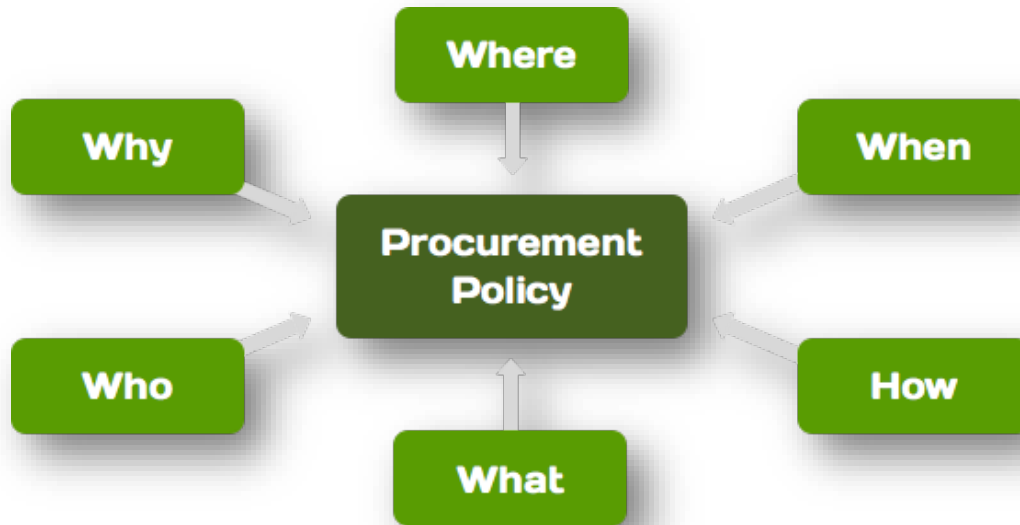


# CHAPTER 1 – BACKGROUND

## 1.1 PURPOSE OF THIS HANDBOOK



This Handbook describes both required and recommended procurement practices for Public Housing Agencies' (PHAs or agencies) operation, modernization, and development of public housing and operation of Housing Choice Vouchers (HCV) and Project-Based Vouchers (PBV). It incorporates Federal laws, regulations, and other instructions that have changed since the previous iteration of the Handbook, most significantly the primary governing regulation from 24 CFR 85.36 to [2 CFR 200.317-327](#). This Handbook replaces the former Public Housing Procurement Handbook 7460.8 (2007). Significant changes include:

- A. Incorporate changes made in response to the most recent version of 2 CFR Part 200, especially 200.317-327 (previous version was based on 24 CFR Part 85).
- B. Covers PHAs as "Recipients" because they receive a Federal award directly from a Federal agency to carry out an activity under a Federal program (previous version of part 200 used the term "non-Federal entity"). Incorporates, updates, and adds procurement terms.
- C. Applies Procurement Handbook (2 CFR Part 200) to Section 8 HCV Program Administrative Fees. These funds had been exempted from procurement requirements because Section 8 was exempt from the requirements in 24 CFR Part 85 prior to December 26, 2014. The Procurement Handbook does not apply to Housing Assistance Payments (HAP) contracts of the Section 8 HCV and PBV programs in accordance with 2 CFR 200.101(d). The procedures for a PHA entering into a Housing Assistance Payments (HAP) contract with an owner under the HCV program are governed by 24 CFR part 982. The procedures for a PHA selecting an owner's proposal or project under the PBV program are governed by 24 CFR 983.51.
- D. Discusses HUD forms and documents and provides links but no longer includes the forms in the Appendix.
- E. Updates audit and recordkeeping guidance.

