



Sub-Grantee Procurement Guide

City of San Antonio
Department of Planning and Community Development

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Procurement Summary

The purpose of this procurement guide is to provide sub-recipients, sub-grantees and delegate agencies (hereinafter referred to collectively as “Sub-recipients”) minimum standards for awarding federally funded CDBG and HOME Program contracts in accordance with local, state, and federal procurement guidelines.

Recipients of HUD funding must comply with the federal procurement requirements of 24 CFR Part 84 & 85. These regulations direct that all supplies, equipment, construction and services be acquired efficiently and economically, through open and fair competition. Sound business judgment must be used not only in the acquisition of supplies, equipment, construction, professional, and non professional services, but in the settlement of all contractual and administrative issues, protests, disputes and claims.

Code of Conduct

24 CFR 85.36(b)(3) & 84.42

No employee, officer, or agent of the Sub-recipients shall participate in the selection or in the award or administration of a contract supported by CDBG or HOME funds if a conflict of interest, real or apparent, would be involved. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.

No officer, employee or agent of the Sub-recipients shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Any alleged violations of these standards of conduct shall be immediately referred to the City of San Antonio's Office of Grants Monitoring and Administration. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

Procurement and Selection Procedures

The Sub-recipients shall take affirmative steps to assure that local, small, minority, and women's owned business enterprises are solicited whenever they are potential qualified sources.

All procurement carried out with CDBG and HOME funds shall be carried out in a manner that provides maximum free and open competition. Procurement procedures will not restrict or eliminate competition. The Sub-recipients shall not place unreasonable requirements on firms in order for them to qualify to do business. Nor will Sub-recipient encourage or participate in noncompetitive practices among firms. The Sub-recipient is to be alert to organizational conflicts which would jeopardize the negotiation process and limit competition. Also the Sub-recipients will not require unnecessary experience or bonding requirements.

Pursuant to state law and federal regulations (24 CFR 85.36(b) and 84.44), all solicitations of offers shall incorporate a clear, accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurements, these descriptions shall not contain features which unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. A "brand name or equal" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.

All solicitations of offers shall clearly set forth all requirements which bidders must fulfill and all other factors to be used in evaluating bids, proposals, or statements of qualifications.

Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

Methods of Procurement

Direct procurement by the Sub-recipient shall be made by using one of the following methods depending on the type of service to be procured. Sub-recipients may submit a waiver to the policy in writing to the Department of Planning and Community Development if waiver allows for compliance with 24 CFR Part 84.

Small Purchase Procedures (purchase supplies, equipment, or services)

This method of procurement can be used to purchase supplies, equipment, or services with a cost of no more than \$50,000 in the aggregate. In other words, the procurement may not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures. Non-professional Services & Construction are not applicable with this method of procurement. Procedures for such procurement are simple and informal and require obtaining at least 3 oral or written price quotations. The Sub-recipient must document its procedure and identify the individual authorized to make procurement decisions.

Oral Quotes (up to \$2,999) - If verbal price quotes are the basis for an award, supportive documentation must be maintained. The supportive documentation must be maintained in sub-recipients files for 4 years after the date of the CAPER reporting the completion of the project and should include include:

1. Date and name of the person making the inquiry;
2. Method of contact (phone or in person);
3. Name and phone number of the firm(s) contacted;
4. Date, name, and title of the respondent; and
5. Questions asked and the responses.
6. Specifications of work, delivery, quoted price, and quantity.

The Sub-recipients must ensure that each firm contacted is asked the same questions and provided the same basic information.

Written Quotes (\$3,000 to \$50,000) - Documentation for written price quotes should include:

1. Specifications: type, size, color, quantity, quality, delivery date, warranty and prior experience or license requirements & responses to each item
2. Name of the person obtaining the quotes & date requests were mailed
3. Date of the issued solicitation
4. Date and time solicitation was received
5. Name and address of the businesses contacted (at least three)
6. Prices quoted by each source
7. Signature of the person(s) authorized to make procurement decisions
8. Verification on how the contract was awarded. (See below)

Award – Lowest, Responsive, Responsible Bidder

The agency should obtain at least three quotes from Section 3 Businesses (if a Section 3 Triggered project on page 19), a Small Business Enterprise, a Minority Business Enterprise (MBE), and/or a Woman Business Enterprise (WBE). S/M/WBE contractors can be found through the South Central Texas Regional Certification

Agency website (www.sctrca.org). Contract should be awarded to the lowest fixed price contract. Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business with the lowest responsive written quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

Informal Invitation for Bid (Non-professional Services & Construction)

This method of procurement can be used to for non-professional and construction contracts up to \$50,000. In other words, the procurement may not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures.

