

“The ABC’s Of the VPPA”

or

DHCD Procurement Requirements



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Workshop 2014



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

www.dhcd.virginia.gov

PROCUREMENT

- “All CDBG funds used to purchase goods and services, and construction must be obligated through a competitive procurement process.”
(CDBG Grant Management Manual, Appendix 10)



AND

PROCUREMENT

- All Grantees that will use DHCD funds must abide by the Virginia Public Procurement Act
(Code of Virginia, Title 2.2, Chapter 43, 2.2-4300 thru 2.2-4377)



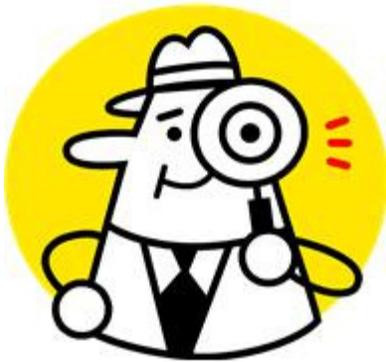
PROCUREMENT



- “All public contracts with nongovernmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, or construction, shall be awarded after competitive sealed bidding, or competitive negotiations as provided in this section...”
(VPPA 2.2-4303 A)

Competitive Procurement Process

- Why?



- promote competition (open access)
- best price/best use of public \$
- promote use of Section 3, and Minority, Female-Owned businesses
- DHCD Compliance Review
- It's the law

Procurement Methods

1. Competitive Sealed Bidding
2. Competitive Negotiation
3. Pre-Qualifying Contractors



Procurement Method #1: Competitive Sealed Bidding

“Construction may be procured only by competitive sealed bidding”
(VPPA-Title 2.2-4303.D)



Competitive Sealed Bidding

1. Issue a written Invitation to Bid
:Terms and Conditions



Competitive Sealed Bidding

2. Public Notice –



- :At least 10 days prior to the date set for receipt of bids (VPPA)
- :DHCD recommends 30 days
- :Posting on Dept. of General Services website OR other appropriate websites (VPPA)
- :Publish in a regional newspaper (DHCD)

DGS Webpage

- <https://vendor.epro.cgipdc.com/webapp/VSSAPPX/Advantage>

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eVA VENDOR SELF SERVICE Contact Customer Care for Help 866-289-7367

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<p>Repairs and Renovations to Social Service Building</p> <p>IFB: 2015-030</p> <p>Summary Details</p>	<p>Local Govt. and Public Bodies County of Roanoke</p> <p>Stanley Wells</p> <p>Construction</p> <p>Invitation for Bids (IFB)</p> <p>Rectangular Snip</p>	<p>Published On: 8/4/14</p> <p>Amended On: 8/6/14</p> <p>Closing On: 9/10/14 2:00 PM</p> <p>Intent Posted On:</p>	<p>Open</p> <p>Time Left: 33 Days</p>
<p>Herndon Council Chambers VAV Replacement Project</p> <p>IFB: #B-15-05</p> <p>Summary Details</p>	<p>Local Govt. and Public Bodies TOWN OF HERNDON</p> <p>Trishia Hartman</p> <p>Construction</p> <p>Invitation for Bids (IFB)</p>	<p>Published On: 8/4/14</p> <p>Amended On:</p> <p>Closing On: 8/27/14 2:00 PM</p> <p>Intent Posted On:</p>	<p>Open</p> <p>Time Left: 19 Days</p>
<p>Consultant to Write an Accounting Best Practices Manual</p> <p>RFP: 2015-09043-28</p> <p>Summary Details</p>	<p>Local Govt. and Public Bodies COUNTY OF ALBEMARLE</p> <p>Donna Hixon</p> <p>Non-Professional Services - Non-Technology</p> <p>Request for Proposals (RFP)</p>	<p>Published On: 8/4/14</p> <p>Amended On:</p> <p>Closing On: 9/4/14 3:00 PM</p> <p>Intent Posted On:</p>	<p>Open</p> <p>Time Left: 27 Days</p>
<p>[Truncated]</p>	<p>Local Govt. and Public Bodies STAUNTON-VALLEY COMMUNITY SERVICES BOARD</p>	<p>Published On: 8/4/14</p>	<p>Open</p>



