

**Invitation for Bids
No. IFB# 19-970**

Telephone Switches

**Issued By:
The Housing Authority of Kansas City, Missouri
920 Main Suite 700
Kansas City, Missouri 64105
March 29 ,2019**

INVITATION FOR BIDS

IFB-19-970

THE ABOVE NUMBER MUST APPEAR ON ALL RESPONSES AND RELATED CORRESPONDENCE.

REQUEST DATE: March 29, 2019

THIS IS NOT AN ORDER

Bid Due Date:
April 12, 2019 by 2:00 p.m.

Jessica Johnson
Procurement Agent
procurement@hakc.org
Ph. (816) 968-4260

PART ONE

INTRODUCTION AND BID STRUCTURE

1. The Housing Authority of Kansas City, Missouri is organized under the laws of the State of Missouri. It owns and operates over 1900 units of conventional public housing in multifamily and single-family sites through the city and provides rental assistance subsidies to approximately 7500 households under the Section 8 Housing Assistance Payment Program. The agency has an annual operating budget of \$20 million. Receives approximately \$3.5 million in annual Capitol Fund program allocations and maintains funding awards for the HOPE VI and Public Housing Development Programs. HAKC also funds and manages a variety of social service and economic development programs for its residents.

2. For the convenience of the bidder, this solicitation is structured as follows:

Part I Introduction and Bid Structure

Part II Scope of Work Description and Terms

Bid Forms

Bid Documents

- a. **Notarized Non-Collusive Affidavit**
- b. Section 3 Requirements
- d. **General Contract Conditions HUD 5370**
- e. **Instructions to Offerors, HUD 5369**
- f. **Certifications & Representation, HUD 5369-A**
<http://www.hakc.org/procurement.aspx> for

BOLD indicates forms required to be completed and returned with **every** bid submission.

Failure to provide the indicated forms, may cause your submission to be removed from consideration for award.

4. Sealed Bid Selection Criteria

A firm fixed-price contract (lump sum or unit price) is awarded to the lowest responsible bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is the lowest in price.

**PART TWO
SCOPE OF WORK**

1. The Housing Authority of Kansas City, Missouri (HAKC) is seeking bids from qualified providers for **six (6) each Meraki MS 250-48FP Ethernet phone switches and eight (8) each Meraki MS 120-8FP phone switches**, in accordance with the included description of features/services the switch must be able to provide.
2. Time is of the essence so please provide the amount of time required to make delivery once notified you have been awarded the contract.

3. TAXES

HAKC is a sales tax-exempt entity. Copies of the sales tax exemption information will be provided to the successful bidder on request. The contractor shall not include in the bid amount, any taxes chargeable against the performance of the work.

4. ASSIGNMENT OF THE CONTRACT

The contractor shall not enter into any sub-contracts' or assign, transfer, convey or otherwise dispose of the ensuing contract, or any and all of its rights, title or interest, or its power to execute such contract to any person, company, or corporation without the written consent of HAKC.

5. PROVISIONS FOR CHANGES OR AMENDMENTS.

If at any time HAKC desires to expand, alter, or terminate a portion of the scope of work, as defined herein, the contract will be amended to reflect these changes at costs/deductions acceptable to both parties. HAKC shall provide prior written notice to the contractor for any changes to the

scope of work. The contractor shall not hold the Authority responsible for termination due to no fault of HAKC.

As it relates to the foregoing paragraph, all directions to the contractor, and all changes or amendments to the project, between the contractor and the HAKC must come through the Procurement, to Karen Pointer, 816-968-4203. The HAKC will not be responsible for payment for any change(s) not authorized in advance, by Procurement.

6. SECTION 3 REQUIREMENTS

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires, to the greatest extent feasible, opportunities for job training and employment be given to lower income residents of the federally funded area, and contracts for work in connection with the Section 3 covered project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the Section 3 area. Section 3 requires that a recipient/contractor take affirmative steps to give preference to qualified Section 3 area residents and business concerns in providing training, employment and contracting in connection with Section 3 covered projects. As a recipient of HUD funding, HAKC maintains an aggressive Section 3 policy, which emphasizes employment of public housing residents, or other low-income residents on contracts let by the Authority and that affirmative efforts be taken to contract with Section 3 business concerns, which includes resident-owned businesses.

HAKC believes that Section 3 is an effective tool for advancing economic development and self-sufficiency opportunities for public housing residents. HAKC requires the contractor to emphasize resident hiring for new positions required because of this contract. See "Section 3 Program" attachment for additional information on compliance with Section 3 requirement.

