
CHAPTER 12

HUD Review Requirements



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Introduction

- HUD review of PHA's procurement activity is limited to actions funded with federal program grant funds
- Review conducted by HUD Field Office
- Ensures compliance with 2 CFR §200.317–200.326



Contract Actions Requiring HUD Approval

- Contracts expected to exceed federal small purchase threshold and:
 - Are noncompetitive procurements; and/or
 - Are brand-name only procurements; and/or
 - Are awarded to other than the apparent low bidder
- Proposed contract modifications
 - That change contract scope; or
 - Increase contract amount by more than federal small purchase threshold



Contract Actions Requiring HUD Approval, cont.

- Use of Qualification Based Selection (QBS) method of procurement for other than Architect/Engineering (A/E) services, joint venture partners, or developers or energy service contracts (energy services contracts now typically completed pursuant to an RFP)
- Procurements for legal or other non-personal services in connection with litigation (per HUD Litigation Handbook) that exceed \$100,000
- Procurements that exceed amount included in HUD–approved Development Cost Budget or where HUD has required prior approval on Notice of Deficiency or corrective action order under Capital Fund Program



Contract Actions Requiring HUD Approval, cont.

- Contracts that exceed 5 years, including options
- Solicitation and contracts by any PHA whose procurement procedures or operations fail to comply with procurement standards in 2 CFR §200.217–200.326



Contract Actions Requiring HUD Approval, cont.

- PHAs operating under the “old” ACC
 - Who enter into a transaction with any joint venture, subsidiary, affiliate, or other identity-of-interest entity:
 - Section 515 of the old ACC specifies that such transactions must comply with conflict-of-interest provisions that apply to PHA
 - PHAs and instrumentalities operating under “new” ACC must comply with conflict-of-interest provisions under section 19 of the new ACC
 - Any agreement or contract for professional, management, fee accountants, legal, or other professional services with any person or firm if total contract period or term (including renewal option provisions) exceeds 2 years



Exemption from Pre-Award Review

- PHA is exempt if HUD certifies or PHA self-certifies that its procurement systems meet standards under 2 CFR §200.317–200.326, essential requirements of HUD handbooks
- Exemptions are granted for a 1-year period and may be automatically renewed each year:
 - Unless PHA is found not to be in compliance with 2 CFR §200.317–200.326; or
 - PHA requests that exemption be rescinded



PHA Submissions for HUD Approval

- PHA must submit all required paperwork to HUD for review
- HUD Field Office reviews this information and indicates what additional information may be necessary (as appropriate) to comply with 2 CFR §200.317–200.326 and applicable sections of this Chapter
- Any changes to HUD forms or waivers to HUD Procurement Handbook must be sent to HUD Headquarters Office of Public Housing for review and approval