Competitive Sealed Bidding

- Bids may also be solicited directly from potential contractors, including Section 3 firms; and
- Any additional solicitations shall include pre-qualified businesses selected from a list made available by the Virginia Department of Small Business and Supplier Diversity at <http://www.sbsd.virginia.gov/>

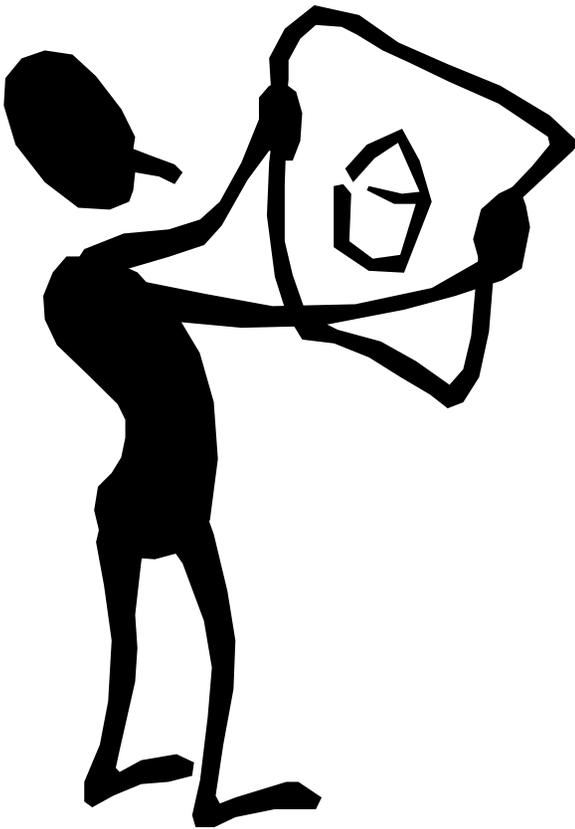
Competitive Sealed Bidding

✓ Distribute bid packages to interested parties

: specs & plans

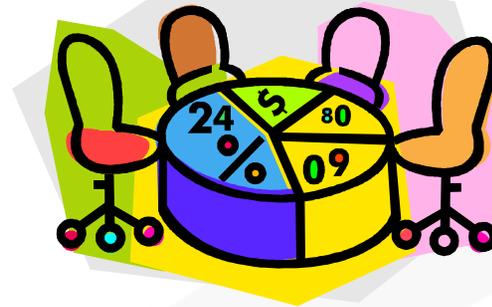
: bid sheet

: Federal Contract Inserts



Competitive Sealed Bidding

- **Pre – Bid Conference**



- ✓ “DHCD *highly recommends* that a pre-bid conference be conducted. “
- ✓ Purpose : **questions/comments** from contractors
: **instructions/clarifications** from Grantee
: **changes** as addenda to Bid Docs

Competitive Sealed Bidding

- **Bid Opening**

- ✓ *Sealed bids* must be submitted on or before the specified date and time, opened publicly and read aloud
“immediately following the deadline for receipt of bid”
- ✓ Who Attends?
 - : Grant Manager
 - : Engineer
 - : Architect
 - : County Admin./Town Mgr. (Owner)
 - : Attorney
 - : Contractors



Competitive Sealed Bidding

- **Bid Opening**

- ✓ Receipt of a minimum of 2 project bids
- ✓ Engineer compiles a Bid Tabulation Sheet
- ✓ Bids should be within 10% of estimate
- ✓ Lowest responsive, responsible bidder?
 - “except that if the bid from the lowest responsible bidder exceeds available funds, the public body may negotiate with the apparent low bidder” (VPPA)