- F. Updates conflict of interest requirements based on Part 200 and the public housing ACC. Also covers additional Section 8 HCV and PBV conflicts of interest based on the HAP contracts and regulations.
- G. Includes significant revision to informal procurement and payment methods including micro-purchases, petty cash purchases and purchasing cards and updates the simplified acquisition threshold.
- H. Incorporates Capital Fund regulatory exceptions to bid guarantees.
- I. Explains the difference between in-house counsel as an employee and other legal counsel as contract legal counsel and discusses the differences between employment and independent contracts.
- J. Describes specifications and statements of work incorporating 2 CFR 200.319.
- K. Reviews significant contract administration guidance and oversight discussion based on 2 CFR part 200 covering both construction and non-construction contracts.
- L. Guidance provided on contract modifications, especially incorporating contract cost principles at 2 CFR Part 200, Subpart E and various HUD forms, such as the HUD-5370s.
- M. Provides contract claims examples, default clauses, and discusses process.
- N. Discusses contract terminations either for default or convenience and in accordance with the HUD-5370s.
- O. Includes new section on procurement during disasters.
- P. Explains considerations for Joint Ventures, Subsidiaries, and Affiliates.
- Q. Includes a new section on energy-related procurements.

## 1.2 APPLICABILITY

This Handbook's contents apply to all PHA procurement actions using Federal financial assistance as defined in 2 CFR 200.1, regardless of agency size. Examples of Federal financial assistance are Operating Funds and Capital Funds. The Handbook's instructions also apply to income that the Central Office Cost Center (COCC) generates through fees of various types, as well as the Section 8 HCV Program's Administrative Fees. Section 8 HCV Program Administrative Fees had been exempt from procurement requirements because Section 8 was exempt from the requirements in 24 CFR Part 85 prior to December 26, 2014, but after this date was revised to reference part 200 requirements, and these funds are within the definition "Federal financial assistance." This Handbook does not apply to HAP contracts of the Section 8 HCV and PBV Programs in accordance with 2 CFR 200.101(d). The procedures for a PHA entering into a HAP contract with an owner under the HCV program are governed by 24 CFR part 982. The procedures for a PHA selecting an owner's proposal or project under the PBV program are governed by 24 CFR 983.51. This Handbook also does not apply to Tribal Designated Housing Entities or Indian Housing Authorities.

This Handbook is intended to be the primary reference document for all PHA procurement matters. However, this document is not exhaustive and should not be interpreted as encompassing all possible scenarios or considerations. If a situation arises that this Handbook does not address, the PHA should contact the local HUD field office or the procurement email mentioned in Section 1.8. This Handbook contains both mandatory and permissive instructions. To distinguish between the two, readers should interpret the following terms in the following ways:

- “*Shall*” and “*must*” mean that an action or item is mandatory (i.e., required by statute or regulation). This Handbook provides regulatory and statutory citations when applicable.
- “*Should*” and “*may*” mean that the action or item provides guidance and/or a best practice but is not mandatory.

### 1.3 SOURCES OF REQUIREMENTS

PHAs are “Recipients” as defined at 2 CFR 200.1 because they are entities that receive a Federal award directly from a Federal agency to carry out an activity under a Federal program. The term recipient does not include subrecipients or individuals that are participants or beneficiaries of the award. A PHA also meets the definition of a “Non-Federal entity” because it is a state or local governments that carries out a Federal award as a recipient. 2 CFR 200.1 further defines “local government” as including PHAs under the United States Housing Act of 1937. As such, PHAs are recipients and non-Federal entities, and governed by Part 200 of Title 2 of the Code of Federal Regulations (2 CFR Part 200), Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments. Sections 200.317 through 200.327 are the controlling regulations governing procurement. The standards provided in this Handbook are basic principles rooted in these regulations that each PHA must adhere to when contracting for goods or services using Federal financial assistance.