Informal IFB - (up to \$50,000) - Documentation for written price quotes should include:

1. Specifications: type, size, color, quantity, quality, delivery date, warranty and prior experience or license requirements
2. Responses to each item identified above
3. Name of the person obtaining the quotes
4. Date of the requested solicitation
5. Date and time quotation was received back to the Sub-recipient
6. Name and address of the businesses contacted (at least three)
7. Prices quoted by each source
8. Name and signature of the person(s) authorized to make procurement decisions
9. Verification on how the contract was awarded. (See below)

Award - Lowest fixed price contract

The agency should obtain at least three (3) quotes from Section 3 Businesses (if a Section 3 Triggered project on page 19), Small Business Enterprise, Minority Business Enterprise (MBE), and/or Woman Business Enterprise (WBE). SMWBE contractors can be found through the South Central Texas Regional Certification Agency website (www.sctrca.org). Contract should be awarded to the lowest fixed price contract. Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business with the lowest responsive written quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

Competitive Sealed Bids/Formal Advertising

The competitive sealed bid method is required for all construction contracts and for purchases or equipment costing more than \$50,000 and when it is required by state law.

Sealed Bid Process

1. Two public notices must be issued in at least one newspaper of general circulation for a period of at least 14 days prior to the published bid opening date. The affidavit of publication must be retained and provided to the Office of Grants Monitoring and Administration.

Advertising Timeline:

- For all formal competitive procurement, the sub-recipient must advertise in a paper of general circulation (after initial advertisement, Sub-recipient waits 7 days and then re-advertises the public notice).
- The agency must publish notice of time and place of bid opening
- Advertisement shall acknowledge the following information:
 - Name of Project
 - Federal Funding Sources
 - Project Description
 - Retainage Requirements
 - Bond and Insurance requirements
 - Bids subject to federal Davis-Bacon prevailing wage requirements
 - Bids Subject to Section 3 goals and requirements
 - Date and Time of Pre-Bid Meeting
 - Date, Time, & Location of Submission Deadline
 - Contact person and agency contact information

2. After the public notice period the bid period opens and bid packages are made available

3. Bidders are given 30 days from the bid opening to develop their proposals.

4. For all formal advertising the Sub-recipient must prepare a written Invitation for Bid (IFB) or Statement of Work (SOW). Bidders may obtain these bid package documents by contacting the Sub-recipient. The documents should identify the specific items or services requested, delivery schedule, contractual requirements, federal regulations and any other instructions that will apply to the contract.

5. Bids must be received from at least 3 contractors. Documentation of each such solicitation must be submitted to GMA in the form of a Bid Summary as well as maintained by the agency. If less than 3 bids are received, the agency must rebid the project. If the solicitation receives less than 3 bids after the re-bid, the agency may award to the lowest most responsive bidder if the bid is within 10% of a professional cost estimate.

