

HUD Acquisition Regulation (HUDAR) Coversheet



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U.S. Department of Housing and Urban Development

HUD ACQUISITION
REGULATION
(HUDAR)

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HUD ACQUISITION REGULATION

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2401.000 Scope of Part.

This part describes the method by which the Department of Housing and Urban Development (HUD) implements, supplements and deviates from the Federal Acquisition Regulation (FAR) through the establishment of the HUD Acquisition Regulation (HUDAR), which prescribes the Department's procurement policies and procedures under the FAR System.

Subpart 2401.1--Purpose, Authority, Issuance**2401.100 Scope of subpart.**

This subpart describes the HUDAR and states its relationship to the FAR System. This subpart also provides the explanation of the purpose and the authorities under which the HUDAR is issued.

2401.101 Purpose.

The Department of Housing and Urban Development Acquisition Regulation is hereby established as Chapter 24 of the Federal Acquisition Regulation System (48 CFR Chapter 24). It is issued to provide uniform Departmental policies and procedures for the acquisition of supplies, personal property and non-personal services by the Department's contracting activities and to make these policies and procedures readily available to Departmental personnel and to the public.

2401.103 Authority.

The HUDAR is prescribed under section 7(d) of the Department of HUD Act (42 U.S.C. 3535(d)), section 205(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(c)), the general authorization in FAR 1.301, and the Secretary's delegations of procurement authority.

2401.104 Applicability.

All acquisition of personal property and non-personal services (including construction) by HUD, except as may be otherwise authorized by law, must be accomplished in accordance with the HUDAR and the FAR.

2401.105 Issuance.**2401.105-2 Arrangement of regulations.**

(a) *General.* Chapter 24 is divided into parts, subparts, sections, subsections, paragraphs and further subdivisions as necessary.

(b) *Numbering.* Generally, the numbering system and part, subpart, and section titles used in the HUDAR conform with those used in the FAR or as follows:

(1) When the HUDAR implements or deviates from a parallel part, subpart, section, subsection, or paragraph of the FAR, that implementation or deviation will be numbered and captioned where possible to correspond to the FAR part, subpart, section, subsection, or paragraph. For example, FAR Subpart 1.4, Deviations, is implemented in HUD's acquisition regulations at Subpart 2401.4, Deviations. (The "24" in the number indicates what chapter of Title 48 contains the HUDAR.)

(2) When HUD supplements material contained in the FAR, it is given a unique number containing the numerals "70" or higher. The rest of the number will parallel the FAR part, subpart, section, subsection or paragraph it is supplementing. For example, FAR 14.407, Award, does not contain a provision for the steps to be taken when only one bid is received. The HUDAR provides this information. Since the subject matter supplements what is contained in FAR 14.407, the HUDAR section supplementing the FAR is numbered 2414.407-70.

(3) Where material in the FAR requires no implementation or deviation, there is no corresponding numbering in the HUDAR. Therefore, there may be gaps in the HUDAR sequence of numbers where the FAR, as written, is applicable to the HUDAR and requires no further implementation.

(c) *Citation.* The HUDAR will be cited in accordance with Federal Register standards approved for the FAR. Thus, this section when referred to in the HUDAR is cited as 2401.105-2(c). When this section is referred to formally in official documents, such as legal briefs, it should be cited as "48 CFR 2401.105-2(c)." Any section of the HUDAR may be formally identified by the section number, e.g., "HUDAR 2401.105-2." In the HUDAR, any reference to the FAR will be indicated by "FAR" followed by the section number, for example FAR 37.108.

2401.106 OMB approval under the Paperwork Reduction Act.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520) requires that Federal agencies obtain approval from the Office of Management and Budget (OMB) before collecting information from 10 or more persons. HUD has received approval from OMB to collect information under the provisions of its Acquisition Regulation. The OMB Approval Number is 2535-0091.

Subpart 2401.3--Agency Acquisition Regulations

2401.301 Policy.

(a)(1) *Implementation.* The HUDAR implements and supplements the FAR. Implementation material is that which expands upon related FAR material. Supplementing material is that for which there is no counterpart in the FAR.

2401.302 Limitations.

(c) *Exclusions.* Certain HUD policies and procedures which come within the scope of this chapter are not included in the HUDAR. Not included is a policy or procedure of an internal nature or which is expected to be effective for a period of less than six months.

Subpart 2401.4--Deviations from the FAR**2401.403 Individual deviations.**

In individual cases, proposed deviations from the FAR or HUDAR shall be submitted to the Senior Procurement Executive (see 2401.601-70) for approval or other necessary or appropriate action. A supporting statement shall be submitted with the proposed deviation indicating briefly the nature of the deviation and the reasons for granting the deviation, consistent with FAR 1.402. The contract file shall include a copy of the request submitted and the approval. In emergency situations involving individual cases, deviation approvals may be processed by telephone and later confirmed

in writing.

2401.404 Class deviations.

For deviations which affect more than one contracting action, proposed deviations from the FAR or HUDAR shall be submitted to the Senior Procurement Executive for approval or other necessary or appropriate action. Requests for deviations shall be supported by statements which fully disclose the nature of the deviation and the need there of. The Procurement Executive will consider the proposal on an expedited basis and in the case of a proposed FAR deviation will comply with FAR 1.404.

Subpart 2401.6--Career Development, Contracting Authority and Responsibilities

2401.601 General.

2401.601-70 Senior Procurement Executive.

Unless otherwise designated by the Secretary through a delegation of authority, the Chief Procurement Officer is the Department's Senior Procurement Executive and is responsible for all departmental procurement policy, regulations, and procedures, and oversight of all HUD procurement operations. The Senior Procurement Executive is also responsible for the development of HUD's procurement system standards, evaluation of the system in accordance with approved criteria, enhancement of career management of the procurement workforce, and certification to the Secretary that the Department's procurement system meets approved criteria.

2401.602 Contracting Officers.

2401.602-3 Ratification of unauthorized commitments.

(b)(1) Requests for ratification of unauthorized commitments arising in HUD Headquarters shall be submitted in writing to the Contracting Officer through the Chief Procurement Officer. The Assistant Secretary or equivalent official for the office that created the unauthorized commitment shall sign requests. Requests for ratification of unauthorized commitments arising in the field shall be submitted in writing to the Director of the cognizant FCO. The Director of the field-based office that created the unauthorized commitment shall sign the request.

(3) In accordance with FAR 1.602-3(b)(3), the Deputy Chief Procurement Officer is delegated authority to ratify unauthorized commitments arising in HUD Headquarters.

(c)(5) Concurrence by legal counsel in the Contracting Officer's recommendation for payment of an unauthorized commitment (see FAR 1.602-3(c)(5)) shall not be required when the value of the payment is equal to, or less than, the simplified acquisition threshold.

(7) Requests shall include:

- (i) An explanation of the need for the services or supplies;
- (ii) The reasons why normal procurement procedures were not followed;
- (iii) The circumstances and events associated with the unauthorized commitment;
- (iv) The price competition that was obtained or the price otherwise justified;
- (v) The amount of any funding needed to meet the obligation created by the unauthorized commitment and evidence of funds availability;

(vi) The name and position of the individual who made the unauthorized commitment; and

(vii) A description of the corrective management measures to prevent future unauthorized commitments. If the individual who made the unauthorized commitment is no longer available, appropriate program personnel shall provide the information described in this paragraph.

2401.603 Selection, appointment and termination of appointment.

2401.603-2 Selection.

(a) In selecting Contracting Officers, appointing authorities shall consider the experience, education, training, business acumen, judgment, character, reputation, and ethics of the individual to be appointed. Appointing authorities shall also consider the size and complexity of contracts the individual will be required to execute or administer, and any other limitations on the scope of the authority to be exercised.

(b) Individuals appointed to a position having Contracting Officer authority, and whose primary duties are performed as a Contracting Officer, other than contracting authority limited to simplified acquisition procedures, shall meet the following requirements:

(1) The education and specialized experience commensurate with the grade of the appointee as set forth in the qualification standards for the GS-1102 occupational series developed by the Office of Federal Procurement Policy under the authority of 41 U.S.C. 433, and two years of experience performing contracting, procurement, or purchasing operations in a government or commercial procurement office. Alternately, where appointment of a Contracting Officer involves a specialized procurement field, experience in that field may be considered as a criterion for appointment.

(2) Successful completion of contracting-related training as prescribed by the Senior Procurement Executive.

(c) The Senior Procurement Executive may waive education and specialized experience requirements as provided for in the qualification standards developed by the Office of Federal Procurement Policy under the authority of 41 U.S.C. 433.

2401.603-3 Appointment.

(a) Appointments to officials not expressly delegated procurement authority by a published departmental delegation of authority shall be made in writing by the Head of the Contracting Activity. The Certificate of Appointment (SF 1402) shall constitute the appointing official's determination that the appointee meets the selection requirements set forth at 2401.603-2.

PART 2402--DEFINITIONS OF WORDS AND TERMS

Sec.

2402.000 Scope of part.

Subpart 2402.1--Definitions

2402.101 Definitions.

2402.000 Scope of Part.

This part contains definitions of terms used generally throughout the HUDAR, in addition to those set forth in FAR part 2. Additional definitions will be found in individual subparts of the FAR and HUDAR covering terms used in those subparts only.

Subpart 2402.1--Definitions**2402.101 Definitions.**

“*Accounting Office*” means the Office of Accounting Operations within the Office of the Chief Financial Officer and includes that Office’s field components.

“*Chief Procurement Officer*” means the HUD official having authority for all of the Department’s procurement activities.

“*Department*” means the Department of Housing and Urban Development, which may also be designated as HUD.

“*Government Technical Monitor (GTM)*” means the individual responsible for assisting a Government Technical Representative in the latter’s performance of his/her duties.

“*Government Technical Representative (GTR)*” means the individual serving as the Contracting Officer’s representative responsible for monitoring the technical

aspects of a contract, including guidance, oversight, and evaluation of the Contractor’s performance and deliverables.

“*Head of Contracting Activity (HCA)*” is defined in accordance with FAR subpart 2.1. The following HUD officials are designated as HCAs:

(1) The Chief Procurement Officer, for HUD Headquarters procurements. The Chief Procurement Officer may delegate this authority to the Deputy Chief Procurement Officer; and

(2) The Directors, Field Contracting Operations, for procurements on behalf of their field-based requiring activities.

“*Legal Counsel*” means the Office of General Counsel in Headquarters, or the cognizant Assistant General Counsel in the field.

