

Introduction

Purpose and application, of course book in training of course, it's to train public housing authorities on requirements, rewriting to procurement practices The handbook also applies to general PHA staff and its leadership, including board members Yeah, the handbook, everybody is beholding to the handbook You are required as a procurement professional and whether you have the term procurement in your title or not, you're still responsible

Even the maintenance person going out to pick up supplies is a procurement professional 'cause they're buying stuff You're required to understand the guidebook the Procurement Handbook 7460.8 Revision 2 soon to be hopefully Revision 3 The new CFR 2 CFR 200.317 through 200.326 including the appendices Now, a lot of folks who have been around a while you're familiar with 24 CFR 85.36 That left us four or five years ago It's now 2 CFR (200) 317-326 And if you haven't updated your procurement policy you need to do so That should have been done quite a while ago I don't think it's a major violation but you need to update your policy with that All mandatory HUD forms that are to be included in any procurement process some of them we'll talk about today and tomorrow And then of course, you always have to look at your state and local procurement laws and see how they interact with the federal Source requirements, remember our governing CFR is 2 CFR 200.317-200.326

This is the regulation governing or controlling our procurement activities And one of the main points and this is where people get into trouble so much is you must provide for full and open competition Doing stuff to restrict vendors from getting to your work is prohibited Unless of course they are somebody that you have prohibited for a reason And there's quite a process to go through to do that You will follow the stricter of federal state and local laws We'll talk about a few of those and how they interact with each other during this seminar Consistency with good business practices overall objectives Open, fair, reasonable and competitive access to your housing authority is required I, because of what I do I sometimes help housing authorities when they've gotten into trouble, findings One of the most quoted section is always the one where HUD or the OIG says you are not open, fair reasonable, and justified in what you did So open competitive access to your competitions or even your work. If there's not a competition is a requirement

We are to be a good steward of public funds Remember this is sacred money this money that we're administering, that we spend to maintain our sites to buy the services we need was taken from the citizens of this country involuntarily None of us volunteer to pay taxes So those are sacred funds and we need to watch over them We're always looking for the best value product or service despite that for instance, quotes and bids are a low cost award We know that when you do a quote who gets the award the lowest cost It doesn't mean that just because somebody submits a lowest cost, that you're actually going to complete award to them Because we're always looking for the best value We'll talk about that more

It is your responsibility to comply with all applicable laws, HUD regulations, and your own policies And those policies need to be based on a combination of federal requirements and local laws That's typically your procurement policy And then we also are gonna want to, of course avoid ethical pitfalls, yeah We'll talk about ethics in chapter four Public access to procurement information Some information is considered public In fact, I would say that most of what you do is at some point considered to be public information and must be released in accordance with your laws your policies, your local laws HUD freedom of information act We're gonna talk about a couple of those on as we go through the guide book Because we don't release everything right at the moment they may want it Some things we release while we're doing the procurement the competition, some things we release later And we'll talk about those

things Sometimes information that we don't release might be proprietary business information from the bidders or the contractors For instance, a lot of their competitors would like to get a hold of their client list And they will put the client list typically inside their proposal or their bid especially if we ask for it so that we can judge them or evaluate them based on their experience However, it has been my experience that most attorneys say "No, you don't release their client list." Or if you do an RFP, for instance and somebody puts in a audited financial statement of their firm, I've never had an attorney say that had to be released And the reason is because it's proprietary business information However, remember their cost is not proprietary Everybody's entitled to know eventually the costs that everybody proposed How many of you ever been to a public bid opening? We read the cost right off the bat, right? Yeah, that's public knowledge Detailed pricing, however, might be proprietary If we ask somebody to turn in their calculations on how they arrived at their pricing that's an unusual thing to do, but I've done it before That has been deemed by my attorneys at my agency and at agencies that I work with to be proprietary