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BID TABULATION PROJECT NO. 9782-04

DATE: MARCH 27, 2013
CONTRACT I PAGE 1

ITEM	DESCRIPTION	ENGINEER'S ESTIMATE			1ST LOW BIDDER KANAWHA STONE		2ND LOW BIDDER MENDON PIPELINE		3RD LOW BIDDER THOMAS CONSTRUCTION	
		UNIT PRICE	QTY.	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	8-INCH GRAVITY SEWER LINE	\$65.00	9,650	\$627,250.00	\$55.00	\$530,750.00	\$89.00	\$858,850.00	\$74.42	\$718,153.00
2	4-INCH FORCE MAIN	\$30.00	250	\$7,500.00	\$22.00	\$5,500.00	\$20.00	\$5,000.00	\$58.13	\$14,532.50
3	4-INCH SEWER LINE (INCLUDING PLUGS & CLEANOUTS)	\$25.00	2,500	\$62,500.00	\$26.00	\$65,000.00	\$30.00	\$75,000.00	\$57.80	\$144,500.00
4	4-INCH LMI SERVICE LINE (WITH HOOK-UP & CLEANOUTS)	\$25.00	5,000	\$125,000.00	\$26.00	\$130,000.00	\$15.00	\$75,000.00	\$55.78	\$278,900.00
5	4-INCH SEWER LINE ROAD AND STREAM CROSSINGS	\$175.00	275	\$48,125.00	\$46.00	\$12,650.00	\$175.00	\$48,125.00	\$253.10	\$69,602.50
6	STANDARD MANHOLES	\$2,500.00	22	\$55,000.00	\$2,022.00	\$44,484.00	\$2,100.00	\$46,200.00	\$2,313.14	\$50,889.08
7	WATERPROOF MANHOLES	\$3,000.00	28	\$84,000.00	\$2,126.00	\$59,528.00	\$2,250.00	\$63,000.00	\$3,731.82	\$104,490.96
8	MANHOLE BARREL EXTENSIONS	\$360.00	100	\$36,000.00	\$131.00	\$13,100.00	\$325.00	\$32,500.00	\$548.74	\$54,874.00
9	ADDITIONAL FOR DROP MANHOLE SERVICE CONNECTIONS	\$600.00	4	\$2,400.00	\$300.00	\$1,200.00	\$750.00	\$3,000.00	\$1,160.37	\$4,641.48
10	8-INCH BORED ROAD CROSSINGS	\$90.00	50	\$4,500.00	\$901.00	\$45,050.00	\$500.00	\$25,000.00	\$1,260.64	\$63,032.00
11	4-INCH BORED ROAD CROSSINGS	\$210.00	250	\$52,500.00	\$551.00	\$137,750.00	\$250.00	\$62,500.00	\$373.39	\$93,347.50
12	8-INCH RAILROAD CROSSINGS	\$175.00	250	\$43,750.00	\$510.00	\$127,500.00	\$150.00	\$37,500.00	\$212.07	\$53,017.50
13	8-INCH STREAM CROSSINGS	\$250.00	110	\$27,500.00	\$490.00	\$53,900.00	\$850.00	\$93,500.00	\$420.59	\$46,264.00
14	8-INCH STREAM CROSSINGS	\$175.00	100	\$17,500.00	\$131.00	\$13,100.00	\$125.00	\$12,500.00	\$490.41	\$49,041.00
15	BORING ATTEMPTS	\$600.00	24	\$14,400.00	\$2,291.00	\$54,984.00	\$1.00	\$24.00	\$600.00	\$14,400.00
16	PUMP STATION (WITH BACK-UP GENERATOR)	\$300,000.00	1	\$300,000.00	\$346,584.00	\$346,584.00	\$350,000.00	\$350,000.00	\$260,216.94	\$260,216.94
17	MISCELLANEOUS AGGREGATE	\$15.00	100	\$1,500.00	\$34.00	\$3,400.00	\$25.00	\$2,500.00	\$18.53	\$1,853.00
18	MISCELLANEOUS CONCRETE	\$150.00	50	\$7,500.00	\$155.00	\$7,750.00	\$115.00	\$5,750.00	\$113.00	\$5,650.00
19	ALLOWANCE FOR VDOT INSPECTION	\$5,000.00	1	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
20	ALLOWANCE FOR RECORD DRAWING SURVEY	\$14,000.00	1	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00
21	ALLOWANCE FOR POWER AND TELEPHONE CO	\$10,000.00	1	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
22	ALLOWANCE OF MUSSEL SURVEY	\$15,000.00	1	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
23	MOBILIZATION, BONDS, TAXES & INSURANCE	\$50,000.00	1	\$50,000.00	\$151,000.00	\$151,000.00	\$50,000.00	\$50,000.00	\$126,379.47	\$126,379.47
DEVELOPMENT COST TOTALS:				\$1,610,925.00	14.67%	\$1,847,230.00	17.32%	\$1,889,949.00	36.43%	\$2,197,785.83