“*Primary Organization Heads*” are those officials of the Department who are responsible for the major organizational components of HUD and who report directly to the Secretary or Deputy Secretary. The Primary Organization Heads of HUD include the Assistant Secretaries and equivalent Departmental management (e.g., President, GNMA, Inspector General, General Counsel, Chief Procurement Officer, etc.).

“*Secretary*” means the Secretary of the Department of Housing and Urban Development, or his or her designee.

“*Senior Procurement Executive*” means the Chief Procurement Officer.

PART 2403--IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Sec.

Subpart 2403.1--Safeguards
2403.101 Standards of conduct.

Subpart 2403.2--Contractor Gratuities to Government Personnel
2403.203 Reporting procedures.
2403.204 Treatment of violations.

Subpart 2403.3--Reports of Suspected Antitrust Violations
2403.303-70 Reporting Requirements.

Subpart 2403.4--Contingent Fees
2403.405 Misrepresentations or violations of the covenant against contingent fees.

Subpart 2403.5--Other Improper Business Practices
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Subpart 2403.6--Contracts with Government Employees or Organizations Owned or Controlled by Them
2403.601 Policy.
2403.670 Solicitation provision and contract clause.

Subpart 2403.1--Safeguards

2403.101 Standards of conduct.

Detailed rules which apply to the conduct of HUD employees are set forth in 5 CFR Parts 2635 and 7501

Subpart 2403.2--Contractor Gratuities to Government Personnel

2403.203 Reporting procedures.

Suspected violations of the gratuities clause (FAR 52.203-3) shall be reported to the Head of the Contracting Activity (HCA) in writing. The HCA will request the Office of Inspector General (OIG) to conduct any necessary investigation. Upon receipt of the OIG report, the HCA will

evaluate the circumstances to determine if a violation has occurred. The HCA will refer violations and recommended corrective actions to the Senior Procurement Executive for disposition.

2403.204 Treatment of violations.

The Senior Procurement Executive will process violations in accordance with FAR 3.204.

Subpart 2403.3--Reports of Suspected Antitrust Violations**2403.303-70 Reporting requirements.**

Potential anti-competitive practices such as described in FAR Subpart 3.3, evidenced in bids or proposals, shall be

reported to the Office of General Counsel through the Head of the Contracting Activity with a copy to the Senior Procurement Executive and the Inspector General. The Office of General Counsel will provide reports to the Attorney General as appropriate.

Subpart 2403.4--Contingent Fees**2403.405 Misrepresentations or violations of the Covenant Against Contingent Fees.**

(a) Government personnel who suspect or have evidence of attempted or actual exercise of improper influence, misrepresentation of a contingent fee arrangement, or other violation of the Covenant against Contingent Fees shall report the matter promptly to the Head of the Contracting Activity.

(b) When there is specific evidence or other reasonable basis to suspect one or more of the violations in paragraph (a)

of this section, the Head of the Contracting Activity shall review the facts and, if appropriate, take or direct one or more of the following, or other, actions:

- (1) If before award, reject the bid or proposal.
- (2) If after award, enforce the government's right to void the contract or to recover the fee.
- (3) Initiate suspension or debarment action.
- (4) Refer suspected fraudulent or criminal matters to the Office of Inspector General for possible referral to the Department of Justice.

Subpart 2403.5--Other Improper Business Practices

2403.502-70 Subcontractor kickbacks.

Contracting Officers shall report suspected violations of

the Anti-Kickback Act through the Head of the Contracting Activity to the Office of Inspector General consistent with the procedures for reporting any violation of law contained in the current HUD Handbook 2000.3, Office of Inspector General Activities.

**Subpart 2403.6--Contracts with Government
Employees or Organizations Owned or
Controlled by Them**

2403.602 Policy.

The Senior Procurement Executive must approve exceptions to the restriction against contracts with Government employees under FAR Subpart 3.6. In addition,

the Contracting Officer shall comply with FAR Subpart 9.5 before awarding any such contract.

**2403.670 Solicitation Provision and Contract
Clauses.**

Insert the clause at 2452.203-70 in all solicitations and contracts.

PART 2404--ADMINISTRATIVE MATTERS

Sec.

Subpart 2404.8--Government Contract Files

2404.805 Storage, handling and disposal of contract files.

Subpart 2404.8--Government Contract Files

2404.805 Storage, handling and disposal of contract files.

(a) Unsuccessful cost and technical proposals shall be retained in the contracting activity for a period of two months following the contract award as reference material for debriefings. Upon expiration of the two-month period, the contracting office shall either:

- (1) Retain one copy of each such proposal with the official contract file; or,
- (2) Ship one copy of each unsuccessful bid or proposal to the Federal Records Center unless a debriefing

has been requested but not held, or a protest is pending concerning the procurement. In no event shall these documents be destroyed before expiration of the retention periods in FAR 4.805.

(b) *By the program office.* Unsuccessful proposals shall be retained on file in the program office which conducted the technical evaluation for a period of two months following the contract award. Upon expiration of the two-month period, the program office shall return one copy of each unsuccessful bid or proposal not required for the conduct of debriefings to the contracting activity for proper disposition. The remaining copies will be destroyed.

PART 2405--PUBLICIZING CONTRACT ACTIONS

Sec.

Subpart 2405.2--Synopsis of Proposed Contract Actions

2405.202 Exceptions.

Subpart 2405.5--Paid Advertisements

2405.502 Authority.

**Subpart 2405.2--Synopsis of Proposed Contract
Actions****2405.202 Exceptions.**

(b) The Senior Procurement Executive shall make the written determination in accordance with FAR 5.202(b) that advance notice of proposed contract actions is not appropriate or reasonable.

Subpart 2405.5--Paid Advertisements**2405.502 Authority.**

Use of paid advertisements in newspapers, trade journals, and other media are authorized by Delegations or Redelegations of Authority, subject to the availability of funds.

PART 2406--COMPETITION REQUIREMENTS

Sec.

Subpart 2406.2--Full and Open Competition After Exclusion of Sources

2406.202 Establishing or maintaining alternative sources.

Subpart 2406.3--Other Than Full and Open Competition

2406.304 Approval of the justification.

2406.304-70 Approval of the justification - field procurements.

Subpart 2406.5--Competition Advocates

2406.501 Requirement.

**Subpart 2406.2--Full and Open Competition
After Exclusion of Sources**

**2406.202 Establishing or maintaining alternative
sources.**

(b)(1) The HCA shall sign the Determination and Finding (D&F) required by FAR 6.202(b)(1).

Subpart 2406.3--Other than Full and Open Competition**2406.304 Approval of the justification.**

(c) A class justification for other than full and open competition shall be approved in writing by the Senior Procurement Executive.

2406.304-70 Approval of the justification--field procurements.

(a) The justification for other than full and open competition for field procurements shall be approved in writing—

(3) For a proposed contract with a value of more than \$1 million but not exceeding \$50 million, by the Deputy Chief Procurement Officer.

Subpart 2406.5--Competition Advocates**2406.501 Requirement.**

The Senior Procurement Executive shall designate the Department's competition advocate by Federal Register notice. Contracting activity-level competition advocates shall be appointed by each HCA.

PART 2407--ACQUISITION PLANNING

Sec.

2407.102

Subpart 2407.1--Acquisition Plans

Policy.

Subpart 2407.1--Acquisition Plans**2407.102 Policy.**

The Senior Procurement Executive is responsible for establishing and maintaining internal procedures to implement the Department's Advance Procurement Planning System (APPS). The APPS should generally meet the criteria contained in FAR Subpart 7.1.

PART 2408 -- REQUIRED SOURCES OF SUPPLIES AND SERVICES

Sec.

**Subpart 2408.8-- Acquisition of Printing and Related
Supplies**

2408.802-70 Contract clause.

**Subpart 2408.8 Acquisition Of Printing And
Related Supplies****2408.802-70 Contract clause.**

The Contracting Officer shall insert the clause at 2452.208-71, Reproduction of Reports, in solicitations and contracts where the contractor is required to produce, as an end product, publications or other written materials.

PART 2409--CONTRACTOR QUALIFICATIONS

Sec.

Subpart 2409.5--Organizational and Consultant Conflicts of Interest

- 2409.503 Waiver.
- 2409.507 Solicitation provisions and contract clauses.
- 2409.507-1 Solicitation provision.
- 2409.507-2 Contract clause.

Subpart 2409.70--Debarment, Suspension, and Ineligibility

- 2409.7001 HUD regulations on debarment, suspension, and ineligibility.

Subpart 2409.5--Organizational and Consultant Conflicts of Interest

2409.503 Waiver.

The Senior Procurement Executive is authorized to waive any general rule or procedure in FAR Subpart 9.5 by determining that its application to a particular situation would not be in the Government's interest.

2409.507 Solicitation provision and contract clause.

2409.507-1 Solicitation provision.

The Contracting Officer shall insert a provision substantially the same as the provision at 2452.209-70, Potential Organizational Conflicts of Interest in all solicitations over the simplified acquisition limitation when the Contracting Officer has reason to believe that a potential organizational conflict of interest exists. The Contracting

Officer shall describe the nature of the potential conflict in the provision.

2409.507-2 Contract clause.

The Contracting Officer shall insert a clause substantially the same as the clause at 2452.209-71, Limitation on Future Contracts, in solicitations and contracts for services above the simplified acquisition threshold whenever the Contracting Officer has reason to believe that the nature of the proposed contract requirements may present an organizational conflict of interest as defined at FAR subpart 9.5. The Contracting Officer shall describe in the clause the nature of the potential conflict and the negotiated terms and duration of the limitation.

The Contracting Officer shall insert the clause at 2452.209-72, Organizational Conflicts of Interest, in all solicitations and contracts.

**Subpart 2409.70--Debarment, Suspension, and
Ineligibility**

**2409.7001 HUD regulations on debarment, suspension,
and ineligibility.**

Departmental policies and procedures concerning debarment and suspension are contained in 24 CFR Part 24.

PART 2410 [RESERVED]

PART 2411--DESCRIBING AGENCY NEEDS

Sec.

Subpart 2411.4--Delivery or Performance Schedules

2411.404 Contract clause.

Subpart 2411.4--Delivery or Performance Schedules

Date and Contract Period, in all solicitations and contracts for services, other than indefinite-delivery contracts.

(b) If the contract includes options to extend the period of the contract, the Contracting Officer shall use the clause with its Alternate I.

