

U.S. Department of Housing and Urban Development

H O U S I N G

Special Attention of: Transmittal Handbook No.:  
4320.1 REV  
Chief Property Officer, Property Issued: 3/23/89  
Disposition Branch

1. This Transmits  
Handbook 4320.1 REV 1, "Property Disposition Contracting"
2. Explanation of Material

This Handbook implements procedures for all contracts issued in support of the Single Family and Multifamily Property Disposition (PD) programs. The procedures implement policies established by the Federal Acquisition Regulation (FAR) and HUD Acquisition Regulation (HUDAR).

3. Filing Instructions  
Remove: Insert:  
Handbook 4320.1 dated Handbook 4320.1 REV 1  
May 1973 and all related dated March 1989  
Transmittals/Changes

---

General Deputy Assistant Secretary  
for Housing Deputy Federal Housing  
Commissioner

---

TABLE OF CONTENTS

Paragraph		Page No.
CHAPTER 1. GENERAL		
1-1.	AUTHORITY.....	1-1
1-2.	SCOPE.....	1-2
1-3.	POLICIES.....	1-3
1-4.	ADMINISTRATIVE CONTROLS.....	1-4
1-5.	TRAINING REQUIREMENTS.....	1-5
1-6.	PROCUREMENT PLANNING.....	1-6
1-7.	SOURCE LISTS.....	1-7
1-8.	SOCIOECONOMIC PROCUREMENT PROGRAMS.....	1-9
1-9.	DEBARRED, SUSPENDED OR INELIGIBLE CONTRACTORS.....	1-10
1-10.	ADVERTISING.....	1-11
1-11.	PRINTING.....	1-11
CHAPTER 2. CONTRACTING PROCEDURES		
2-1.	FULL AND OPEN COMPETITION.....	2-1
2-2.	TYPICAL PD CONTRACTS.....	2-2
2-3.	CONTRACTING METHODS.....	2-5
2-4.	COST ESTIMATES.....	2-7
2-5.	PUBLICIZING PROCUREMENT ACTIONS.....	2-8
2-6.	SOLICITATION PROCEDURES.....	2-9
2-7.	SOLICITATION/AWARD NUMBERING SYSTEM.....	2-10
2-8.	KEY LABOR STATUTES/REGULATIONS AFFECTING PD CONTRACTING.....	2-12
2-9.	EVALUATION.....	2-15
2-10.	UNUSUAL PRICING ISSUES.....	2-17
2-11.	USE OF BONDS.....	2-18
2-12.	AWARD.....	2-20
CHAPTER 3. CONTRACT MONITORING, ADMINISTRATION, AND ENFORCEMENT		
3-1.	PROMPT MONITORING.....	3-1
3-2.	MONITORING TOOLS.....	3-1
3-3.	PURCHASE ORDERS.....	3-2
3-4.	GOVERNMENT TECHNICAL REPRESENTATIVE (GTR).....	3-3
3-5.	PROPERTY MANAGEMENT CONTRACTS.....	3-4
3-6.	SERVICE/SUPPLY CONTRACTS.....	3-5
3-7.	CONSTRUCTION CONTRACTS.....	3-6
3-8.	CONTRACT MODIFICATIONS.....	3-8
3-9.	PAYMENT REQUIREMENTS.....	3-11
3-10.	CLOSEOUT PROCEDURES Reserved	
3-11.	DISPOSITION OF OFFICIAL CONTRACT FILES.....	3-13

APPENDICES

APPENDIX

- 1 Procurement Plan (Sample Format)
- 2 Form HUD-24012, Justification for Other Than Full and Open Competition
- 3 Affirmative Action Minority & Female Goals
- 4 Performance Record Log
- 5 Record of Payment
- 6 Release of Claims

3/89

ii.

FORMS PRESCRIBED \*

Number	Title	Clearance Number
HUD-2542	Purchase Order Authorization and Payment	OMB NO. 2502-0278
HUD-9519	Acquired Property Inspection Report	OMB-No. 2502-0306
HUD-9733	Management Broker Qualification Data	OMB No. 2502-0306
HUD-9737	Property Disposition Program Field Office Procurement Obligations	HUD No. HI0056BR
HUD-24012	Justification for Other than Full and Open Competition	-----

\* The requirement for the listed forms is established by this handbook. Other forms are discussed in the text; however, their use is required by other directives (e.g., the Federal Acquisition Regulation).

iii.

3/89

CHAPTER 1 - GENERAL

- 1-1. AUTHORITY - Pursuant to Executive Order 12352, the Secretary designated the Assistant Secretary for Administration as HUD's Senior procurement Executive. The Senior Procurement Executive, through the Office of Procurement and Contracts, is responsible for all Departmental procurement policy, regulations, and procedures. The responsibility for internal procedures related to programmatic procurements of the Property Disposition program has been redelegated to the Assistant Secretary for Housing. Such procedures are issued by the Multifamily Property Disposition Division, Management Branch.

The Assistant Secretary for Housing has redelegated Property Disposition (PD) Contracting authority to specific Field Office positions. Only individuals in those designated positions may execute, modify, or terminate purchase orders or contracts, subject to the dollar limit delegated. Copies of the latest redelegation are available from the multifamily Property Disposition Division, Management Branch.

- A. Individuals performing Contracting Officer responsibilities must have a Certificate of Appointment (SF-1402) executed by the Field Office Manager, or in co-located offices, the Regional Director of Housing (FAR 1.6 and HUD Acquisition Regulation (HUDAR) 2401-603).
- B. Contracting Officers may have unlimited dollar authority. This authority is subject to administrative controls that may be set by the Head of the Contracting Activity (HCA). HUDAR 2401.101 defines the HCA for decentralized PD procurement as the Field Office Manager or, in co-located offices, the Regional Director of Housing.
- C. Senior Realty Specialists may be delegated authority to enter into and administer purchase orders. This authority is administratively limited to \$10,000, and may be further limited by the HCA. The HCA will designate Realty Specialists as "Senior" as necessary to meet the workload. The term "Senior" is not required to be included in the job classification or position title.
- D. The Regional Contracting Officer (RCO), under the Regional Director of Administration, serves as the Regional procurement expert. The RCO's responsibilities are set forth in Handbook 2210.16. The RCO also serves as the Competition Advocate for each contracting activity within the Region.

---

1-2. SCOPE

- A. Covered Transactions - The procedures prescribed in this handbook apply to contracts for goods and services in support of the Single Family and Multifamily Property

Disposition (PD) programs. This includes all contract actions associated with the acquisition of goods and services for the management, repair, improvement, alteration, demolition, maintenance, operation, rental, sale, or other disposal of HUD-owned property and property held as mortgagee-in-possession under the National Housing Act (12 USC 1701-1749). It also includes: contract actions incidental to a foreclosure or the taking of a deed-in-lieu of foreclosure on property with HUD-held mortgages, including purchase money mortgages; and, expenditures necessary to correct (or compensate homeowners for) structural or other defects under Section 518(b) under the National Housing Act.

- B. Prohibited Transactions - Among the items not authorized for acquisition (by purchase, lease, or rental) by Property Disposition contracting personnel are:
1. Acquisitions unrelated to the PD function as defined in paragraph A. above.
  2. Acquisitions funded from any source other than the FHA Fund. (The only exceptions to this general rule are expenses associated with HUD-owned properties under the Section 202 or 312 programs. In those instances, necessary property disposition contract actions may be funded from those program accounts in accordance with established procedures.)
  3. Office supplies, furnishings, and equipment (includes cameras, film, flashlights and tape measures).
  4. APP equipment, services and software, including microcomputers (PCs).
  5. Telecommunications equipment and services (e.g., telephone and telefax equipment, answering machines, etc.).
  6. Training of HUD personnel.
  7. General overhead expenses necessary for the administrative operation of the PD office, i.e., to support HUD personnel (e.g., travel, office space, etc.)

Acquisitions not prohibited above but not authorized in paragraph 1-2 A above require the written approval of the Assistant Secretary for Housing Federal Housing Commissioner.

A. Procurement - The procedures in this handbook supplement the following which are the primary rules governing procurement at HUD:

1. Federal Acquisition Regulation (FAR), Title 48 Code of Federal Regulations (CFR) Chapter 1, is the primary regulation governing Federal contracting.

Changes to the FAR are first published in the Federal Register. These changes are later issued as Federal Acquisition Circulars (FACs). FACs are printed loose-leaf changes to the FAR which are mailed to Field Offices directly from the Government Printing Office (GPO). FACs are sequentially numbered and must be filed in the FAR as received or as otherwise instructed.

2. The HUDAR, 48 CFR Chapter 24, is HUD's implementation and supplementation of the FAR and establishes Departmental procurement policies. HUDAR 2401.103 requires that all Departmental procurements, including those in support of the Property Disposition program, be accomplished in accordance with the FAR and HUDAR. Implementation material is that which expands upon related FAR coverage. Supplementation material is that for which there is no FAR counterpart. The numbering system is keyed to the FAR, except that all citations are preceded by "24." For example:

- a. FAR Subpart 6.3 concerns "Other Than Full and Open Competition." The HUDAR implementation is found at 2406.3 (same title).
- b. Supplementary coverage is noted by the suffix "70" (71, 72, etc., as may be necessary). HUDAR 2406.304-71 concerns approval of justifications for other than full and open competition at the Field Office level.

3. HUD Handbooks 2210.3, Procurement Policies and Procedures, and 2210.13, Government Technical Representative, implement Departmental policies and procedures for contracts awarded subject to the FAR. Chapters 1, 3, 5, and 6 of Handbook 2210.3 apply to PD contracting. The coverage contained in 2210.13 which is relevant to PD Procurement is contained in the Desk Guide

3/89

1-3

---

for Government Technical Representatives on Property Disposition Contracts. Copies of the Desk Guide are available from the Management Branch, Multifamily

Property Disposition Division.

