

5.0

5.0 CONTRACT ADMINISTRATION PROCEDURES

Introduction

With Disclaimer

These operational procedures of the Housing Authority of the Birmingham District (**HABD**) contain basic guidelines for administration of contracts to which HABD is a party. Administration of contracts at HABD encompasses the full realm of implementation and oversight, including, without limitation, receipt of work, services, and products, as well as monitoring contractor performance; issuing status reports; reviewing invoices; and similar types of review and responsibility.

HABD will diligently and pro-actively monitor performance and progress of the contract and take necessary steps to require compliance with the terms, specifications, conditions, and provisions of the contract, as well as foster and maintain compliance with HABD Procurement Policy (**Policy**), HUD regulations, specifically 24 CFR 85.36, and HUD Handbook 7460.8 REV-1. Every affected HABD employee is expected to adhere to the procedures outlined within the **Policy** and the regulations, and these procedures.

The purpose of these procedures is to assist **HABD** in assuring maximum contract performance. The procedures do not in any way diminish responsibility of the contractor/vendor to completely and independently perform contractual obligations or terms, nor do they excuse or mitigate non-performance by the contractor, even if **HABD** does not fully comply with the procedures. The failure of any HABD officer or personnel to adhere to these procedures is not intended as a waiver of performance by the contractor. However, failures of **HABD** employees will be addressed consistent with the terms of HABD Human Resources Policy. These procedures are subject to change without notice; however, provisions applicable to a specific contract shall be included within that contract verbatim or by specific attachment and reference, and shall be binding on the terms stated in the contract document.

Initial Contracting Requirements

5.1 Budget Approval. Prior to the issuance of a solicitation, the requestor will verify budget authority and funding availability with the Executive Director. All requests for contract-based services, goods, equipment or products shall be initiated by an authorized requestor through a memorandum or to the Executive Director or the Purchasing Manager. The following classifications have authority to issue a request for contract-based goods, services, products or equipment: Directors, General Counsel, and Deputy Executive Directors, subject to review, disallowance, or approval of the Executive Director. Contract-based services, goods, products, or equipment shall not be requested absent valid and actual budget authority or an available funding source.

5.2 Solicitation/Award of Contract. Solicitations shall be conducted by the Purchasing Manager or designee in compliance with applicable policy, regulation, and law. Contracts shall be awarded in accordance with the terms of the solicitation. The award will be to the responsive and responsible firm or individual whose bid, proposal or quotation conforms to all specifications, terms and conditions as set forth in the solicitation. The method and terms of solicitation will be determined by the products,

goods or services to be procured. The estimated price or cost will also be a factor in the solicitation method; the **PM** shall obtain a cost estimate prior to the solicitation. Contract awards will be made on the basis of the lowest price, provided the offer is responsive, responsible, and is in the best interest of the HABD to accept it.

5.3 Proposed Form of Contract. Those responding to a solicitation *may be* asked to provide a proposed form of contract with the response or after the award of the contract. However, these are not considered as the terms upon which the contract will be agreed or signed by **HABD**. The form of contract is not requested to define the terms of the solicitation or the final agreement between the parties upon award of the contract. The **HABD** Executive Director or designee will issue a memorandum to the **HABD** General Counsel for preparation or review of a proposed contract specifying the agreement between the parties. All contracts shall be reviewed by the **HABD** General Counsel or designee prior to execution by the Authority, unless approved otherwise by the Executive Director. Applicable provisions of these procedures will be included in the form of contract as well as required HUD provisions.

5.4 Contract Tracking/Monitoring. The Purchasing Manager shall assign a contract number to each contract and maintain tracking and monitoring information in an open Contract Register for individual tracking purposes as required herein. The Contract Register will be issued by the Purchasing Manager to Executive staff and Contract Administrators on a monthly basis. The HABD Contract Administrator, as defined herein, will monitor the Register, respectively, for the progress of contract administration as determined by the Purchasing Manager. The Contract Administrator will review termination dates sufficiently in advance to determine whether implementation will be timely and to determine appropriate steps in the event of untimely completion.