6. A Section 3 Utilization Plan shall be included in each bid package.
7. A pre-bid meeting is recommended in order to provide opportunity for potential bidders to review with the Sub-recipient the terms, conditions, requirements and specifications of a bidder's proposal prior to the bid opening. Site inspections of the work location may also be held during pre-bid meetings.
8. Bonding is required for all bids of \$100,000 or more. (See Bonding Requirements on page 15)
9. The invitation to bid, including the specifications and attachments, must clearly describe the goods, scope of services or public improvement specifications so that bidders can respond appropriately. If applicable, the bid should specify that:
 - Sub-recipient may choose to accept one, several or none of the bids received, at its discretion; the request must, to the greatest extent feasible, involve a price quote from at least one (1) Section 3 Certified Business.
 - Sub-recipient will select the “lowest and most responsive/best” bid. This allows the Sub-recipient to use factors other than price to determine the bid award. Such factors must be clearly stated in the bid and can include but are not limited to the following: timelines for delivery; transportation costs; information relating to past performance; ability to perform. Consideration of other factors must be consistent among bidders, i.e., if references are checked for one bidder, the same check must be completed for all bidders.
10. The advertisement and bid package must clearly state the deadline for receipt of bids and the date, location, and time of the bid opening.
11. All bids are confidential until the bid opening.
12. All bids must be date and time stamped upon receipt. Bids received after the deadline must be returned unopened. Bids by fax and email are not acceptable. Only hard copy bids are acceptable.
13. All bids must be opened at the advertised time, date and location as described in the bid package. At least two sub-recipient representatives must be present at the bid opening.
14. Sub-recipient must develop scoring criteria to score the responsive bidders. Scoring must include at least a 10% score for the Section 3 Plan. Non submission of a Section 3 Utilization Plan will deem a bid as non responsive.
15. A firm fixed price award must be made in writing to the lowest responsive bidder after approval by the authorized person(s).
16. Procurement by sealed bids must allow preference in the award of Section 3 covered contracts that are awarded under a sealed bid process as follows:

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

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

Lowest Responsive Bid	Range of Award
Less than \$100,000	10%
\$100,000 to \$200,000	9%
\$200,000 to \$300,000	8%
\$300,000 to \$400,000	7%
\$400,000 to \$500,000	6%
\$500,000 to \$1,000,000	5%
\$1,000,000 to \$2,000,000	4%
\$2,000,000 to \$4,000,000	3%
\$4,000,000 to \$7,000,000	2%
\$7,000,000 or more	1.5%

(ii) If no responsive bid by a Section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

17. A bid abstract must be maintained which documents and kept in file at least 4 years after the submission of the CAPER for the year the contract was completed:

- date, time, and location of the bid opening;
- persons present;
- number of bids received;
- information received from each bidder; and
- award decision

18. If the Sub-recipient decides not to accept any bid, they must submit in writing to GMA the documented reason, the person(s) authorized to make that decision, and a plan to rebid project.

19. If a contractor was awarded and then refuses to undertake the project the Sub-recipient may elect to cash in the bid bond. Sub-recipient should notify GMA of the issue in writing.

20. As soon as possible after the project has been awarded, the Sub-recipient should arrange a conference with the Contractor, COSA Labor and Compliance Division, GMA and all other interested parties to review contract requirements, construction details, work schedules, Davis Bacon, and any items peculiar to the project.

If the Sub-recipient is using a prequalified list of contractors, the Sub-recipient must submit a written request to the GMA Grants Administrator for approval.

If the Sub-recipient is using a prequalified lists of persons, firms, or products which are used in acquiring goods and services, the list must be current (list should be updated every 2 years) and include enough qualified sources to ensure maximum open and free competition. At minimum there should be 4 qualified sources maintained on the list. If less than 4 qualified sources, documentation must be maintained by the Sub-recipient with justification. The Sub-recipient will not preclude potential bidders from qualifying during the solicitation period.

Competitive Proposals (RFP/RFQ)

Competitive proposals may be used when the procurement does not require competitive sealed bids and is larger than the minimum allowed for small purchases. When using the competitive proposal method, Sub-recipient's must develop a procedure for evaluating the proposals and selecting a contractor.

Common examples of items procured through this method are: architectural and engineering services, grant administration, audits, appraisals, and plans.

Unless the contract will fall under a Sub-recipient's small purchase procurement limits, the price cannot be used as a selection factor in the procurement of architectural/engineering and professional (consultant) services where qualifications are evaluated. The most qualified competitor should be selected subject to negotiation of fair and reasonable compensation.