4. General program policy covering repairs, management, sales and services are established by the Deputy Assistant Secretaries for Multifamily and Single Family Housing. They are issued in the form of policy memorandums, directives, notices, and handbooks. Guidance on their implementation and their impact on the contracting function is provided by the Headquarters Management Branch, Multifamily Property Disposition Division, or the Single Family Property Disposition Division, as appropriate. Relevant program handbooks include:

4310.5	Single Family Property Disposition
4315.1	Multifamily Property Disposition
4310.27	AMB Operational Handbook
4305.3	Accounting Handbook for Acquired Properties
4045.1	Fiscal Administrative Handbook
1344.1	Federal Labor Standards Compliance in Housing and Community Development Programs
(No #)	PMS Procedures Manual

- 1-4. ADMINISTRATIVE CONTROLS - The Regional Administrator or Field Office Manager may implement controls, as necessary, to assure adequate management and control of the contracting function. The redelegation of Contracting Officer authority does not affect the administrative and supervisory responsibilities of any supervisory officials.
  - A. In order to promote proper internal control, Field Office and AMB/PM procurement actions must be processed in a manner which ensures that persons who place purchase orders are not also assigned responsibility for inspecting and accepting delivery or performance.

3/89

1-4

- 
- B. Additional administrative controls may include:
    1. The Regional Administrator may restrict the contracting authority of any Field Office within the Region and designate another Field Office to process its contract actions.
    2. To strengthen controls within a contracting activity, the Field Office Manager may require prior approval at

a higher level for:

- o Contract awards over a stated value (e.g., \$100,000).
- o Solicitations for Architect/Engineer (A/E) services.
- o Contract amendments aggregating in excess of a stated value (e.g., \$50,000).
- o Contract amendments and/or modification that exceed the original contract price by more than a stated percentage (e.g., 15 percent).
- o Reaction of an otherwise acceptable bid because of non-responsibility determination. (See FAR Subpart 9.1.)
- o Any small purchase over \$1,000 based on the solicitation of fewer than three quotes (see FAR 13.106(b)(5)).

#### 1-5. TRAINING REQUIREMENTS

- A. Contracting Officers. Experience, education, and minimum training requirements for Contracting Officers are established by HUDAR 2401.603-2. These requirements apply to anyone who is serving as a contracting officer and spends more than ten percent of his/her time in contract placement and/or administration.
- B. Other PD personnel. PD contracting involves other personnel (with various position titles) in contract planning, placement, and administration. Representative position titles include "Contract Specialist," "Senior Realty Specialist," and

1-5

3/89

---

"Realty Specialist." It is essential that such personnel receive sufficient training to ensure efficient and professional job performance. Training requirements for contracting support staff are as follows:

1. Contract Specialists, Senior Realty Specialists, and others involved in contract placement - 80 hours.
2. Realty Specialists and others involved in contract planning and/or administration - 40 hours.

#### C. Training Courses

1. "Fundamentals of Property Disposition Contracting," a self-instructional training course, is available through the Regional Training Officer. It provides 40



credit hours toward the minimum training requirements.

2. The Regional Training Officer, Regional Contracting Officer and Headquarters Management Branch should be consulted for information on other contracting courses that may be available. Suggested courses should cover:
  - a. Small purchase procedures
  - b. Sealed bidding procedures
  - c. Negotiation procedures
  - d. Contract administration
  - e. Managing the procurement function (suggested for CPOs and Directors of Housing Management)

1-6. PROCUREMENT PLANNING - FAR Part 7 requires each contracting activity to perform procurement planning. Appendix 1 is a suggested procurement plan format. Regardless of the format, the procurement plan must conform to the requirements listed below:

- A. The planning process must be completed no later than September 1 of each year for the next fiscal year and must include:

3/89

1-6

- 
1. Surveying past procurement activity;
  2. Categorizing repetitive services;
  3. Characterizing how services were procured;
  4. Estimating future volume; and,
  5. Determining the best method of procurement for future needs.
- B. In determining the best method of procurement for future needs, consider:
    1. Maximizing competition, as required by FAR Part 6;
    2. Size, dispersion, and physical condition of current and projected inventory;
    3. Which procurement technique will be most economical in terms of cost and staff usage. This may include the consolidation of requirements for award of indefinite-delivery contracts; and,

4. Availability of contractors for the services.

#### 1-7. SOURCE LISTS

##### A. General.

1. Source lists must be maintained for all supplies and services for which there is a repetitive need. They are solely for the purposes of identifying firms interested in PD contracting and promoting competition. They are not a form of pre-qualification; anyone who requests a copy of a specific solicitation must be given one.
2. Local media advertising is encouraged as a means to attract adequate sources for supplies and services.
3. A separate file must be kept to document all general efforts to increase sources and generate competition, such as contacts with trade associations, minority contractor associations, and general display advertisements.
4. Establishment of source lists by AMB/PMs is discussed under paragraph 3-5 E.

1-7

3/89

---

##### B. Small Purchases.

1. Source lists for purchases below the small purchase ceiling may consist of a simple list of interested vendors; i.e., name, address, telephone number, and contact person, organized by type of supply/service.
2. When soliciting quotes for a specific small purchase, consult the appropriate source list to identify at least three vendors to meet the competition requirements of FAR 13.106(b). The source list may be supplemented by the yellow pages, trade journals, or other available listings. Avoid repetitive reliance on a limited number of vendors. Rotate your solicitation of quotes among the vendors available.
3. Field Offices, at their discretion, may elect to establish the more formal, structured source list explained in paragraph C. below for small purchases.

##### C. Solicitation Mailing List (SML). An SML is a more formally structured source list intended to ensure adequate sources of supply for contracts above the small purchase ceiling (see FAR 14.205). Placement on the SML requires the submission of an application,

1. Forms. Use the following forms to establish SMLs as

indicated:

- a. Form HUD-9733, Management Broker Qualification Data, for establishing sources for property management (AMB and PM) contracts.
  - b. Form SF-254, Architect/Engineer and Related Services Questionnaire for A/E services.
  - c. Form SF-129, Solicitation Mailing List Application, for supplies and all services other than those in a. and b. above.
2. Review. The above forms must be reviewed by the CPO or designee to ensure that:
- a. They are complete and correct; and,
  - b. The firm (or any affiliate firm) is not listed on GSA's Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs.

3/89

1-8

---

If an applicant is not placed on an SML, the applicant must be notified of the reason(s) for denial.

- D. Identifying Sources for Specific Solicitations. FAR Subpart 5.2 requires, with few exceptions, that all procurements estimated to exceed the small purchase ceiling must be synopsisized in the Commerce Business Daily (CBD). Therefore, the actual sources solicited for formal contracts will be based on a compilation of the respondents to the CBD synopsis, those firms identified from the appropriate SML, and any other potential firms identified by local outreach efforts, such as newspaper advertisements. A list of these sources must be kept in the file. If a solicitation is amended, all sources must be provided a copy of the amendment.
- E. Conflict of Interest Considerations. When compiling a source list for a particular procurement action, the contracting officer should review relevant SML applications to ensure that there are no apparent conflicts of interest. Two or more firms in which the principal of one is also a principal of another, or one has a financial interest in another, shall not be permitted to compete on the same purchase. The AMB/PM, or firms in which the AMB/PM has direct or indirect identity or financial interest, cannot compete on purchases providing services or supplies.

#### 1-8. SOCIOECONOMIC PROCUREMENT PROGRAMS

- A. Policy. It is the policy of the Department of Housing and

Urban Development to award a fair portion of the Department's total procurement requirements to small businesses, 8(a) contractors, labor surplus area concerns, minority business enterprises, historically Black colleges and universities, and women-owned businesses. To implement this policy, the Department has established two initiatives: the Procurement Opportunity program (POP) and the Minority Business Enterprise (MBE) Procurement program. The Director, Office of Small and Disadvantaged Business Utilization (OSDBU), Headquarters, is responsible for both initiatives. OSDBU works with the Assistant Secretary for Housing to establish annual goals for all PD procurements. OSDBU then monitors actual performance against those goals and prepares the Department's annual performance reports.

Detailed information on the authority and content of these socioeconomic procurement programs is contained in Chapter 3 of HUD Handbook 2210.3.

3/89

1-9

---

B. Responsibilities.

1. Small Business/Small Disadvantaged Business Specialists. Each Head of a Contracting Activity shall designate by name or title and in writing a small business/small disadvantaged business specialist. The responsibilities of these specialists are delineated at HUDAR 2419.201(d). Generally, their role is to encourage participation in HUD procurement by all firms targeted by the POP and MBE Programs.
2. Procurement responsibility. The CPO is responsible for maintaining a procurement program that promotes opportunities for POP and MBE firms and for meeting established goals. It is recommended that annual procurement plans be used to identify potential procurement actions for POP/MBE Program participation. The CPO must also use promotional and outreach efforts to identify and encourage active participation of POP and MBE firms in Field Office procurement. This may include the use of media advertising, including minority media.

- C. Reporting Requirements. Form HUD-9737, "Property Disposition Program Field Office Procurement Obligations," summarizes all required procurement reporting (POP, MBE and competition data) into one report. The purchase order and contract logs must contain all the data needed to complete this report. Reports are required to be completed following instructions on the reverse of the form and forwarded to Headquarters on a quarterly basis, no later than 15 days after the end of the quarter.

1-9. DEBARRED, SUSPENDED OR INELIGIBLE CONTRACTORS

- A. Policy - It is HUD's policy that Departmental contracts be awarded only to responsible contractors that can demonstrate that Government funds will be utilized properly. Generally, a "responsible" contractor is one who has the financial and technical ability to perform the contract as well as a satisfactory record of integrity and business ethics. (Complete requirements for determining the responsibility of prospective contractors may be found at FAR Subpart 9.1.)
- B. Sanctions - The debarment, suspension, and placement of a contractor in a ineligibility status are measures which may be pursued by the Contracting Officer either to exclude or to disqualify persons or firms from participating in Government contracting or subcontracting. The actual imposition of the

3/89

1-10

---

sanction is made at the Assistant Secretary level. These sanctions are used for the purpose of protecting the Government's interest. HUD's pertinent regulations on this subject are contained in 24 CFR Part 24.