7. PAYMENT

The contractor shall invoice per the firm, fixed prices indicated on the Bid Form. The firm, fixed prices shall be legally binding for the entire term of the contract. The Project Manager must approve all invoices prior to payment. When providing services, contractor must obtain the signature of the Property Manager or their designee, on the work order or receipt, to verify the service/work provided is complete, satisfactory and in accordance with the scope of work. Without this signature, payment cannot be processed. **Invoices/Payment Certification Packets for contracts over \$2,000.00 which require Davis-Bacon wages, must have "Payroll Form WH-347" attached.**

The contractor shall submit all requests for payment under this contract to:

AP@hakc.org or
Accounts Payable
920 Main Street, Suite 701
Kansas City, MO 64105

8.. QUESTIONS

Questions relating to the bid content or procedures for submission must be submitted in writing, by fax or e-mail to:

Jessica Johnson, Fax (816) 968-4117 or jjohnson@hakc.org

9. SUBMISSION REQUIREMENTS

Bids must be received at the offices of the Housing Authority of Kansas City, Missouri no later than **2:00 PM**, April 12, 2019. **Bids must be mailed to 920 Main, Suite 701 KC MO 64105 OR Emailed to procurement@hakc.org OR Faxed to 816-968-4117.**

Each submission is to include:

- All pages of the referenced Bid Form
 - Bid Form Pages 1 thru 3 (including Non-Collusive Affidavit)
- Form HUD-5369a

Each response to this Invitation for Bids must be clearly identified as a response to the **Invitation for Bid No. IFB 19-970. Any submission received later than 2:00 PM, April 12, 2019 will not be accepted.**

Failure to follow the instructions of this IFB may result in the elimination of your bid as being non-responsive. **Failure to sign your completed bid form will be cause for automatic rejection.**

HAKC reserves the right to consider historic information whether gained from the proposal, references, or any other source, in the evaluation process. HAKC also reserves the right to reject all bids/proposals, make no award, multiple or partial awards, and to waive any minor informality or irregularity in the bids/proposals received in response to this solicitation.

12. PROPOSED SCHEDULE

Bid Due Date
Public Bid Opening

April 12, 2019 by 2:00 p.m.
April 12, 2019 at 2:00 p.m.
Located at: 920 Main, Suite 701

**Page 1 of Bid Form
IFB 19-970**

Date: _____

FROM: _____
Hereinafter called the "Bidder"

TO: Housing Authority of Kansas City, Missouri
920 Main Street, Suite 701
Kansas City, Missouri 64105
Hereinafter called the "Owner"

The undersigned bidder for _____, (your company name) located at _____, (your company address) in accordance with the applicable specifications and related documents prepared by the Housing Authority of Kansas City, Missouri, and having familiarized itself with the local conditions effecting the cost of the Work at the place where the Work is to be done and with the Instructions to Bidders, Plans and Specifications, General and Supplementary Conditions, Special Conditions, Form of Agreement and other Contract Documents, and having examined the location of the proposed Work and considered the availability of labor and materials, hereby proposes and agrees to perform everything required to be performed, and to provide and furnish all labor, materials, necessary tools, expendable equipment, and all utility and transportation service necessary to perform and complete in a workmanlike and timely manner all the Work required to acquire **six Meraki MS250-48FP and eight Meraki MS120-8FP phone system switches** in accordance with the description of the required capabilities of the products, all in strict conformance with the Instructions to Bidders and other Contract Documents (including Addendum Nos _____, _____, and _____, the receipt of which is hereby acknowledged,) for the lump sum(s) hereinafter specified.

MBE/WBE PARTICIPATION

Does the bidder have a MBE/WBE policy for awarding to subcontractors? _____

The bidder agrees to make every effort to carry out this MBE/WBE policy through award of subcontracts to minority/women's business enterprises to the fullest extent consistent with the efficient performance of this contract.

If 'Yes', indicate potential MBE/WBE participation level:

MBE Percentage Participation _____ %
WBE Percentage Participation _____ %

**All pages of the Bid Form must be:
Filled out completely, signed and returned.
Failure to complete and submit all documents request in this IFB may
remove your bid from consideration.**

**Page 2 of Bid Form
IFB-19-970**

Six (6) each Meraki MS250-48FP or equal _____ Dollars,

Cost of first year licensing per switch _____ Dollars

Eight 8 each Meraki MS120-8FP for equal _____ Dollars

Cost of first year licensing per switch _____ Dollars

TIMING

The undersigned Bidder hereby agrees to commence the work required under his contract within ten (10) days from the date of a Notice to Proceed and agrees to substantially complete the Work or segments of the Work on or before the schedule dates, and to pay as liquidated damages the corresponding amount stipulated in contract documents, for each instance that the Work remains substantially incomplete in accordance with the Contract Documents.

The Bidder understands that the Owner reserves the right to reject any or all bids, to waive minor informalities in any bid, to award the contract in the Documents by mutual agreement with the successful bidder.