The process for competitive proposals is as follows:

1. A written Request for Proposal (RFP) must be developed.
2. Proposals must be solicited from a minimum of 3 qualified sources for reasonable competition. A list of the firms solicited must be maintained. If less than three proposals, the agency must re-solicit the proposal.
3. RFPs must be advertised in a newspaper of general circulation. The affidavit of publication should be retained in the Sub-recipient's procurement files.
4. The RFP must clearly identify the type of services/goods to be obtained and other evaluation factors. It must describe the evaluation process as well as the importance (weight) of each evaluation factor. For example, it should indicate the relative weight of experience as compared to qualifications.
5. It should identify the approximate time frame for the review and evaluation of all proposals as well as the job titles of the persons within the agency who will evaluate the proposals. For example, "All RFPs will be reviewed during the week of March 12-16 by a committee composed of the Executive Director and two staff members." GMA staff members will not be part of the selection process.
6. The RFP must clearly identify the deadline for receipt of proposals.
7. All proposals must be date and time stamped upon receipt. Proposals received after the deadline must be returned unopened.
8. All proposals must be evaluated in writing following the method stated in the RFP. Documentation of the evaluation process must be maintained.

9. An RFP score sheet must be used to document the evaluation factors as described in the RFP. This score sheet must verify decisions to negotiate with a particular bidder or bidders.
10. Scoring must include at least a 10% score for the Section 3 Utilization Plan if applicable. Non-submission of a Section 3 Utilization Plan will deem a bid as non responsive.
11. The award may be made to the offeror whose proposal would be most advantageous to the Sub-recipient considering all evaluation factors identified in the RFP. The award must be in writing and clearly identify any contingencies resulting from the negotiations (e.g., award contingent upon receipt of verification that the principal is a licensed architect in Texas).
12. Unsuccessful bidders must be notified promptly in writing. This notification should include information regarding the protest procedures (page 16) if it was not included in the RFP.
13. The contract/agreement resulting from the acceptance of the award may be either for a fixed price (paid when the items/services are delivered and approved) or as reimbursements after costs are incurred (e.g., an hourly fee for legal services rendered).

Non-Competitive Negotiation/Sole Source

Noncompetitive negotiation shall be used when small purchase, formal advertising, or competitive negotiation procedures are not feasible. Noncompetitive negotiation will involve solicitations of a proposal from only one source. This can also occur if solicitations under the competitive negotiation procedures result in only one proposal or qualification statement. Noncompetitive negotiation shall only be used when written authorization has been obtained from the GMA Grants Administrator. In order to qualify for this type of procurement, one of the following circumstances must apply:

1. The item or service is available only from a single source.
2. It is determined that a public urgency or emergency exists and the urgency will not permit delay beyond the time needed to employ one of the other three methods of procurement.
3. After solicitation of a number of sources, competition is determined to be inadequate.

Cost and Price Analysis

HUD regulations contained in 24 Code of Federal Regulations (CFR) Part 84, “ Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” and 24 CFR Part 85, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments”, **require grantees to perform a cost or price analysis for every procurement action**, including contract modifications (e.g. “change orders”) and supplies, using HUD grant funds.

Cost Analysis

A cost analysis is an evaluation of the separate elements (e.g. labor, materials, etc.) that make up a contractor’s total cost proposal or price (for both new contracts and modifications) to determine if they are allowable, directly related to the requirement and ultimately, reasonable.

A cost analysis is required whenever you do not have price competition:

- When using **competitive proposals** or **negotiated** method of contracting
- When using **sole source** contracting
- When you only receive **one bid**
- When **negotiating a modification** (e.g. change order)

Price Analysis

Price Analysis is an evaluation of a proposed price (i.e. lump sum) without analyzing any of the separate cost elements that it is composed of. Price Analysis is essentially a price comparison and is used when comparing lump sum pricing, not cost estimates, received from contractors in a competitive pricing situation (e.g. when sealed bids are obtained).

Additional information contained in HUD’s Quick Guide to Cost and Price Analysis for HUD Grantees and Funding Recipients

Bonding Requirements and Federal Debarred/State License Status

For construction or facility improvement contracts or subcontracts exceeding \$100,000, the minimum requirements shall be as follows:

1. A bid guarantee from each bidder equivalent to 5% of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
2. A performance bond on the part of the contractor for 100% of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
3. A payment bond on the part of the contractor for 100% of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

No matter the contract price, each contractor must be checked to ensure they are not on the federal debarred list prior to executing any agreement with said recipient, and if the service being procured requires a state license (contractor's, engineer's, architect) then documentation that the license is current will also be required.

Also each contractor must provide documentation of liability insurance, workman's compensation, unemployment and disability insurance. This proof of insurance should be attached to the agreement for services and be in the Sub-recipient's procurement file.