- C. Governmentwide Lists - The Office of Inspector General (OIG) maintains and provides HUD's contribution to the General Services Administration's (GSA) Lists of Parties Excluded from Federal Procurement or Non-procurement Programs (published as one document). The Management Branch, Multifamily Property Disposition coordinates Field copy needs annually with those who distribute both lists. Weekly updates to the GSA list can be accessed by a modem-equipped microcomputer (PC) using instructions provided by GSA.
  - D. Responsibility - Contracting Officers must review the Governmentwide lists prior to contract award as part of the responsibility determination required by FAR 9.104.
- 1-10. ADVERTISING - Ads may be placed in local media to establish access to adequate sources of supply and services (FAR Part 5) as well as to assist in the disposition of properties.
- A. Program policy on the use of advertising is set forth in the appropriate program handbooks (Single Family, 4310.5 and Multifamily 4315.1).
  - B. Contracts with advertising agencies must be entered into competitively.
  - C. Forms - Purchases under the small purchase ceiling must be placed using Form HUD-2542. Purchases in

excess of the small purchase ceiling must be placed using Form SF-33 or Form SF-26.

- D. Payment requests for advertising placed in printed media must be supported with copies of the ad(s).

1-11. PRINTING

- A. Policy. All printing and binding required by any Federal executive agency must be done at the Government Printing Office (GPO) or another printing facility authorized by the Joint Committee on Printing (JCP), U.S. Congress (44 USC 501). Contracts may result in the production of camera ready reports, pamphlets, brochures, etc., but all printing/duplicating of such material in excess of the quantities specified in HUDAR 2452.237-71, "Reproduction of Reports," must be obtained from GPO.

3/89

1-11

---

- B. Responsibilities. PD Contracting Officers are also designated "Printing Officers" and are authorized to directly requisition printing and binding services relevant to Property Disposition activities through GPO/JCP facilities. Such requisitions must comply with GPO's Agency Procedural Handbook (GPO Publication 305.1). Copies are available from GPO and the Multifamily Property Disposition Management Branch.
- C. Coordination. A copy of all printing/duplicating requisitions submitted to GPO/JCP facilities must be provided to the Regional Director, Administrative Services Division.

3/89

1-12

---

## CHAPTER 2. CONTRACTING PROCEDURES

### 2-1. FULL AND OPEN COMPETITION

- A. Policy - It is HUD policy to obtain maximum competition consistent with the nature of the procurement. FAR Part 6 and HUDAR Part 2406 set Federal and HUD policies, respectively.
- B. Other Than Full and Open Competition - Any procurement action above the small purchase ceiling which is processed using other than full and open competitive procedures must be supported by a written justification based on one of the circumstances in FAR 6.302. The concept of other than full and open competition includes sole-source situations and any situation where FAR/HUDAR requirements for full and open competition are not met (e.g., competition among a limited number of sources which was not announced in the Commerce Business Daily).
1. Justification content/form - All justifications must be documented on Form HUD-24012, "Justification for Other Than Full and Open Competition" (see Appendix 2).
  2. Justification approval - Specified on Form HUD-24012. Also, see FAR 6.304/HUDAR 2406.304-71. For Field Office procurements, the approval levels are:

Value of Action	Approval Level
-----------------	----------------

\$25,000 - \$100,000	One level above the contracting officer
----------------------	---

\$100,001 - \$1 million	Competition Advocate (The Regional Contracting Officer, Office of Administration)
-------------------------	---

\$1 million - \$10 million Deputy Regional  
Administrator

Over \$10 million Senior Procurement Executive  
(Assistant Secretary for  
Administration)

3. Regional Procurement Review Board (PRB) (HUDAR 2406.304-72(c)). - In addition to the above requirements any justification for a sole-source award above the small purchase ceiling must also be approved by the Regional PRB. PRB procedures are issued at the Regional level consistent with directions issued by the Senior Procurement Executive.

2-1

3/89

---

2-2. TYPICAL PD CONTRACTS - Property Disposition contracts generally fall into five categories: property management; services; supplies; construction; and, architect/engineer.

- A. Property management contracts set forth the scope of services required to manage single family or multifamily properties. Pre-bid/proposal conferences are recommended for these contracts to clarify the requirements and procedures of the particular area/project and the local office staff. Pre-bid/proposal conferences should be held as early as possible after issuance of the solicitation and before receipt of bids/offers. Oral advice given by HUD officials during the conference may not contradict solicitation requirements. Should this occur, an amendment to the solicitation or a clarification must be issued. After a pre-bid/proposal conference, a written record of the conference must be issued to all potential offerors.



Property management contracts include:

1. Area Manager Broker (AMB) - provides management services for single family properties (1-4 family units).
2. Project Manager (PM) - provides management services on multifamily projects (5 or more units) and may cover properties already acquired or those which the Secretary has custody of the project prior to acquiring title (Mortgagee in-Possession (MIP)). A PM contract may cover a single project or several projects within a geographic area.
3. Nursing Home Administrator - requires performance of various administrative services in operating and managing a nursing home.
  - a. Nursing Home Administrator contracts should be competitively negotiated to obtain a highly qualified administrator.
  - b. The Service Contract Act applies to all authorized service contract employees. (see paragraph 2-8 A.2.)
4. If necessary to obtain property management services without sufficient advance notice to allow full and open competition, an emergency 120-day property management contract may be competitively negotiated following FAR Part 6.3. Because of the uncertainties involved in the multifamily property acquisition process, the use of

---

indefinite-quantity contracts to acquire property management services for a specific geographic area is encouraged. Also, refer to FAR Part 7 and paragraph 1-6 of this Handbook for procurement planning requirements which will minimize the need for temporary emergency contracts.

5. Formats for the above property management contracts are issued by Headquarters Single Family and Multifamily Property Disposition Divisions. Formats which deviate from specifications and requirements prescribed by Headquarters require the prior consent of the Director, Multifamily Property Disposition Division,

B. Services - Typical types of service contracts used are:

Single Family	Multifamily
Advertising	Advertising
Yard maintenance	Grounds maintenance
Board-up	Glass and screen replacement
Winterizing	Air conditioning and heating maintenance
Lock boxes and keys	Elevator maintenance
System checks	Security guards
Security guards	Janitorial services
Demolition	Termite treatment
Glass replacement	Pest control
Sales closings	Trash collection
	Fuel oil and burner service
	Swimming pool maintenance

1. The Service Contract Act (SCA) applies to service

contracts if the total dollar value for the full contract term exceeds \$2,500, except for advertising services and sales closings which primarily use administrative or professional employees. See paragraph 2-8 A.2. for further information.

2. If there is a continuing need for any service, solicit a competitive contract for a specific period (not to exceed five years). Note the SCA requirement for contracts in excess of two years, which requires obtaining updated wage determinations and renegotiation of wages, if required by a change in these wage determinations.
3. Establish a tickler file to assure proper follow-up on repetitive services. Allow sufficient lead time for the contracting process to assure continuation of services.

2-3

3/89

---

C. Supplies - Such as ranges, refrigerators and locks- use General Service Administration's Federal Supply Schedule contracts to the extent possible.

D. Construction - Covers any standard construction trade including alteration, repair or painting.

1. In developing repair specifications, the following can be used as guides:

Handbook 4910.1, Minimum Property Standards

24 CFR 886.307, Section 8 Housing Quality Standards  
(for multifamily properties)

HUD-T9767(583), National Specification System  
Catalog of Specifications for  
Reconditioning HUD Acquired Property

Other National, State, or local housing/building  
sanitary codes

2. The Davis-Bacon Act applies to all construction contracts in excess of \$2,000. See paragraph 2-8 A.1. for further information.
- E. Architect/Engineer (A/E) services are occasionally required on multifamily projects for investigative work on the physical condition of the project, development of plans and specifications, and inspection of repairs. FAR Part 36 provides policies and procedures for A/E contracts.
1. A/E contracting Procedures must not be used to obtain single family property inspection services. A service contract (see B above) should be used to obtain these services.
  2. Indefinite-quantity contracts should be used where all of the following conditions are met. Sample formats are available from Headquarters Multifamily Property Disposition, Management Branch.
    - a. The services are expected to be needed on more than one project;
    - b. There is a specified geographic area for performance;

- c. There is a specified period of time covered by the contract; and,
- d. Similar types of professional expertise are required in multiple instances.

2-3. CONTRACTING METHODS - After determining the services/supplies required, the contracting method must be determined.

Contracting Officers must exercise good judgment in selecting the method of contracting that best meets HUD needs. These methods are:

A. Sealed Bidding - FAR Part 14 (previously known as formal advertising). This method employs competitive bids, public opening of bids and award to the lowest priced responsive, responsible offeror. Contracting Officers shall solicit sealed bids if:

- 1. Time permits the solicitation, submission, and evaluation of sealed bids;
- 2. The award will be made on the basis of price and other price-related factors;
- 3. It is not necessary to conduct discussions with the responding offerors about their bids; and,
- 4. There is a reasonable expectation of receiving more than one sealed bid.

B. Negotiation - FAR Part 15. This method includes solicitation of proposals, evaluation of factors other than price, permits, discussions/bargaining with offerors, and generally offers them a chance to revise their proposals before award. Negotiation must be concluded on a competitive basis unless one of the exceptions cited in FAR Part 6.3 is met. The contract file must also "document the

reasons sealed bidding is not appropriate" (FAR 6.401).  
Property Disposition personnel shall follow the procedures specified in Chapter 5 of Handbook 2210.3, Procurement Policies and Procedures, when contracting by negotiation.

C. Small Purchases - FAR Part 13

1. All small purchases originated by PD personnel, regardless of dollar value, must be authorized by the issuance of a Form HUD-2542, "Purchase Order Authorization and Payment." However, for construction purchases above \$2,000, award using Form SF-1442, Solicitation, Offer and Award (Construction, Alteration or Repair) is recommended (see Paragraph 2-6 A 3).