5.5 Contract Administrator/Contract Administration Plan (CAP). The HABD Contract Administrator (**CA**) is defined as the HABD staff representative designated to oversee and manage the performance of the contract on behalf of the **HABD**. The Executive Director will designate the Contract Administrator for each contract in writing and shall make the designation based on the requirements and purpose of the contract. A Contract Administration Plan (**CAP**) will be prepared by the Purchasing Manager. The **CAP** will identify the designated Contract Administrator, and will include, at minimum, the contract amount, funding source, contractor contact person, other pertinent vendor information, schedule to guide implementation of the contract, and other information as may be necessary and appropriate. The **CAP** will become a part of the working file of the Purchasing Manager and the Contract Administrator. In addition to the Contract Administrator, a copy of the **CAP** will be forwarded to the HABD General Counsel and to the Director of Finance & Accounting. Each **CA** shall set up a file, which includes the contract, the **CAP** and other information pertaining to the contract. The **CA** will maintain, in the file, sufficient documentation to track and monitor the progress of performance of the contract. It is subject to audit and review by the Executive Director.

5.6 Post Award Conference. Following the award of a contract, a post award conference will be held to discuss applicable information as pertains to the contract

awarded, including to identify personnel, discuss the scope of work, federal labor standards requirements, safety issues, payment methods, required forms to be submitted and other contract related documents and issues. The contractor will be provided with the opportunity to inspect the work site, if applicable, prior to execution of the contract documents. Post award conferences will be recorded electronically and a transcript of the minutes shall be made a part of the contract file. Post award conferences held in the field (on the site) may be recorded electronically or summary/recap of the issues discussed will be drafted and submitted in writing to each person present at the conference.

5.7 (A) Contract Execution and Term. The term specified in the solicitation will establish the basis for the time for performance of the contract. A start and completion date shall be mutually agreed upon by the *CA* and the contractor, and specified in the contract, subject to disallowance by the Executive Director. Three (3) original contracts shall be prepared and executed by the parties. One (1) original is maintained in the HABD contract file in the Purchasing Department; one (1) original is maintained in the Finance and Accounting Office; one (1) original is forwarded to the contractor. A copy of the fully executed contract will be sent to the *CA* and General Counsel.

(B) Notice to Proceed. Upon full execution of the contract documents and delivery by the Contractor of all required bonds and certificates to the *PM* prior to execution of the contract, the Contracting Officer (*CO*) shall prepare and issue to the contractor, a *Notice to Proceed*. The Notice to Proceed will be forwarded to the contractor by certified mail, return receipt requested, or personally delivered. A copy of the Notice to Proceed shall be forwarded to the *CA*, the appropriate Deputy Executive Director of Administration or Operations, the Director of Finance and Accounting, and the HABD General Counsel. The *CA* shall monitor the progress of the contract from the date of its commencement forward.

(C) Contracting Officer/Authorized Signatory. The Contracting Officer is defined as the HABD officer or representative authorized to sign or execute contract(s) on behalf of the HABD. For contracts of \$2,500.00 or less (including the contract and all modifications thereof), the Purchasing Manager has the authority to sign on behalf of *HABD*, and for such purposes is the *CO* for HABD, provided such contracts have been procured in compliance with HABD Procurement Policy, regulation and law, and provided such purchases have been authorized by the Executive Director or designee. For all contracts up to and in excess of \$2,500.00, the Executive Director is the *CO* with authority to sign on behalf of *HABD*. There are no other authorized representatives for the purpose of binding HABD to the terms of any contract or agreement, including any amendments, modifications, or changes, except as specifically authorized in writing by the Executive Director. Any unauthorized signature will be considered personal and individual responsibility and liability, financially and otherwise, of the individual signing the contract. In the event, it is determined that an HABD employee has engaged in the unauthorized signing of any contract purporting to be on behalf of HABD, that employee may be subject to the consequences outlined for such conduct under HABD Human Resources Policy.

ONGOING CONTRACT ADMINISTRATION

5.8 (A) Implementation. The Contract Administrator has the primary responsibility for facilitating the implementation of the contract on behalf of the HABD. This means that the *CA* has oversight responsibilities on behalf of the HABD and will monitor implementation of performance and compliance with the specifications and terms of the contract by the contractor. The *CA* will monitor the contractor's compliance with the contract from the date performance is to commence until the date of anticipated or actual completion or delivery of the services or products procured, or, thereafter, as may be applicable.