Other Federal regulations that affect specific aspects of a PHA's procurement process include:

- 24 CFR Part 75 – Economic Opportunities for Low- and Very Low-Income Persons, which implements Section 3 of the Housing and Urban Development Act of 1968
- 24 CFR 905, Subpart C and F – Capital Fund General Program Requirements and Development Requirements
- 24 CFR Part 905 – Public Housing Capital Fund Modernization (see 905.308 on wage provisions and 905.316 on contracting requirements)
- 24 CFR Part 943 – PHA Consortia and Joint Ventures
- 24 CFR Part 963 – Public Housing – Contracting with Resident Owned Businesses
- 24 CFR Part 964 – Tenant Participation and Tenant Opportunities in Public Housing
- 24 CFR Part 965 – PHA-Owned or Leased Projects – General Provisions (see Subpart A on preemption of state prevailing wage requirements and Subpart B on Required Insurance Coverage)
- 24 CFR Part 982 – Section 8 Tenant-Based Assistance: HCV Program
- 24 CFR Part 983 – PBV Program
- 24 CFR Part 990 – The Public Housing Operating Fund Program

Finally, each PHA operates under a different set of State and/or local laws. In some cases, PHAs may operate within Indian territory and be subject to Tribal law. In some cases, the Federal standards may be more stringent than the State, local, or Tribal law/regulation. In general, the PHA must comply with whichever is most stringent unless Federal law has preempted the State, local, or Tribal requirement. It would be impossible for the Department to provide guidance on every State/Tribal/local requirement affecting procurement. A more complete discussion of the relationships between Federal, State, Tribal, and local laws is found in Chapter 14.

## 1.4 CONSISTENCY WITH GOOD BUSINESS PRACTICES

The fundamental goal of a PHA's procurement system should be to satisfy the terms of cost, quality, and timeliness of the delivered product or service while complying with all applicable laws, regulations, and the PHA's own policies. Further, those involved in procurement should exercise initiative and sound business judgment in providing the best value product or service to meet the PHA's needs. Consistent with that goal, Contracting Officers may assume that, if a specific strategy, practice, policy or procedure is in the PHA's best interests and is not addressed in this Handbook nor prohibited by law, executive order, regulation, or other directive (including the PHA's own policy), it may be a permissible exercise of authority by the PHA. Contracting Officers should seek advice whenever they have doubts about an intended strategy, practice, policy, or procedure.

## 1.5 PUBLIC ACCESS TO PROCUREMENT INFORMATION

Certain information about PHA procurements is normally considered public (e.g., the name of the winning contractor and the total contract price), and PHAs should release such information to the public in accordance with their procurement policies and applicable State laws and regulations. Other information related to procurement is often protected from disclosure (i.e., proprietary business information, such as technical methods or processes, detailed pricing information, personal information, or the PHA's pre-decided information, such as internal proposal evaluations). PHAs must not publicize protected information. Contracting personnel should consult the PHA's legal counsel whenever they have any questions regarding the release of information.

In addition to laws requiring the publication of procurement opportunities, many States have enacted Freedom of Information or similar laws to further the goal of open government by providing public access to procurement information. These laws are not uniform, as each State has a different set of rules defining what type of information is public as well as how and when it may be released. The State law on public records may or may not apply to the PHA's procurement actions. Each PHA must incorporate applicable State laws into its procurement policy and ensure that procurement actions are conducted in accordance with such laws.

## 1.6 AVAILABILITY OF HUD FORMS AND DOCUMENTS

All required forms listed in this document, as well as relevant HUD notices, handbooks, and regulations, can be found online through one or more of the following:

- Information related to public housing and voucher programs is available at HUD's Office of Public and Indian Housing webpage: [www.hud.gov/program\\_offices/public\\_indian\\_housing](http://www.hud.gov/program_offices/public_indian_housing)
- HUD forms may be found through HUDClips: <https://www.hud.gov/hudclips>

PHAs must not modify any mandatory forms or clauses discussed in this Handbook without written HUD approval from the Assistant Secretary for Public and Indian Housing. For public housing, HUD field offices may approve changes to forms when such changes are necessary to conform to State and local laws, subject to HUD field office counsel's concurrence. For Vouchers, required program contracts and other

forms must be word-for-word in the form required by HUD headquarters. Any additions to or modifications of required program contracts or other forms must be approved by HUD headquarters.

