



Palm Beach County

Housing Authority

AUDIT SERVICES

REQUEST FOR PROPOSAL

RFP (2015-AS-001)

PROPOSAL ISSUE DATE: August 19, 2015

PROPOSAL DUE DATE: **October 9, 2015**

REQUEST FOR PROPOSAL

Auditing Services

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PART 1 - AUDIT SPECIFICATIONS

I. INTRODUCTION

The Palm Beach County Housing Authority (referred herein as Palm Beach County Housing Authority, Housing Authority or PBCHA) is requesting proposals from qualified firms of certified public accountants to perform the audit of its financial statements for calendar years ending September 30, 2015 to September 30, 2018 with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial and compliance audits in the U.S. General Accounting Office's (GAO) *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, the provisions of the Single Audit Act of 1984, as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A- 133 and Governmental Accounting Standards Board (GASB) Pronouncements. In addition, PBCHA requires the Accounting firm to have specific experience in auditing governmental entities and public housing authorities.

There is no expressed or implied obligation of the Housing Authority to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the Housing Authority reserves the right, where it may serve PBCHA's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Housing Authority, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Housing Authority reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract by PBCHA and the firm selected.

To be considered a proposal must be received by 5:00 PM, October 9, 2015. Please submit your proposal by hand delivery, e-mail or mail to:

Chief Financial Officer
Palm Beach County
Housing Authority
3432 W. 45th St.
West Palm Beach, FL
33407
lreeves@pbchafll.org

The Palm Beach County Housing Authority reserves the right to reject any or all provisions submitted and/or waive any irregularity.

The Housing Authority's most recent audited financial document, including the prior two fiscal years can be obtained from our website at www.pbchaf1.org. Questions about this Request for Proposal should be directed to PBCHA's Chief Financial Officer at in writing or by email at lreeves@pbchaf1.org. It is anticipated any questions will be answered by September 20, 2015. The questions will be posted on our website for review of all anticipated applicants.

II. DESCRIPTION OF THE PALM BEACH COUNTY HOUSING AUTHORITY

A. The Housing Authority

Also known as Palm Beach County Housing Authority, PBCHA is a special district of the State of Florida; a public body corporate and politic created in 1969 pursuant to Chapter 421 – Laws of the State of Florida. PBCHA administers public and affordable housing programs to serve eligible individuals and families within Palm Beach County. PBCHA is governed by a 4 member Board of Commissioners (BOC). The Commissioners are appointed by the Governor of the State of Florida and exercise all powers granted to the Authority pursuant to Florida Statutes.

As a recipient and sub-recipient of funding awarded by the United States Department of Housing and Urban Development (HUD), PBCHA owns and operates 490 public housing dwelling units, (located in its 5 multi-family communities), 6 scattered site single-family dwelling units, 65 multi-family dwelling units and several acres of vacant land throughout Palm Beach County. Additionally, PBCHA administers 2,595 (2,050 leased) Section 8 vouchers under the Housing Choice Voucher program, 75 5-Year Mainstream vouchers and 230 Housing Opportunities for People with Aids vouchers. PBCHA also receives an annual Capital Fund Program grant for operations and capital improvements to their public housing dwelling units and various other government grants.

While enabled under State law, housing authorities are created and governed by local government and are principally funded from the Federal government. Palm Beach County Housing Authority is separate and distinct from the Department of Housing and Urban Development (also known as HUD), from county government, and from other county and state agencies - much like a special district.

The accounting and administrative functions are performed by staff. The Housing Authority employs approximately 50 regular full-time employees.

PBCHA is required by the Federal Single Audit Act and PBCHA's Annual Contributions Contract with HUD to have yearly independent audits. These audits are to be performed in accordance with HUD regulations, Generally Accepted Auditing Standards, the provisions of the Federal Single Audit Act Amendment of 1996 and U.S. OMB Circular A133.

B. The Finance Staff

The Finance/Accounting staff of PBCHA consists of the CFO, an Assistant Director of Finance, an Accountant and three Bookkeepers.

The Authority's year end is September 30th. The following major enterprise funds were reported in 2014, which are combined for financial statement presentation:

- Public Housing
- Capital Fund Program
- Housing Choice Voucher Program
- Other Governmental Grants
- Business Type Activities
- Blended Component Units

C. Computer System

The Authority uses TenMast's WinTen 2 software for its budget, receivables, payables, payroll, general ledger, Public Housing and Housing Choice Voucher accounting.

III. REQUESTED SCOPE OF SERVICES AND AUDITOR RESPONSIBILITIES

A. Services to be performed by Auditors

1. In General:

The auditors will perform a financial and compliance audit to determine (a) whether the combined financial statements of the Housing Authority present fairly, in all material respects, the financial position and the changes in financial position and cash flows in accordance with generally accepted accounting principles, and (b) whether the Housing Authority has complied with laws and regulations that may have a material effect upon the financial statements.

2. Internal Control:

The auditors will examine the Housing Authority's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Chief Financial Officer and Executive Director of the Authority. The examination shall be made and reports rendered in accordance with generally accepted government auditing standards.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

Irregularities and illegal acts: Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Board of Commissioners, Executive Director and the Chief Financial Officer.

3. Reporting and Communication:

The Chief Financial Officer or designee will be responsible for coordinating the audit process internally. The auditors will meet periodically during the field work process with the Chief Financial Officer or designee to discuss preliminary audit findings and management recommendations.

Prior to issuing their final reports, the auditors will meet with the CFO, Executive Director and his/her designees. All audit reports will be addressed to the Board of Commissioners, Palm Beach County Housing Authority.

The auditors may be consulted occasionally throughout the year as an information resource. The auditors may be asked to provide guidance on implementation of Government Accounting Standards Board (GASB) requirements and specifics of federal and state regulations as they may affect local government accounting. They may also be asked to assist with the implementation of new GASB/Accounting pronouncements.