(B) Inspection/ Monitoring/ Reporting. The *CA* will maintain a designated file for each contract being administered. The file will include, without limitation, the following: copy of the contract with all addenda/exhibits; all amendments/modifications; completed *CAP*; diary of the progress of the work, services, or product procured; inspection and monitoring reports; implementation records as applicable; copies of correspondence and notices to the contractor, *CO* and others pertaining to the contract; and any other pertinent and relevant documentation. Upon request by the Executive Director and as otherwise required, the *CA* and/or *PM* will prepare inspection and/or monitoring reports in the form prescribed by the Executive Director, sufficient to fully apprise of the status of the contract implementation.

5.9 Deficiencies. In receiving goods and services, and during the ongoing contract implementation by the Contractor, the Contract Administrator will remain alert for irregularities or deficiencies in the performance of the contract. Deficiencies shall be brought to the attention of the Contracting Officer (Executive Director). Non-conforming work, services, products, equipment or goods will be promptly and definitely rejected when specifications or contract requirements are not met. Where appropriate, the *CA* shall promptly prepare a letter for the Contracting Officer's (Executive Director) signature notifying the Contractor of any irregularities or deficiencies in performance under the contract. The *CA* shall reject all work that does not comply with the contract requirements and prepare a letter, for the *CO's* signature, notifying the contractor of any deficiencies or non-conformance observed by HABD and of expectations or requirements as specified by the Contract.

5.10 Time Extensions. (A.) The contractor is responsible for completing the work within the time established by the contract. Time extensions will be considered only if the contractor requests an extension from the *CA*, in writing, within a reasonable time prior to the time for the contract to end. The written request will clearly state the cause for the delay and offer facts supporting justification and verification of the cause stated. The *CA* shall review the request, stated justification, supporting facts and verification submitted by the Contractor for the delay; if the Contractor's documentation appears to be acceptable and verifiable, the *CA* shall promptly prepare a letter to the Contractor acknowledging receipt of the request and stating that the request is under review and consideration. The *CA* will prepare a *finding of facts* and recommendation to be

submitted within three (3) working days to the Executive Director for review and consideration as to whether the time extension will be granted.

(B) Approval of Extension. If the time extension is authorized by the Executive Director, the contract will be modified in writing; this is expected to be completed in advance of the time for termination of the contract. The written modification to the contract will be signed by the Executive Director and delivered by HABD to the Contractor to become as an amendment to the original contract.

(C) Disapproval of Extension. If the time extension is not authorized, the *CA* will communicate the disapproval in writing to the contractor prior to the date for the contract to end, subject to adequate time being available within HABD regular business hours. The contractor will be reminded of the obligation to complete the work in a timely manner in accordance with the terms of the contract.

5.11 Contract Modifications/Additional Work/Expanded Scope of Services. (A) A contractor may request a modification to a contract for additional work to be performed. In such event, the Contractor shall submit, to the *CA*, a detailed description of the proposed work, an estimate of the additional time, if any, required to complete the additional work, and a breakdown of cost of materials, labor, and any other relevant factors. Justification must also be provided as to why the proposed change was not in the original scope of work. The *CA* or the Contracting Officer (Executive Director) may determine the need for additional work under the contract, and in so doing, will provide the specifications for the desired scope of work to the contractor for a proposal of the cost to complete the additional work. The proposal shall be inclusive of all costs for the additional work and shall state the additional time, if any, required to complete the work. Modifications that require changes in the scope of the work that impact the price, require that a cost analysis is done to assure that the cost proposed is reasonable. The modification must be justified as a non-competitive action in accordance with 24 CFR 85.36 (d)(4).

(B) Budget Authority for Modification. Upon determination of the proposed cost of the additional work, the *CA* will verify budget authority and funding availability. In the event of proper authority and sufficient availability, the *CA* will notify the *PM* and the Executive Director of the request for modification.