## 1.7 PAPERWORK REDUCTION INFORMATION

The information collection requirements contained in this Handbook has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501–3520) and OMB's implementing regulations in 5 CFR Part 1320, Controlling Paperwork Burdens on the Public. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Any new information collection and reporting requirements not covered under previous approvals will require a new package to be prepared and submitted to OMB for review.

## 1.8 PROCUREMENT EMAIL

HUD has created an email mailbox for Office of Public and Indian Housing (PIH) staff, PHAs, contractors, and the public to ask questions or voice concerns about HUD's procurement policies. Questions and concerns can be directed to [PHAProcurement@hud.gov](mailto:PHAProcurement@hud.gov). A HUD employee will address any questions or concerns in a timely manner.

## 1.9 GLOSSARY OF PROCUREMENT TERMS

This list defines key procurement and contracting terms used throughout this Handbook. Additional definitions for other terms are available at 2 CFR § 200.1.

- **Acceptance** – The PHA's authorized representative's acknowledgment that the supplies or services delivered to or received by the PHA conform to contract requirements.
- **Affiliate** – An entity other than an instrumentality, formed by a PHA and in which a PHA has a financial or ownership interest or participates in its governance. The PHA has some measure of control over the assets, operations, or management of the affiliate, but such control does not rise to the level of control to qualify as an instrumentality. See 24 CFR 905.604(b)(4).
- **Amendment** – Written revision or clarification made to a solicitation.
- **Anti-Competitive Practices** – Actions by potential contractors that improperly reduce or eliminate competition or restrain trade. This includes agreements or understandings among competitors to restrain trade (e.g., submitting collusive bids or proposals, rotating low bids, follow-the-leader pricing, or sharing of the business). Contractors may also wrongfully discourage competition through illicit business actions that have the effect of restraining trade, such as controlling the resale price of products or an improper collective refusal to bid. See 2 CFR 200.319(c) for additional information.
- **Architect/Engineer (A/E)** – Person (or company) usually responsible for developing a building's plans and specifications or development and, in some cases, supervising its construction.
- **Architect/Engineer Services** – Professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person who

is licensed, registered, or certified to provide such services; Professional services of an architectural or engineering nature that are associated with research, planning, development, design, construction, alteration, or repair of real property; and such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals they employ) may logically or justifiably perform, including studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other related services. see 2 CFR 200.320 (b)(2)(iv)

- **Bid** – The price at which a bidder proposes to perform the work a PHA needs done. Bidders submit bids to PHAs in the sealed bidding method of procurement. See 2 CFR 200.319(b)(1).
- **Bidder** – The person or entity submitting a bid to the PHA.
- **Bidder’s List** – General list of persons or firms who may be interested in contracting opportunities with the PHA, and in submitting bids in response to an Invitation for Bid.
- **Business Concern** – A business entity formed in accordance with State law, and which is licensed under State, county, or municipal law to engage in the type of business activity for which it was formed.
- **Change Order** – A document that modifies a contract in accordance with the contract's changes clause. See Section 11.4.
- **Changed Conditions** – Construction site or repair conditions that differ significantly from those indicated in the contract or from those ordinarily encountered in the performance of the specific type of work under the contract.
- **Competitive Proposals** – Also called contracting by negotiation, a method of procurement using the solicitation, evaluation, and negotiation of proposals (see Chapter 7). PHAs may use this method when the value of the procurement for property or services under a Federal financial assistance award exceeds the PHA's simplified acquisition threshold and when conditions are not appropriate for sealed bidding. See 2 CFR 200.320(b)(2). Note: Under the Qualifications-Based Procurement method only, a Request for Qualifications (RFQ) is used to solicit proposals in place of an RFP. See 2 CFR 200.320(b)(2)(iv).
- **Competitive Range** – Proposals submitted in response to an RFP that, after the PHA's selection panel's technical evaluation and consideration of the proposed costs/prices, have a reasonable chance of being awarded the contract (see Chapter 7, paragraph 7.2.N).
- **Consortia** – These are a special kind of PHA consortium where two or more agencies have joined together to perform planning, reporting and other administrative functions, including, importantly, the joint preparation of a PHA Plan. Consortia are addressed separately in Chapter 15 paragraph 15.8. See 24 CFR Part 943.
- **Contract** – A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.
- **Contracting Officer** – The Executive Director or PHA employee authorized by the PHA Board and/or designated and authorized by the Executive Director to enter into and/or administer contracts and make related determinations and findings.
- **Contract Administration** – All the actions taken regarding a contract after its award. Administration includes monitoring the contractor's performance to ensure compliance with the contract requirements, terms, and conditions. See Chapter 11.
- **Contract Modification** – Any written alteration to a contract executed by a Contracting Officer (see Chapter 11, paragraph 11.4.A).