3/89

2-5

- 
2. In emergency situations, authorized personnel may provide a vendor with a verbal notice to proceed and issue a confirming purchase order afterwards. In such cases, in addition to a description of the required goods/services, the Form HUD-2542 must contain a note as follows:

CONFIRMING ORDER - Work authorized by telephone on 5/31/88 by Jane Doe, Senior Realty Specialist

3. The practice of issuing a purchase order for all purchases originated by PD personnel is not inconsistent with AMB/PM purchasing authority. In each case, written contractual coverage is normally required before work commences. The AMB/PM contract is the written authority to manage HUD properties and to incur (and be reimbursed for) certain expenses associated with that management. The FAR requires similar written advance authorization for any direct HUD

purchase. In addition to complying with the FAR, the written purchase order serves as an internal control mechanism and as a ready basis for distinguishing itself from an AMB/PM purchase. The only exceptions to this procedure are utility and tax payments paid directly by HUD.

4. Competition for small purchases must comply with FAR 13.106 Purchases under \$1,000 may be accomplished without competition provided the price is considered reasonable. The file must be documented as to how the determination of reasonableness was made. This dollar ceiling may be further limited at the discretion of the HCA. All such purchases must be equitably distributed among available sources.
5. Purchases between \$1,000 and \$25,000 may be limited to solicitation of at least three sources. Additional competition should be solicited as necessary to ensure reasonable prices. If only one source is solicited, an explanation for the absence of competition must be attached to the office's copy of the order.
6. Quotes for small purchased should be solicited orally unless:
  - a. Complex specifications are involved which, if communicated orally, may result in offers which are not comparable in scope;

3/89

2-6

- 
- b. The Contracting Officer determines that written quotations are more practical for a particular transaction;

- c. A large variety of supplies or services are required;
  - d. The purchase is for construction services over \$2,000;
  - e. The purchase is for services covered by the Service Contract Act (over \$2,500 - see paragraph 2-8A.2) and the wage determination is lengthy and best conveyed in writing; or,
  - f. Further limitations have been established locally by the Head of the Contracting Activity.
7. If oral quotes are obtained, the following documentation must be attached to the office's file copy of the purchase order:
- a. A list of firms/individuals from which quotes were obtained;
  - b. The price(s) quoted by each;
  - c. Name(s) of the PD staff member(s) obtaining the quotes and the persons who provided the quotes; and,
  - d. The date(s) the quotes were requested and received.
8. Quotes are not bids. The Contracting Officer is encouraged to negotiate to obtain the most reasonable price available for the goods or services.
9. Quotes must be kept strictly confidential and not disclosed to competitors. After award of the



purchase order, the purchase order price(s) may be disclosed to interested parties.

10. Further controls may be established locally for small purchases originated by AMBs or PMs.

2-4. COST ESTIMATES - shall be established for all purchases. They can range from simplified estimates to definitive cost estimates.

- A. Simplified estimates based on previous experience, current price lists, or any other reasonable basis may be used for:

2-7

3/89

---

1. Supplies and services below the small purchase ceiling; and,
  2. Construction \$5,000 and under.
- B. Definitive cost estimates are required for all purchases above the threshold in paragraph A above. They must include breakdowns for each cost element. Supporting data must be included to show how the amounts were determined. Cost elements include: Material, Labor, Overhead, and Profit.
  - C. The requirement for an independent estimate of construction costs (FAR 36.203) applies to all construction purchases in excess of the small purchase ceiling.
  - D. Knowledge of cost estimates is restricted to Government personnel whose official duties require such knowledge. Cost estimates must not be revealed to any bidder/offeror.

E. Sources of cost data:

1. Cost analysts and other profession staff.
2. Contract files can be consulted for past experience with the same work.
3. Trade journals, catalogs, Dodge Reports, price lists, or other publications which tabulate costs.
4. Oral requests to suppliers, wholesalers, and distributors. Care must be taken to ensure such requests are not construed as a bid solicitation.
5. Boeckh Building Cost Modification, Marshall Swift Valuation Service, or similar publications.

2-5. PUBLICIZING PROCUREMENT ACTIONS

A. Each solicitation in excess of \$25,000 must be:

1. Synopsized in the Commerce Business Daily (FAR Part 5); and,
2. Posted in the lobby or public space of the HUD Field Office.

B. FAR 5.101(b) list additional methods for publicizing procurement actions which should be considered when previous solicitations have resulted in insufficient competition.

3/89

2-8

---

2-6. SOLICITATION PROCEDURES for formal contracts (above the small

purchase ceiling) are set forth in FAR Parts 14, Sealed Bidding and 15, Negotiation. See paragraph 2.7 for information on the solicitation/award numbering systems.

A. Forms/Formats

1. Property management contract formats and some service contract formats are available from Headquarters Multifamily Property Disposition, Management Branch.
2. Services/Supplies may be purchased by sealed bid, negotiation or small purchase procedures.
  - a. Sealed bid and negotiation require the use of Form SF-33.
  - b. Small purchases -
    - (1) If oral solicitation is used, award on Form HUD-2542.
    - (2) If written solicitation, use Form SF-18 and award on Form HUD-2542.
    - (3) Develop a specification as required in FAR Part 10.
    - (4) Applicable clauses are pre-printed on reverse of Form HUD-2542.
3. Construction contracts may use either sealed bid, negotiation, or small purchase procedures.
  - a. HUDAR 2419.503 requires that all construction purchases under the Property Disposition Program with an estimated cost of less than \$1 million be reserved exclusively for small businesses as a

class set aside. If the Contracting Officer determines that any individual procurement falling within this class set-aside requirement is unsuitable for such a setaside in part or in total, the set-aside may be withdrawn with the concurrence of the HCA. Proposed procurements for construction which exceed an estimate of \$1 million shall be considered for set aside on a case-by-case basis.

- b. For small purchases under \$2,000, solicit quotes orally or in writing using Form SF-18 and award on Form HUD-2542.

3/89

2-9

- 
- c. Above \$2,000 but below \$25,000, award using Form SF-1442 is recommended; however, Form HUD-2542 with applicable construction contract clauses attached may also be used. (Format available from the Management Branch, Multifamily Property Disposition Division.) (See FAR Parts 13 and 36).
  - d. Above \$25,000, award using Form SF-1442.
  - e. Develop specifications following FAR Part 10 and those standards referenced in paragraph 2.2D.
  - f. See FAR Part 52 for solicitation and contract provisions to include in fixed price construction contracts.
4. Architect /Engineer - Use Form SF-252, Architect-Engineer Contract, to solicit and award A/E contracts (FAR Part 36).

## 2-7. SOLICITATION/AWARD NUMBERING SYSTEM

### A. Solicitation/Contracts

1. Log. A solicitation/contract log containing the following information must be maintained:
  - a. Solicitation number
  - b. Date of opening
  - c. Project/area identification
  - d. Project area/location
  - e. Nature of work
  - f. Set aside for labor surplus or small business
  - g. Contract award date
  - h. Competition (Identify the FAR Subpart used—either 6.1 or 6.3. FAR Subpart 6.3 must be further broken down to the relevant competition exception used, i.e., FAR 6.302-1, 6.302-2, or 6.302-5.)
  - i. Contract number
  - j. Contract price (fixed or estimated amount)

k. Contractor name and identification re:

Small or large business  
Minority designation  
Women-owned business

2. Numbering System

- a. Solicitation - assign in chronological order beginning at number one at the start of each fiscal year. The numbering system is the sequential number, dash, fiscal year (two digits), and the office projective code (e.g., 1-85-021).
- b. Solicitation Amendments - must be sequentially numbered and issued on a SF-30. Any IFB amendment which may affect a material factor (price, quality, quantity or delivery) must be acknowledged with the bid (FAR 14.208).
- c. Contracts - assign in chronological order beginning at number one and continuing sequentially. Contract numbers revert back to number one only after 9,999 are issued. The numbering system: the office projective code, dash, fiscal year (two digits), sequential number (one to five digits, as necessary) (e.g., 021-85-155).

B. Purchase Orders

- 1. Log. A purchase order log containing the information listed below must be maintained.
  - a. Purchase order number

- b. Dollar amount
- c. Date of award
- d. Name of contractor
- e. Minority designation
- f. Women owned business
- g. Small or large business
- h. Case number

2-11

3/89

---

- i. Property address
  - j. AMB/PM name
  - k. Nature of work
  - l. Delivery date
  - m. Follow-up action
  - n. Assignee (if applicable)
  - o. Remarks (include reasons for amendments, cancellations, delays)
2. Numbering. A new series of numbers shall be started each fiscal year, starting with number one and continuing consecutively. Each number shall be preceded by the two-digit fiscal year and a hyphen (example: 85-1).

3. Review. The CPO must review the log quarterly and maintain a review file. This review must check for:
  - a. Timely processing of additions and deletions;
  - b. Indications of bid splitting;
  - c. Frequency of sole-source procurements;
  - d. Excessively priced items;
  - e. Delinquent performance; and,
  - f. Other signs of abuse.

## 2-8. KEY LABOR STATUTES/REGULATIONS AFFECTING PD CONTRACTING

- A. Labor Regulations - are set forth in FAR Part 22. The major areas affecting property disposition are:
  1. Davis-Bacon Act - applies to all construction contracts estimated to exceed \$2,000. Implementing regulations are contained FAR Subpart 22.4. Applicable wage determinations must be included in each solicitation. Handbook 1344.1, Federal Labor Standards Compliance in Housing and Community Development Programs, sets HUD policies and instructions on the Davis-Bacon Act. Wage determination requests must be coordinated with the Regional Labor Relations Specialist.

3/89

2-12

- 
2. Service Contract Act (SCA) - applies to all service



contracts estimated to exceed \$2,500. Applicable wage determinations must be included in each solicitation.