B. Specific Deliverables to the Authority

- Audit of the general purpose Financial Statements and a report on the fair presentation of the Financial Statements in conformity with GAAP.
- Schedule of Expenditures of Federal Awards and Single Audit opinion.
- A Report on Compliance with applicable laws and Regulations
- Financial Data Schedule as required by HUD-REAC
- Review of the Authority's Section 8 Management Assessment Program (SEMAP) in conformity with HUD rules and regulations
- The auditors will also format, publish, and produce a photo ready copy of the following documents:
- Ten copies of Basic Financial Statements and Supplemental Information due by June 1st of each year.

IV. PALM BEACH COUNTY HOUSING AUTHORITY'S RESPONSIBILITIES

- A. The Housing Authority staff will prepare the final trial balances of all funds administered by PBCHA.
- B. The Housing Authority staff will produce the confirmation letters that are mailed by the auditors.
- C. The Housing Authority staff will be available to assist the auditors in locating records or preparing audit schedules. All requests will first be directed to the Chief Financial Officer or his/her designee.
- D. The Housing Authority will provide the auditor with reasonable workspace, desks, and chairs. The auditors will also be furnished access to telephones, facsimile machines, and photocopying machines.

Preparation and Printing of the Audited Financial Statements will be the sole responsibility of the Auditor.

V. BASIS FOR COMPENSATION

- A. The Housing Authority will pay the auditors for those services described in Part I, Section III (Auditor's Responsibilities) the not-to-exceed amount contained within the agreement. For additional services required after the inception of the agreement, written approval by PBCHA is required in advance of such services being rendered, for which a fee will be paid based on the auditor's quoted hourly rates.
- B. The auditors may submit itemized bills for their services at the end of each calendar month period in which accumulated unbilled charges exceed \$1,000.00. The Housing Authority will promptly review and act upon these bills.
- C. The Chief Financial Officer & Executive Director shall receive all final opinions and reports for PBCHA financial statements by June 1st of each year barring any unforeseen PBCHA delays. Such final reports if delayed by the Consultant will result in a 1 % reduction in fees for every day beyond the applicable deadline. Final reports for grant and Agency programs shall be completed in time to meet required submission dates.
- D. A 10% holdback of the total yearly compensation will be maintained by the agency until the audited financial report is delivered to the Housing Authority.

VI. ADDITIONAL PROVISIONS

- A. The auditors shall be an independent contractor and their officers, agents, and employees shall not be deemed officers, agents, or employees of the Housing Authority.
- B. No officer, agent, or employee of PBCHA and no member of its governing bodies shall have any pecuniary interest, direct or indirect, in this agreement or the proceeds thereof. No officer, agent, or employee of the auditors shall serve on a PBCHA committee, or hold any such position which is incompatible with such person's duties or obligations or other relationship to this agreement.

C. The auditors shall not assign or transfer or subcontract this agreement, any interest therein, or claim there under without the prior written approval of the PBCHA.

D. The Housing Authority may terminate this agreement at any time by giving the auditors not less than thirty (30) days prior written notice of such termination. Nothing herein shall be deemed a limitation upon PBCHA's right to terminate for cause or otherwise to pursue such legal or equitable rights or remedies which may accrue to the Housing Authority hereunder. The Housing Authority will pay the auditor an amount that bears the same ratio to the maximum contract price as the work delivered to PBCHA bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

E. Time is of the essence in each and all the provisions of this agreement.

F. No alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties hereto.

G. Auditors will warrant that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Auditor does not and shall not discriminate against persons employed or seeking employment with them, nor discriminate in the provision of services, on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational or service qualification pursuant to the Florida Fair Employment & Housing Act.

H. The Housing Authority shall have access to the auditors' work papers for purposes of review. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by PBCHA of the need to extend the retention period. The auditors shall make their working papers available to successors. The auditor will also be required to make working papers available, upon request, to the following parties or their designees:

Palm Beach County Housing Authority

Department of Housing and Urban Development

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by the Housing Authority as part of an audit quality review process.

Auditor of entities of which the Housing Authority is a sub recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

PART 2 - PROPOSAL REQUIREMENTS AND INFORMATION

I. PROPOSAL PROCESS AND CALENDAR

A. Proposal Submission

Proposal for the Housing Authority's audit must be received by 5:00 p.m. on October 9, 2015. Proposals submitted via facsimile will not be accepted. Please submit your proposal by hand delivery, e-mail or mail to:

Chief Financial Officer
Palm Beach County
Housing Authority
3432 W. 45th St.
West Palm Beach, FL
33407
lreeves@pbchaf1.org

Proposals must be sealed and show the following information outside: auditor's name and address and the due date for submission of audit services proposal.

B. Proposal Review and Notification

PBCHA will review and evaluate each proposal submitted. It is anticipated the proposal selection process will be completed by October 30, 2015. The Authority will notify only to those firms selected for an interview.

C. Interviews

The Housing Authority may schedule interviews with the finalists. Firms selected for interviews are requested to prepare a short presentation for the committee.

D. Final Selection Notification

The Housing Authority anticipates a final decision by October 30, 2015 and anticipates notifying the finalists of their status week of November 2, 2015.

E. Recap of Key Dates

RFP Distributed	August 19, 2015
Deadline for proposal Submission	October 9, 2015
Selection notification	October 30, 2015
Commence interim audit work	December 1, 2015

II. PROPOSAL REQUIREMENTS

A. Independence

The firm should provide an affirmative statement that it is independent of the Palm Beach County Housing Authority as defined by generally accepted auditing standards. Moreover, the firm must have no conflict of interest with regard to any other work performed for the entity being audited. It is understood that the services performed by the auditors are in the capacity of independent contractors and not as an officer, agent, or employee of the Authority.

B. License to Practice in the state of Florida

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Florida, if applicable.