(C) Consideration to Modify. The *CA* shall provide a written recommendation to the Executive Director for review of any proposed contract modifications before proceeding with the change. The recommendations shall include all documentation, justification, and verification as provided by these provisions. The Executive Director must approve the negotiation of the modifications prior to the *CA* engaging in such negotiations. The *CA* shall negotiate the proposed modification within the parameters established by the Executive Director. The *CA* shall inform the Contractor that no decision is final until approved by the Executive Director and communicated in writing to the Contractor. The *CA* shall notify the *PM* of the need for a written modification to the contract with documentation of the Executive Director's approval.

(D) Written Authorization Required. All contracts must be modified in writing by a bilateral agreement (signed by both parties) in triplicate, prior to performance of the work that is the subject of the modification. This bilateral agreement may be in the form of change order. The *CA* is not authorized to modify or enter contracts verbally or in writing. Contracts, modifications, and change orders may only be signed by the Contracting Officer as defined within these procedures and HABD Procurement Policy. Any purported modification by the *CA* or any other unauthorized party shall be ineffective to bind the HABD. Contract modifications must be fully documented in the contract file and reported on the Open Contract Register maintained by the *PM*. The *CA* must maintain full documentation of any changes to the contract.

5.12 Termination. Termination of a contract shall be in accordance with the governing provisions of the contract under which the work or services are being performed. In the event it is determined that the contract should be terminated for cause or convenience, the *CA* shall provide a written recommendation to the Executive Director for termination of the contract with facts and details of the reasons for the proposed termination, and of the anticipated impact of such termination. The Contracting Officer (Executive Director) shall be provided a copy of the contractual provision under which the *CA* proposes that the Executive Director terminate the contract. The documentation shall also include any disputed claims between the Contractor and HABD, and the possible consequences to HABD and the Contractor, of the proposed termination. In the event termination of the contract is approved by the Executive Director, the *CA* shall prepare a Notice of Termination of the Contract, in the form of a letter, for the signature of the Executive Director. The Notice will include a statement of whether the termination is for convenience or default, specifying any claim of default and any opportunity for cure permitted the contractor; whether the termination is in whole or in part, and if in part, the extent to which terminated or maintained; the effective date and hour of the termination; any right of the contractor to proceed under a part not terminated; and any special or additional instructions or provisions. The notice shall be sent by certified mail, return receipt requested.

5.13 Progress /Installment Payments. The *CA* and the Contractor will consult and agree whether the Contractor will be paid in progress or installment payments or whether all compensation due to the Contractor under the agreement, will be due and payable within thirty (30) days of the Contractor's invoice, and approval for payment upon completion of the work/services to be performed under the Contract. If a contractor is to be paid in progress payments, the contract must indicate the schedule of payments to be made to the contractor. The contractor shall prepare a Schedule of Amounts of Contract Payments and submit it to the *CA* for consideration and approval prior to the *CO* issuing a Notice to Proceed to the contractor. The method of payment shall be specified in the contract. For contracts with an approved schedule of progress payments, inspection shall be performed progressively on work as it is completed. The Contractor shall submit to the *CA*, a statement of completion of phases of the work with a request for inspection, and payment for the completed work.

5.14 Completion of Work. The contractor shall provide prompt written notification to the *CA* when all work is completed. The HABD may take up to five (5) working days to inspect/process final contract documents. The *CA* will provide written verification of completed work to the *CO*, *PM* and Director of Finance and Accounting.

5.15 Payment. The Contractor will be informed of the procedures for payment. The contractor shall submit invoices or payment request to the *CA* for review and approval. Upon approval, the *CA* shall forward the invoice to the Director of Finance and Accounting. A copy of the contractor's invoice shall be forwarded to the *PM* to document the contract file accordingly. Payment shall be made within thirty (30) days from the receipt of the Contractor's invoice in Accounts Payable to avoid interest penalties as provided under the Code of Alabama, 41-16-3. The *CA* will promptly notify the contractor of any dispute for payment of the amount due. The *CA* will advise the contractor within fifteen (15) days from receipt of his/her invoice of any dispute for payment of the amount due. Checks are not allowed to be picked up from HABD. All payments will be mailed.