Retainage

Retainage is money earned by a contractor but not paid to the contractor until the completion of construction or some other agreed-upon date. The amount is held back as assurance for the quality of the work and compliance with local, state, and federal regulations. The City requires at least a 10% retainage from all construction contracts.

Bid Protest Procedures

24 CFR 85.36(b)(12) & 84.41

A Bid Protest is a mechanism by which a bidder may contest the procedure or recommended outcome of a contract award by the Sub-recipient. Once a contract has been awarded, bidders will have 5 business days of notification award to submit a written protest. Sub-recipients may not execute an agreement with a contractor until the 5 day period is completed and in the event of a protest, the protest procedures have been followed.

Grounds for Protest: Only protests alleging an issue concerning the following subjects shall be considered:

1. Errors in computing tabulation or evaluation of bid
2. Violation of Rules or Statutes
3. Discrepancies with material differences or quality of items

Protests must contain at a minimum:

1. Name, address and telephone number of the protester
2. Signature of the protester or its representative and evidence of authority to sign
3. Item(s) of protest
4. Detailed statement of the legal and factual grounds of the protest including copies of relevant data
5. Form of relief requested

When the Sub-recipient receives a timely written protest, the agency must submit evidence to GMA of the following prior to proceeding with any construction activity:

1. A copy of the protest letter
2. Evidence the awarded bidder was notified of the protest
3. Evidence that an informal hearing or committee reviewed the protest to evaluate the facts and merits of the protest and make a determination whether or not to accept or reject the Protest
4. Documentation showing the protest determination

GMA is not involved in the informal hearing process nor does it assist in making a determination; GMA only documents the proper procedures were followed.

Contract Amendments (Change Orders, Modifications, & Extensions)

Amendments to contracts change the original terms or conditions of the existing agreement. The amendments can be in the form of contract modifications, change orders, or extensions. Any modifications cannot change the scope of services extensively or add anything to the scope of services that was not the original intent of the scope of services. Such modifications will require the project to be rebid.

Contract Modifications

Contract modifications are any alterations, additions or deletions to the original terms of a contract between the GMA and the Sub-recipient. A written contract amendment signed by the Sub-recipient and the GMA Grants Administrator must exist for all contract modifications. Written approval by GMA is required for all contract modifications between the Sub-recipient and Contractor.

Contract Extensions

Some contracts contain options to extend the term of the agreement, with notice prior to contract expiration. The Sub-recipient must submit a written request to the GMA Grants Administrator for approval at least 30 days before contract expiration.

Change Orders

A change order is an “amendment” to a contract that changes plans or specifications that become necessary after the performance of the contract has begun, or decreases or increases in the quantity of work to be performed, or of materials, equipment, or supplies to be furnished.

The Grants Administrator must review and approve change orders related to the scope of work identified in the contract between the Sub-recipient and GMA before contractor can proceed with modifications. The cumulative cost of change orders cannot increase or decrease the original contract price by more than 25% or the Sub-recipient must re-bid the remainder of the project.

All change orders must be submitted to the City in writing and include:

- A detailed description of the proposed change in scope and explanation/ justification for changes
- Plans and specifications, if applicable
- Price (credit, debit, or no change) for the change in contract work
- Estimate of additional time, if any, required to complete the work
- Contractor’s itemized breakdown of the cost of materials and labor and an itemized breakdown for any applicable subcontractors, and the change indicated on the architectural or engineering drawings, if applicable

Davis Bacon Wage Compliance and Procurement

The Davis Bacon Wage decision or wage determination is a listing of various construction work job classifications such as carpenter, electrician, plumber, etc. and the minimum wage rates and fringe benefits that people performing work in those classifications must be paid. Wage decisions are established for various types of construction categories (e.g., residential, building, heavy highway) and apply to specific geographic areas.

Davis-Bacon or Related Acts apply for the following:

1. \$2,000 or more of CDBG funds used for Construction, Rehabilitation, Demolition and Site Preparation
2. Housing with 12 or more HOME-assisted units

Prior to Bid Solicitation

Sub-recipient must provide Davis-Bacon wage decision and labor standards contract provisions applicable to the project. The provisions are to be contained in the bid specifications and summarized in the bid advertisement.