- a. 29 CFR Part 4 contains SCA regulations.
- b. Forms SF-98 and 98a must be used to request a wage determination.
- c. The SCA applies to all contracts which the principal purpose is to furnish services, other than persons employed in an executive, administrative, or professional capacity. (See 29 CFR 29). The SCA shall apply regardless of any contractual relationship that may exist between the contractor and his employees.
- d. The SCA applies to PM contracts when five or more project employees will be used. In some instances, advance notice of project acquisition is not sufficient to permit obtaining a wage determination prior to award of the PM contract. In such event, the Contracting Officer must immediately request a wage determination. Upon receipt, the contract must be modified to incorporate the wage determination and provide appropriate restitution and adjustment of wages.
- e. The SCA does not apply to AMB contracts unless the AMB contract requires performance of service-type work (e.g., lawn maintenance).
- f. At present, the FAR does not include Service Contract Act coverage. A FAR revision adding the appropriate contract clauses is pending. In the interim, the following options are available for covered solicitations and contracts:

(1) Incorporate the Service Contract Act in Section I of the solicitation/contract by reference to FPR Temporary Regulation 76; or,

(2) Incorporate the current clause in full text.  
Copies are available from Headquarters Multifamily Housing Management Branch.

3/89

2-13

---

- g. DOL publishes an SCA Directory of Occupations which is purchased and mailed to each Field Office by the Management Branch, Multifamily Property Disposition Division. Consult this Directory when processing a request for wage determinations to choose the appropriate labor classification. These classifications should meet PD needs. The only classification not covered, Rental Clerk/Senior Rental Clerk, has been provided to DOL for inclusion in the Directory when updated. Copies of this classification are available from the Management Branch.
- h. At least 30 days must be allowed for the Department of Labor (DOL) to respond to a request for a wage determination.
- i. The Department of Labor (DOL) must be notified of the award of all contracts subject to the Service Contract Act by filing a Form SF-99. DOL is responsible for enforcement. Questions or complaints should be referred to the Administrator, Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210.
- j. Areawide Wage Determinations Reserved

3. Walsh-Healey Public Contracts Act (See FAR 22.6) applies to supply contracts over \$10,000.
  - a. Minimum wage determinations are not required.
  - b. Requires overtime payments for over 40 hours worked in one week.
  
4. Affirmative Action - FAR Subpart 22.8 sets procedures for Equal Opportunity and Affirmative Action Programs in Government contracts and implements the requirements of Executive Order 11246 and the Office of Federal Contracts Compliance Programs' (Department of Labor) regulations in 41 CFR 60-1 and 60-4.

The prescription for clauses in support of these programs is found at FAR 22.810. This prescription requires that the Contracting Officer insert certain provisions in solicitations when the contract will include the Equal Opportunity clause at FAR 52.222-26 (presently all contracts over \$10,000). While the FAR implements DOL affirmative action and equal opportunity requirements for all contracts, the requirements for construction contracts are more substantive. For example, the Contracting

3/89

2-14

---

Officer must insert specific goals for minority and female participation in construction contracts over \$10,000. This requirement is implemented by:

- a. FAR 52.222-23, "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity," which sets forth in solicitations

the goals for minority and female participation for the contractor's aggregate work force in each trade on all construction work in designated covered area(s). The appropriate goals must be inserted into paragraph (b) of this Notice. The goals are based on U.S. Census data and are published approximately every ten (10) years in the Federal Register. Appendix 3 contains the most recent goals which were published in 1980. Goals for female participation apply nationwide. Goals for minority participation apply only in the designated areas. In those areas not covered by a minority goals, amend Paragraph (b) of FAR 52.222-23 to include appropriate female goals and a notation that a minority goal has not been established. Appendix 3 will be updated when revised goals are published by DOL's Office of Federal Contract Compliance Programs (OFCCP).

- b. FAR 52.222-27, "Affirmative Action Compliance Requirements for Construction," provides that all construction contracts and subcontracts at any tier which are estimated to exceed \$10,000 must include this clause and the above Notice containing the goals for female and minority participation.

## 2-9. EVALUATION

- A. Small purchases - See FAR 13.106 for requirements for documenting reasonableness of costs for small purchases.
- B. Purchases above \$25,000 - Evaluation of bids/offers submitted in response to a solicitation must consider the following issues. (Evaluation under the negotiated process does not require consideration of responsiveness; such issues are covered by the solicitation's evaluation

criteria.)

1. Responsiveness - (Sealed bids only) relates to the bid as submitted. A bid must comply in all material respects with the IFB. A non-responsive bid is one that modifies the requirements of the IFB, or limits a bidders liability to HUD. FAR 14.404.2 provides bases for rejecting bids as non-responsive.

3/89

2-15

---

2. Responsibility - FAR 9.1 sets forth general standards a prospective contractor must meet to be determined responsible.
  - a. Decisions concerning responsibility shall be preceded by a competent and thorough investigation of past performance, current workload, integrity, and financial capacity. See FAR 9.105 for procedures for making determinations of responsibility.
  - b. The Contracting Officer must determine a bidder's responsibility. The Contracting Officer may request the bidder to submit data to assist in this determination. Submission of this data can be requested to be submitted with the bid; however, submission with the bid cannot be mandatory to be considered for award. (A matter of responsibility cannot be made into a matter of responsiveness.) The following should be reviewed as part of the responsibility determination:
    - (1) Performance report files; and,
    - (2) GSA's Lists of Parties Excluded from Federal

Procurement or Nonprocurement Programs.

- c. Any special qualification standards contained in the IFB/RFP (See paragraph 2.11) must be applied equally to all offerors/bidders.
  - d. Determination of non-responsibility of any small business concern must be referred to the Small Business Administration for consideration under Certificate of Competency procedures (FAR 19.6).
3. Technical Evaluation of proposals received under a negotiated procurement is performed by a Technical Evaluation Panel (TEP) or Source Evaluation Board (SEB) in accordance with Chapter 5 of Handbook 2210.3, Procurement Policies and Procedures. Each TEP or SEB should secure the guidance and advice of a contract specialist experienced in the use of competitive negotiations.
4. Reasonableness - The Contracting Officer must document the file as to the steps taken to assure the reasonableness of the price/cost bid/offered.
- a. Sealed bid situations:

3/89

2-16

---

- (1) If the low bid is within ten percent of HUD's estimate, the Contracting Officer may proceed with the award of the contract.
- (2) If the low bid differs any more than ten percent from HUD's estimate, the estimate must be reviewed. If review verifies the estimate, the Contracting Officer must then

request the bidder to verify the bid (FAR 14.406).

b. Negotiated contracts:

- (1) The Contracting Officer must document the selection per the factors for award in the RFP as well as the basis for determining the negotiated price fair and reasonable. These and others issues must be part of the Price Negotiation Memorandum (FAR 15.808) contained in the contract file.

## 2-10. UNUSUAL PRICING ISSUES

A. Buy-in Bids. (See FAR 3.501) A buy-in bid refers to the practice of submitting a bid below anticipated costs or market norms to ensure contract award. When a buy-in bid is submitted (occasionally on AMB contracts), the bidder expects to recover losses through an anticipated advantage on property sales, through other compensation stipulated in the contract, or by attempting to increase the price after award. GENERALLY, the Contracting Officer should minimize the opportunities for buying in by seeking a price commitment for as much of HUD's requirement as is practical. The following must be considered when confronted with a buy-in bid:

1. A bid shall not be rejected solely because it is below an estimated dollar base or because the local office staff believes that the bid is too low.
2. Bid verification shall be obtained pursuant to mistake in bid procedures prescribed in FAR 14.406.
3. The bidder should be instructed to document a correlation of costs in the bid price to the

requirements of the solicitation.

4. The Contracting Officer must determine whether satisfactory performance can reasonably be expected at the price bid, disregarding any other income anticipated by the bidder.

2-17

3/89

---

5. If potential constructive losses are apparent, the source of income from which the bidder expects to make up those losses must be determined to be not objectionable to HUD. A bid predicated on anticipated acquired property sales income to recover losses is speculative and provides no such assurance. A bidder's planned and anticipated loss for other legitimate business reasons does not justify rejection of an otherwise acceptable bid.

6. Where poor or non-performance is a possible result of a buy-in bid, the Contracting Officer may determine that the bidder is not a responsible contractor and should proceed to comply with FAR Subpart 9.1.

- B. Bid Errors. Bids must be examined individually and collectively to assure full compliance with the requirements of the IFB/RFP. When the low bid is considerably below HUD's estimate or the other bids received, the Contracting Officer should bring this to the attention of the bidder and request written verification of the bid (FAR 14.406).

## 2-11.USE OF BONDS (FAR PART 28)

- A. General Requirements



1. The Miller Act requires performance and payment bonds for any construction contract over \$25,000. If determined by the Contracting Officer to be in HUD's best interest, they may be required for construction contracts of less than \$25,000.
2. The use of performance and payment bonds in contracts other than construction is generally discouraged (See FAR 28.103-1). However, performance bonds may be requested when necessary to protect the Government's interests. The most frequent situation prompting their use in PD contracts is under demolition contracts with considerable salvage value.
3. Bid guarantees (FAR 28-101) are required for sealed bid procurements when the resultant contract will require a performance bond or a performance and payment bond. A bid guarantee is a form of security which assures that the bidder: (a) will not withdraw a bid within the period specified for acceptance; and, (b) will execute a written contract and furnish required bonds, including any necessary coinsurance or reinsurance agreements, within the time specified in the bid, unless a longer time is

allowed, after receipt of the specified forms. For construction contracts, only separate bid guarantees are acceptable. For other supply or service contracts, all types of bid guarantees (see FAR 28.001) may be used when deemed appropriate by the Contracting Officer.

4. Bonding is not required for AMB or PM contracts. If a debt or other loss of proceeds occurs, direct collection efforts must be pursued by the local office staff.

Collection difficulties must be reported to the Regional Inspector General for Investigation and to the Claims Collection Officer.

5. Forms. Bid guarantees, performance bonds, and payment bonds shall use Forms SF-24, SF-25 and SF-25A, respectively. Executed copies of each shall be placed in the contract file.