5.16 Disputes. HABD contracts shall include a disputes clause that explains the procedure for handling disputes. The *CA* shall maintain a written and dated record of any actions that may or does result in a dispute or claim. A copy of the written and dated record will be forwarded to the *PM* and to the Executive Director.

5.17 Warranties. The warranty period for labor and work performed or equipment/materials provided shall be specified in the Contract between HABD and the Contractor. All manufacturer's warranties are expected to be obtained. At minimum, warranties on the work, shall begin from the date of final inspection and acceptance by the HABD for a period as specified in the Contract, manufacturer's and/or Contractor's specifications. The *PM* shall promptly send the contractor a written notice of any defects in work, services, equipment or materials that occur during the warranty period. The contractor may also be held responsible for damages resulting from such defects.

5.17.1 Warranty Inspection. A warranty inspection shall be conducted one month prior to the warranty expiration date, or within a reasonable time prior to the expiration of the warranty, as may be appropriate, to provide the opportunity for the HABD to observe and determine defects prior to the expiration of the warranty period. The *PM* shall notify the *CA* of upcoming warranty inspections. Materials, equipment or work appearing to be defective, shall be promptly reported to the Contractor and/or manufacturer prior to the end of the warranty period.

5.17.2 Warranty Records. Original warranty records, documents, and cards shall be maintained in the Purchasing Office contract file. Copies of warranty information will be provided to the Finance and Accounting Department for inventory tracking purposes and to the Contract Administrator for the contract being administered.

5.18 Modernization and Development. The Director of Modernization/Development shall replace the *PM* in the procedures outlined in Section 5.3 above to Section 5.26

below. Contract administration procedures for Modernization and Development contracts shall additionally be subject to compliance with HUD Handbooks 7417.1, Chapter 12, 7485.3 (CGP) and HOPE VI regulations. The Director of Modernization and Development shall receive documentation and maintain contract files for each contract as specified herein.

5.19 Construction Contracts

5.19.1 General. Construction contracts shall adhere to the foregoing procedures as well as those outlined in this section.

5.19.2 Required Pre-Construction Documents. The contractor shall submit specified documents prior to the issuance of a Notice to Proceed. The CA shall review and verify all documents and forward them to the PM with a recommendation. The following shall be required to be submitted by the Contractor to the CA:

(a) *Certificate of Insurance.* All insurance shall be carried with companies that are financially responsible and admitted to do business in the state of Alabama. All certificates of insurance, as evidence of coverage, shall provide that no coverage may be canceled or non-renewed by the insurance company prior to the completion of the contract.

(b) *Building permits.* The Contractor shall obtain all building or other work permits required by law or regulation.

(c) *General Contractor's License.* A General Contractor's License shall be required on all construction contracts in excess of \$50,000.00, and as otherwise required by law.

(d) *Performance and payment bonds.* To assure completion of the work without damage to the Authority and to promote prudent use of public funds, performance and payment bonds *shall* be required for 100% of the total contract price for all contracts exceeding **Fifty Thousand Dollars (\$50,000.00)**, and will be obtained from one of the surety companies listed in the most recently published U.S. Treasury Circular 570; individual sureties are not permitted.

(e) *Letters of credit.* In the event of contracts of **Fifty Thousand Dollars (\$50,000.00)** or less, for purposes of the assurances specified in 5.19.2 (d), the contractor shall provide a 40% (of the total contract price) irrevocable letter of credit from a federally insured lending institution OR a 100% payment or performance bond.

5.19.3 Contractor Forms/Responsibility Upon Completion. The contractor shall provide the following forms to the CA upon completion of the work:

(a) *Certificate of Substantial Completion.* Upon completion of the work, the Contractor shall certify that the work documented, in the form required by HABD, is complete and in accordance with the contract documents, including its specifications and general conditions. The certification shall request HABD review and release of the portion of work covered by the certificate from the contractor to the Authority. (Exhibit “HH”) Form AIA Document G704-2000, or other appropriate form may be used for modernization contracts.