C. Firm Qualifications and Experience

1. The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the staff to be so employed on a part-time basis.
2. The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
3. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
4. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 10) performed in the last three years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

D. Partner, Supervisory and Staff Qualifications and Experience

The firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm also should provide information on the governmental auditing experience, including the scope of audit services requested by PBCHA, of each person, and information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible, including resumes, regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Authority. However, in either case, the Palm Beach County Housing Authority retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the Palm Beach County Housing Authority, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

E. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Part I, Section III of this request for proposals.

F. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Palm Beach County Housing Authority.

G. Total All-Inclusive Maximum Price

The bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out of pocket expenses. Please complete attached Fee schedule.

H. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each

The bid should include a schedule of professional fees and expenses, presented in the following format, which supports the total all-inclusive maximum price.

See appendix A
See appendix B

I. Ownership of the Housing Authority of Palm Beach County-Related Documents

All property rights, including publication rights of all reports produced by proposer in connection with services performed under this agreement shall be vested in the Palm Beach County Housing Authority. The proposer selected shall not publish or release any of the results of the results of tis examinations without express written permission.

J. Acceptance of Proposal Contents

After auditors are selected by the Authority, the contents of the submitted proposal will become a contractual obligation. The successful proposer will be required to execute a standard consultant agreement with Palm Beach County Housing Authority. Failure of the auditors to agree to include the proposal as part of the contractual agreement may result in cancellation of the award. Palm Beach County Housing reserves the right to reject those parts that do not meet with the approval of the Authority.

K. Acceptance or Rejection and Negotiation of Proposals

Palm Beach County Housing reserves the right to reject any or all proposals, to waive non-material irregularities or information in the request for proposal, and to accept or reject any item or combination of items. By requesting proposals, The Palm Beach County Housing Authority is in no way obligated to award a contract or to pay expenses of the proposing firms in connection with the preparation or submission of a proposal. Furthermore, the Housing Authority reserves the right to reject any and all proposals prior to the execution of the contract(s), with no penalty to Authority. If the Housing Authority elects to reject all proposals, it reserves the right to continue with its current services arrangement.

III. EVALUATION PROCESS

The proposals for the Palm Beach County Housing Authority will be evaluated by the Chief Financial Officer and staff. Proposers may be asked to make oral presentations to supplement proposals. These presentations would only be held subsequent to the receipt of the proposals and will be part of the process for determining the qualifications of the auditors. The Housing Authority will schedule a time and location for each oral presentation that it requests. Should a proposer refuse to honor the request for an oral presentation or interview, it may result in the rejection of the proposal by the Housing Authority. Evaluation considerations will include the following:

- A. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
- B. Cost. Although a very significant factor, cost and other factors will be considered.
- C. Auditors' experience in conducting audits of public housing agencies of similar nature, size, and complexity, and the auditors' commitment to maintaining technical expertise in a public housing authority environment.

D. Technical experience and professional qualifications of the audit team. The number of key and supervisory personnel who will directly participate in the audit will be a consideration. Another consideration will be the auditors' commitment to keeping the same team assigned to this job for each successive year the auditor is awarded the contract.

E. Size and structure of the firm's office from which the audit work is to be done. The Housing Authority is looking for a highly qualified team that is able to meet the due dates specified in this document, and it expects that same team (wherever possible) to complete any successive year's engagements.

F. Auditor's experience in complying with applicable federal and state regulations relating to non-discrimination of an affirmative action program for equal employment opportunity.

G. Ability of the firm in providing optional services such as special studies, system review and other services. Examples of such services performed for other client will be helpful.

IV. FORMAT AND CONTENT OF PROPOSAL

In order to simplify the review process and to obtain the maximum 'degree of comparability, proposers are asked to organize their proposals in the following manner:

A. Title Page

Show the request for proposal subject, the name of the proposer's firm, local address,

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

1. State whether the firm is local, national, or international
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, or management services.
4. Describe the local office's information technology (IT) audit capabilities, including the number and classifications of personnel skilled in IT auditing who will work on the audit.

5. Describe the local office's recent auditing experiences similar to the type of audits requested and give the names and telephone numbers of client officials responsible for five of the audits listed.

6. Describe the document publication technology and staff formatting and proofreading expertise.

D. Audit Team

1. Describe the composition of the audit team, including staff from other than the local office, and consultants. Describe the commitment of the firm to providing the same audit team on subsequent audits. Include resumes of each person so identified.

2. Identify the supervisors and staff who will work on the audit and include pertinent information on those.

E. Audit Scope and Provisions

Describe the scope of the required services to be provided and outline a plan on how such services will be provided. Please include depth of work, staffing, and time estimates. Proposers should list all reports including management letters that are to be issued, the points to be addressed by reports, and the estimated completion dates.

F. Cost Data

Indicate the total hours and hourly rates by staff classification and the resulting all-inclusive maximum fee (not to exceed total) for which the requested work will be done for each of the specific deliverables identified in this Request for Proposal. Fees must include all anticipated costs including travel, per diem, and out-of-pocket expenses. PBCHA's attached Fee Schedules should be completed

G. Additional Data

Data not specifically requested should not appear in the foregoing sections, but any additional information considered essential to the proposal may be presented at this section

H. Evaluation Process

Once proposals have been received, PBCHA staff will evaluate each proposal meeting the minimum acceptable qualifications with the following criteria:

Pricing	15 points max.
Experience and Relevant Qualifications	27 points max
Organizational Structure	20 points max
Completion within Required Deadline	6 points max
Government Audit Experience	7 points max
Technological Advancement	7 points max
Single Audit Experience	14 points max
Section 3 Preference (Refer RFP Attachment)	2 points max
DBE / MBE / WBE	2 points max
Total	100 points max

V. Contract Term and Price Escalation

- PBCHA anticipates that it will award a contract for three (3) years with the option, at PBCHA's sole discretion, of two (2) additional one-year option periods, for a maximum total of five (5) years.
- Price Escalation: Prices shall be firm for the initial three year contract term. If PBCHA extends the contract on an annual basis thereafter, price increases shall not exceed the Consumer Price Index for All Urban Consumers - Palm Beach County area for the previous 12 month period.
- Contractors must notify PBCHA, in writing, of such desired escalation at least 60 days prior to the end of the noted contract period(s). Such escalations may occur no more than once in any 12-month period without the express written consent from PBCHA.