THIS BID TABULATION WAS PREPARED AND

LOW BID	\$1,847,230.00		
HIGH BID	\$2,197,785.83		
AVERAGE	\$1,978,321.61	\$236,305.00	\$279,024.00
ENG EST.	\$1,610,925.00		\$586,860.83



Competitive Sealed Bidding

- **Responsive Bidder**

“... a person who has submitted a bid that conforms in all material respects to the Invitation to Bid.”



Competitive Sealed Bidding

- **Responsible Bidder**

“... a person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability that will assure good faith performance...”



Competitive Sealed Bidding

- **Contract Award**

- ✓ Engineer reviews bid documents
- ✓ Attorney reviews bid documents
- ✓ Verification of contractor non-debarment with DHCD
- ✓ Engineer makes recommendation to Locality
- ✓ Locality issues Notice of Award





- Withdrawal of Bid due to Error (Section 2.2-4330)
 - ✓ Can withdraw for clerical mistakes
 - ✓ Withdrawal procedure must be stated in advertisement for bids (VPPA)
 - ✓ Withdrawal in writing within 2 business days of bid opening (VPPA)

Procurement Method # 2

1. Competitive Sealed Bidding
2. Competitive Negotiation



Procurement Method #2



- Procurement of all **Professional Services** and **Non-Professional Services (DHCD)**
- **Selection based on qualifications and professional competence.**

:RFQ

Competitive Negotiation

- Professional vs. Non-Professional



Competitive Negotiation

- Professional Services: accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, or professional engineering. (VPPA)

Competitive Negotiation

- Non-Professional (VPPA)
 - services not specifically identified as professional services...(VPPA)
- ✓ Grant Administration Services
- ✓ Rehabilitation Specialist Services
- ✓ Lead Risk Assessor Services
- ✓ Asbestos Inspection Services
- ✓ Appraisal Services
- ✓ AOSE

Competitive Negotiation

How Do You Do That?

1. Establish a Selection Committee to review, rank, and interview.



Competitive Negotiation

2. Develop the Selection Criteria

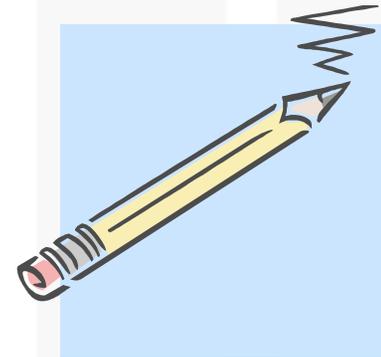
- ✓ Qualifications
- ✓ Work experience, knowledge of regulatory agency requirements, familiarity with CDBG program, etc.
- ✓ Ability to achieve project outcomes on time and within budget