- **Contractor** – An offeror (see definition below) who is awarded a contract.
- **Contract Pricing Arrangements** – The arrangement, as reflected in the contract, for how the contractor will be paid for services. While there are two basic contract pricing arrangements—firm fixed-price and cost-reimbursement—there are multiple variations on these models. See Chapter 10.1 for more detail.
- **Cost-Reimbursement Contract** – The contractor is reimbursed for its allowable costs of performance up to a total estimated amount specified in the contract. See Chapter 10.1. The contract may provide for the payment of a fee (i.e., additional profit) on top of costs.
- **Cure Notice** – A document from the Contracting Officer notifying the contractor that the contract may be terminated for default unless performance is corrected within a specified number of days.
- **Excusable Delay** – A failure to perform within the contract period that is beyond the control and without fault or negligence of the contractor, as determined by the Contracting Officer.
- **Financial Obligation** – Orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient under a Federal award that will result in expenditures by a recipient under a Federal award. See 2 CFR 200.1.
- **Firm Fixed-Price Contract** – A contract under which the contractor is paid a preestablished amount for all work regardless of the contractor’s actual costs. See Chapter 10, Section 10.1.C.
- **Goods** – All supplies, equipment, material, or other things (including specially manufactured items) which are movable at the time of identification in the contract for sale, other than the money in which the contract price is to be paid.
- **Independent Cost Estimate (ICE)** – An estimate the PHA prepares prior to obtaining offers. The degree of analysis will depend on the size and complexity of the purchase.
- **Inspection** – The examination and/or testing of supplies and services to determine conformance with the contract.
- **Instrumentality** – As it relates to the public housing program, an entity whose assets, operations, and management are legally and effectively controlled by the PHA, and through which PHA functions or policies are implemented, and which utilizes public housing funds or public housing assets for the purpose of carrying out public housing development functions of the PHA. An instrumentality assumes the role of the PHA, and is the PHA under all requirements applicable to public housing including, but not limited to, the 1937 Act (see Acronyms below); HUD regulations; the Consolidated Annual Contributions Contract (ACC), including amendments; HUD notices; and all applicable Federal statutes, executive orders, and regulatory requirements, as these requirements may be amended from time to time (the “Public Housing Requirements”), for purposes of implementing public housing development activities and programs and must abide by the Public Housing Requirements. Instrumentalities must be authorized to act for and to assume such responsibilities. For purposes of development, ownership of public housing units by an instrumentality would be considered mixed-finance development. See 24 CFR 905.108 and 905.604(b)(3).
- **Intergovernmental or Interagency Agreement** – An agreement between a PHA and a Federal, State, or local government agency (including other PHAs) for the provision of goods or services. In recent years, the terms "Intergovernmental" and "Interagency" have been interchangeable and are treated the same in this Handbook.
- **Internal Controls** – Processes that PHAs design and implement to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) Effectiveness and efficiency of operations; (b) Reliability of reporting for internal and external use; and (c) Compliance with applicable laws and regulations. 2 CFR 200.1.