Language in the bid document should cite that the contract is covered by the Federal Davis-Bacon Act and that wage requirements, not less than the prevailing wage rate as set forth in the wage determination, are paid to workers during construction.

During the Open Bid Period

Ten days before the bid opening, the Sub-recipient/contractor must check to see if the wage decision is still current by checking <http://www.access.gpo.gov/davisbacon/TX.html> or calling HUD Labor Relations staff. If no change occurred, document this to the file. If a change occurred, determine if sufficient time exists to notify all bidders. Sub-recipients/Contractors should determine if a modification affects your project activities, and, if so, send out notice to bidders. Verify eligibility of principal contractor through the Federal Debarment Listing.

Upon Contract Award

Each contract subject to Davis-Bacon requirements must include the wage decision, Form HUD 4010, and the appropriate HUD contract provisions containing the labor standards clause. If construction has not started within 90 days of award, a new wage decision is required.

A Pre-construction meeting is required. GMA staff and a representative from Labor Compliance must be in attendance. At the meeting, the Labor Compliance officer provides the necessary labor provisions, identifies responsibilities, and obtains the proper wage decisions for all classifications on the job and disseminates information. The GMA representative will review additional compliance and reporting requirements with the agency and general contractor.

Affirmative Small and Minority/Women's Business Enterprise

In accordance with 24 CFR Part 85.36(e) and 84.44(b), the sub-recipient will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Affirmative steps shall include:

- Utilizing the South Central Texas Regional Certification Agency website <http://www.sctrca.org/> to search for certified small and minority businesses, and women's business enterprises
- Utilizing all local contractors where possible
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
- Providing contracting preferences when evaluating bid proposals

Section 3

The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that economic opportunities be directed to low-income persons and to businesses which provide economic opportunities to low-income persons. Section 3 applies to contracts or subcontracts that exceed \$100,000.

Section 3 goals:

Employment

The federal government request a goal of thirty percent (30%) of the aggregate number of new hires during a one year period of the project be Section 3 eligible persons. (Example: A construction contractor hires 10 new workers. Three of the new workers should be Section 3 eligible persons.)

Contracting

a) At least 10 percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, construction, and other public construction with federal funds should be eligible Section 3 businesses;

b) At least three percent (3%) of the total dollar amount of all other covered Section 3 contracts to eligible Section 3 businesses.

For more details regarding Section 3, how to become a Section 3 Certified Business or Individual, and Income Limits please visit: <http://www.sanantonio.gov/gma/programs/Section3.aspx>.

CHDO Procurement

As noted in HUD CPD Notice 97-11, Community Housing Development Organization (CHDO) organizations operating independently of the City are not subject to the requirements of 24 CFR Part 84 in regard to the procurement of goods and services. This exemption is only applicable to procurement associated with CHDO organization acting in a CHDO developer, owner, or sponsor capacity for CHDO eligible projects. CHDO organizations acting as a Sub-recipient must still follow appropriate procurement procedures compliant with this guide.

Federal funding requires all recipients to ensure cost reasonableness for all transactions; the CHDO must ensure all costs are considered reasonable by obtaining cost estimates or following an appropriate procurement methodology.

For Profit Procurement

For profit entities, not acting as sub-recipients, are not required to follow 24 CFR Part 84 or 85 regarding federal procurement requirements. However, all federal funding requires all recipients to ensure cost reasonableness for all transactions; the for-profit entity must ensure all costs are considered reasonable by obtaining cost estimates or following an appropriate procurement methodology.

Records Retention

The Sub-recipient must maintain complete files on all procurement activities and the original signed contract to demonstrate compliance in the above requirements. For CDBG funded project, files must be maintained for 4 years after the last CAPER is submitted reporting project completion. HOME funded project files must be maintained for 5 years after project completion.

Definitions

Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time during the solicitation period.

Non-Professional Services - Performing a service requiring labor or skill that is primarily physical or manual in nature. Some examples include janitorial service, lawn service, plumbing, carpentry, painting, data entry and electrical work.

Construction - Involves the alteration, modification, repair, building, fabricating, or erecting of a public work or physical improvement. Some examples include constructing a building, demolition, roofing work, laying a building foundation, erecting a statue, and laying streets and sidewalks.