2411.404 Contract clause.

(a) The Contracting Officer shall insert a clause substantially the same as the clause at 2452.211-70, Effective

PART 2412 [RESERVED]

PART 2413--SIMPLIFIED ACQUISITION PROCEDURES

Sec.

Subpart 2413.3--Simplified Acquisition Methods

2413.301 Governmentwide commercial purchase card.

2413.305 Imprest funds and third party drafts.

2413.305-2 Agency responsibilities.

2413.305-3 Conditions for use.

Subpart 2413.3--Simplified Acquisition Methods**2413.301 Governmentwide commercial purchase card.**

(b) HUD's procedures concerning the use of the government-wide commercial purchase card are contained in its Handbook on the Government-wide Commercial Credit Card Program.

2413.305 Imprest Funds and Third Party Drafts.**2413.305-2 Agency responsibilities.**

(c) Policies and procedures governing the operation of imprest funds are established in internal directives issued by HUD's Office of the Chief Financial Officer.

2413.305-3 Conditions for use.

(a) Transaction limits above that established in FAR 13.305-3(a) may be approved by the Senior Procurement Executive.

PART 2414--SEALED BIDDING

Sec.

Subpart 2414.4--Opening of Bids and Award of Contract

2414.404 Rejection of bids.

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2414.407 Mistakes in bids.

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2414.408 Award.

2414.408-70 Award when only one bid is received.

Subpart 2414.4--Opening of Bids and Award of Contract**2414.404 Rejection of bids.****2414.404-1 Cancellation of invitations after opening.**

(c) Invitations may be canceled and all bids rejected before award but after opening when the Head of the Contracting Activity, as described in Subpart 2402.1, determines in writing that cancellation is appropriate and consistent with FAR 14.404-1.

2414.407 Mistakes in bids.**2414.407-3 Other mistakes disclosed before award.**

(e) The determination to allow a bidder to: correct a mistake in bid discovered before award (other than obvious clerical errors); withdraw a bid; or, neither correct nor withdraw a bid shall be submitted to the Head of the Contracting Activity for approval.

2414.407-4 Mistakes after award.

(d) For determinations under FAR 14.407-4(b), the Head of the Contracting Activity will obtain the concurrence of legal counsel before notification to the contractor. The Contracting Officer shall be notified promptly of action to be taken.

2414.408 Award.**2414.408-70 Award when only one bid is received.**

When only one bid is received in response to an invitation for bids, such bid may be considered and accepted if the Contracting Officer makes a written determination that: (a) The specifications were clear and not unduly restrictive; (b) adequate competition was solicited and it could have been reasonably assumed that more than one bid would have been submitted; (c) the price is reasonable; and (d) the bid is otherwise in accordance with the invitation for bids. Such a determination shall be placed in the file.

PART 2415--CONTRACTING BY NEGOTIATION

Sec.

Subpart 2415.2--Solicitation and Receipt of Proposals and Information

- 2415.204 Contract format.
- 2415.209 Solicitation provisions.

Subpart 2415.3--Source Selection

- 2415.303 Responsibilities.
- 2415.304 Evaluation factors and subfactors.
- 2415.305 Proposal evaluation.
- 2415.308 Source selection decision.

Subpart 2415.5--Preaward, Award, and Postaward Notifications, Protests, and Mistakes

- 2415.507 Protests against award.

Subpart 2415.6--Unsolicited Proposals

- 2415.604 Agency points of contact.
- 2415.605 Content of unsolicited proposals.
- 2415.605-70 Unsolicited research proposals.

Subpart 2415.2 --Solicitation and Receipt of Proposals and Quotations

2415.204 Contract format.

(e) The cognizant HCA shall be responsible for making exemptions pursuant to FAR 15.204(e).

2415.209 Solicitation provisions.

(a) The Contracting Officer shall insert a provision substantially the same as the provision at 2452.215-70, Proposal Content, in all solicitations for negotiated procurements using the tradeoff selection process expected to

exceed the simplified acquisition limit. The Contracting officer shall adapt paragraph (c) of the provision (i.e., include, delete or further supplement subparagraphs) to address the particular requirements of the immediate solicitation. The provision may be used in simplified acquisitions when it is necessary to obtain technical and management information in making the award selection. When award selection will be made through the lowest-priced technically acceptable proposal method, the provision shall be used with its Alternate I. If the proposed contract requires work on, or access to, sensitive automated systems or applications (see the clause at 2452.239-70), the provision shall be used with its Alternate II.

Subpart 2415.3--Source Selection

2415.303 Responsibilities.

(a) In accordance with FAR 15.303, the source selection authorities are designated as follows:

(1) The Contracting Officer, for contracts awarded using the lowest price technically acceptable proposal process.

(2) The Assistant Secretary or equivalent for the office initiating the procurement for contracts awarded using the tradeoff process. The Assistant Secretary or equivalent may delegate this function to appropriate departmental personnel.

(3) For procurements for the performance of legal services by outside counsel using either the lowest price technically acceptable or tradeoff process, the General Counsel or his/her designee.

(b) The technical requirements related to source selection shall be performed by a Technical Evaluation Panel (TEP). Generally, a TEP will consist of three to five members, with one member serving as the chairperson. For procurements involving technical complexity, the TEP may include advisors and committees to focus on specific technical areas or concerns. For relatively low dollar value and routine acquisitions of equipment, supplies or services, the TEP may consist of one technical representative. The TEP is responsible for documenting the evaluation of all proposals as appropriate to the source selection approach in use and for making the source selection recommendation to the source selection authority.

2415.304 Evaluation factors.

(d)(1) The solicitation shall state the basis for the source selection decision as either "lowest-priced technically-acceptable" process (LPTA) or "trade-off process" (as defined at FAR Subpart 15.1).

DEVIATION (JUNE 2001) Delete paragraph (d)(2) in its entirety.

2415.305 Proposal evaluation.

(a) After receipt of proposals, the Contracting Officer will forward copies of the technical portion of each proposal to the TEP Chairperson or his or her designee. The cost/price portion of each proposal shall be retained by the Contracting Officer pending initial technical evaluation by the TEP.

(3) *Technical evaluation.* The TEP shall rate each proposal based on the evaluation factors specified in the solicitation. The TEP shall identify each proposal as being either acceptable, unacceptable but capable of being made acceptable, or unacceptable. A proposal shall be considered unacceptable if it is so clearly deficient that it cannot be corrected through written or oral discussions. Under the trade-off process, predetermined cut-off scores designed to determine a threshold level of acceptability of proposals shall not be employed. A technical evaluation report, which complies with FAR 15.305(a)(3), shall be prepared and signed by the technical evaluator(s), furnished to the contracting officer, and maintained as a permanent record in the official procurement file.

2415.308 Source selection decision.

After receipt and evaluation of final proposal revisions, the TEP shall document its selection recommendation(s) in a final written report. The final report shall include sufficient information to support the recommendation(s) made, appropriate to the source selection approach and type and complexity of the acquisition.

**Subpart 2415.5 - Preaward, Award and
Postaward Notifications, Protests and
Mistakes**

2415.507 Protests against award.

Protests against awards of negotiated procurements shall be processed in accordance with FAR Subpart 33.1 and HUDAR Subpart 2433.1.

Subpart 2415.6 --Unsolicited Proposals

2415.605 Content of unsolicited proposals.

2415.605-70 Unsolicited research proposals.

FAR Subpart 15.6 outlines the policies and procedures relating to unsolicited proposals. In addition to these requirements, the Department requires that each award made as the result of an unsolicited proposal for research contain a commitment to provide actual cost-sharing. This provision will be included in the award whether or not cost-sharing was part of the unsolicited proposal.

2415.606 Agency procedures.

(a) The contact points shall ensure that unsolicited proposals are controlled, evaluated, safeguarded, and disposed of in accordance with FAR subpart 15.6. Proposals, as used in this section, shall mean proposals for

procurement contracts with the Department and shall not include proposals or applications for assistance, including grants or cooperative agreements.

(b) Unless otherwise specified in a Federal Register announcement, unsolicited proposals should be submitted to:

(1) For research: Department of Housing and Urban Development, Office of Policy Development and Research, PD&R Correspondence Unit, 451 Seventh Street, SW, Washington, DC 20410-0001.

(2) For all others: Department of Housing and Urban Development, Office of the Chief Procurement Officer, 451 Seventh Street, SW, Washington, DC 20410-0001.

(c) Individuals or organizations interested in submitting unsolicited proposals should contact the appropriate office in paragraph (b) for additional information on proposal requirements.

PART 2416--TYPES OF CONTRACTS

Sec.

Subpart 2416.4--Incentive Contracts

2416.406 Contract clauses.

Subpart 2416.5--Indefinite-Delivery Contracts

2416.505 Ordering.

2416.506-70 Solicitation provisions and contract clauses.

Subpart 2416.6--Time-and-Materials, Labor-Hour and Letter Contracts

2416.603 Letter contracts.

2416.603-2 Application.

Subpart 2416.4--Incentive Contracts**2416.406 Contract clauses.**

(e)(1) The Contracting Officer shall insert the clause at 2452.216-70, Estimated Cost, Base Fee and Award Fee, in all cost-plus-award-fee solicitations and contracts.

(2) The Contracting Officer shall insert the clause at 2452.216-71, Award Fee, in all fixed-price-award-fee solicitations and contracts.

(3) The Contracting Officer shall insert the clauses at 2452.216-72, Determination of Award Fee Earned, 2452.216-73, Performance Evaluation Plan, and 2452.216-74, Distribution of Award Fee, in all award-fee

solicitations and contracts. The Contracting Officer may modify the clauses to meet individual situations, and any clause or specific requirement therein may be deleted when it is not applicable to a given contract. When including the clause at 2452.216-74, Distribution of Award Fee, in cost-plus-award-fee contracts, the Contracting Officer shall use the clause with its Alternate I.

(4) When including the clauses at 2452.216-70, Estimated Cost, Base Fee and Award Fee, and 2452.216-71 Award Fee, in indefinite-delivery solicitations and contracts under which all supplies or services will be obtained by issuance of task or delivery orders, the Contracting Officer shall substitute the word “order” for the word “contract.”

Subpart 2416.5--Indefinite-Delivery Contracts

2416.505 Ordering

(a) The Contracting Officer shall be the ordering official for all task orders when the price or cost, or any other terms, is arrived at through a negotiated process. The Contracting Officer may designate an ordering official when orders are to be placed on a firm fixed-price basis, the prices of the specific services to be performed or the supplies to be obtained under the order are set forth in the contract, and there is no negotiation of order terms. The Contracting Officer may not designate ordering officials:

(1) For contracts for services where prices are not tied to delivery of a completed service;

(2) For any contracts where discounts need to be negotiated; or

(3) In any other circumstances where adjustment of contract price or any other terms and conditions is necessary.