VI .Miscellaneous

A. PBCHA's Rights

- a. PBCHA reserves the right to reject any or all proposals, to waive any irregularity in the RFP process, or to terminate the RFP process at any time, if deemed by PBCHA to be in its best interests.
- b. PBCHA reserves the right to select more than one respondent, to select a respondent(s) for specific purposes or for any combination of specific purposes, and to defer the selection of any respondent(s) to a time of PBCHA's choosing.
- c. PBCHA reserves the right not to award a contract pursuant to this RFP.
- d. Request an oral interview with, and additional information from, companies/individuals prior to final selection of a provider
- e. PBCHA reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience written notice to the successful bidder(s).
- f. PBCHA reserves the right to determine the days, hours and locations that the successful bidder(s) shall provide the services called for in this RFP.
- g. PBCHA reserves the right to retain all bids submitted and not permit withdrawal for a period of 60 days after the deadline for receiving bids.
- h. PBCHA reserves the right to negotiate the prices proposed.
- i. PBCHA reserves the right to reject and not consider any bid that does not meet the requirements of this RFP, including but not necessarily limited to, incomplete bids and/or bids offering alternate or non-requested services.
- j. PBCHA shall have no obligation to compensate any bidder for any costs incurred in responding to this RFP.
- k. PBCHA reserves the right to consider information about a respondent in addition to the information submitted in any written response or interview.
- l. PBCHA reserves the right to obtain clarifications of any point in a company's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a proposer to respond to such a request for additional information or clarification could result in rejection of the company's response or responses.
- m. PBCHA shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a bidder or reject any bid submitted that does not conform to any of the requirements detailed herein.

Each prospective bidder is hereby agreeing to abide by all terms and conditions listed within this document. Any exceptions must be clearly noted in the proposal.

B. Collusion

Proposer, by submitting a proposal, hereby certifies that no officer, agent, or employee of PBCHA has a pecuniary interest in this Proposal; that the Proposal is made in good faith without fraud, collusion, or connection of any kind with any other proposer; and that the proposer is competing solely in its own behalf without connection with, or obligation to any undisclosed person or company.

C. MBE/WBE/DBE

Please complete and submit Attachment 6: HUD Form 5369-C “Certifications and Representations of Offerors” and indicate if your firm is a Minority Business Enterprise, Women Business Enterprise, or Small Business Enterprise.

You may include information about any programs or efforts to encourage participation by Minority, Women or Small Business Enterprises.

D. Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires Palm Beach County Housing Authority to direct a portion of its spending toward low-income persons living in the communities it serves. One way Palm Beach County Housing Authority (PBCHA) achieves this goal is by awarding contracts to businesses that have made a commitment to providing opportunities to low-income persons in Palm Beach County. See Attachment 7, “Section 3 Business Information Packet”, for a detailed explanation of the Section 3 requirements.

E. Disputes

In case of any dispute as to the participation sought hereunder, or the interpretation of the provisions of the RFP, following dispute process shall apply:

All protests (unless otherwise specified, the use of the term “protest” shall also include disputes and appeals) shall be submitted in writing, must contain the RFP number, must be delivered to the address listed in Section Part1, Section I of this RFP, and must be submitted according to the time requirements listed below.

Solicitation: A solicitation issued by may be protested. The protest must be received by the person listed above before the bid or proposal submittal deadline, or it will not be considered.

Against a solicitation must be received before the due date for receipt of proposals, and any protest against rejection of a proposal or the award of a contract must be received within ten calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to PBCHA Executive Director, who shall issue a written decision on the matter.

Award RFP: Any protest against the award of a contract must be received within ten calendar days after contract award.

Rejection of Bid: Any protest of a decision by PBCHA to reject a bid submitted in response to an RFP must be received by the Contracting Officer within five business days after being notified in writing of PBCHA's decision, or the appeal will not be considered.

The decision of PBCHA regarding a protest shall be final and binding upon all parties.

F. Laws of the State of Florida

The resulting contract will be entered into within the State of Florida and the law of said state, whether substantive or procedural, shall apply to the contract, and all statutory charter and ordinance provisions that is applicable to public contracts within the County of Palm Beach and the State of Florida shall be followed with respect to the contract.

G. Cancellation of RFP

PBCHA reserves the right to cancel this RFP at any time, for any reason, and without liability if cancellation is deemed to be in the best interest of PBCHA. The proposer assumes the sole risk and responsibility for all expenses connected with the preparation of its proposal.

H. General Terms and Conditions

The selected company/individual will be expected to sign PBCHA's Contract Agreement, which will specify the terms of service. If the selected applicant and PBCHA cannot come to terms with respect to the contract, PBCHA reserves the right to select the next most qualified applicant or to terminate this RFP and to re-issue a new RFP if no Proposer is acceptable to PBCHA.

Appendix A

Schedule of Professional Fees and Expenses to Support the Total All - Inclusive Maximum Price	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partner		\$	\$	\$
Manager		\$	\$	\$
Supervisory Staff		\$	\$	\$
Staff		\$	\$	\$
Other (Specify)		\$	\$	\$
Sub - Total				\$
Out - of - pocket Expenses				\$
Total				\$

***Complete this schedule for each audit year (2015-2018).**

Appendix B

Palm Beach County Housing Authority– Audit RFP Schedule of Proposal Pricing

Contractor shall furnish all labor, materials, equipment and perform all work specified on the Bid Schedule.