- **Invitation for Bids (IFB)** – Solicitation type used for sealed bidding. The IFB invites bids from potential contractors and must include any specifications and pertinent attachments as well as define the items or services the PHA is seeking so the bidder can properly respond.
- **Joint Venture Partner** – A participant, other than a PHA, in a joint venture, partnership, or other business arrangement or contract for services with a PHA. 24 CFR 943, Subpart C.
- **Level-of-Effort Contract** – A type of contract (usually falling under the “cost reimbursement” contract umbrella) that specifies the number and type of person–hours that the contractor will use to perform under the contract.
- **Major Change** – Modification of an existing contract that goes beyond the general scope of the contract or a change to a substantive element of the existing contract that is so extensive that a new procurement should be initiated.
- **Micro-purchase** – Individual procurement transaction for supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchases comprise a subset of a Recipient’s Simplified Acquisition Threshold purchases using informal procurement methods as set forth in 2 CFR 200.320(a)(i).
- **Micro-purchase threshold** – The dollar amount at or below which a Recipient may purchase property or services using micro-purchase procedures. Generally, except as provided in 2 CFR 200.320, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the FAR at 48 CFR Part 2, subpart 2.1, unless a higher threshold is requested by the Recipient and approved by the cognizant agency for indirect costs.
- **Negotiation** – Discussions: (1) with offerors in the competitive range regarding technical and/or price proposals when awarding a contract using the competitive proposals method of procurement; (2) with contractors when issuing modifications to existing contracts; or (3) other required discussion with offerors for the other methods of procurement.
- **Noncompetitive Proposals** – Part of noncompetitive procurement. PHAs may solicit noncompetitive proposals when: (1) the aggregate dollar amount to acquire property or services does not exceed the micro-purchase threshold; (2) the item is only available from one source, (3) a public exigency or emergency will not permit the delay that results from publicizing a competitive solicitation, (4) HUD expressly authorizes a noncompetitive procurement in response to the PHA’s written request, or (5) after soliciting a number of sources, competition is determined inadequate. See 2 CFR 200.320(c).
- **Offer** – A response to a solicitation (IFB or RFP) that, if accepted, binds the offeror to perform the resulting contract. This Handbook uses different words as synonyms for “offer” depending on the situation. Responses to invitations for bids (sealed bidding) are called “bids” or “sealed bids” and responses to requests for proposals (negotiation) are called “proposals.” “Small purchases” or “Simplified Acquisition Threshold purchases become binding contracts once the vendor accepts the order (e.g., by signature or substantial performance of the order). Offers submitted under the Qualifications-Based Selection (QBS) method are called “qualifications.” See Chapter 7, paragraph 7.3.A.
- **Offeror** – The general term for the entity that responds to a solicitation. For the purposes of this Handbook, offeror is used interchangeably with bidder, proposer, or respondent.
- **Procurement** – Acquiring supplies and services (including construction) with the PHA’s Federal financial assistance through contract (e.g., via purchase, lease). Procurement begins when the PHA establishes its needs and describes the requirements to satisfy these needs. From there, the PHA solicits and selects sources, awards contracts, finances contracts, and ensures contract performance through contract administration.

