

Galilee Community Development Corp
Procurement Policy for Materials, Services and Contractors
(Amy Young Barrier Removal, Helping Hands and Light Rehab Program)

Date: September 27, 2012

SUBJECT: Procurement Policy for Materials, Services and Contractors in the Light Rehab Programs

The following policies and procedures shall be followed when Galilee CDC purchases equipment, materials, supplies, property, or services from an outside source for use in the Amy Young Barrier Removal Program, Helping Hands and Light Rehab Program.

General Policy

- Contractor contracts will conform to Galilee CDC's Code of Conduct Concerning Contracts, dated: May 12, 2010. In particular:
 - All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with Galilee CDC's Conflict of Interest policy.
 - No director, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the nonprofit.
 - Depending on the source awarding the funds, the purchase of items and/or services under the Federal small purchase threshold fixed at 41 U.S.C. 403 (11) (currently \$100,000) or at the Texas small purchase threshold of \$50,000 will be awarded without competition or with only one bid or offer received.
 - All Construction projects over \$10,000 must be approved by the Galilee CDC Board of Directors.
- The Galilee CDC Board of Directors must approve purchases over \$25,000. There must be two approved signatories on all checks for purchases over \$25,000 and checks written to the Executive Director.
- Galilee CDC staff shall conduct a cost analysis and document the analysis in the project files in conjunction with every purchase over the \$25,000 threshold. The file should include a justification for the lack of competition if competitive bids or offers are not obtained.

Procurement of Items and/or Services under \$25,000

Galilee CDC will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. Galilee CDC reserves the right to reject any bids or offers, if deemed to be in its best interest.

The Executive Director or Galilee CDC staff person directed to do so by the Executive Director shall authorize the purchase of necessary materials and/or all eligible costs relating to the specific project. The Executive Director will issue a threshold limit on purchasing items and/or services without additional approval by the Executive Director. Currently, Program Managers and Administrative Assistants may make purchases of up to \$250 without additional approval; Construction Supervisor may make purchases up to \$10,000 without additional approval; and the Executive Director may make purchases up to \$25,000 without approval of the Board of Directors, Galilee CDC. Board members of Galilee CDC are not authorized to purchase any items and/or services for Galilee CDC without the prior approval of the Executive Director or President.

In the case that the cost of an item to be procured seems inappropriate, one of the following procurement procedures shall be utilized for future purchases of that equipment, materials, supplies, property, or services:

- The nonprofit will inquire in the open market to ensure an advantageous price and quality. The file shall document the inquiries made and offers received.
- The nonprofit will request competitive quotes, orally or in writing, from at least three different sources. The procurement file shall document each invitation made and offer received.

Home Rehabilitation Production Model for General Contractor and/or Subcontractors

Depending on the project, Galilee CDC may choose to be the General Contractor (in-house) for the rehabilitation project. Reasons for choosing to be the General Contractor include (but are not limited to): current construction work load, controlling project costs, greater project control and home owner needs.

Galilee CDC may decide to contract with an (outside) Contractor for a home rehabilitation project. Reasons for choosing an outside Contractor include (but are not limited to): Increased production, less risk to our organization and unique Contractor skills and/or proprietary equipment.

It is the Executive Director's decision (with consultation with the Construction Supervisor, Program Manager and President of Galilee CDC) whether to be the in-house Contractor or to select an outside Contractor.

Procurement of Home Rehabilitations when Galilee CDC is the General Contractor

Procurement when Galilee CDC is the General Contractor is the same as when Galilee CDC is the General Contractor building new homes. The Construction Supervisor gets permits, orders materials, selects and coordinates work schedules with subcontractors, and inspects workmanship throughout the rehabilitation. The Program Manager coordinates the Home Buyers choices from the list of amenity selections. The Executive Director reviews expenses, looking for unusual variance in item and service costs. Upon discovering such expenses, the Executive Director finds out the reasonableness for such costs or if the expense was excessive. If determined to be excessive, Galilee CDC will cease future purchases from the vendor or supplier for a period approved by the Galilee CDC Board of Directors.

Subcontractors hired by the Galilee CDC Construction Supervisor will come from the Approved Contractors list, unless no contractor of that trade is available from the list. If that is the case, the Construction Supervisor and Executive Director will solicit Contractors of that trade to apply to be on the Approved Contractors list.