(b)(5) The departmental competition advocate also serves as the departmental ombudsman for task and delivery order contracts in accordance with FAR 16.505(b)(5).

(i) Each HCA shall designate a contracting activity ombudsman for task and delivery order contracts.

(ii) The contracting activity ombudsman shall:

(A) Review complaints from contractors concerning task or delivery orders placed by the contracting activity;

(B) Be independent of the Contracting Officer who awarded or is administering the contract under which a complaint is submitted;

(C) Recommend any corrective action to the cognizant Contracting Officer; and

(D) Refer to the departmental ombudsman issues that cannot be resolved.

(iii) Contractors may request that the departmental ombudsman review complaints when they disagree with reviews conducted by the contracting activity ombudsman.

2416.506-70 Solicitation provisions and contract clauses.

(a) Unpriced task orders. The Contracting Officer shall insert the clause at 2452.216-75, Unpriced Task Orders, in contracts in which task orders are individually negotiated and when there may be a need to issue unpriced task orders. The Contracting Officer shall ensure that the cost of the work authorized by any unpriced task order is not in excess of the funds available for the order. The Contracting Officer shall establish the time period for the definitization of each unpriced order and insert the anticipated date of definitization in the clause. The HCA shall approve periods that exceed 180 days.

(b) Minimum and maximum quantities and amounts for order. The Contracting Officer shall insert the clause at 2452.216-76, Minimum and Maximum Quantities and Amounts for Order, in all indefinite-quantity solicitations and contracts. When the clause is used for definite-quantity or requirements solicitations and contracts, the Contracting Officer shall insert "none" for the minimum quantities and minimum amounts for order. When the quantity amounts are based upon labor rates established in the contract, the Contracting Officer shall use the clause with its Alternate I.

(c) Estimated quantities - requirements contract. The Contracting Officer shall insert the provision at 2452.216-77, Estimated Quantities - Requirements Contract, in all solicitations for requirements contracts.

(d) Ordering procedures. The Contracting Officer shall insert the clause at 2452.216-78, Ordering Procedures, in all indefinite-delivery solicitations and contracts. If the supplies or services to be ordered under the contract are pre-priced in the contract, the orders will be issued on a fixed-price basis, and no order terms are negotiated before issuance, the Contracting Officer shall use the clause with its Alternate I. If the contract provides for the issuance of task orders for services on a negotiated basis (see also 2416.505), the Contracting Officer shall use the clause with its Alternate II.

**Subpart 2416.6--Time-and-Materials,
Labor-Hour, and Letter Contracts**

2416.603 Letter contracts.

2416.603-2 Application.

(c) The HCA shall approve additional time periods for definitization of letter contracts authorized by the Contracting Officer pursuant to FAR 16.603-2(c).

PART 2417--SPECIAL CONTRACTING METHODS

Sec.

Subpart 2417.2--Options
2417.204 Contracts.

**Subpart 2417.5--Interagency Acquisitions Under the
Economy Act**

2417.504 Ordering procedures.

Subpart 2417.2--Options**2417.204 Contracts.**

(e) The Senior Procurement Executive shall approve any solicitation or contract which exceeds the five (5) year maximum for acquisitions of supplies or services.

**Subpart 2417.5--Interagency Acquisitions
Under the Economy Act****2417.504 Ordering procedures.**

(b) The Contracting Officer shall use HUD Form 730, Award/Modification of Interagency Agreement, when placing or modifying an order for supplies or services from another Government agency.

PART 2418 [RESERVED]

PART 2419--SMALL BUSINESS PROGRAMS

Sec.

Subpart 2419.2--Policies
2419.201 General policy.

Subpart 2419.5--Set-Asides for Small Business
2419.503 Setting aside a class of acquisitions.

Subpart 2419.7-- The Small Business Subcontracting Program
2419.708 Solicitation provisions and contract clauses.

Subpart 19.8 -- Contracting with the Small Business Administration (The 8(a) Program)
2419.800 General

Subpart 2419.2--Policies

2419.201 General policy.

(c) The Director, Office of Small and Disadvantaged Business Utilization (OSDBU), Headquarters, is responsible for the administration of the HUD small business programs. This includes Department-wide responsibility for developing, implementing, executing, and managing these programs, providing advice on these programs, and representing HUD before other government agencies on matters primarily affecting small, small disadvantaged and women-owned small businesses.

(d) Each head of a contracting activity shall designate a small business specialist who shall perform the following functions:

(1) Maintain a program designed to locate capable small business sources as referenced in 2419.201(c) for current and future procurements;

(2) Coordinate inquiries and requests for advice from such businesses on procurement matters;

(3) Review proposed requirements for supplies and services, ensure that all such business concerns will be

afforded an equitable opportunity to compete, and, as appropriate, initiate recommendation for small business or Section 8a set-asides (under the Small Business Act);

(4) Take action to ensure the availability of adequate specifications and drawings, when necessary, to obtain participation by such businesses in a procurement;

(5) Review proposed procurements for possible breakout of items suitable for procurement from such businesses;

(6) Advise such businesses with respect to the financial assistance available under existing laws and regulations and assist such businesses in applying for financial assistance;

(7) Ensure that adequate records are maintained and accurate reports are prepared concerning such businesses participation in the procurement program;

(8) Make available to SBA copies of solicitations, when requested, and

(9) Act as liaison between the Contracting Officer and the appropriate SBA office in connection with set-asides, certificates of competency, size classification, and any other matter in which the small business program may be involved.

Subpart 2419.5--Set-Asides for Small Business**2419.503 Setting aside a class of acquisitions.**

(a) *Class set-aside for construction under the Real Estate Owned Program.* A class set-aside is hereby made for each proposed procurement for construction under the Real Estate Owned Program with an estimated cost of less than \$1,000,000. Accordingly, Contracting Officers shall set aside

for small business each such proposed procurement. If a Contracting Officer determines that any individual procurement falling within the class set-aside requirements of this Section is unsuitable for such a set-aside in part or in total, the set-aside may be withdrawn with the concurrence of the Head of the Contracting Activity. Proposed procurements for construction which exceed an estimate of \$1,000,000 shall be considered for set-aside on a case-by-case basis.

**Subpart 2419.7— The Small Business
Subcontracting Program**

**2419.708 Solicitation Provisions and Contract
Clauses.**

(d) The Contracting Officer shall insert the provision at 2452.219-70 in negotiated solicitations exceeding \$500,000 (\$1,000,000 for construction) that are not set aside for small business or 8(a) concerns.

Subpart 19.8 -- Contracting with the Small Business Administration (The 8(a) Program)

2419.800 General.

(f) By Partnership Agreement, dated May 21, 2004, the Small Business Administration (SBA) has delegated to the

Department of Housing and Urban Development (HUD) the authority to directly execute contracts awarded under SBA's Section 8(a) program. The Senior Procurement Executive has issued internal guidance regarding the direct award of 8(a) contracts, consistent with Civilian Agency Acquisition Council Letter 98-3, "Direct 8(a) Contracting," dated May 1, 1998.

PART 2420 [RESERVED]

PART 2421 [RESERVED]

PART 2422--APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

Sec.

Subpart 2422.14--Employment of Workers with Disabilities

2422.1408 Contract clause.

Subpart 2422.14--Employment of Workers with Disabilities

2422.1408 Contract clause.

(c) The Contracting Officer shall insert the clause at 2452.222-70, Accessibility of Meetings, Conferences, and Seminars to Persons with Disabilities, in solicitations and contracts when the contract will require the contractor (including contractor employees and subcontractors) to hold meetings, conferences or seminars.

PART 2423 [RESERVED]

PART 2424--PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION

Sec.

Subpart 2424.1--Protection of Individual Privacy
2424.103 Contract clause.

Subpart 2424.2--Freedom of Information Act
2424.203 Policy.

Subpart 2424.1--Protection of Individual Privacy**2424.103 Procedures.**

(b)(2) See 24 CFR Part 16 for the HUD regulations which implement the Privacy Act.

Subpart 2424.2--Freedom of Information Act

2424.203 Policy.

See 24 CFR Part 15 for the HUD regulations which implement the Freedom of Information Act.

PART 2425--FOREIGN ACQUISITION

Sec.

Subpart 2425.4--Trade Agreements Act

2425.402 Policy.

Subpart 2425.4--Trade Agreements Act**2425.402 Policy.**

(a)(1) It is the Department's policy to determine whether the Trade Agreements Act applies based on the total estimated dollar value of the proposed acquisition before the solicitation is issued, including all line items and options.

PART 2426--OTHER SOCIOECONOMIC PROGRAMS

Sec.

Subpart 2426.70--Minority Business Enterprises

2426.7001 Policy.

2426.7002 Responsibility.



Subpart 2426.70--Minority Business Enterprises**2426.7001 Policy.**

It is the policy of the Department to foster and promote Minority Business Enterprise (MBE) participation in its procurement program, to the extent permitted by law and consistent with its primary mission. A "minority business enterprise" is 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, one in which at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. For this purpose, minority group members are those groups of U.S. citizens found to be disadvantaged by the Small Business

Administration pursuant to Section 8(d) of the Small Business Act.

2426.7002 Responsibility.

The Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) develops Departmental MBE plans and policies in accordance with Executive Orders 11625 and 12432 and by directive from the Secretary. He or she provides advice and guidance to the Secretary and Primary Organization Heads on MBE functions, reviews and makes recommendations to the Secretary on MBE annual plans and goals, monitors and evaluates the Department's MBE program, and reports on MBE program performance to the Department of Commerce.

PART 2427--PATENTS, DATA, AND COPYRIGHTS

Sec.

Subpart 2427.3--Patent Rights Under Government Contracts

- 2427.305 Administration of patent rights clauses
- 2427.305-2 Follow-up by contractor

Subpart 2427.3--Patent Rights under Government Contracts

2427.305 Administration of patent rights clauses.

2427.305-2 Follow-up by contractor.

(b) *Contractor reports.* Contractors shall complete and submit to the Contracting Officer form HUD-770, Report of Inventions and Subcontracts, upon receipt of said form. The Contracting Officer shall send the form to those contractors whose contract work may have required the development of inventions upon physical completion of the contract.