- **Proposal** – The offer a potential contractor submits in the competitive or noncompetitive proposal methods of procurement.
- **Public Housing Annual Contributions Contract (ACC)** – The grant agreement between HUD and the PHA setting forth terms and conditions for the operation, modernization, and development of public housing under the 1937 Act. The document for this is Form HUD-53012 (2023 version) or 53012 Parts A and B (1995 version) depending on when the PHA last entered into their ACC. Some PHAs may still be operating under a 1969 version of ACC (which limits contract term to two years, plus one-year extension if approved). The 1995 and 2023 versions of ACC s do not contain any specific language governing PHA procurement activity but incorporate by reference regulations promulgated at Title 2 and Title 24 of the Code of Federal Regulations, as well as all applicable laws and executive orders and regulations.
- **Qualification Based Selection (QBS)** – A form of procurement for architect-engineering (A/E) services by competitive proposals in which price is not requested in the Request for Qualifications (RFQ) or used as an evaluation factor. Instead, only technical qualifications are reviewed and negotiations are conducted with the best-qualified firm. PHAs may only procure A/E services (and development partners, as provided in 24 CFR 905.604(h)(1)) with this method.
- **Quotation** – The price or cost a vendor submits when the PHA is using the Simplified Acquisition Threshold procedures procurement method.
- **Request for Proposals (RFP)** – A method for soliciting proposals under both the competitive and non-competitive methods of procurement. PHAs use the evaluation criteria and factors for award stated in the RFP to evaluate proposals and select contractors. Price is only one criterion; PHAs also consider whether the proposal responds to the statement of work’s requirements and whether it would result in the greatest benefit to the PHA.
- **Responsible Bidder** – A bidder who: (1) can comply with the PHA’s required or proposed delivery or performance schedule; (2) has a satisfactory performance record; (3) has a satisfactory record of integrity and business ethics; (4) has the necessary organization, experience, accounting and operational controls, and technical skills to carry out the project, or the ability to obtain them; (5) has the necessary production, construction, and technical equipment and facilities to carry out the project, or the ability to obtain them; and (6) is otherwise qualified and eligible to receive an award under all applicable laws and regulations (e.g., the bidder is not suspended, debarred, or under a HUD-imposed Limited Denial of Participation).
- **Responsive Bid** – A bid that conforms exactly to the requirements in the Invitation for Bids (IFB).
- **Sanctions** – Measures that HUD may invoke to exclude or disqualify contractors, PHA staff, or agents acting on behalf of a PHA who violate the ethical standards of the PHA’s policies from participation in HUD programs. In the case of violations, HUD may exercise any available remedy under the ACC, Federal regulations and statutes, and grant agreements, including the U.S. Housing Act of 1937, as amended, 2 CFR Part 180, 200, and 2424, and 24 CFR Part 907.
- **Scope** – The overall boundaries and extent of a project. This may include criteria and preliminary design, budget parameters, and schedule or delivery requirements. The scope is a component of the Statement of Work (SOW).
- **Sealed Bidding** – A method of formal procurement. This method requires complete, adequate, and realistic specifications or purchase descriptions, two or more responsible bidders willing and able to compete for the PHA’s business, and that the type of procurement lends itself to a firm fixed price contract, meaning that the PHA can select a successful bidder principally based on price. If sealed bidding is used, PHAs must publicly advertise the bids, solicit bids from an adequate number of qualified sources, and provide these sources with sufficient time to respond prior to the date set for opening the bids. PHAs must also perform a public bid opening at the time and place

named in the invitation for bids. PHAs will award the contract in writing based on the lowest price a responsive and responsible contractor submitted. Sealed bidding is the preferred method for procuring construction services. See 2 CFR 200.320(b)(1) for complete information.