The Helping Hands program employs the use of volunteers and subcontractors. Galilee CDC will serve as the General Contractor. The purchase of the vast majority of materials needed to repair the home will be completed before the blitz day. A Team Captain will supervise their volunteer team. On blitz day, the Team Captain shall be allowed to order up to \$100.00 in materials from preauthorized suppliers. Blitz day purchases of materials costing more than \$100.00 can be approved by the Executive Director, Construction Supervisor or the Program Director to the limits expressed above in paragraph two.

Items that are extra and reusable will be retained and taken to the Helping Hands storeroom. Every effort will be made to not purchase unnecessary items.

Galilee CDC is an approved Lead Certified Renovator and will supervise work by volunteer teams at homes older than 1978, which exceed the de minimis lead paint disruption. Volunteer teams will be trained in and use lead safe work practices.

Often, the repair of a house requires the use of subcontractors to prepare the house for work that volunteers will complete. If that is the case, the Construction Supervisor will hire subcontractors from the Approved Contractors list. The Construction Supervisor will coordinate with the Helping Hands Program Manager and Galilee CDC Executive Director in the selection and scope of work by subcontractors hired to perform work under the Helping Hands Program. At the Executive Directors discretion, the repair of the house may be put out for bids to an outside Contractor.

Sources awarding the grant funds may require some minor additional adjustments to this process.

Procurement of Home Rehabilitations when using an outside General Contractor

When selecting an outside General Contractor, Galilee CDC will use a Formal Proposal Procedure. The nonprofit will solicit competitive responses through a formal bid process. The steps for competing for a Rehab project are below:

Galilee CDC will accept and maintain a list of preapproved Contractors for Rehab projects. To be put on the list, Contractors must complete an application for preapproval. The application is enclosed with this document. On the application, the Contractor can choose to be listed as a Subcontractor (by trade), as a General Contractor or as both.

Contractors on the Approved Contractors list must have government required license, certification or registration. They must possess the skills, resources and be legally eligible to conduct their trade within the scope of the rehab project. They must be agreeable to the terms of contracting with Galilee CDC. Terms of contracting with Galilee CDC are found in the General Specification and the Contract with Independent Sub-Contractor.

Galilee CDC will announce the Request For Bids to the list of pre-approved Contractors through an email. The Request For Bids will also be posted on the Galilee CDC website. This way, Contractors not on the Approved Contractors list have the opportunity to get on the list and bid. The Request For Bids includes the Scope of Work, General Specifications and Specific Specifications for the project. In addition, the date that sealed bids are due, proposed start date, address and the date and time available for Contractor walk-through of the property will be included. If the house to be rehabbed is older than 1978, bidders must be Lead Based Paint Certified Renovators and Lead Paint Safe Work practices must be employed.

During the walk-through, items on the Scope of Work will be discussed. As long as all bidders are present and aware, minor changes to the Scope of Work can be approved by the Galilee CDC Executive Director or the Construction Supervisor at the walk-through. If major changes are required, the project bid process will be stopped and a new Scope of Work and request for bids issued. Change orders will be very few and difficult to get approved. So, Contractors must be clear on the Scope of Work. Contractors that do not have a representative at the walk-through will not be able to bid on the project.

Contractors will submit complete written bids as required in the bid packet. The Contractor's charge for completing each item of the Scope of Work must be stated. The Contractor will factor in suitable profit, overhead, insurance and other related soft costs to each item of the Scope of Work. The bid must be sealed when delivered to the Galilee CDC office. Occasionally, alternate items for bid will be included in the bid packet. Depending on available funding and the project budget, these items may or may not be included in the contract with the winning bidder.

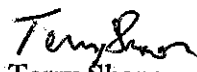
Bids will remain sealed until the time designated in the request for bids. At least two persons will be present to open the bids. Upon opening the bids, we will check for completeness and tabulate the correctly completed bids. It is the bidder's responsibility to ensure the bid is filled out correctly and SIGNED by the bidder. The winning bid will be the lowest bid that is within 10% above or below Galilee CDC's Cost Estimation. The winning bidder will be notified, the next day.