Competitive Negotiation

3. Develop a Score Sheet – a matrix by which each firm/individual is scored on the basis of the criteria.

4. Issue a written Request for Proposal (RFP) (RFQ)
 - ✓ general terms (timeframe, scope of services, etc.)
 - ✓ evaluation criteria
 - ✓ qualifications
 - ✓ cost for services-



Competitive Negotiation

5. Advertisement

- ✓ In a newspaper of general circulation (VPPA)
(DHCD = regional, daily, 15,000+ circulation)
- ✓ Posting on the Department of General Services central electronic procurement website OR other appropriate websites (VPPA)
- ✓ Minimum 10 days (VPPA)
DHCD recommends at least 3 weeks



Competitive Negotiation

- ✓ Direct Solicitation
- ✓ Any additional solicitations shall include pre-qualified businesses selected from a list made available by the Virginia Department of Small Business and Supplier Diversity at <http://www.sbsd.virginia.gov/>



Competitive Negotiation

6. Evaluate and Score – individually by Selection committee members.
7. Rank – composite score.
8. Interview – with at least the top 2 Firms.



Competitive Negotiation

9. Contract negotiations with top ranked firm

\$\$\$\$\$?

10. Negotiate with second ranked firm?



Competitive Negotiation

- **Retainer Contracts**

VPPA – Section 2.2-4302.2 defines multiple and renewable contracts for professional services

READ IT CAREFULLY

Important

- No agreement for services may be signed until after the effective date of the CDBG Agreement unless prior authorization to do otherwise is granted by DHCD or unless services are paid for with non-CDBG funds.
- Note: If in Planning Grant stage, may structure procurement (scope) to include the option to continue services in a CDBG funded construction project.

Procurement Method #3

1. Competitive Sealed Bidding
2. Competitive Negotiation
3. Pre-Qualifying Contractors



Pre-Qualifying Contractors

- Provided for in VPPA 2.2-4317
- Permissible by DHCD for Housing Rehabilitation Projects



Pre-Qualifying Contractors

- Contractor Requirements:

- ✓ Licensure (DPOR)

- ✓ Classification

- Class C: \$10,000/contract; \$150,000/12 months
- Class B: \$120,000/contract; \$750,000/12 months
- Class A: No restrictions

- ✓ Designations

- BLD, ELE, HVAC, PLB



Pre-Qualifying Contractors

- Solicitation: Identifying and Recruiting
 1. Run advertisement in local newspaper:
 - total \$
 - # of units
 - qualifications
 - pre-qualification process
 2. Direct Solicitation



Pre-Qualifying Contractors

- Contractor's Qualification Statement
CIG Manual - Appendix 66
 - Important information
 - credit, insurance, work reference, licensure, RRP
 - consult Community Development Specialist regarding verification of non-debarment
 - supply contractor name, address, TIN/SSN, & DPOR license number
 - Grounds for Rejection
 - Poor credit/work reference
 - Recent project inspection/interview

Pre-Qualifying Contractors

- “Any prequalification procedure shall be established in writing and sufficiently in advance of its implementation to allow potential contractors a fair opportunity to complete the process.” (VPPA 2.2-4317)
- PROGRAM DESIGN or MANAGEMENT PLAN

CDBG

IPR

Pre-Qualifying Contractors

Pre-Qualification Approval



- Housing Rehab/Façade Oversight Committee action
- Must provide written notification of approval or denial within 30 days (VPPA 2.2-4317 B)

Procurement Methods

1. Competitive Sealed Bidding
2. Competitive Negotiation
3. Pre-Qualifying Contractors



PROCUREMENT

- **Good Rules Of Thumb**



- ✓ Refer To : CIG Manual (Appendix 10)
: IPR Manual Chapter 6
: VPPA

- ✓ Consult Your Community Development Specialist



- ✓ Consult Your Attorney