PART 2428--BONDS AND INSURANCE

Sec.

Subpart 2428.1--Bonds

2428.106

Administrative.

2428.106-6

Furnishing information.

Subpart 2428.1--Bonds**2428.106 Administrative.****2428.106-6 Furnishing information.**

(c) The Contracting Officer shall furnish the certified copy of the bond and the contract for which it was given to any person who requests them in accordance with FAR 28.106-6.

PART 2429—TAXES

Sec.

2429.101 **Subpart 2429.1--General**
Resolving tax problems.

Subpart 2429.1--General**2429.101 Resolving tax problems.**

In order to have uniformity in HUD's treatment of the tax aspects of contracting and ensure effective cooperation with other Government agencies on tax matters of mutual interest, the Office of General Counsel has the responsibility within HUD for handling all those tax problems. Therefore, the contracting activity will not engage in negotiation with any taxing authority for the purpose of determining the validity or applicability of, or obtaining exemptions from or

refund of, any tax. When a problem exists, the Contracting Officer shall request in writing the assistance of legal counsel. The request shall detail the problem and be accompanied by appropriate backup data. Counsel shall report to the Contracting Officer as to the necessary disposition of the tax problem. The Contracting Officer will notify the contractor of the outcome of the tax problem. Counsel is responsible for communications with the Department of Justice for representation or intervention in proceedings concerning taxes.

PART 2430 [RESERVED]

PART 2431 [RESERVED]

PART 2432--CONTRACT FINANCING

Sec.

Subpart 2432.1-- Non-Commercial Item Purchase Financing

2432.114 Unusual Contract Financing.

Subpart 2432.2—Commercial Item Purchase Financing

2432.201 Statutory authority.

Subpart 2432.4--Advance Payments for Non- Commercial Items

2432.402 General.

2432.407 Interest.

Subpart 2432.7—Contract Funding

2432.703-3 Contracts crossing fiscal years.

Subpart 2432.9--Prompt Payment

2432.903 Policy.

2432.906 Contract financing payments.

2432.908 Contract clauses.

**Subpart 2432.1--Non-Commercial Item
Purchase Financing**

2432.114 Unusual contract financing.

The Senior Procurement Executive is the agency head for the purpose of FAR 32.114.

**Subpart 2432.2--Commercial Item Purchase
Financing**

2432.201 Statutory authority.

The head of the contracting activity is the agency head for the purpose of FAR 32.201.

Subpart 2432.4--Advance Payments for Non-Commercial Items**2432.402 General.**

(e)(1) The determination and findings required by FAR 32.402(c)(1)(iii) shall be made by the HCA.

(2) Each advance payment situation shall be coordinated with the head of the cognizant accounting office,

before authorization may be given, to ensure that there are controls in place to assure proper administration of advance payments.

2432.407 Interest.

(d) The Senior Procurement Executive is the agency head's designee for the purposes of FAR 32.407(d).

Subpart 2432.7--Contract Funding**2432.703-3 Contracts crossing fiscal years.**

(b) The contracting officer may enter into a contract, exercise an option, or place an order under a contract for severable services for a period that begins in one fiscal year and ends in the next fiscal year if the period of the contract awarded, option exercised, or order placed does not exceed one year.

Subpart 2432.9--Prompt Payment**2432.903 Policy.**

The Senior Procurement Executive is the agency head's designee for the purposes of FAR 32.903(b).

2432.906 Contract financing payments.

(a) Except for construction contracts (see FAR 52.232-27), periods for payment shorter than 30 days shall not be specified in contracts without the prior approval of the cognizant accounting office to ensure that procedures are in place to allow timely payment.

2432.908 Contract clauses.

(c)(1) The Contracting Officer shall insert a clause substantially the same as provided at 2452.232-70, Payment

Schedule and Invoice Submission (Fixed-Price), in all fixed-price solicitations and contracts except those for commercial services awarded pursuant to FAR Part 12.

(2) The Contracting Officer shall insert a clause substantially the same as provided at 2452.232-71, Voucher Submission (Cost-Reimbursement), in all cost-reimbursement type solicitations and contracts when vouchers are to be sent directly to the paying office. The Contracting Officer shall insert the billing period agreed upon with the contractor (see also FAR clause 52.216-7, Allowable Cost and Payment).

(3) The Contracting Officer may substitute appropriate language for the clauses in (c)(1) and (2) above when payment under the contract will be made on the basis of other than the submission of an invoice or voucher, e.g., directly from proceeds of property sales.

PART 2433--PROTESTS, DISPUTES AND APPEALS

Sec.

2433.000 Scope of part.

Subpart 2433.1 - Protests

2433.102 General.

2433.102-70 Responsibility.

2433.103 Protests to the agency.

2433.104 Protests to GAO.

2433.106 Solicitation provision.

2433.000 Scope of part.

This part identifies the responsible agents and sets forth procedural requirements for handling protests.

Subpart 2433.1--Protests**2433.102 General.****2433.102-70 Responsibility.**

With the exception of protests filed directly with the Department pursuant to FAR 33.103, the Office of General Counsel has responsibility for handling matters relating to protests against award of contracts by the Department. All written communications from the Department to the GAO or other adjudicating body shall be made by the Office of General Counsel. The Contracting Officer has responsibility for furnishing the Office of General Counsel with all information relating to a protest.

2433.103 Protests to the agency.

(d)(2) Appeals of Contracting Officer protest decisions shall include the information required at FAR 33.103(d)(2)(i), (ii), (iii), (iv), (v) and (vi).

(4)(i) Protesters may request an appeal of the Contracting Officer's decision on a protest. Such requests shall be made in writing to the cognizant HCA not later than 10 days after receipt of the Contracting Officer's decision.

(ii) The HCA, in consultation with the Office of General Counsel, shall make all independent reviews of the Contracting Officer's decision requested by protesters in accordance with FAR 33.103(d)(4) and provide the protester with the HCA's decision on the appeal.

(f)(1) A determination by the Contracting Officer to award a contract pending resolution of a protest as authorized by FAR 33.103 shall be approved by the HCA in consultation with the Office of General Counsel.

(3) A determination by the Contracting Officer to not suspend performance of a contract pending resolution of

a protest as authorized by FAR 33.103 shall be approved by the HCA in consultation with the Office of General Counsel.

2433.104 Protests to GAO.

(a)(1) *General.* When advised by GAO of the receipt of a protest, the Office of General Counsel shall immediately inform the contracting activity. The Contracting Officer shall notify the Office of General Counsel upon receipt of the copy of the protest from the protestor.

(2) Upon receipt by the Department of a written request for a formal report relating to a protest, the Office of General Counsel, with appropriate assistance from the Contracting Officer, shall prepare and file the report in accordance with GAO requirements at 4 CFR Part 21.

(c) *Protests after award.* Protests received after award shall be treated in the same manner as those filed with GAO before award in accordance with paragraphs (a)(1) and (a)(2) of this section.

(d) *Findings and notice.* When the Contracting Officer makes a determination to award a contract notwithstanding a protest as authorized by FAR 33.104(b)(1)(i-ii), or to continue contractor performance as authorized by FAR 33.104(c)(2), that determination of the intent to make an award or to continue contract performance shall be approved by the HCA after consultation with the Office of General Counsel.

(g) *Notice to GAO.* If the HCA proposes not to comply with a GAO recommendation concerning the resolution of a protest of a procurement award, prior to reporting to the Comptroller General concerning that decision, the HCA shall obtain the concurrence of the Office of General Counsel and the Senior Procurement Executive.

2433.106 Solicitation provision.

The Contracting Officer shall insert the provision at 2452.233-70, Review of Contracting Officer Protest Decisions, in all solicitations for contracts expected to exceed the simplified acquisition threshold.

PART 2434--MAJOR SYSTEM ACQUISITIONS

Sec.

2434.003 **Subpart 2434.0--General**
Responsibilities.

Subpart 2434.0 - General**2434.003 Responsibilities.**

(a) The Senior Procurement Executive is responsible for establishing written procedures for implementation of A-109. Such procedures have been set out in internal Departmental directives.

PART 2435 [RESERVED]

PART 2436--CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS

Sec.

Subpart 2436.6--Architect-Engineer Services
2436.602 Selection of firms for architect-engineer contracts.
2436.602-2 Evaluation boards.

2436.602-4 Selection authority.
2436.602-5 Short selection process for contracts not to exceed the small purchase limitation.

Subpart 2436.6--Architect-Engineer Services

2436.602 Selection of firms for architect-engineer contracts.

2436.602-2 Evaluation boards.

(a) Each architect-engineer evaluation board, whether permanent or ad hoc (which may include preselection boards), shall consist of at least three voting members who are Federal employees from the appropriate program area or from Federal offices outside the program area as appropriate. One member of each board shall be appointed Chairperson. Non-voting advisors may also be appointed, including private practitioners in architecture, engineering and related professions. The members of a permanent board shall be appointed for a period of two years. Appointment shall be made by the following authorities with copies of appointment memoranda furnished to the appropriate contracting activity:

(1) Assistant Secretary or equivalent for boards appointed at the Headquarters level;

(2) The cognizant program office head for boards appointed at the field level.

(c) Conflict of interest. Each board member, whether voting or nonvoting, shall be advised of, and presumed to be familiar with the regulations at 24 CFR Part 0, Standards of

Conduct regarding conflicts of interest. If at any time during the selection process, a board member encounters a situation with one or more of the firms being considered that might be or might appear to be a conflict of interest, he or she will disqualify him or herself and call it to the attention of the chairperson for resolution and proper action. The chairperson will refer the matter to legal counsel.

(d) Confidentiality. The evaluation board is to be insulated from outside pressures, to the extent practical. No person having knowledge of the activities of the board shall divulge information concerning the deliberations of the board to any other persons not having a need to know such information.

2436.602-4 Selection authority.

(a) The final selection decision shall be made by the cognizant Primary Organization Head in Headquarters or field program office head.

2436.602-5 Short selection processes for contracts not to exceed the simplified acquisition threshold.

The short selection process described in FAR 36.602-5(a) is authorized for use for contracts not expected to exceed the simplified acquisition threshold.

PART 2437--SERVICE CONTRACTING

Sec.

Subpart 2437.1--Service Contracts-General
2437.110 Solicitation provisions and contract clauses.

Subpart 2437.2-Advisory and Assistance Services
2437.204 Guidelines for determining availability of personnel.