6. Sureties

a. Definition. "Surety" means an individual or corporation legally liable for the debt, default, or failure of a contractor ("principal" on the bond) to satisfy a contractual obligation. FAR Subpart 28.2 defines types of sureties and sets requirements for determining their acceptability.

b. Acceptable Surety Companies. Each Field Office must maintain a current copy of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds." Copies are available from:

Surety Bond Branch  
Finance Division  
Bureau of Government Financial Operations  
Department of Treasury  
Washington, DC 20226

B. Options in Lieu of Sureties (FAR 28.203)

A contractor may elect to deposit the types of security listed below instead of furnishing corporate or individual sureties on performance or payment bonds. When they are deposited as security, a statement shall be incorporated in the bond form pledging the security. Options in lieu of sureties are:

1. U.S. bonds or notes in an amount equal at their par value to the penal sum of the bond. (See FAR 28-203-1).

2-19

3/89

---

2. Certified or cashier's checks, bank drafts, money orders or currency in an amount equal to the penal sum of the bond. Checks, drafts, or money orders must be drawn to the order of HUD. Security in this form must not be retained in the Field Office; it must be deposited in the office's designated local depository. It must be recorded on Form HUD-2022 (Schedule of Collections) as a "Cash Security in Lieu of Surety," and identified with the Office Code followed by the next available serial number within the 1201 series, "Real Estate Tax Refunds on Acquired Home Properties." (See Handbook 4110.1, Chapter 21).
3. Irrevocable Letter of Credit. HUDAR 2428.203-70 permits acceptance of an irrevocable letter of credit as an option in lieu of a surety. It must:
  - a. Specifically identify the contract;
  - b. Be drawn to the order of the HUD local office;
  - c. State that it is irrevocable;
  - d. State that liability is governed by the terms on the bond forms (SF-25 and 25A);
  - e. Be in an amount equal to the penal sum of the bond.
  - f. State that the issuing financial institution must be liable to the same extent as a corporate or

individual surety; and,

g. Be reviewed by local counsel before acceptance.

C. Fidelity Bonds. Fidelity Bonds (or Financial Guarantee Bonds) are not "bonds" in the sense described in FAR Part 28. Rather, they represent a form of insurance and provide protection against losses resulting from dishonest acts of the contractor and his/her employees. Such coverage is required under closing agent contracts. The amount of coverage shall be determined in accordance with program guidelines.

2-12. AWARD - Contracting Officers must ensure that each award is made following applicable laws, regulations and within the scope of their authority.

3/89

2-20

---

A. Supporting Documentation

1. Documentation for a sealed bid award required by FAR 14.407-1 may be handwritten notes on the bid abstract form. These notes, with copies of letters to unsuccessful and rejected bidders and a determination of nonresponsibility, must clearly justify the award. If unusual circumstances are involved, the documentation should be summarized in a file memorandum.
2. Documentation for a negotiated award must include a Price Negotiation Memorandum (FAR 15.808) and other requirements per HUD Handbook 2210.3, Chapter 5.

B. Log Entries. Both the contract and performance record logs must be updated to reflect the contract award.

C. Inspection Schedule. A tentative inspection schedule and follow-up on completion dates must also be established during the award process.

D. Award Notices. A written award notice, signed by the Contracting Officer, must be sent to the successful bidder(s)/offeror(s) for all service (i.e., covered by the Service Contract Act) and construction contracts. The notice must contain:

1. The solicitation number;
2. The price accepted;
3. Authorization of when to proceed;
4. Any applicable labor provisions;
5. Any other information helpful to the contractor; and,
6. The following posters as attachments:
  - a. Equal Opportunity Poster - contracts over \$10,000;
  - b. Notice of Employees Working on Government Contracts service contracts over \$2,500 and supply contracts over \$10,000; and,
  - c. Notice to Employees Working on Federal or Federally Financed Construction Projects - Construction contracts \$2,000 or over.

E. Distribution - The original of all contracts must be kept at the local office and one copy sent, with an award letter, to the contractor. Additional distribution must be made as follows:

1. AMB Contracts - one copy of the face sheet, with original signatures and the price schedules, must be forwarded to the Office of Finance and Accounting, Financial Control and Accounting Division.
2. PM Contracts - one copy of the face sheet and price schedule must be forwarded to the PMS Service Center with a PMS Form 105.
3. Service (including construction) and Supply Contracts- one copy of the face sheet and bid schedule to the property case file. On multifamily projects - send one copy of face sheet and bid schedule with a PMS Form 105 to the PMS Service Center.
4. Purchase Orders (Form HUD-2542) - Distribution as shown on the face sheet of the form. For multifamily projects, the PMS copy must be accompanied by a PMS Form 105.

F. Contract File Organization - FAR 4.8 requires establishing files for all contract actions. To assure uniformity and completeness of records, the following is a suggested format for contract files:

1. Section A - Solicitation data: original solicitation; solicitation amendments; copies of advertisements; CBD notice; original bids/offers; abstract or bids/offers; letters to unsuccessful or rejected bidders/offerors; any applicable pre-award determinations and justifications.

2. Section B - Modification support data: any applicable pre-execution determinations or justifications; contractor price proposal, if applicable; negotiation memorandum/memorandum to file.
3. Section C - Inspection data: all inspection reports with appropriate notation as to follow-up on deficient performance.
4. Section D - Correspondence: all general correspondence subsequent to award filed in chronological order.

3/89

2-22

---

5. Section E - Payment and Closeout Records: payment record log; copies of all invoices/vouchers submitted for payment; release of claims.
6. Section F - Official Contract: an original signed copy of the contract; original signed copies of all subsequent modifications filed in sequential order on top of the contract.

If multiple-part file folders are not available to accommodate Sections A-F above in one folder, use standard file folders, appropriately tabbed and referenced.

3/89

2-23

---

CHAPTER 3. CONTRACT MONITORING, ADMINISTRATION, AND ENFORCEMENT

3-1. PROMPT MONITORING - of contract performance is essential to ensure compliance with contract requirements and performance/delivery schedules (FAR Part 42).

3-2. MONITORING TOOLS

A. Inspections. Inspections shall be performed as needed to protect HUD's interests, ensure overall quality of contract services, and as required by Handbooks 4310.5 and 4315.1.

1. General. Inspections are needed to:
  - a. Ensure that performance begins on the date agreed;
  - b. Ensure progress towards timely completion;
  - c. Ensure compliance with contract requirements;
  - d. Support contractor's request for partial and final payments;
  - e. Document labor enforcement requirements, as set forth in Handbook 1344.1;
  - f. Document correction of noted deficiencies;
  - g. Document contractor delays or other performance failures to preclude inadvertent waiver of delivery or performance schedules; and,
  - h. Ensure compliance with inspection deadlines stated in the contract, as required by the Prompt Payment Act.
2. The person making an inspection must carry a copy of the specifications against which to check the work performed.
3. Inspections of work/repairs performed on a property must be documented on Form HUD-9519, Inspection Report, with distribution as noted on the form.

3/89

3-1

- 
4. Inspection services may be acquired under a HUD-issued purchase order or formal contract. Inspection reports complete by a contractor must be reviewed and approved by the Government Technical Representative (Realty Specialist, see paragraph 3-4) prior to processing any payments due.



- B. Performance Record Files. Maintain a file for each active contractor on the Solicitation Mailing List for procurements over the small purchase ceiling. Performance record files are optional for contracts under the small purchase ceiling; however, it is recommended that negative comments on performance be included.
  - 1. A log of all contract awards shall be kept on the left side of the Performance Record File. (See Appendix 4 for format).
  - 2. Performance Record File Contents:
    - a. Solicitation mailing list application;
    - b. Credit reports and credit rating response to reference check;
    - c. Correspondence having a bearing on performance, bonding, labor complaints, equal opportunity, delays, time extensions, adverse inspections, terminations, etc; and,
    - d. Amendments involving unanticipated work due to theft or vandalism.
- C. Multifamily Project Management System (PMS) - Provides various reports on project expenditures and expenses which can be used to monitor PM activity.
- D. Single Family Management Information and Accounting System-Reserved

3-3. PURCHASE ORDERS - Refer to FAR Part 13. Prompt follow-up on completion dates is essential.

- A. The back of the Form HUD-2542 includes a requirement for the contractor to notify the Contracting Officer five days before work is ready for inspection, and requires inspection of services or repairs within five days of this notice.

3/89

3-2

- 
- B. Delays must be determined excusable or inexcusable based on the Default clause on the back of Form HUD-2542. If delay is excusable, the Contracting Officer must prepare a modification to extend the completion date.
  - C. The clauses incorporated on the Form HUD-2542 provide for inspection by the Government before acceptance and payment.
  - D. Each Form HUD-2542 signed by the AMB/PM certifying

acceptance of the work must be accompanied by a completed Form HUD-9519, Inspection Report.

- E. Any modification required must be within the scope of the work and the existing contractor capable of performance without delay.
1. Purchase orders must be modified by issuing a new Form HUD-2542. Insert the original purchase order number in block 8 of the Form HUD-2542 followed by the modification number, e.g., 88-333-M1 (M1 means modification number one). Each modification must be numbered consecutively.
  2. Each modified Form HUD-2542 must show the original total price, the adjustment (plus or minus) and the new total price, and any change in the time for completion. The file must be documented to show the basis for determining the price change is fair and reasonable.
  3. Note the modification in the purchase order log.
  4. The original and the modified purchase orders must be received prior to certifying and forwarding for payment. The original purchase order must be retained in the local office.
- F. Cancellations - See FAR 13.504. Cancellations must be issued in the same manner as a modification. Type across the face of the Form HUD-2542; "The above numbered purchase order is cancelled in its entirety because (a brief statement of reasons for the cancellation)." This cancelled Form HUD-2542 must be retained in the property case file and noted in the purchase order log accordingly.
- 3-4. GOVERNMENT TECHNICAL REPRESENTATIVE (GTR) - At the time of award of a contract in excess of the small purchase ceiling the Contracting Officer should designate a GTR based on the CPO's request. Designation of the GTR is formally made by insertion of the "Conduct

3/89

3-3

---

of Work" clause (HUDAR 2452.237-73) into the contract. For AMB/PM contracts, the GTR usually will be a Realty Specialist. GTRs must be informed of their responsibilities for monitoring and timely inspection of all phases of the contractor's performance. The GTR must immediately schedule dates for conducting inspections to assure that:

- o Work begins timely;
- o Work progresses sufficiently to assure timely completion and compliance with contract requirements;

- o Work is completed by the date stated in the contract;  
and,
- o Requests or payments are justified and appropriate.