Galilee CDC will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms. The start and completion date will be included in the contract. Depending on the grant funding source, the home owner may be required to sign the contract.

Galilee CDC will evaluate the General Contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts. The evaluation measures will include quality of workmanship, timeliness and completion of the Scope of Work and the Contractor's ability to interact with the home owner without undue conflict. A copy of the evaluation form to be used will be included in the Approved Contractor application package. An average score below 7 will put that Contractor on probation. A second average score below 7, within the next three years, will mean the Contractor is removed from the Approved Contractors List for a period determined by the Galilee CDC Board of Directors.

Galilee CDC shall maintain files on all projects sent out to bids by qualified Contractors, bids received and the tabulations and award of contracts.

This Procurement Policy for Materials, Services and Contractors in Light Rehab Programs was approved by the Galilee CDC Board of Directors on September 27, 2012.


Terry Shaner
Executive Director
Galilee CDC

Encl.

General Contractors Evaluation Form

Date _____

Name of General Contractor _____

Address of House _____

Category	Eval By	Measure	Score
Quality of Workmanship	GCDC	No punch items=10 1 punch item=9 2-3 punch items= 8 4-5 punch items=7 More than 5 punch items=5	
Timeliness (Approved Extensions do not lower score)	GCDC	Started Project & Completed Project on time =10 Completed Project on time=9 Project completed 1 day late=8 Project completed 2 to 10 days late=7 Project more than 10 days late=5	
Completion of Scope of Work	GCDC	All items in Scope completed with approved materials, installed properly, in right location=10 Required one reinspection=9 Required two reinspections=7 Required more than two reinspections=5	
Interaction with Home Owner	Home Owner	Question 3 on the Home Owner's Post Construction Survey	
		Average Score	

An AVERAGE SCORE below 7 will put that Contractor on probation. A second AVERAGE SCORE below 7, within the next three years, will mean the Contractor is removed from the Approved Contractors List.

**Galilee CDC
Home Owner's Post Construction Survey**

Please take a moment and tell us about your experience with having your home repaired.

Name: _____ Address: _____

Use this scale to indicate your opinion about the statements below.
Circle your answer to each statement:

- 1-Rubbish
- 2-Incomplete
- 3-Faulty
- 4-Poor
- 5-Deficient
- 6-Adequate
- 7-Average
- 8-Satisfied
- 9-Very Satisfied
- 10-Excellent

1. The helpfulness of the administrative staff at Galilee CDC (QA)	1 2 3 4 5 6 7 8 9 10
2. The repairs made will improve my health, safety or accessibility (QA)	1 2 3 4 5 6 7 8 9 10
3. I would rate my experience with the Contractors (QA)	1 2 3 4 5 6 7 8 9 10
4. The quality of the work done on your house (QC)	1 2 3 4 5 6 7 8 9 10
5. The quality of the materials used in repairing your house (QC)	1 2 3 4 5 6 7 8 9 10
6. The overall construction experience (QA/QC)	1 2 3 4 5 6 7 8 9 10

Please include any written comments that you might have:

If you have any questions or additional comments, you may contact me at 325 655-6700. Thank you for your time and input.

QA-Quality Assurance measures the process of doing the right things, the right way.

QC-Quality Control measures if outputs are what were expected.

To be placed on the Approved Contractors List, we need a completed:

1. Certification of Debarment and Suspension
2. Certification of Drug Free Work Place
3. W-9
4. Application for Approved Contractors List

Application for Approved Contractors List	
Date:	General Contractor (YES or NO)
Name of Contractor	Subcontractor Trades
Name of Company	Registered Contractor with the City of San Angelo (YES or NO)
Address	Approved Contractor with the City of San Angelo-Community Housing Services (YES or NO)
Phone Number	Email
Contractor License (if any)	Lead Base Paint Certifications
Insurance (if any)	Reference Name:
Years of Construction Experience	Reference Phone Number:
Is your company a Minority or Woman Owned Business?	

Please return all the forms to Galilee CDC at 1404 S. Oakes Street, San Angelo, Texas 76903. Or scan and email them to office@galileecdc.org.

Thank you,

Terry Shaner
Executive Director
Galilee CDC