
CHAPTER 3

General Requirements



Contents

- Procurement Planning
- Individual Procurement Plans
- Documentation
- Funding, Payment, and Internal Controls



Independent Cost Estimates (ICE)

- PHA's estimate of cost of goods or services to be acquired under a contract
 - Benchmark to evaluate reasonableness of proposed pricing
- CO is responsible for developing ICE
 - Often done with input of other staff and outside consultants
- Must be prepared prior to solicitation of offers
- May help CO determine best contracting method to be used



Independent Cost Estimates (ICE), cont.

- When is ICE needed?
 - Micro-purchases: not needed
 - Above micro-purchase and below small purchase: minimal documentation
 - Above small purchase: required
- ICE is normally broken into major categories.
- Level of detail will depend on dollar value and procurement complexity.
- Work designed and customized for PHA require more extensive estimation and detail in ICE.



Independent Cost Estimates (ICE), cont.

- What is ICE used for?
 - Project and reserve funds for procurement
 - Determine if cost-proposal assumptions are based on same or similar assumptions used by the PHA
 - Determine if costs offered are fair and reasonable
 - Decisions: project viability, structure, and resource requirements
 - Conduct analysis of alternatives if needed
 - Inform design trade-off decisions
 - Conduct in-process reviews of projects
 - Satisfy public law and oversight requirements



Individual Procurement Plans (IPPs)

- Required for all larger and more-complex procurements
- Establishes deadlines for completing steps necessary to assure timely delivery or performance
- CO determines scope of IPP



Individual Procurement Plans (IPPs)

- May contain:
 - Description of required items/work
 - Description of what will be procured and purpose
 - Responsible parties in the organization for procurement and contract administration
 - Procurement method and criteria
 - Contract type and standards
 - Description of contract administration process
 - Necessary approvals for the plan and each procurement step



Documentation

- Maintain written records to detail each procurement
 - Responsibility of CO
 - Maintain records for 3 years after final payment
 - Records must be sufficient to defend the process if a protest is filed



Documentation

- What does a procurement file look like?
 - CO's rationale for choosing method of procurement
 - Final solicitation documents
 - Reason for contract pricing arrangement
 - Supporting information regarding selection and rejection
 - Selection panel, evaluation report, cost and price analysis, and written correspondence including emails pertaining to procurement
 - Basis for contract price (ICE)
 - Contract administration issues/actions



Funding, Payment, and Internal Controls

- Ensure work performed is inspected.
- Pay invoices promptly.
- Establish internal controls to ensure process oversight.
- Internal controls must be documented and included in procurement policy.