Item	Description	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
1	Annual Palm Beach County Housing Authority Audit	\$	\$	\$	\$	\$
2	Assistance/Review of Unaudited FDS and Attestation of Audited					
Grand Total by Year						
	Blended Hourly Rates for Miscellaneous audit functions					

In addition to above bid pricing, bidder offers a prompt cash payment discount % _____ % _____ days or net 30 days.

Appendix C

Proposer Guarantees

The proposer certifies it can and will provide and make available as a minimum, all services set forth in Part 1, Section III, Auditor's Responsibilities

Signature of Official: _____

Name (typed) _____

Title: _____

Firm: _____

Date: _____

Appendix D

Proposer Warranties

- A. Proposer warrants that it is willing and able to comply with State of Florida laws with respect to foreign (non-state of Florida) corporations
- B. The proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees, or agents in conjunction with the services to be provided.
Coverage limits shall be \$1,000,000 or more, per occurrence without reduction for claims paid during the policy period.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Palm Beach County Housing Authority.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed) _____

Title: _____

Firm: _____

Date: _____

Attachment "1"
PBCHA Organization
Chart

Attachment "2"
Overview of PBCHA Programs

<u>Program Type</u>	<u>Program Size</u>		<u>Comments</u>
Low Rent Public Housing (*)	490 Units	Annual Budget	\$ 1,215,806
Housing Choice Vouchers (*)	2050 (2,595)	Annual Budget	\$22,665,605
Capital Fund Program (*) (Open Grants 2012/2013/2014)		Annual Budget	\$ 429,576
Resident Opportunity and Supportive Services (*)		Annual Budget	\$ 35,694
Disaster Grants (*)		Annual Budget	\$ 84,957
Family Self Sufficiency (**)		Annual Budget	\$ 125,577
Housing Opportunities for People with AIDS (**)		Annual Budget	\$ 1,871,421
5 Year Mainstream Program (**)		Annual Budget	\$ 745,953
Neighborhood Stabilization Program (**)		Annual Budget	\$ 773,191
PBCHA Total Assets as of 9/30/14		Annual Assets	\$18,521,963
PBCHA Total Operating Revenue as of 9/30/14		Annual Revenue	\$27,681,316

* Revenue as reported on 9/30/14 audited SEFA.

** New grants issued for 2015 fiscal year.

Note: Please read PBCHA's 9/30/2014 Audited financial statement which can be obtained through review on the Housing Authority's website at www.pbchafl.org.

Attachment "3"

PBCHA Indemnity & Insurance Requirements

INDEMNIFICATION

Contractor shall indemnify, defend, and hold harmless PBCHA, its officers, officials, employees, and volunteers from and against any and all liability, claims, damage, cost, expenses, awards, fines, judgments, and attorney fees (including, without limitation, costs, attorney fees, expert witness fees, and other expenses of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder, or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by willful misconduct of PBCHA.

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of or failure to perform the work hereunder by the Contractor, its agents, representatives, employees or sub-contractors.

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (*occurrence form CG 0 0110 01*).
2. Insurance Services Office Additional Insured form (CG 20 37 or CG 20 26).
3. Insurance Services Office form number CA 00 01 06 92 covering Automobile Liability Code 1 (any auto),
4. Workers' Compensation insurance as required by state law and Employer's Liability Insurance.

MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for Bodily Injury and Property Damage.
3. Workers' Compensation (*statutory*) and Employer's Liability: \$1,000,000 per accident for Bodily Injury or Disease.

NOTE: These limits can be attained by individual policies or by combining primary and umbrella policies.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the PBCHA. At the option of the PBCHA, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the PBCHA, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the PBCHA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

OTHER INSURANCE PROVISIONS

The General -Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. The PBCHA, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations and with respect to liability arising out of work or operations performed by the Contractor; or arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. General Liability coverage can be provided in the form of an appropriate endorsement to the Contractor's insurance or as a separate Owner's policy.

2. For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the PBCHA, its officers, officials, employees, and volunteers. Any insurance or Self-insurance maintained by the PBCHA, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance.

3. Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the PBCHA.

4. Maintenance of the proper insurance for the duration of the contract is a material element of the contract. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the contract by the Contractor.

Insurance is to be placed with insurers with a current A. M. Best's rating of no less than B+: VI. Bidders must provide written verification of their insurer's rating.

VERIFICATION OF COVERAGE

Contractor shall furnish the PBCHA with original certificates and amendatory endorsements effecting coverage required by these specifications. The endorsements should conform fully to the requirements. All certificates and endorsements are to be received and approved by the PBCHA in sufficient time before work commences to permit Contractor to remedy any deficiencies. The PBCHA reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Palm Beach County
Housing Authority
Atten:
LaQuavial Pace
3432 West 45th St.
West Palm Beach,
FL 33407

SUB-CONTRACTORS

Use of sub-contractors must be pre-approved by the PBCHA. Contractor shall include all sub-contractors as insured's under its policies or shall furnish separate insurance certificates and endorsements for each sub-contractor in a manner and in such time as to permit the PBCHA to approve them before sub-contractors' work begins. All coverage's for sub-contractors shall be subject to all of the requirements stated above.

NOTE: The General Contractor's Commercial General Liability insurance should not include CG 2294 or CG 2295 as these endorsements will eliminate the General Contractor's insurance coverage for its work where the damaged work or the work out of which the damage arises was performed by a sub-contractor.

Notwithstanding this provision, Contractor shall indemnify the PBCHA for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

**Representations, Certifications,
and Other Statements of Bidders**
Public and Indian Housing Programs

Representations, Certifications, and Other Statements of Bidders

Public and Indian Housing Programs

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1. Certificate of Independent Price Determination

(a) The bidder certifies that--

(1) The prices in this bid have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder or competitor relating to (i) those prices, (ii) the intention to submit a bid, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid have not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a competitive proposal solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder to induce any other concern to submit or not to submit a bid for the purpose of restricting competition.