(b) *Certificate of Release.* The Contractor shall certify on the form provided by HABD that all work required under the contract, including change orders or other written modifications, has been performed and that there are no claims of laborers for unpaid wages, and that the wage rates paid by the Contractor and all subcontractors were in conformity with the contract provisions relating to wage rates. The Contractor shall further certify that there are no existing or potential claims for liens against the work or materials. (Exhibit “II”)

(c) *Certificate of Completion.* The Contractor shall certify that all work and materials have been carefully inspected and approved by authorized agents of the HABD and that the contractor has furnished all labor, material and services required for the project. (Exhibit “JJ”)

5.19.4 Post Award Conference Forms. The *CA* or *PM* will provide the following forms to the contractor during the Post Award Conference as outlined in Section 5.6 of these procedures, when applicable. All forms submitted must be placed in the contract file.

(a) *Previous Participation Certificate.* (Form HUD-2530) shall be submitted for all construction contracts over \$50,000.00. (Exhibit “KK”)

(b) *Construction Progress Schedule,* (Form HUD-5372). The contractor shall prepare a schedule showing the order in which the contractor proposes to perform the work, and the dates on which the contractor contemplates starting and completing the work prior to the issuance of the Notice to Proceed. The information shall be consistent with the information provided by the contractor on the *Schedule of Payments*. The *CA* shall review the contractor’s construction progress schedule to determine that the scheduled dates, specified work, and amount of work to be completed are reasonable and consistent with the contract. (Exhibit “LL”)

(c) *Certified Payroll Reports* (Form HUD WH-347). The contractor shall submit this form or equivalent documentation each week during the contract period to assure compliance with the Department of Labor Regulations 29 CFR 5, or any future corresponding provision. Each

contractor and each subcontractor shall submit a separate report and compliance statement. Payroll reports and certifications shall be forwarded to the **PM** and will be retained in the contract file for no less than three (3) years after completion and acceptance. Copies shall be maintained by the **CA**. (Exhibit “MM”)

(d) *Schedule of Payments* (Form HUD-51000). The contractor shall submit this form prior to execution of the contract. The **CA** shall review the schedule to determine that the scheduled work to be completed and the amount of payment for such work is reasonable. (Exhibit “NN”) The method of payment shall be specified by the Contract.

(e) *Periodic Estimate for Partial Payment* (Form HUD-51001). This estimate shall reflect the value of work performed and material supplied by the contractor, and that such work has been performed or supplied in full accordance with the specifications of the contract. (Exhibit “OO”)

(f) *Schedule of Change Orders* (Form HUD-51002). The contractor may be required to use this form, as instructed by the **CA**, for reporting the details of approved change orders. An original (or a copy) will be attached to each copy of the Periodic Estimate for Partial Payment, Form HUD-51001 (Exhibit “PP”)

(g) *Schedule of Materials Stored*. (Form HUD-51003) shall be submitted by the Contractor when applicable to the specifications of the contract. (Exhibit “QQ”)

5.19.5 Wage Rates. If the total amount of the contract exceeds \$2000, Federal Labor Standards are enforced. The contractor is responsible for paying not less than the applicable wage rates (as stated in the bid document) to all employees engaged in work under the contract and ensuring that any subcontractors pay not less than the applicable wage rates.

5.19.6 Time Extensions. In addition to provisions otherwise provided in these procedures, the contractor may be held responsible for liquidated damages if the work is not completed on time to compensate HADB for damages it may sustain for the work not being completed. This is not a penalty for the Contractor.

5.19.7 Liquidated Damages. If the contract is within sixty (60) days from the scheduled completion date, or the completion date is drawing near as may be applicable, and the **CA** has determined that the contractor will not complete the work on-time, the **CA** will prepare a written notification to the contractor notifying him/her of the impending expiration date and that his/her failure to complete the work on time could result in liquidated damages being assessed, if such assessment is allowed by the Contract. A copy of this notification will be sent to the **CO**, Director of Finance and

Accounting and to the *PM* for the contract file. The *CA* may obtain legal counsel and advice prior to sending a notice regarding assessment of liquidated damages.

5.19.7.1 Consultation and Authority of Contracting Officer. The *CA* shall consult with the *CO* prior to the assessment of liquidated damages under any Contract. The *CA* shall provide a detailed report to the *CO* for review and consideration pertaining to delay in completion of the work. The *CO* will make the final determination regarding the assessment of liquidated damages.