- **Section 8 ACC** – The written contract between HUD and the PHA, under which HUD agrees to make payments to the PHA, over a specified term, for housing assistance payments to owners and for the PHA administrative fee. The ACC specifies the maximum payment over the ACC term. The PHA agrees to administer the program in accordance with HUD regulations and requirements. 24 CFR 982.151(a). The document for this is form HUD-52520.
- **Show Cause Letter** – A document the Contracting Officer sends to a defaulting contractor notifying them that the contract may be terminated for default unless the contractor can adequately justify the PHA not terminating the contract within a specified time period (e.g., 10 days).
- **Simplified Acquisition Threshold** – The dollar amount below which a non-Federal entity may purchase property or services using informal procurement methods. The simplified acquisition threshold is currently \$350,000, but this threshold is periodically adjusted for inflation. 2 CFR 200.1; 48 CFR Part 2 Subpart 2.1. The Simplified Acquisition Threshold shall never exceed the amount specified in 2 CFR 200.320(a)(2)(i), (ii).
- **Single Source** – Any contract a PHA enters into without a competitive procurement process because only one known source exists or only a single supplier can fulfill the PHA's requirements. See 2 CFR 200.320(c)(2).
- **Solicitation** – The PHA's request for offers from potential offerors. A solicitation package generally contains the proposed contract, including contract terms and conditions, instructions to potential offerors regarding submitting an offer, and any other information needed to prepare an offer.
- **Solicitation Provisions** – The instructions provided to bidders/offerors in solicitations. The provisions must include how bidders/offerors prepare an offer, bonding requirements, date, and time for submission of offers. Provisions required by HUD, as applicable, are on forms HUD-5369, Instructions for Bidders, HUD-5369-A and B, Representations, Certifications and Other Statements and HUD-5369-B, Instructions to Offerors -Nonconstruction.
- **Specifications** – A specification is a detailed description of materials, supplies, equipment, pre-cuts, or construction work that tells vendors what the PHA wants to procure. Statement of Work (SOWs) are a subset of specification generally used as a component of the contract.
- **Statement of Work (SOW)** – A written description of work to be performed that establishes a PHA's standards for the goods or services under the contract.
- **Supplemental Agreement** – A type of contract modification to which both parties agree.
- **Termination for Cause** – Termination of a contract on a unilateral basis when the contractor fails to perform, fails to make progress (thereby endangering performance), or defaults as specified in the contract.
- **Termination for Convenience** – A PHA's unilateral termination of a contract when the PHA no longer needs the product or service or when it is in the PHA's best interest.
- **Time Delay** – An interruption during which contractors do not deliver supplies or do not complete services or work in accordance with the performance schedule in the contract.
- **Vendor** – The term often used for an offeror or contractor when talking about small purchasing.

## 1.10 ACRONYMS, INITIALISMS, AND ABBREVIATIONS

**1937 Act** – United States Housing Act of 1937

**A/E** – Architect/Engineer

**ABA** – American Bar Association

**ACC** – Annual Contributions Contract

**BAT** – Bureau of Apprenticeship and Training

**CEA** – Comprehensive Energy Analysis

**CFR** – Code of Federal Regulations

**CSS** – Community and Supportive Services

**DOE** – U.S. Department of Energy

**DOL** – U.S. Department of Labor

**EPC** – Energy Performance Contracting

**ESCO** – Energy Service Company

**FAR** – Federal Acquisition Regulation

**GAO** – U.S. Government Accountability Office

**GSA** – General Services Administration

**HCV**–Housing Choice Voucher

**HOPE VI** – Homeownership and Opportunity for People Everywhere

**HUD** – U.S. Department of Housing and Urban Development

**ICE** – Independent Cost Estimate

**IFB** – Invitation for Bids

**IPP** – Individual Procurement Plan

**LDP** – Limited Denial of Participation

**LGB**– Local Governing Body

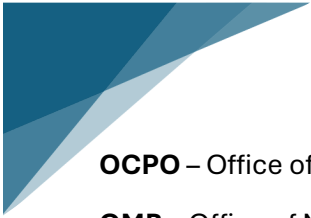
**LSP** – Legal Service Personnel

**MBDC** – Minority Business Development Center

**MOC** – Minority Owned Corporation

**NAICS** – North American Industry Classification System

**NOFO**– Notice of Funding Opportunity



**OCPO** – Office of the Chief Procurement Officer  
**OMB** – Office of Management and Budget  
**PBV** – Project-Based Voucher  
**PDF** – Portable Document Format  
**PHA** – Public Housing Agency  
**PHAS** – Public Housing Assessment System  
**PIH** – HUD Office of Public and Indian Housing  
**Pub.L.** – Public Law  
**QBS** – Qualifications-Based Selection  
**QHWRA** – Quality Housing and Work Responsibility Act  
**RFP** – Request for Proposals  
**RFQ** – Request for Qualifications  
**RMC** – Resident Management Corporation  
**SBDC** – Small Business Development Center  
**SOW** – Statement/Scope of Work  
**T-List** – U.S. Treasury Circular 570  
**U.S.C.** – United States Code  
**WBC** – Women's Business Centers  
**WBE** – Women's Business Enterprise