Subpart 2437.1--Service Contracts--General**2437.110 Solicitation provisions and contract clauses.**

(a) The Contracting Officer shall insert the clause at 2452.237-70, Key Personnel, in solicitations and contracts when it is necessary for contract performance to identify Contractor Key personnel.

(c) The Contracting Officer shall insert the clause at 2452.237-72, Coordination of Data Collection Activities, in solicitations and contracts where the Contractor is required to collect information from ten or more public respondents.

(d) The Contracting Officer shall insert the clause at 2452.237-73, Conduct of Work and Technical Guidance, in all service contracts other than contracts for commercial

services awarded pursuant to FAR Part 12.

(e) (DEVIATION NOV 2005) The Contracting Officer shall insert the clause at 2452.237-75, Access to HUD Facilities, in all solicitations and contracts where contractor employees, including subcontractors and consultants, will be required to work in and/or have access to any HUD facilities. If contractor employees will also be required to have access to HUD information systems, see 2439.107.

(f) The Contracting Officer shall insert the clause at 2452.237-77, Observance of Legal Holidays and Administrative Leave, in all solicitations and contracts where contractor personnel will be working on-site in any HUD office.

**Subpart 2437.2-Advisory and Assistance
Services****2437.204 Guidelines for determining availability of
personnel.**

(a) The Senior Procurement Executive is the agency head for the purpose of FAR 37.204.

PART 2438 [RESERVED]

PART 2439--ACQUISITION OF INFORMATION TECHNOLOGY

Sec.

2439.107 **Subpart 2439.1--General**
Contract clauses.

Subpart 2439.1--General**2439.107 Contract clauses.**

(a) (DEVIATION NOV 2005) The Contracting Officer shall insert the clause at 2452.239-70, Access to HUD Systems, in solicitations and contracts when the contract will require contractor employees, including subcontractors and consultants, to have access to any HUD information

system(s) as defined in the clause. If contractor employees will also be required to have physical access to HUD facilities, see 2437.110.

(b) The contracting officer shall insert the clause at 2452.239-71, Information Technology Virus Security, in solicitations and contracts under which the contractor will provide information technology hardware, software or data products.

PART 2440 [RESERVED]

PART 2441 [RESERVED]

PART 2442--CONTRACT ADMINISTRATION

Sec.

Subpart 2442.7--Indirect Cost Rates

2442.705 Final indirect cost rates.

2442.705-70 Contract clause.

Subpart 2442.11--Production Surveillance and Reporting

2442.1107 Contract clause.

Subpart 2442.15--Contractor Performance Information

2442.1502 Policy.

Subpart 2442.7--Indirect Cost Rates**2442.705 Final indirect cost rates.****2442.705-70 Contract clause.**

The Contracting Officer shall insert the clause at 2452.242-70, Indirect Costs, in cost-reimbursement type solicitations and contracts when it is determined that the Contractor will be compensated for negotiated or provisional indirect cost rates pending establishment of final indirect cost rates.

Subpart 2442.11--Production Surveillance and Reporting

2442.1107 Contract clause.

(a) The Contracting Officer shall insert a clause substantially the same as the clause at 2452.242-71, Contract Management System, in solicitations and contracts when all of the following conditions apply:

- (1) The contract exceeds \$500,000, including all options;
- (2) The contract requires services of an analytical nature (e.g., applied social science research); and

(3) The contract requires the delivery of an overall end product (e.g., evaluation, study, model).

(b) The Contracting Officer shall use the basic clause for cost type contracts for the services described in paragraph (a). The clause shall be used with its alternate for fixed-price type contracts for the services described in paragraph (a).

(c) The Contracting Officer may use such a clause in contracts with a total value of \$500,000 or less.

(d) The clause shall not be used in contracts for information technology services.

**Subpart 2442.15--Contractor Performance
Information****2442.1502 Policy.**

The Chief Procurement Officer is responsible for establishing past performance evaluation procedures and systems as required by FAR 42.1502 and 42.1503.

PART 2443 [RESERVED]

PART 2444 [RESERVED]

PART 2445 [RESERVED]

PART 2446--QUALITY ASSURANCE

Sec.

Subpart 2446.5--Acceptance
2446.502 Responsibility for acceptance.
2446.502-70 Contract clause.

Subpart 2446.7--Warranties
2446.710 Contract clauses.

Subpart 2446.5--Acceptance**2446.502 Responsibility for acceptance.****2446.502-70 Contract clause.**

The Contracting Officer shall insert the clause at 2452.246-70, Inspection and Acceptance, in all solicitations and contracts.

Subpart 2446.7--Warranties**2446.710 Contract clauses.**

(c)(1) The contracting officer may include a clause substantially the same as FAR 52.246-19, Warranty of Systems and Equipment under Performance Specifications or Design Criteria, whenever it is in the Government's interest.

PART 2447 [RESERVED]

PART 2448--VALUE ENGINEERING

Sec.

Subpart 2448.1 Policies and Procedures

- 2448.102 Policies.
- 2448.103 Processing value engineering change proposals.
- 2448.104-3 Sharing collateral savings.

Subpart 2448.1-Policies and Procedures

2448.102 Policies.

(a) The authority of the agency head to exempt contracts from including Value Engineering (VE) procedures and processes under 48 CFR 48.102(a) is delegated to the HCA for individual (case-by-case) exemptions and to the Senior Procurement Executive for class exemptions.

(b) The Senior Procurement Executive is responsible for managing and monitoring HUD's VE efforts.

2448.103 Processing value engineering change proposals.

Upon receipt of a Value Engineering Change Proposal (VECP), the Contracting Officer shall promptly forward it to the program office responsible for the contract, indicating:

- (a) The date the VECP was received;
- (b) The date by which the contractor must be informed of the government's acceptance or rejection of the VECP, unless additional time is required for evaluation;
- (c) The date by which the Contracting Officer must

know of the technical officer's decision in order to timely accept or reject the VECP;

(d) The need for information required to inform the contractor if the VECP is to be rejected or if additional time is needed to evaluate the VECP;

(e) The potential for awarding concurrent, future, or collateral savings to the contractor, if the VECP is accepted;

(f) That if the VECP is accepted, precise information will be needed with regard to the type of savings, and government costs, that can be expected from its acceptance;

(g) The need for a procurement request setting forth the specification changes to be used in a contract modification accepting the VECP in whole or in part; and

(h) The need for additional funds, if acceptance of the VECP will result in an increase in the cost of contract performance.

2448.104-3 Sharing collateral savings.

(a) The authority of the HCA to determine that the cost of calculating and tracking collateral savings will exceed the benefits to be derived under 48 CFR 48.104-3(a) is delegated to the Contracting Officer.

PART 2449--TERMINATION OF CONTRACTS

Sec.

Subpart 2449.1--General Principles

2449.111 Review of proposed settlements.

Subpart 2449.1--General Principles**2449.111 Review of proposed settlements.**

The Head of the Contracting Activity shall establish internal procedures to ensure the independent review of proposed termination settlements in excess of \$100,000.

PART 2450 [RESERVED]

PART 2451--USE OF GOVERNMENT SOURCES BY CONTRACTORS

Sec.

Subpart 2451.70--Contractor Use of Government Discount Travel Rates

2451.7001 Contract clause.

**Subpart 2451.70--Contractor Use of
Government Discount Travel Rates****2451.7001 Contract clause.**

The Contracting Officer shall insert the clause at 2452.251-70, Contractor Employee Travel, in all cost-reimbursement solicitations and contracts involving contractor travel.

PART 2452--SOLICITATION PROVISIONS AND CONTRACT CLAUSES

Sec.

Subpart 2452.2--Texts of Provisions and Clauses

- 2452.203-70 Prohibition Against the Use of Federal Employees.
- 2452.208-71 Reproduction of Reports.
- 2452.209-70 Potential Organizational Conflicts of Interest.
- 2452.209-71 Limitations on Future Contracts.
- 2452.211-70 Contract Period.
- 2452.215-70 Proposal Content.
- 2452.216-70 Estimated Cost, Base Fee, and Award Fee.
- 2452.216-71 Award Fee.
- 2452.216-72 Determination of Award Fee Earned.
- 2452.216-73 Performance Evaluation Plan.
- 2452.216-74 Distribution of Award Fee.
- 2452.216-75 Unpriced Task Orders.
- 2452.216-76 Minimum and Maximum Quantities and Amounts for Order.
- 2452.216-77 Estimated Quantities – Requirements Contract.
- 2452.216-78 Ordering Procedures.
- 2452.219-70 Small Business Subcontracting Plan Compliance.
- 2452.222-70 Accessibility of Meeting, Conferences, and Seminars to Persons with Disabilities.
- 2452.232-70 Payment Schedule and Invoice Submission (Fixed-Price).
- 2452.232-71 Voucher Submission (Cost-reimbursement).
- 2452.233-70 Review of Contracting Officer Protest Decisions.
- 2452.237-70 Key Personnel.
- 2452.237-72 Coordination of Data Collection Activities.
- 2452.237-73 Conduct of Work and Technical Guidance.
- 2452.237-75 Access to HUD Facilities (Deviation).
- 2452.237-77 Observance of Legal Holidays and Closure of HUD Facilities.
- 2452.239-70 Access to HUD Systems (Deviation).
- 2452.239-71 Information Technology Virus Security.
- 2452.242-70 Indirect Costs.
- 2452.242-71 Contract Management System.
- 2452.246-70 Inspection and Acceptance.
- 2452.251-70 Contractor Employee Travel.

Subpart 2452.2--Texts of Provisions and Clauses

2452.203-70 Prohibition Against the Use of Government Employees.

As prescribed in 2403.670, insert the following clause in solicitations and contracts:

PROHIBITION AGAINST THE USE OF GOVERNMENT EMPLOYEES (FEB 2006)

In accordance with Federal Acquisition Regulation 3.601, contracts are not to be awarded to government employees or a business concern or other organization owned or substantially owned or controlled by one or more government employees. For the purposes of this contract, this prohibition against the use of government employees includes any work performed by the contractor or any of its employees, subcontractors, or consultants.

(End of clause)

2452.208-71 Reproduction of Reports.