The Bidder agrees to deliver to the HAKC the Certification of Insurance, Representations, Certifications and Other Statements, HUD-5369-A and Contractors Occupation Statement.

Name of Firm

Street Address

Telephone Number

City, State, Zip Code

Federal Tax ID Number

Authorized Officer/Title

Date

Signature

IFB-19-970

NON-COLLUSIVE AFFIDAVIT

_____ being first duly sworn, deposes and says:

That he is _____.
(Partner, Officer of Firm, Corp., etc.)

The party making the foregoing proposal or bid and attests to the following:

1. That affiant employed no person, corporation, firm association or other organization, either directly or indirectly, to secure the public contract under whose services in connection with the construction of the public building or project or in securing the public contract were in the regular course of their duties for affiant; and
2. That no part of the contract price received by affiant was paid or will be paid to any person, or corporation, firm association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the affiant who services in connection with the construction of the public building or project were in the regular course of their duties for affiant: and
3. That such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix an overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Housing Authority of Kansas City, Missouri or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

(Name of Firm)

(Signature of Bidder)

Subscribed and sworn to before me this _____ day _____, 20__

NOTARY PUBLIC

My commission expires: _____

Section 3 Brochure

What is Section 3?

It is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.

Section 3 Policy

Congress established the Section 3 policy to guarantee that the employment and other economic opportunities created by Federal financial assistance for housing and community development programs should, if possible, be directed toward low and very-low income persons, particularly those who are recipients of government assistance for housing.

Who are Section 3 residents?

Section 3 residents are:

- Public Housing residents
- Low and very-low income persons who live in the metropolitan area or non-metropolitan county where a HUD-assisted project for housing or community development is located.

Determining Income Levels

- Low income is defined as 80% or below the median income of that area
- Very-low income is defined as 50% or below the median income of that area
- Median incomes can be found using the **American Fact Finder** at www.factfinder.census.gov/home/saff/main.html

What is a Section 3 business & what types of economic opportunities are available under Section 3?

A business:

- That is at least 51 percent or more owned by Section 3 residents,

- Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern

Type of Opportunities: Job training, Employment, Contracts

Examples include:

<i>Administrative/ Management</i>	<i>Services</i>	<i>Construction</i>
accounting	appliance repair	architecture machine
operate payroll	florists	bricklaying
painting		
research	marketing	carpentry
plastering		
bookkeeping	carpet installation	cement/masonry
plumbing purchasing	janitorial	demolition
surveying		
word processing	photography	drywall tile
setting		
	catering	electrical
	landscaping	elevator construction
	printing	engineering
	computer/information	fencing
	manufacturing	heating
	transportation	iron works

Who will award the economic opportunities?

Recipients of HUD financial assistance and their contractors and subcontractors are required to provide economic opportunities, to the greatest extent possible, consistent with existing Federal, State, and local laws and regulations.

Who receives priority under Section 3?

For training and employment:

- Persons in public and assisted housing
- Persons in the area where the HUD financial assistance is expended
- Participants in HUD Youthbuild programs
- Homeless persons

For contracting:

Businesses that meet the definition of a **Section 3 business owner**

How can businesses find Section 3 residents to work for them?

Businesses can recruit in the neighborhood and public housing developments to inform residents about available training and job opportunities. Distributing flyers, posting signs, placing ads, and contacting resident organizations and local community development and employment agencies to

locate potential workers are effective ways of acquiring jobs.

Are recipients, contractors and subcontractors required to provide long-term employment opportunities, and not simply seasonal or temporary employment?

Recipients are required, to the greatest extent feasible, to provide all types of employment opportunities to low and very-low income person, including seasonal and temporary employment, as well as long-term jobs.

Employment goals are based on “new hires”, which are defined as full-time employees for permanent, temporary or seasonal employment opportunities.

Recipients and contractors are encouraged to provide long-term employment. At least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.

How can businesses and low income persons find out more about Section 3?

Contact the Fair Housing and Equal Opportunity representative at your nearest HUD Field Office or the HUD Community Builder.

What if it appears an entity is not complying with Section 3?

There is a complaint process. Section 3 residents, businesses, or a representative for either may file complaints if they believe a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. A complaint that cannot be resolved voluntarily may result in an administrative hearing.

Will HUD require compliance?

Yes. HUD receives annual reports from recipients, monitors the performance of contractors and investigates complaints. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses.

How can businesses or residents pursue an alleged violation of Section 3?