(b) Each signature on the bid is considered to be a certification by the signatory that the signatory--

(1) Is the person in the bidder's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

_____ [insert full name of person(s) in the bidder's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder deletes or modifies subparagraph (a)2 above, the bidder must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

[] [Contracting Officer check if following paragraph is applicable]

(d) Non-collusive affidavit. (applicable to contracts for construction and equipment exceeding \$50,000)

(1) Each bidder shall execute, in the form provided by the PHA/IHA, an affidavit to the effect that he/she has not colluded with any other person, firm or corporation in regard to any bid submitted in response to this solicitation. If the successful bidder did not submit the affidavit with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the affidavit by that date may render the bid nonresponsive. No contract award will be made without a properly executed affidavit.

(2) A fully executed "Non-collusive Affidavit" [] is, [] is not included with the bid.

2. Contingent Fee Representation and Agreement

(a) Definitions. As used in this provision:

"Bona fide employee" means a person, employed by a bidder and subject to the bidder's supervision and control as to time, place, and manner of performance, who neither exerts, nor proposes to exert improper influence to solicit or obtain contracts nor holds out as being able to obtain any contract(s) through improper influence.

"Improper influence" means any influence that induces or tends to induce a PHA/IHA employee or officer to give consideration or to act regarding a PHA/IHA contract on any basis other than the merits of the matter.

(b) The bidder represents and certifies as part of its bid that, except for full-time bona fide employees working solely for the bidder, the bidder:

(1) [] has, [] has not employed or retained any person or company to solicit or obtain this contract; and

(2) [] has, [] has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(c) If the answer to either (a)(1) or (a)(2) above is affirmative, the bidder shall make an immediate and full written disclosure to the PHA/IHA Contracting Officer.

(d) Any misrepresentation by the bidder shall give the PHA/IHA the right to (1) terminate the contract; (2) at its discretion, deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applicable to contracts exceeding \$100,000)

(a) The definitions and prohibitions contained in Section 1352 of title 31, United States Code, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The bidder, by signing its bid, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the bidder shall complete and submit, with its bid, OMB standard form LLL, "Disclosure of Lobbying Activities;" and

(3) He or she will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(d) Indian tribes (except those chartered by States) and Indian organizations as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) are exempt from the requirements of this provision.

4. Organizational Conflicts of Interest Certification

The bidder certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed contract and the bidder's organizational, financial, contractual, or other interests may, without some restriction on future activities:

- (a) Result in an unfair competitive advantage to the bidder; or,
- (b) Impair the bidder's objectivity in performing the contract work.

[] In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement.

5. Bidder's Certification of Eligibility

(a) By the submission of this bid, the bidder certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the bidder's firm, nor any of the bidder's subcontractors, is ineligible to:

(1) Be awarded contracts by any agency of the United States Government, HUD, or the State in which this contract is to be performed; or,

(2) Participate in HUD programs pursuant to 24 CFR Part 24.

(b) The certification in paragraph (a) above is a material representation of fact upon which reliance was placed when making award. If it is later determined that the bidder knowingly rendered an erroneous certification, the contract may be terminated for default, and the bidder may be debarred or suspended from participation in HUD programs and other Federal contract programs.

6. Minimum Bid Acceptance Period

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the PHA/IHA for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The PHA/IHA requires a minimum acceptance period of [Contracting Officer insert time period] calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the PHA's/IHA's minimum requirement. The bidder allows the following acceptance period: calendar days.

(e) A bid allowing less than the PHA's/IHA's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

7. Small, Minority, Women-Owned Business Concern Representation

The bidder represents and certifies as part of its bid/ offer that it --

(a) [] is, [] is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) [] is, [] is not a women-owned business enterprise. "Women-owned business enterprise," as used in this provision, means a business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) [] is, [] is not a minority business enterprise. "Minority business enterprise," as used in this provision, means a business which is at least 51 percent owned or controlled by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|------------------------|------------------------------|
| [] Black Americans | [] Asian Pacific Americans |
| [] Hispanic Americans | [] Asian Indian Americans |
| [] Native Americans | [] Hasidic Jewish Americans |

8. Indian-Owned Economic Enterprise and Indian Organization Representation (applicable only if this solicitation is for a contract to be performed on a project for an Indian Housing Authority)

The bidder represents and certifies that it:

(a) [] is, [] is not an Indian-owned economic enterprise. "Economic enterprise," as used in this provision, means any commercial, industrial, or business activity established or organized for the purpose of profit, which is at least 51 percent Indian owned. "Indian," as used in this provision, means any person who is a member of any tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act.

(b) [] is, [] is not an Indian organization. "Indian organization," as used in this provision, means the governing body of any Indian tribe or entity established or recognized by such governing body. Indian "tribe" means any Indian tribe, band, group, pueblo, or

community including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

9. Certification of Eligibility Under the Davis-Bacon Act (applicable to construction contracts exceeding \$2,000)

(a) By the submission of this bid, the bidder certifies that neither it nor any person or firm who has an interest in the bidder's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of the contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

10. Certification of Non-segregated Facilities (applicable to contracts exceeding \$10,000)

(a) The bidder's attention is called to the clause entitled **Equal Employment Opportunity** of the General Conditions of the Contract for Construction.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(c) By the submission of this bid, the bidder certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in the contract.

(d) The bidder further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) prior to entering into subcontracts which exceed \$10,000 and are not exempt from the requirements of the Equal Employment Opportunity clause, it will:

(1) Obtain identical certifications from the proposed subcontractors;

(2) Retain the certifications in its files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirement for Certifications of Non-segregated Facilities

A Certification of Non-segregated Facilities must be submitted before the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause of the prime contract. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

Note: The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

11. Clean Air and Water Certification (applicable to contracts exceeding \$100,000)

The bidder certifies that:

(a) Any facility to be used in the performance of this contract [] is, [] is not listed on the Environmental Protection Agency List of Violating Facilities:

(b) The bidder will immediately notify the PHA/IHA Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and,

(c) The bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

12. Previous Participation Certificate (applicable to construction and equipment contracts exceeding \$50,000)

(a) The bidder shall complete and submit with his/her bid the Form HUD-2530, "Previous Participation Certificate." If the successful bidder does not submit the certificate with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the certificate by that date may render the bid nonresponsive. No contract award will be made without a properly executed certificate.