As prescribed in 2408.802-70, insert the following clause in solicitations and contracts where the contractor is required to produce, as an end product, publications or other written materials:

REPRODUCTION OF REPORTS (APR 1984)

In accordance with Title I of the Government Printing and Binding Regulations, printing of reports, data or other written material, if required herein, is authorized provided that the material produced does not exceed 5,000 production units of any page and that items consisting of multiple pages do not exceed 25,000 production units in aggregate. The aggregate number of production units is determined by multiplying pages times copies. A production unit is one sheet, size 8 ½ by 11 inches or less, printed on one side only and in one color. All copy preparation to produce camera-ready copy for reproduction must be set by methods other than hot metal typesetting. The reports should be produced by methods employing stencils, masters and plates which are to be used on single unit duplicating equipment no larger than 11 by 17 inches with a maximum image of 10 ¾ by 14 ¼ inches and are prepared by methods or devices that do not utilize reusable contact negatives and/or positives prepared with a camera requiring a darkroom. All reproducible (camera ready copies for reproduction by photo offset methods) shall become the property of the Government and shall be delivered to the Government with the report, data or other written materials.

(End of clause)

2452.209-70 Potential Organizational Conflicts of Interest

As prescribed in 2409.507-1, the Contracting Officer may insert a provision substantially the same as follows in solicitations:

POTENTIAL ORGANIZATIONAL CONFLICTS OF INTEREST (FEB 2000)

(a) The Contracting Officer has determined that the proposed contract contains a potential organizational conflict of interest. Offerors are directed to FAR Subpart 9.5 for detailed information concerning organizational conflicts of interest.

(b) The nature of the potential conflict of interest is [*Contracting Officer insert description*]:

(c) Offerors shall provide a statement which describes concisely all relevant facts concerning any past, present or planned interest (financial, contractual, organizational, or otherwise) relating to the work to be performed under the proposed contract and bearing on whether the offeror has a possible organizational conflict of interest with respect to:

(1) Being able to render impartial, technically sound, and objective assistance or advice, or

(2) Being given an unfair competitive advantage. The offeror may also provide relevant facts that show how its organizational structure and/or management systems limit its knowledge of possible organizational conflicts of interest relating to other divisions or sections of the organization and how that structure or system would avoid or mitigate such organizational conflict.

(d) No award shall be made until any potential conflict of interest has been neutralized or mitigated to the satisfaction of the Contracting Officer.

(e) Refusal to provide the requested information or the willful misrepresentation of any relevant information by an offeror shall disqualify the offeror from further consideration for award of a contract under this solicitation.

(f) If the Contracting Officer determines that a potential conflict can be avoided, effectively mitigated, or otherwise resolved through the inclusion of a special contract clause, the terms of the clause will be subject to negotiation.

(End of provision)

2452.209-71 Limitation on Future Contracts.

As prescribed in 2409.507-2, the Contracting Officer may insert a clause substantially the same as follows in solicitations and contracts for services:

LIMITATION ON FUTURE CONTRACTS (FEB 2000)

(a) The Contracting Officer has determined that this contract may give rise to potential organizational conflicts of interest as defined at FAR Subpart 9.5.

(b) The nature of the potential conflict of interest is [Contracting Officer insert description]:

(c) If the contractor, under the terms of this contract or through the performance of tasks pursuant to this contract, is required to develop specifications or statements of work that are to be incorporated into a solicitation, the contractor shall be ineligible to perform the work described in that solicitation as a prime or first-tier subcontractor under any ensuing HUD contract.

(d) Other restrictions-- [Contracting Officer insert description]

(e) The restrictions imposed by this clause shall remain in effect until [Contracting Officer insert period or date].

(End of clause)

2452.209-72 Organizational Conflicts of Interest.

As prescribed in 2409.508-2, insert the following contract clause in all contracts:

ORGANIZATIONAL CONFLICTS OF INTEREST (APR 1984)

(a) The Contractor warrants 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 under a Government contract and a Contractor's organizational, financial, contractual or other interests are such that:

(1) Award of the contract may result in an unfair competitive advantage; or

(2) The Contractor's objectivity in performing the contract work is or might be otherwise be impaired.

(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 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 Government may, however, terminate the contract for the convenience of the Government if it would be in the best interest of the Government.

(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 Government may terminate the contract for default.

(d) The provisions 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.

(End of clause)

2452.211-70 Effective Date and Contract Period.

As prescribed in 2411.404(a), insert the following clause:

EFFECTIVE DATE AND CONTRACT PERIOD (FEB 2006)

(a) This contract shall be effective on _____ [Contracting Officer insert date at award].

(b) The contractor shall complete all work including all deliveries by _____ [Contracting Officer insert date at award].

(c) Delivery dates for specific services and deliverables shall be as set forth in the Schedule.

(End of clause)

Alternate 1 (FEB 2006). As prescribed in 2411.404(b), add the following paragraph (d):

(d) In accordance with the clause at 52.217-9, "Option to Extend the Term of the Contract," the contract may be extended for the following periods:

Option Number	Period
[list]	[dates]

(End of clause)

2452.215-70 Proposal Content.

As prescribed in 2415.209(a), insert a provision substantially the same as the following:

PROPOSAL CONTENT (OCT 1999)

(a) Proposals shall be submitted in two parts as described in paragraphs (c) and (d) below. Each of the parts must be complete in itself so that evaluation of each part may be conducted independently, and so the technical and management part may be evaluated strictly on its own merit. Proposals shall be submitted in the format, if any, prescribed elsewhere in this solicitation. Proposals shall be enclosed in sealed packaging and addressed to the office specified in the solicitation. The offeror's name and address, the solicitation number and the date and time specified in the solicitation for proposal submission must appear in writing on the outside of the package.

(b) Proposals shall be submitted in original and [insert number] copies of Part I and [insert number] copies of Part II.

(c) *Part I - Technical and Management*

(1) *Prior experience.* The offeror shall provide evidence of the offeror's (i.e., firm's or organization's) prior

and current experience in performing the work and/or providing the deliverables required by the solicitation.

(2) Past performance. The offeror shall provide evidence of the offeror's past performance in accomplishing work - including meeting delivery dates and schedules - the same as, or substantially similar to, that required by the solicitation. The offeror shall provide references as follows [*Contracting Officer insert specific instructions for reference check information required*].

(3) Personnel qualifications. The offeror shall provide the names, position descriptions and information to support the qualifications - including relevant experience, specialized training and education - of all proposed key personnel (see the clause entitled "Key Personnel" in this solicitation for further definition). The term "personnel" shall include any proposed consultants and subcontractor employees who will perform duties of key personnel.

(4) Management Capability. The offeror shall provide evidence of his/her organization's ability to manage the work required under the proposed contract. The offeror shall describe how the work will be organized, the proposed staffing and the responsibilities and existing commitments of proposed staff.

(5) Technical Capability. The offeror shall provide a detailed description of how he/she proposes to conduct the work required under the proposed contract.

(6) Mandatory Minimum Requirements. The offeror shall provide evidence, including copies of documents, as appropriate of [*Contracting Officer insert description of requirement(s), e.g., licenses, minimum experience, etc., or delete this paragraph if not applicable*].

(d) *Part II -- Business Proposal*.

(1) The offeror shall complete the Representations and Certifications provided in Section K of this solicitation and include them in this Part II.

(2) The offeror shall provide information to support the offeror's proposed costs or prices as prescribed elsewhere in this Section L.

(End of provision)

Alternate I (OCT 1999). As prescribed in 2415.209(a), if the award selection will be made through the lowest-priced technically acceptable proposal method, substitute paragraph (c) with the following:

(c) Part I - Technical and Management Information.

(1) Prior experience. The offeror shall provide evidence that the offeror's (i.e., firm's or organization's) prior experience meets the following minimum standards: [*Contracting Officer insert specific experience requirements*].

(2) Past performance. The offeror shall provide evidence of the offeror's past performance as follows: [*Contracting Officer insert specific performance requirements*]. The offeror shall provide references as

follows [*Contracting Officer insert specific instructions for reference check information required*].

(3) Personnel qualifications. The offeror shall provide the names, position descriptions and evidence that proposed key personnel (see the clause entitled "Key Personnel" elsewhere in this solicitation for definition) meet the minimum qualifications described below. The term "personnel" includes any proposed consultants and subcontractor employees who will perform duties of key personnel. The minimum qualifications are: [*Contracting Officer insert description*].

(4) Management Capability. The offeror shall provide evidence of his/her organization's ability to manage the work required under the proposed contract. The offeror shall describe how the work will be organized, the proposed staffing and the responsibilities and existing commitments of proposed staff.

(End of Provision)

Alternate II (OCT 1999). As prescribed in 2415.209(a), if the proposed contract requires work on, or access to, sensitive automated systems as described in 2452.239-70, add the following subparagraph, numbered sequentially, to paragraph (c):

The offeror shall describe in detail how the offeror will maintain the security of automated systems as required by clause 2452.239-70 in Section I of this solicitation.

(End of Provision)

2452.216-70 Estimated Cost, Base Fee and Award fee.

As prescribed in 2416.406(e)(1), insert the following clause in all cost-plus-award-fee contracts:

ESTIMATED COST, BASE FEE AND AWARD FEE (FEB 2006)

(a) The estimated cost of this contract is \$[*insert amount*].

(b) A base fee is payable in the amount of \$[*insert amount*]. The government will make payment of the base fee in [*insert number*] increments on the schedule set forth in the Performance Evaluation Plan established by the government. The amount payable shall be based on the progress toward completion of contract tasks as determined by the Contracting Officer. Payment of the base fee is subject to any withholdings as provided for elsewhere in this contract.

(c) A maximum award fee available for payment is \$[*insert amount*]. The government shall make payments of the award fee in accordance with the schedule established in the Performance Evaluation Plan and the Evaluation Period(s) set forth in the Distribution of Award Fee clause.

(End of clause)

2452.216-71 Award Fee.

As prescribed in 2416.406(e)(2), insert the following clause in all fixed-price-award-fee contracts:

AWARD FEE (FEB 2006)

In addition to the fixed-price for this contract set forth in the Schedule, a maximum award fee of \$[insert amount] is available for payment. The government shall make payments of the award fee in accordance with the schedule established in the Performance Evaluation Plan and the Evaluation Period(s) set forth in the Distribution of Award Fee clause.

(End of clause)

2452.216-72 Determination of Award Fee Earned.

As prescribed in 2416.406(e)(3), insert the following clause in all award fee contracts:

DETERMINATION OF AWARD FEE EARNED (FEB 2006)

(a) At the conclusion of each evaluation period specified in the Performance Evaluation Plan, the government shall evaluate the contractor's performance and determine the amount, if any, of award fee earned by the contractor. The amount of award fee to be paid will be determined by the designated Fee Determination Official's (FDO's) judgmental evaluation in accordance with the criteria set forth in the Performance Evaluation Plan. This decision will be made unilaterally by the government. In reaching this decision, the FDO may consider any justification of award fee the contractor submits, provided that the justification is submitted within [insert number] days after the end of an evaluation period. The FDO determination shall be in writing, shall set forth the basis of the FDO's decision, and shall be sent to the contractor within [insert number] days after the end of the evaluation period.