5.19.7.2 Notice of Assessment of Liquidated Damages. Upon determination by the *CO* that the assessment of liquidated damages is proper under the terms of the Contract and the relevant portions of these procedures, the *CA* shall promptly prepare a letter for the *CO*'s signature, notifying the contractor of the Authority's assessment of liquidated damages. The amount of liquidated damages assessed may be deducted from the contractor's final invoice. Should the amount of the liquidated damages exceed the final invoice amount, the *CA* shall submit an invoice to the contractor for the difference.

5.20 Service Agreements. Service agreements are contracts that include within the scope of services, provisions covering a contractor's time and effort rather than for a product or materials, although the use of products and materials may be an incidental aspect of the work/service to be performed. The work performed does not involve the delivery of any specific end product, other than results and reports that are incidental to the required performance. Examples of service agreements are for repairs to equipment, training, or consulting.

5.20.1 Written Service Agreements. Agreements will be in writing, specify the service to be obtained, the method and amount of payment for those services, and any other provisions necessitated by the procurement documents, law or regulation.

5.20.2 Lease Agreements. Lease agreements to offer support for resident community well-being and improved quality of living are not included within the scope or terms of these procedures. Such agreements will be administered by the Deputy Executive Director of Administration (*DEDA*) or other designee of the Executive Director. The *DEDA* may establish appropriate administration procedures, subject to the Executive Director's approval.

5.20.3 Blanket Supply Contracts. Blanket supply contracts shall be administered consistent with the procedures for contracts covering goods, equipment or products as provided herein. These contracts will be administered by the *PM* or other designee of the Executive Director. The *PM* may establish procedures appropriate for administration of the blanket supply contract. These procedures will include, without limitation, the following: (a) Each vendor will reference every shipment and invoice with a purchase order number starting with the last two (2) digits of their contract number followed by a "B" (for Blanket) with a purchase order number assigned by either the *PM* or the Assistant *PM*. (b) All vendors must obtain and use this purchase order number when

shipping and invoicing the HABD. No order will be received or processed for payment without a purchase order number.

5.21 Contractor Performance Ratings. Upon completion of a contract, the *CA* will be required to rate the Contractor's performance using the Contractor Performance Rating Form. Contractors shall be rated based on quality of workmanship, timeliness of work, contract compliance, documentation requirements and overall job performance. Performance ratings shall be forwarded to the *PM*, documented in the contract file and used in the determination of contractor's responsibility for consideration of future contracts.

5.22 Code of Conduct. The *PM* shall promptly report to the Executive Director any suspected anti-competitive practices by contractors and employees, as well as any other violations of HABD Procurement Policies and Procedures.

5.23 System of Sanctions. The HABD will not tolerate fraud or violations of procurement regulations in assisted housing operations or the workplace. The *CA*, the *PM*, and all other HABD employees are responsible for preventing, detecting, and reporting fraud and procurement policy or regulatory violations to the *CO*, or other management employee, as may be appropriate. The HABD will affirmatively and assertively seek out possible fraudulent conduct. Dishonest acts or those in violation of procurement policy or regulations will be promptly addressed. A system of sanctions shall be maintained and enforced as required by HABD Procurement Policy and Procedures. This system of sanctions shall be fully applicable to these procedures governing the administration of contracts at HABD.

5.24 Reporting. An *Open Contract Register* shall be developed and maintained by the *PM* and distributed on a monthly basis to the appropriate Contract Administrators and other appropriate staff, as previously provided in this procedure. Other reports may be required by the Contracting Officer.

5.25 Documentation. Under the guidance and instruction of the *PM*, the Purchasing Office shall maintain, in a designated contract file, documentation related to the execution, performance and completion of any contract. The *PM* shall receive, from the *CA* or other appropriate staff, a copy of **all** reports, correspondence, memoranda, etc. relating to any HABD contract to fully document and maintain the contract file. Contract file documentation must also include the method of procurement, original and copy of the contract, contractor selection or rejection and the basis for the contract price. Contract files shall be made available to the general public in accordance with Section 2.24, Public Access to Information, or any future corresponding provision.