Sometimes their technical data or how they arrive at certain conclusions might be proprietary All of this stuff has to be worked with an attorney your attorney, or perhaps even talk to HUD but with your attorney if somebody asks for that kind of information One thing that we never ever disclose during the bid is our independent cost estimate You know why? Because that tends to give people targets and we don't want them to give us pricing based on a target We want them to give us pricing based on how are they going to make money? If they can't figure that out we probably don't want to do business with them They would not be a best value procurement Be sure that whenever anybody asks for information you don't give the information just to one person who asked it You give it to everybody by issuing an addendum And then after the bid deadline, it would not be an addendum it would be a post bid submittal notice Something like that But I never ever give information to just one person only There's actually a housing authority in a Northeastern state who the OIG has moved on because they refused to answer questions to everybody They only answered them to the person and they've gotten into a lot of trouble The question is what's an example of a post bid deadline notice? Here's an example If somebody said after the bids are all done I want to see everybody's bid or I want to see a certain vendor's bid I would not just show them the bid I would make PDF copies of the bids and send them to everybody If bidder A asked to see bidder B's submittal I would not show bidder A that submittal I would make copies of all the submittals and send them to everybody, including bidder A the first bidder who asked to see the other bidder's submittal If we decide, whatever we decided to show I would show it to everybody at the same time That's an example of a notice

See, it can't be an addendum because an addendum is what you issued during a bid But after the bid is done, you can amend or doing addendum you just do a notice Course agenda, we've been through the introduction we're gonna talk about procurement authority and administration of the procurement function including policies, the duties of the contracting officer obligation of funds and staffing and training

We're gonna talk about in the next chapter general requirements, including procurement planning the individual procurement plans that you're required to have a form of What documentation you're required to have in the file and what you're required to do to ensure appropriate funding, appropriate payments and the internal controls that you have to have In chapter four, we're gonna talk about ethics in public contracting, conflicts of interest gratuities, kickbacks, and confidential information You know, of all of those the most, the biggest problem is confidential information It's not gratuities and kickbacks We already know we're not

supposed to be taking anything, right? That's easy, we just don't take it But it's confidential information making sure that whatever you release is not confidential Sanctions for violations

Chapter five, we're gonna talk about small purchase procedures, micro and small purchases ID indefinite delivery contracts, purchase orders and mandatory forums A lot of folks talk about, Oh, I made three phone calls to get three quotes And then once we look at the requirements we find out that's very problematic That's very difficult to do, yeah And be in compliance Chapter six, we're gonna talk about sealed bids also known as invitation for bids or IFBs

We're gonna concentrate on the bid openings and how you do the contract award Chapter seven, competitive proposals including RFPs and RFQs request for qualifications Chapter eight is noncompetitive procurements Do you know that the largest procurements you make are noncompetitive in nature? You don't compete them Yeah, we'll talk about that We'll identify them and the documentation that you're required to have in the file to justify those noncompetitive Chapter nine, specifications and statements of work What you have to issue to get what you need to ensure that you can have a good contract Chapter 10 is a large chapter miscellaneous requirements We're gonna talk about contract pricing types and we're gonna talk about contractor responsibility cost and price analysis protests and options and labor standards, large chapter

Chapter 11 is contract administration How do we ensure that what we're paying for is what we're actually got received? Yeah, that's where housing authorities get into a lot of trouble I do audits at some housing authorities and I go to their accounts payable files and I looked at the invoice and they paid it And I say, "Did you get this?" They go, Oh yeah I go, how would I know that? You didn't sign the invoice. (laughs) Just sign the invoice But those who sign invoices have to realize that when I signed that invoice, what am I verifying? Yeah, that it was all received So we're gonna talk about contract administration for both construction contracts and non-construction because it's actually a bit different And we're gonna talk about contract modifications

A contract modification is also known as an a change order Yes, or an amendment to the contract We're gonna talk about state and local laws and regulations pertaining to procurement, okay Which ones, where you find those laws, how they can differ We're gonna talk about HUD review requirements things that you have to get prior HUD approval for before you buy it There are very few, but they're there We're gonna talk about cooperative purchasing relationships Meaning sometimes portion of that is called piggybacking buying off of bids done by other government agencies A good thing to do, a very good thing to do And HUD does not just allow it, HUD encourages you to do it They say in the CFR, we encourage you to buy up a bids done by other bids Done by other government agencies We're gonna talk about resident owned businesses small minority and other disadvantaged businesses We're gonna talk about public, that's chapter 15 we're gonna talk about private partnerships and utility purchasing Which is a little different than it is when I first started.