(b) A fully executed "Previous Participation Certificate" [] is, [] is not included with the bid.

13. Bidder's Signature

The bidder hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

(Signature and Date)

(Typed or Printed Name)

(Title)

(Company Name)

(Company Address)

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing
Office of Labor Relations
OMB Approval No. 2577-0157 (exp. 01/31/2014)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (without maintenance) **greater than \$100,000 - use Section I;**
- 2) **Maintenance contracts** (including non-routine maintenance as defined at 24 CFR 968.105) **greater than \$2,000 but not more than \$100,000 - use Section II;** and
- 3) **Maintenance contracts** (including non-routine maintenance), **greater than \$100,000 – use Sections I and II.**

Section I – Clauses for All Non-Construction Contracts greater than \$100,000

1. Definitions

The following definitions are applicable to this contract:

- (a) 'Authority or Housing Authority (HA)' means the Housing Authority.
- (b) 'Contract' means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) 'Contractor' means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) 'Day' means calendar days, unless otherwise stated.
- (e) 'HUD' means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a proposal submitted before final payment of the contract.

- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

-
- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
 - (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (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 agrees 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.

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

Certifications and Representations of Offerors Non-Construction Contract

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

(1) has, has not employed or retained any person or company to solicit or obtain this contract; and

(2) has, has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

(a) is, is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) is, is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) is, is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|---|---|
| <input type="checkbox"/> Black Americans | <input type="checkbox"/> Asian Pacific Americans |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans |
| <input type="checkbox"/> Native Americans | <input type="checkbox"/> Hasidic Jewish Americans |

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

(1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

(1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

- (i) Award of the contract may result in an unfair competitive advantage;
- (ii) The Contractor's objectivity in performing the contract work may be impaired; or
- (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:



Section 3 Business Information Packet

Section 3 – Economic opportunities for low-income persons.

SECTION 3 FREQUENTLY ASKED QUESTIONS

What is Section 3?

Section 3 of the Housing and Urban Development Act of 1968 requires Palm Beach County Housing Authority to direct a portion of its spending toward low-income persons living in the communities it serves. One way Palm Beach County Housing Authority (PBCHA) achieves this goal is by awarding contracts to businesses that have made a commitment to providing opportunities to low-income persons in Palm Beach County.

Who is a Section 3 Resident?

For purposes of Palm Beach County Housing Authority, a Section 3 Resident is either:

1. A Palm Beach County Housing Authority public housing resident;
OR
2. A Palm Beach County resident with household income at or below the following income guidelines.

Palm Beach County 2015 Median Household Income Limits							
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
Low (80%) Income Limits	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700	\$60,900	\$65,100

What is a Section 3 Business?

There are three ways in which a business can achieve Section 3 status:

Status 1: Resident Owned Business

Fifty-one percent (51%) or more owned by a Section 3 Resident (either public housing resident or low-income Palm Beach County resident).

Status 2: Resident Employed Business

Thirty percent (30%) of permanent, full-time employees are Section 3 Residents (either public housing residents or low-income Palm Beach County residents).

Status 3: Subcontracting to Section 3 Businesses

Twenty-five percent (25%) of the dollar amount of the awarded contract must be subcontracted to Section 3 Businesses. This option is only available to Primary Contractors.

How does PBCHA define “new hire”?

PBCHA considers a contractor’s current workforce to be employees that appear on the contractor’s active payroll for at least 60 of the 100 working days prior to the award of the Section 3 covered contract. Any employee that is hired for work under the covered contract and has not appeared on the contractor’s active payroll for 60 days or more of the 100 working days prior to awarding the covered contract is considered a new hire.

How does PBCHA define “permanent” and “full-time” employee?

In order to be considered **permanent**, an employee must be:

- A direct employee of the company wishing to achieve Section 3 Business status, and
- Filing a position that is intended to last for the duration of the Section 3 covered project.

While PBCHA understands that it is difficult to predict how long an employee will remain in a given position, it should be the intention of the company to keep the employee for the duration of the covered project. If, in an audit, it is found that a Section 3 Resident was counted as a permanent employee but let go prior to the completion of the covered project, additional documentation may be required regarding the permanent nature of the position.

In order to be considered **full-time**, an employee must work a minimum of 32 hours per week.

What are my Section 3 requirements as a PBCHA Contractor?

All PBCHA contractors and subcontractors on Section 3 covered projects are required to meet the following hiring and contracting goals:

- 30% of all new hires for the covered project must be Section 3 Residents,
- 10% of all building trades subcontracts must be to Section 3 Businesses, and
- 3% of all other subcontracts (excluding materials only contracts) must be to Section 3 Businesses.

What is the difference between a contractor complying with Section 3 regulatory requirements versus a contractor being a Section 3 Business?

In order to **comply with Section 3 regulations** every contractor or subcontractor on a Section 3 covered project must meet the minimum numerical goals listed above regardless of whether they qualify as a Section 3 Business. In order to qualify as a **Section 3 Business** and receive the preferences available to Section 3 Businesses, your company must be **one** of the following:

- **Status 1: Resident Owned Business** – Fifty-one percent (51%) or more owned by a Section 3 Resident (either public housing resident or low-income Palm Beach County resident).
- **Status 2: Resident Employed Business** – Thirty percent (30%) of permanent, full-time employees are Section 3 Residents (either public housing residents or low-income Palm Beach County residents).
- **Status 3: Subcontracting to Section 3 Businesses** – Twenty-five percent (25%) of the dollar amount of the awarded contract must be subcontracted to Section 3 Businesses. This option is only available to Primary Contractors.

What preferences are available for contractors or subcontractors that meet Section 3 Business status?