Guidance on GTR duties and responsibilities is contained in the Desk Guide for Government Technical Representatives on Property Disposition Contracts. Copies are available from the Management Branch, Multifamily Property Disposition Division.

### 3-5. PROPERTY MANAGEMENT CONTRACTS

- A. Review of Payment Requests. In addition to the review requirements set forth in Handbooks 4305.3 and 4310.5 and the PMS Manual, AMB/PM requests for monthly management fees and expenses must be reviewed to ensure:
  - 1. Valid expenditures;
  - 2. Compliance with AMB/PM purchasing authority limits;
  - 3. Compliance with AMB/PM contract payment terms;
  - 4. Correction from prior submissions; and,
  - 4. The absence of redundant payments.
- B. On-Site Evaluations of AMB/PM operations must be conducted as necessary to ensure performance meets the objectives of the property disposition program. See Handbooks 4310.5 and 4315.1.
- C. Promptly following award, conduct post-award orientation with all new AMBs/PMs.
- D. Consider holding "progress management meetings" covering procedures, expenditures, problems, and needs of the project as frequently as required/practicable to ensure good performance.

3/89

3-4

- 
- E. AMB/PM Purchases
    - 1. AMB/PM contracts authorize the contractor to enter into purchase orders on HUD's behalf as necessary to meet property management needs. Delegated purchasing authority limits are established by Headquarters Single Family and Multifamily Property Disposition Divisions.
    - 2. Field Offices may establish AMB/PM purchase authority limits less than the maximum established by Headquarters to reflect changing needs, expertise of

the property manager, or to curb abuses noted. The actual purchasing authority must be specified in the AMB/PM contract.

3. AMB/PMs must establish adequate sources for repetitive purchases. Such purchases must be equitably distributed among qualified suppliers to ensure fairness of prices and avoid overreliance on any particular source.
4. Except for emergency situations described in paragraph 4 below, AMBs/PMs must call the Field Office for prior approval of purchases above the limit set in their contract. The Field Office must provide a purchase order number and authorizing signature before issuance of the order, performance of the work, and processing for payment.
5. When emergency repairs are needed during hours HUD is not open for business and the cost of such repairs is estimated to exceed the AMB/PM's purchasing limit, the AMB/PM must order the needed repairs and notify the GTR the next business day. The GTR must take appropriate action to retroactively authorize the purchase(s). The GTR must consider whether the contractor's actions were necessary and reasonable.

The AMB/PM must establish procedures to ensure that such emergency, after-hour repairs are handled promptly and cost-effectively. If valid emergencies are a frequent occurrence, the Field Office should establish indefinite delivery purchase orders and/or contracts to meet these needs and minimize paperwork.

### 3-6. SERVICE/SUPPLY CONTRACTS

- A. Considerations for Scheduling Inspections. Scheduling of inspections can depend on a number of factors:

3-5

3/89

- 
1. Type of work;
  2. Complexity of work;
  3. Type of contract;
  4. Dollar amount of contract;
  5. Time frame; and,
  6. Familiarity with the contractor.
- B. Supply Contracts generally require inspection only upon delivery of the required items.

- C. Service Contracts require inspection at regular intervals to ensure quality performance.
  - 1. Requests for payment (vouchers) must be supported by inspection reports.
  - 2. Vouchers/invoices must be reviewed to ensure all charges are in accordance with the contract requirements.
  - 3. If multiple payments are required, a record of payments must be fixed in the contract file folder. See Appendix 5 for a format of a payment record log. See paragraph 3-9 for payment processing requirements.
- D. Any required warranties must be submitted with the request for final payment. Warranties must be filed in the appropriate property file and the contract file. (See FAR Subpart 46.7).

3-7. CONSTRUCTION CONTRACTS - are contracts for property repair or rehabilitation. Administrative controls/considerations include:

- A. Preconstruction Conferences. While discretionary, they are recommended if:
  - 1. Awarding a contract over \$25,000;
  - 2. Liquidated damages are included;
  - 3. Brand-name-or-equal provisions are included;
  - 4. Cost-reimbursement provisions are included; and,
  - 5. Contractor is new to the program.

3/89

3-6

- 
- B. Conferences should include review of all significant contract terms and conditions, including:
    - 1. Labor standards provisions;
    - 2. Weekly payrolls and payroll certifications;
    - 3. Subcontract agreements;
    - 4. Government rights and remedies if non-compliance occurs;
    - 5. Bonding requirements;
    - 6. Delivery and completion requirements;

7. Contractor's responsibility for supervising work;
  8. Notification requirement if delays occur;
  9. Modification procedures;
  10. Inspection and payment procedures; and,
  11. Warranties.
- C. Labor Standards must be administered following Handbook 1344.1, REV 1, Federal Labor Standards in Housing and Community Development programs.
- D. Warranty of Construction - The clause prescribed by FAR 52.246.21 must be included in all PD construction contracts awarded on a fixed-price basis.
1. Before processing any post-closing complaint it must be checked against the contract to see if the work is covered by the warranty.
  2. If the contractor fails to correct the defect under the warranty clause and the correction has to be performed by another contractor, the Contracting Officer will, in consultation with local office counsel, take appropriate remedies against the contractor. Such remedies may include: a reduction in the contract price to cover the costs borne by HUD to correct the defect; appropriate debt-collection activities; and, any other remedies specified in the contract.

E. Mechanic/Materialmen Liens

1. Small purchases are generally not supported by performance or payment bonds. It is therefore imperative to advise the contractor that:
  - a. He/she has a duty to protect HUD against liens;
  - b. He/she must obtain release of the lien;
  - c. HUD will withhold payment to offset the amount of the lien until such time as the lien is removed; and,
  - d. The placement of a lien may effect his/her responsibility and therefore his/her eligibility to receive future awards.
2. Construction Contracts over \$25,000 must be supported by a performance and payment bond. If a

lien should arise during performance:

- a. The claimant must be advised of the name and address of the surety issuing the bond;
  - b. The surety must be notified to take action under the bond to remove the lien; and,
  - c. The contractor must be advised of the same conditions cited in paragraph 3-7 E. 1 above.
- F. Construction Contract Payments - Requests for payment under construction contracts exceeding \$500 must be supported by an inspection report. Requests for payment under construction contracts exceeding \$2,000 must be supported by an inspection report and payroll data.

3-8 CONTRACT MODIFICATIONS (FAR Part 43)

- A. General. During the life of a contract, it may become necessary to alter the terms of the contract to incorporate new requirements or handle problems that develop after contract award. When that is the case, HUD must prepare and issue a formal contract modification. In most instances, there must be "consideration" for the modification in the form of a price change, alteration of the delivery date, or other adjustment to the contract.

3/89

3-8

- 
1. Contract modifications are any written alterations in the specifications, delivery point, date of delivery, contract period, price, quantity, or other provisions of an existing contract.
  2. Generally, modifications must be within the scope of work of the existing contract. Modifications must not be used to avoid the requirements to synopsise in the CBD nor the requirement for full and open competition (FAR Parts 5 and 6).
  3. All contract modifications must be issued using Standard Form 30 and be numbered sequentially starting with "1."
  4. Only persons who have been delegated contracting authority may modify a contract on HUD's behalf. Other personnel shall not:
    - a. Execute contract modifications;
    - b. Act in such a manner as to cause the contractor to believe that they have authority to bind the Government; or,
    - c. Direct or encourage the contractor to perform work

that should be the subject of a contract modification.

5. There are two general categories of modifications:
  - a. Unilateral Modifications: Those issued and signed by the Contracting Officer. Unilateral modifications are binding on the contractor.
  - b. Bilateral Modifications: Those established by mutual agreement and signed by both the contractor and Contracting Officer.

B. Types of Contract Modifications

1. Unilateral Modifications

- a. Administrative Change. An administrative change alters only administrative details which do not affect the substantive requirements and provisions of the contract - for example, the correction of a typographical mistake. It is Government policy that

3-9

3/89

---

all changes to a contract, whether or not the rights and obligations of the parties are affected, be communicated in writing to the contractor by the Contracting Officer or other duly authorized person.

b. Change Order

- (1) A change order is a written modification which directs the contractor to make a change that is permitted under the "Changes" clause of the contract. (See FAR 52.243.1 Alternate I for the Changes clause for fixed-price contracts for services.) Generally, Government contracts contain such a clause, enabling an agency unilaterally to make changes, within the general scope of the contract, in any one of the following:
  - o Drawings, designs, or specifications;
  - o Method of shipment or packing; and,
  - o Place of inspection, delivery, or acceptance.
- (2) When the change order is issued, the contractor is obligated to proceed with the work as specified by the change order. If there is an increase in the price/cost of the work or the time for performance, the contractor must submit a claim for an equitable adjustment within 30 days from receipt of the change order. If the cost of the work is decreased, HUD has



a right to an equitable downward adjustment in the contract price. Equitable adjustments are reflected in a subsequent bilateral modification. Disagreement in the content of the change order and the equitable adjustment are subject to settlement under the "Disputes" cause (FAR 52.233-1).

- (3) To the extent possible, changes authorized by the Changes clause should be negotiated in advance, include any price or other impact on the contract, and be issued as a bilateral modification. (See 2. below). This will minimize after-the-fact negotiations and the potential for disputes.

