D. Procurement by Competitive Proposals				
1. Is the competitive proposals method used when conditions are not appropriate for the use of sealed bids?	Sample of contract solicitation files.		___	___
2. Are requests for proposals publicized?	Sample of contract solicitation files.		___	___

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* 3. Do requests for proposals identify all evaluation factors and their importance?	Sample of contract solicitation files.	___	___
4. Are proposals solicited from an adequate number of qualified sources?	Sample of contract solicitation files and PHA bidders mailing list.	___	___
5. Does the PHA have a method (and adhere to the method) for conducting technical evaluations of proposals and selecting awardees?	PHA procurement policies and procedures and sample of contract solicitation files.	___	___
6. Are awards made to responsible offerors whose proposals are most advantageous to the PHA considering price and other factors stated in the requests for proposals?	Sample of contract solicitation files.	___	___
7. Is the best qualified approach used only for selection of architectural/engineering (A/E) professional service contracts?	Sample of contract solicitation files.	___	___
8. If the best qualified approach is used for A/E selection, is fair and reasonable compensation negotiated?	Sample of A/E contract files.	___	___ *

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E. Procurement by Noncompetitive Proposals

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| <p>* 1. Is this method used only when award of the contract is infeasible under other methods and one of the following circumstances apply?</p> <p>a. Single source.</p> <p>b. Emergency that will not permit competition.</p> <p>c. HUD authorization.</p> <p>d. After solicitation, competition is inadequate.</p> | <p>Sample of contract award files.</p> | <p>___ ___</p> |
| <p>2. Are cost analyses of contractors' proposals performed for non-competitive contracts?</p> | <p>Sample of contract award files.</p> | <p>___ ___</p> |
| <p>3. Does the PHA obtain required HUD approvals for noncompetitive contracts?</p> | <p>Sample of contract award files.</p> | <p>___ ___</p> |

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F. Procurement under the Consolidated Supply Program (CSP)

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| <p>* 1. Does the PHA purchase from CSP vendors only the items and services authorized in CSP contracts?</p> | <p>Sample of PHA CSP purchase orders and catalogs.</p> | <p>___ ___</p> |
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2. Does the PHA purchase the lowest priced item meeting its needs under CSP or adequately justify purchases of higher priced items?	Sample of PHA CSP purchase orders, review CSP catalogs and interviews with PHA staff.	___	___
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3. Are copies of purchase orders under CSP sent to HUD?	Sample of PHA purchase orders and interviews with PHA/HUD staff.	___	___
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G. Socio-economic Procurement Practices

1. Does the PHA take all necessary affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus firms are used when possible?	Sample of contract files and interviews with PHA staff.	___	___
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2. Do the PHA's affirmative steps include the items identified in 24 CFR 85.36(e)(2)?	Interviews with PHA staff and review of PHA procurement policies and procedures.	___	___
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H. Contract Cost and Price

* 1. Does the PHA perform cost or price analyses for every procurement action, including contract modifications?	Sample of contract files and interviews with PHA staff.	___	___
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2. Does the PHA make independent estimates before receiving bids or proposals?	Sample of contract files and interviews with PHA staff.	—	—
3. Are cost analyses performed when offerors are required to submit elements of cost, adequate price competition is lacking, sole source contracts are awarded, and/or contract modification are negotiated (unless another means of establishing price reasonableness exists)?	Sample of contract files.	—	—
4. Does the PHA negotiate profit as a separate element for contracts in which there is no price competition and in all cases where cost analyses is performed?	Sample of contract files.	—	— *

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* 5. Does the PHA use the applicable cost principles (24 CFR 85.22) when appropriate?	Sample of contract files.		—	—
6. Does the PHA use the following prohibited contract types: cost plus a percentage of cost and percentage of construction cost?	Sample of contract files.		—	—

I. HUD Review

1. Does the PHA submit required contract documents for HUD review and approval?	Sample of contract files.	___	___
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J. Bonding

1. For CIAP and development funded contracts, does the PHA obtain adequate bonding for all construction and equipment contracts in excess of \$25,000?	Sample of contract files.	___	___
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2. For all other funding sources, does the PHA obtain adequate bonding for all construction contracts in excess of \$100,000?	Sample of contract files.	___	___ *
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* 3. Does the PHA allow contractors to provide the alternate forms of security identified in 24 CFR 968.240(d) for CIAP funded contracts requiring bonds?	Sample of contract files.		___	___

K. Contract Provisions

1. Do PHA contracts include the applicable provision required by 24 CFR 85.36(i)?	Sample of contract files.	___	___
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2. Does the PHA utilize HUD contract forms and formats (e.g. HUD-5370, General Conditions) as applicable?	Sample of contract files.	___	___
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L. General Procurement Standards

1. Does the PHA have written Standards of Conduct governing the performance of its employees engaged in procurement?	PHA procurement policies/ procedures and PHA personnel policies/ procedures.	—	—
2. Do the PHA Standards of Conduct comply with the criteria stated in 24 CFR 85.36(b)(3)?	PHA procurement policies/ procedures and PHA personnel policies/ procedures.	—	— *

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* 3. Does the PHA have procedures for a review of proposed procurements to avoid purchase of unnecessary or duplicative items and consolidate or break out procurements to make more economical purchases?	PHA procurement procedures and interviews with PHA staff.		—	—
4. Does the PHA make contract awards only to responsible contractors possessing the integrity, compliance with public policy, record of past performance, and financial and technical resources to perform successfully under the terms and conditions of proposed procurements?	Sample of contract files.		—	—
5. Does the PHA maintain	Sample of			

records sufficient to detail the significant history of procurements including rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price?

contract files.

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* 6. Does the PHA use time and material contracts only after a determination that no other contract type is suitable and if the contract includes a ceiling price?	Sample of contract files.		___	___
7. Does the PHA have protest procedures to handle and resolve disputes relating to procurements?	PHA procurement policies and procedures.		___	___
8. Does the PHA disclose protests in all instances to HUD?	Interviews with PHA staff.		___	___
M. Contract Administration				
1. Does the PHA have a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?	PHA procurement procedures.		___	___
2. Does the PHA receive the goods and services	Sample of contract			

contracted for on time
and in accordance with
contract specifications?

files.

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* 3. Are all contracted goods and services inspected and accepted prior to payment?	Sample of contract files.		___	___
4. Are payments to contractors made only for contracted items at the contract prices in accordance with the contract terms and conditions?	Sample of contract files and payment records.		___	___
5. Are contractor delinquencies and performance problems dealt with promptly and effectively?	Sample of contract files.		___	___
6. Are contract modifications made only in writing, when necessary, for work within the scope of the contracts, and at reasonable prices?	Sample of contract files.		___	___

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INFORMATION PROBLEMS

* 7. Are contract modifications inappropriately used to restrict competition, compensate contractors for low bids, or relax work requirements?

Sample of contract files.

Comments: _____

III. Occupancy - See the Public Housing Occupancy Audit Handbook 7465.2 REV-1, Appendix 7, for occupancy questions.

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