If your company meets the definition of a Section 3 Business or makes a commitment to meeting the definition in the completion of the covered contract, you will be eligible for preference in the award of the contract. The type of preference available depends on the type of procurement process required. Every PBCHA Section 3 covered request for proposal, bid, or quote will include the Section 3 Business preference available and the weight of that preference in the selection process. If you are a subcontractor of an PBCHA primary contractor, any preference provided for Section 3 Businesses in awarding subcontracts will be handled by the primary contractor. Please contact the primary contractor for their Section 3 Business preference information.

What is a PBCHA primary contractor?

A PBCHA primary contractor is any business that has a contract directly with PBCHA. If a primary contractor awards subcontracts under a Section 3 covered project, the primary contractor must include the Section 3 Clause in all covered subcontracts. It must hold its subcontractors to the same contractor compliance requirements the primary contractor must meet. It is also responsible for gathering and maintaining documentation regard its subcontractors' Section 3 compliance and Section 3 Business status.

Can subcontractors of primary contractors meet Section 3 Business status by Status #3: Subcontracting?

No, the regulations do not allow for subcontractors to meet Section 3 Business status by additional subcontracting. Subcontractors of PBCHA primary contractors can only be Section 3 Businesses by Status 1: Resident Owned or

Status 2: Resident Employed. However, if a subcontractor chooses to subcontract any portion of their Section 3 covered contract, the secondary subcontractor must meet the Section 3 compliance requirements:

- 30% of all new hires for the covered project must be Section 3 Residents,
- 10% of all building trades subcontracts must be to Section 3 Businesses, and
- 3% of all other subcontracts (excluding materials only contracts) must be to Section 3 Businesses.

How long do Section 3 documents need to be stored?

Documents relating to Section 3 status unless otherwise indicated must be stored and made available for Section 3 audits for at least 5 years from the close of the contract to which they apply.

What if I can't find qualified Section 3 Residents using the resources above?

It is the responsibility of the contractor and subcontractor to meet the Section 3 Resident hiring requirements of their contract. If the resources listed above are not helpful, you may need to broaden your search by placing ads with online services such as Craigslist or in local newspapers.

How can I get additional support?

If you have questions not answered in this packet or need additional support in meeting your Section 3 compliance requirements, you may contact Danica Richardson, Administrative Assistant, at 561-684-2160 or drichardson@pbchaf.org.

SECTION 3 BUSINESS SELF-CERTIFICATION

Name of Business: _____

Address of Business: _____
(Street) (City) (Zip)

Contact Person: _____ Phone: _____

Please check the box next to the appropriate status type of your Section 3 Business.

Note: Below each status type is a list of **documents required as evidence of your Section 3 eligibility**. PBCHA or its contractors must receive all required documents before your business can receive any preference based on your Section 3 Business status.

STATUS 1: RESIDENT OWNED BUSINESS

Fifty-one percent (51%) or more owned by a Section 3 Resident (either public housing resident or low-income Palm Beach County resident)

Attached Documentation Required:

For sole proprietor:

- Completed Section 3 Resident Self-Certification form

Additional documents for other business types:

- Copy of Articles of Incorporation, partnership agreement, or corporation annual report

STATUS 2: RESIDENT EMPLOYED BUSINESS

Thirty percent (30%) of full-time, permanent employees are Section 3 Residents (either public housing residents or low-income Palm Beach County residents).

Attached Documentation Required:

- Completed Labor Plan form, and
- Completed Section 3 Resident Self-Certification forms for all employees claimed as Section 3 Residents

STATUS 3: SUBCONTRACTING TO SECTION 3 BUSINESSES

Twenty-five percent (25%) of the dollar amount of the awarded contract is subcontracted to Section 3 Business who qualified as Status 1 or Status 2. **Note:** This type of Section 3 Business status is only available to contractor's that contract directly with PBCHA. It is not available to subcontractors of a PBCHA primary contractor.

Attached Documentation Required:

- Completed Subcontracting Plan form, and
- Section 3 Business Self-Certification form for each subcontractor claiming Section 3 status

SECTION 3 CERTIFICATION STATEMENT

By signing below, I certify that:

- I am an authorized representative of the company named above,
- The company named above meets the requirements of the Section 3 status checked,
- I understand that the documents required as evidence of Section 3 status must be kept for at least 5 years from the date of closure of the contract for which they apply,
- I understand that noncompliance with HUD's regulations in 24 CFR part 135 (known as Section 3) may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

SIGNATURE

PRINT NAME

DATE

SECTION 3 RESIDENT CERTIFICATION

Name: _____ Phone: _____

Home Address: _____

Purpose of Section 3

Section 3 of the Housing and Urban Development Act of 1968, requires that Palm Beach County Housing Authority ensure employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to low-income persons, particularly recipients of government housing assistance, in Palm Beach County.

A Section 3 Resident is:

1. A Palm Beach County Housing Authority public housing resident; **Or**
2. An individual or family who lives in Palm Beach County and whose income is at or below the following low-income guidelines set by HUD.

Palm Beach County 2015 Median Household Income Limits							
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
<u>Low (80%) Income Limits</u>	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700	\$60,900	\$65,100

Statement of Certification

I, _____, certify that I have reviewed the Section 3 qualifications listed above and am eligible for Section 3 status because (check one):

- I am a Palm Beach County Housing Authority public housing resident; **Or**
 I am a Palm Beach County resident with household income below the amount listed above.

I understand that if requested, I must provide evidence of my eligibility by producing my most recent tax return and residential lease or mortgage statement in place at the date of signing this certification.

If you are unable to provide evidence of Section 3 eligibility, DO NOT SIGN BELOW. Penalties for falsely certifying Section 3 eligibility or being unable to provide evidence when requested may include termination of employment.

Signature: _____ Date: _____

I have read the definition of a Section 3 Resident and it does not apply to me.

Signature: _____ Date: _____