3/89

3-10

---

- (4) Problems may arise because it is not always clear as to what exactly is the "general scope of the contract" or what actions are within the coverage of a changes clause. The Contracting Officer must make a determination, in light of all the facts of a given case, as to whether a proposed alteration is new procurement, a termination, or a change.
2. Bilateral Modifications (supplemental agreements) are contract modifications that are signed by both the contractor and HUD. They are used to:
    - a. Make negotiated equitable adjustments resulting from the issuance of a change order;
    - b. Extend the period of performance or delivery schedule; and,
    - c. Reflect other agreements of the parties modifying the terms of contracts.

### 3-9. PAYMENT REQUIREMENTS

- A. Policies - The Prompt Payment Act as further implemented in OMB Circular No. A-125 (Prompt Payment) requires that:
  1. Bills be paid on time;
  2. When payments from the Government to the contractor are late, interest penalties will be paid; and,
  3. Discounts be taken only when payments are made within discount period offered by the contractor.
- B. AMB Bank Account Payments. The Prompt Payment Act does not apply to payments made by an AMB from his/her bank account.

The Act applies to all other payments under purchase orders or contracts.

- C. Single Family Payment Processing Log - must be maintained to assure that the time elements are noted for each step of the process in order that delays can be identified and corrected.

- 1. Log Contents.

- a. Date of notification of completion/delivery;
    - b. Date of receipt of proper invoice;

3/89

3-11

- 
- c. Contractor name;
        - d. Contract, purchase order or voucher number;
        - e. Dollar amount of payment;
        - f. Payment due date;
        - g. Date sent to OFA/paying agent; and,
        - h. Payment number - nine digits as follows:

Region	Office	Projective Code	Sequential Number
X		XXX	XXXXX

The Property Disposition Branch has been assigned sequential control numbers between 10,000 and 29,999. Numbering starts over at 10,000 at the beginning of each fiscal year. This assignment of numbers permits OFA to track payment penalties by office.

- 2. A copy of each Form SF-1034 not supported by a contract or purchase order must be maintained in a monitoring file.
      - 3. The CPO must review the payment log and Form SF-1034 monitoring file monthly to ensure:
        - a. Procurement and payment procedures are consistent, proper, and timely; and,
        - b. Payments are not duplicated.

- D. Vouchers

- 1. Processing. All vouchers (Form SF-1034) submitted to OFA/paying agent for payment must contain a payment voucher number as explained in paragraph 3-8C above and the

following six items:

- a. Payment due date;
- b. Number of days until payment due date;
- c. Contact name (name of person preparing voucher);
- d. Telephone number of contact person;

3/89

3-12

---

- e. Prompt payment applicability indicator. Use "N" only when voucher is not subject to the rules and regulations of the Prompt Payment Act. Leave blank if Act is applicable; and,
- f. Invoice number and date.

2. Payments under contracts

a. General

- (1) Review each voucher to ensure all charges are in accordance with contract requirements.
- (2) If multipayments are required, a record of payments must be filed in the contract file. See Appendix 5 for suggested format.

b. Construction Contracts

- (1) Each payment request must be supported by a HUD-9519, Acquired Property Inspection Report.
- (2) In addition to a final inspection report, the request for final payment must be accompanied by a release of claims (see Appendix 6 for a suggested format) and any warranties.

E. Authorized Certifying Officers (ACO) must approve and sign all vouchers and HUD-2542 purchase orders before sending to OFA for payment. Enough staff must be designated as ACOs to provide for prompt and even workflow. Refer to Handbook 4045.1 for further details on ACOs.

3-10. CLOSEOUT PROCEDURES Reserved

3-11. DISPOSITION OF OFFICIAL CONTRACT FILES

Upon completion of all administrative requirements and final payment, official contract files will be disposed of per the

instructions contained in Handbook 2225.6, Records Disposition Management, and FAR 4.805.

Disposition must be coordinated with the Regional Records Management Liaison Officer in the Office of Administration.

3/89

3-13

---

SAMPLE FORMAT

PROCUREMENT PLAN FOR THE \_\_\_\_\_ OFFICE  
FOR THE YEAR 19\_\_

STEP-1 - LIST OF CURRENT CONTRACTS AND PURCHASE ORDERS  
Include FO and AMB/PM and separate by similar  
goods/services (Continue on as many sheets as necessary)

DESCRIPTION	CURRENT TERM EXPIRES	AMB, PM, BPA, OPEN ENDED PO, INDIVID. C/PO, ETC.	PROCURED BY IFB,RFP SOLE SOURCE	ANNUAL COST APPROX
-------------	----------------------------	---	---------------------------------------	-----------------------

PAGE\_\_ OF\_\_

3/89

1

APPENDIX 1

PROCUREMENT PLAN FOR THE \_\_\_\_\_ OFFICE  
FOR THE YEAR 19\_\_

STEP 2 - EVALUATION

- a. Do costs for similar services vary in this office?  
No \_\_\_ Yes \_\_\_ If Yes, why?
- b. Do costs for similar services vary in this office from  
other HUD offices with similar inventory? No \_\_\_ Yes \_\_\_  
If Yes, why?  
  
List other offices checked: \_\_\_\_\_
- c. Are current methods of procuring goods and services the  
least costly/most efficient, or do they lead to wasteful  
actions such as bid-splitting, non-competitive procurements,  
unauthorized procurements No \_\_\_ Yes \_\_\_ If No, why?
- d. Could the HUD staff and AMB/PM administrative burden be  
reduced by using other procurement methods, especially replacing  
individual purchase orders with formal contracts, blanket  
purchase orders, etc. No \_\_\_ Yes \_\_\_  
If Yes, which items could be procured more efficiently?  
1.  
2.  
3.  
4.

- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

APPENDIX 1

PROCUREMENT PLAN FOR THE \_\_\_\_\_ OFFICE  
FOR THE YEAR 19\_\_

STEP 3 - PROJECTED INVENTORY AT THE END OF EACH FISCAL QUARTER  
Separate out by AMB/PM areas  
(Continue on as many sheets as necessary)

Fiscal Quarter	Number of houses by AMB area	Number of projects/units (include MIP, accuired)	Comments
4th			
1st			
2nd			
3rd			

APPENDIX 1

PROCUREMENT PLAN FOR THE \_\_\_\_\_ OFFICE  
FOR THE YEAR 19\_\_

STEP 4 - PLAN  
Use information provided in Steps 1-3)  
(Continue on as many sheets as necessary)

DESCRIPTION OF SERVICES NEEDED	AMB, PM, BPA, INDEF.DLVY.PO, INDIVID. C/PO, ETC.	PROCURED BY IFB,RFP RFP,SOLE SOURCE	PROJECTED START DATE	ATTACHMENT NUMBER

COMPLETE THE FOLLOWING FOR THE LAST PAGE OF THE PLAN:

PREPARED BY: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_  
DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

REVIEWED AND UPDATED BY CPO/CO

1ST QUARTER \_\_\_\_\_ 2ND QUARTER \_\_\_\_\_  
DATE \_\_\_\_\_ DATE \_\_\_\_\_

3RD QUARTER \_\_\_\_\_ 4TH QUARTER \_\_\_\_\_  
DATE \_\_\_\_\_ DATE \_\_\_\_\_

PAGE \_\_\_ OF \_\_\_

3/89

APPENDIX 1

INDIVIDUAL PROCUREMENT PLAN FOR CONTRACTS OVER \$25,000

SOLICITATION TYPE \_\_\_IFB \_\_\_ RFP ATTACHMENT \_\_\_

DESCRIPTION OF GOODS/SERVICES NEEDED

Estimated total cost for initial term and all option periods  
\$ \_\_\_\_\_

	ORIGINAL TARGET DATE	REVISED TARGET DATE	COMP DATE	NOTES
_____				

Specifications developed..... \_\_\_\_\_  
Request for contract/PO to CO..... \_\_\_\_\_  
Justification for other than  
full and open competition completed  
Synopsis published in CBD..... \_\_\_\_\_  
Solicitation issued (# ) \_\_\_\_\_

IFB: pre-bid conference..... \_\_\_\_\_  
bids received..... \_\_\_\_\_  
determination of responsiveness  
and responsibility completed.. \_\_\_\_\_  
if needed, letter to SBA for COC  
reply from SBA..... \_\_\_\_\_

RFP: pre-proposal conference..... \_\_\_\_\_  
TEP/SEB appointed..... \_\_\_\_\_  
proposals received..... \_\_\_\_\_  
evaluation started..... \_\_\_\_\_  
evaluation completed..... \_\_\_\_\_  
negotiations completed..... \_\_\_\_\_

Contract awarded (# ) \_\_\_\_\_

Contract effective date \_\_\_\_\_

---

PREPARED BY: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

---

REVIEWED AND UPDATED BY CPO/CO

1ST QUARTER \_\_\_\_\_ 2ND QUARTER \_\_\_\_\_  
DATE \_\_\_\_\_ DATE \_\_\_\_\_

3RD QUARTER \_\_\_\_\_ 4TH QUARTER \_\_\_\_\_  
DATE \_\_\_\_\_ DATE \_\_\_\_\_

PAGE \_\_\_ OF

3/89





Release of Claims

TO THE SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The undersigned contractor under Contract No. \_\_\_\_\_,  
between the Department of Housing and Urban Development and said  
contractor for the \_\_\_\_\_ located  
at \_\_\_\_\_ hereby  
releases HUD from any and all claims arising under or by virtue  
of said contract or any modification or change thereof.

I hereby certify that all laborers and suppliers have been fully  
paid for all work and supplies furnished under this contract.

CONTRACTOR

WITNESS

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

IF THE CONTRACTOR IS A CORPORATION, THE FOLLOWING CERTIFICATE  
MUST BE EXECUTED.

I certify that I am the \_\_\_\_\_ of the  
corporation executing this release; that this release was duly  
signed for and on behalf of said corporation by authority of its  
governing body.

\_\_\_\_\_  
Name of Corporation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_