You can file a written complaint with the **local HUD Field Office** or mail it to:

The Assistant Secretary for Fair Housing and Equal Opportunity
ATTN: Office of Economic Opportunity
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.,
Room 5100
Washington, D.C. 20410-2000

A written complaint should contain:

- Name and address of the person filing the complaint
- Name and address of subject of complaint (HUD recipient, contractor or subcontractor)
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective action sought i.e. training, employment or contracts

Section 3 Office:

The Section 3 Division is located in the Historic Lincoln Building, in the 18th and Vine District, 1601 E. 18th St., Suite 200, Kansas City, MO 64108. The **Section 3 Office** serves to regulate the City's federal requirements related to the **Section 3 HUD Act of 1968**, as amended. That acts intends to foster local and neighborhood economic development and to increase individual self-sufficiency. The Section 3 Office certifies businesses and individuals as Section 3 Business Enterprises or Section 3 Workers.

The City of Kansas City Missouri is responsible for administering more than \$9 million in Section 3 covered Community Development Block Grant (CDBG) funding. In 2006, Kansas City was the subject of a Section 3 Compliance Review, which resulted in a number of findings of noncompliance. Accordingly, Kansas City made Section 3 compliance a priority by creating an Office of Section 3 Administration with its own Section 3 Coordinator.

This office works closely with the city's Contract Compliance Division, Office of Community Development, and potential Section 3 residents/contractors. As a result, the city has developed innovative strategies for complying with the requirements of Section 3 and has exceeded the goals for contracting and employment opportunities found at 24 CFR § 135.30.

For more information please contact:

Section 3 Office
Phone: 816-513-6817
Fax: 816-513-6820

or

Diana Adorno-Boody
(dboody@hac.org) 816-777-2904

Sec. 134.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agree to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing regulations, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

I. Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents

- (1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.
- (2) Sponsoring a HUD-certified "step-up" employment and training program for Section 3 residents.
- (3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 residents in the building trades.
- (4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit

in the housing development or developments where category 1 or category 2 persons (as these terms are defined in Sec. 134.34) reside.

- (5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the Section 3 covered project.
 - (6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
 - (7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the Section 3 covered project.
 - (8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2 persons reside and live in the neighborhood or service area in which a Section 3 project is located.
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- (9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.
 - (10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the Section 3 covered project.
 - (11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.
 - (12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.
 - (13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers or general circulation, and radio advertising.
 - (14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the HA or contractor intends to fill.
 - (15) For an HA, employing Section 3 residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian Housing regulations. See 24 CFR 905.102, and Sec. 905.201(a)(6).)

- (16) Where there are more qualified Section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 residents for future employment positions.
- (17) Undertaking job counseling, education and related programs in association with local educational institutions.
- (18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.
- (19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 residents to be trained or employed on the Section 3 covered assistance.
- (20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

II.

III. Examples of Efforts To Award Contracts to Section 3 Business Concerns

- (1) Utilizing procurement procedures for Section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).
- (2) In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- (3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- (4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.
- (5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.
- (6) Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.
- (7) Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
- (8) Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.
- (9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
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- (10) Advising Section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- (11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.
- (12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
- (13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

- (14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
 - (15) Developing a list of eligible Section 3 business concerns.
 - (16) For Has, participating in the "Contracting with Resident-Owned Business" program provided under 24 CFR part 963.
 - (17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.
 - (18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.
 - (19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.
 - (20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.
 - (21) Actively supporting joint ventures with Section 3 business concerns.
- IV.** Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

V. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

- (1) Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.
 - (i) Solicitation. (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:
 - the Section 3 covered contract to be awarded with sufficient specificity;
 - the time within which quotations must be submitted; and
 - the information that must be submitted with each quotation.
 - (B) If the method described in paragraph (i) (A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when is has been unable to obtain at least three quotations.
 - (ii) Award. (A) 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 concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation. (B) Where the Section 3 covered contract is to be awarded based on factors other than price, a

request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) Procurement by sealed bids (Invitation for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

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(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:

	X = lesser of:
When the lowest responsive bid is less than \$100,000 \$9,000	10% of that bid or
When the lowest responsive bid is:	
At least \$100,000, but less than \$200,000 \$16,000	9% of that bid, or
At least \$200,000, but less than \$300,000 \$21,000	8% of that bid, or
At least \$300,000, but less than \$400,000 \$24,000	7% of that bid, or
At least \$400,000, but less than \$500,000 \$25,000	6% of that bid, or
At least \$500,000, but less than \$1 million \$40,000	5% of that bid, or
At least \$1 million, but less than \$2 million \$60,000	4% of that bid, or
At least \$2 million, but less than \$4 million \$80,000	3% of that bid, or
At least \$4 million, but less than \$7 million \$105,000	2% of that bid, or
\$7 million or more -----	1 ½ % of the lowest responsive bid, with no

- (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.
- (3) Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)). (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.
- (ii) One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.
 - (iii) The component of this evaluation factor designed to address the preference for Section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.
 - (iv) With respect to the second component (the acceptability of the Section 3 strategy), the FRP shall require the disclosure of the contractor's Section 3 strategy to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.