(b) The FDO may specify in any fee determination that any amount of fee not earned during the evaluation period may be accumulated and allocated for award during a later evaluation period. The Distribution of Award Fee clause shall be amended to reflect the allocation.

(End of clause)

2452.216-73 Performance Evaluation Plan.

As prescribed in 2416.406(e)(3), insert the following clause in all award fee contracts:

PERFORMANCE EVALUATION PLAN (OCT 1999)

(a) The Government shall unilaterally establish a Performance Evaluation Plan that will provide the basis for the determination of the amount of award fee awarded under the

contract. The Plan shall set forth evaluation criteria and percentage of award fee available for (1) technical functions, including schedule requirements if appropriate, (2) management functions; and, (3) cost functions. The Government shall furnish a copy of the Plan to the Contractor [insert number] days before the start of the evaluation period.

(b) The Government may unilaterally change the award fee plan prior to the beginning of subsequent evaluation periods. The Contracting Officer will provide such changes in writing to the Contractor prior to the beginning of the applicable evaluation period.

(End of clause)

2452.216-74 Distribution of award fee.

As prescribed in 2416.406(e)(3), insert the following clause in all award fee contracts:

DISTRIBUTION OF AWARD FEE (FEB 2006)

(a) The total amount of award fee available under this contract is assigned to the following evaluation periods in the following amounts:

Evaluation Period: [insert time period]

Available Award Fee: [insert dollar amount]

(b) In the event of contract termination, either in whole or in part, the amount of award fee available shall represent a pro-rata distribution associated with evaluation period activities or events as determined by the Fee Determination Official as designated in the contract.

Alternate 1 (FEB 2006). As prescribed in 2416.406(e)(3), add paragraph (c):

(c) The contract clauses required for cost-reimbursement contracts shall be modified for use under award fee contracts as cited below:

(1) The term "base fee and award fee" shall be substituted for "fixed fee" where it appears in the clause at FAR 52.243-2, Changes—Cost Reimbursement.

(2) The term "base fee" shall be substituted for "fee" where it appears in the clauses at FAR 52.232-20, Limitation of Costs, and FAR 52.232-22, Limitation of Funds.

(3) The phrase "base fee, if any, and such additional fee as may be awarded as provided for in the Schedule" shall be substituted for the term "fee" whenever it appears in the clause at FAR 52.216-7, Allowable Cost and Payment.

(End of clause)

2452.216-75 Unpriced Task Orders.

As prescribed in 2416.506-70(a), insert the following clause:

UNPRICED TASK ORDERS (FEB 2006)

(a) Prior to the issuance of a task order under this contract, it is anticipated that the government and the contractor will reach agreement on the price or total cost and fee (if applicable) for the services to be provided under the order. The Contracting Officer may authorize commencement of work prior to final agreement on cost or price. In such case, the contractor shall immediately commence performance of the services specified in the order and shall submit a pricing proposal within 15 days of receipt of the task order. Upon completion of negotiations, the final negotiated cost or price will be set forth in a supplemental agreement that is executed by the contractor and the Contracting Officer. Failure to agree upon the cost or price shall be considered a dispute subject to the Disputes clause of this contract.

(b) Unpriced task orders shall indicate a “not-to-exceed” amount for the order; however, such amount shall not exceed 50 percent of the estimated cost of the task order. The task order shall only require the Contracting Officer’s signature, but shall also comply with all other task order requirements. Unpriced task orders shall indicate the date by which the government anticipates that the cost or price of the order will be definitized.

(End of clause)

2452.216-76 Minimum and Maximum Quantities and Amounts for Order.

As prescribed in 2416.506-70(b), insert the following clause:

MINIMUM AND MAXIMUM QUANTITIES AND AMOUNTS FOR ORDER (FEB 2006)

The minimum quantity and/or amount to be ordered under this contract shall not be less than the minimum quantity and/or amount shown in the following table. The maximum quantity and/or amount to be ordered under this contract shall not exceed the maximum quantity and/or amount shown in the table.

Base Period

Minimum Quantity	Minimum Amount	Maximum Quantity	Maximum Amount
	\$		\$

Option Period 1

Minimum Quantity	Minimum Amount	Maximum Quantity	Maximum Amount
	\$		\$

Continue for additional option periods.

(End of clause)

Alternate I (FEB 2006). As prescribed in 2416.506-70(b), add the following paragraph:

The government is not obligated to order any specific minimum number of hours from any labor category or combination of categories, nor is the government limited, beyond the maximums set forth herein, to ordering any maximum number of hours from any labor category or combination of categories.

(End of clause)

2452.216-77 Estimated Quantities - Requirements Contract.

As prescribed in 2416.506-70(c), insert the following provision:

ESTIMATED QUANTITIES - REQUIREMENTS CONTRACT (FEB 2006)

In accordance with FAR 52.216-21(a), the government provides the following estimates:

The estimated quantity or amount of supplies or services the government may order during the ordering period of this contract is _____[insert description of item(s) or unit(s) and the estimated number of units or the dollar value].

The maximum quantity or amount of supplies or services the government may order during the ordering period of this contract is _____[insert description of item(s) or unit(s) and the estimated number of units or the dollar value].

(End of Provision)

2452.216-78 Ordering Procedures.

As prescribed in 2416.506-70(d), insert the following provision:

ORDERING PROCEDURES (FEB 2006)

(a) Orders issued under this contract may be placed in writing or via [Contracting Officer to insert authorized

ordering methods, e.g., telephone, facsimile (fax) machine, electronic mail (email)].

Alternate I (FEB 2006). As prescribed in 2416.506-70(d), add paragraph (b):

(b) In addition to the Contracting Officer, the following individuals are authorized to issue orders under this contract:

[Continue as necessary]

Alternate II (FEB 2006). As prescribed in 2416.506-70(d), add paragraph (b):

(b) This contract provides for the issuance of task orders on a negotiated basis as follows:

(1) The Contracting Officer will provide the contractor(s) with a statement of work or task description. The contractor(s) shall provide pricing and other information requested by the Contracting Officer (e.g., proposed staffing, plan for completing the task, etc.) within the time period specified by the Contracting Officer. Failure by any contractor to provide all the requested information on time may result in the contractor not being considered or selected for issuance of the order.

(2) The Contracting Officer may require the contractor(s) to present and/or discuss (see (3) below) the proposed task order terms orally. The Contracting Officer will provide the contractor(s) with guidance on the format, location, and duration of any presentations.

(3) The Contracting Officer may discuss the proposed task order terms with the contractor(s) to ensure mutual understanding of the contractor(s)'s technical approach and/or costs or price and/or to reach mutually acceptable final terms for the task order. If more than one contractor is being considered for the task order, any discussions will be held individually with each contractor.

(4) The task order shall be executed by the contractor and the Contracting Officer.

(End of clause)

2452.219-70 Small Business Subcontracting Plan Compliance.

As prescribed in 2419.708(d), insert the following provision:

SMALL BUSINESS SUBCONTRACTING PLAN COMPLIANCE (FEB 2006)

(a) This provision is not applicable to small business concerns.

(b) Offerors' attention is directed to the provisions in this solicitation at FAR 52.219-8, Utilization of Small Business Concerns, and the clause at FAR 52.219-9, Small Business Subcontracting Plan.

(c) The government will consider offerors' prior compliance with subcontracting plans in determining their responsibility (see FAR 9.104-3). Therefore, offerors having previous contracts with subcontracting plans shall provide the following information: agency name; agency point of contact; contract number; total contract value; a synopsis of the work required under the contract; the role(s) of the subcontractor(s) involved; and the applicable goals and actual performance (dollars and percentages) for subcontracting with the types of small business concerns listed in the clause at FAR 52.219-9. This information shall be provided for the three most recently completed contracts with such subcontracting plans.

(End of provision)

2452.222-70 Accessibility of meetings, conferences, and seminars to persons with disabilities.

As prescribed in 2422.1408(c), insert the following clause in all solicitations and contracts:

ACCESSIBILITY OF MEETINGS, CONFERENCES, AND SEMINARS TO PERSONS WITH DISABILITIES (FEB 2006)

The contractor shall assure that any meeting, conference, or seminar held pursuant to the contract meets all applicable standards for accessibility to persons with disabilities pursuant to Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and any implementing regulations of the Department. The contractor shall be responsible for ascertaining the specific accessibility needs (e.g., sign language interpreters) for each meeting, conference, or seminar in light of the known or anticipated attendees.

(End of clause)

2452.232-70 Payment Schedule and Invoice Submission (Fixed-Price).

As prescribed in 2432.908(c)(1), insert a clause substantially the same as the following in all fixed-price solicitations and contracts:

PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED-PRICE) (FEB 2006)

(a) *Payment Schedule.* Payment of the contract price (see Section B of the contract) will be made upon completion and acceptance of all work unless a partial

payment schedule is included below [*Contracting Officer insert schedule information*]:

Partial Payment Number	Applicable Contract Deliverable	Delivery Date	Payment Amount
1. []			
2. []			
3. []			

(Continue as necessary)

(b) *Submission of Invoices.*

(1) Invoices shall be submitted as follows: original to the payment office identified on the award document (e.g., in Block 12 on the SF-26 or Block 25 on the SF-33, or elsewhere in the contract) with a copy to the Government Technical Representative (GTR) [*if the Contracting Officer determines that one copy must be submitted to the contracting office, add, “and a copy to the Contracting Officer”*]. To constitute a proper invoice, the invoice must include all items required by FAR clause 52.232-25, Prompt Payment.

(2) To assist the government in making timely payments, the contractor is also requested to include on each invoice the appropriation number shown on the contract award document (e.g., in Block 14 on the SF-26 or Block 21 on the SF-33). The contractor is also requested to clearly indicate on the mailing envelope that an invoice is enclosed.

(c) *Contractor Remittance Information.* The contractor shall provide the payment office with all information required by other payment clauses or other supplemental information (e.g., contracts for commercial services) contained in this contract.

(End of clause)

**2452.232-71 Voucher Submission
(Cost-Reimbursement).**

As prescribed in 2432.908(c)(2), insert a clause substantially the same as the following in all cost-reimbursement solicitations and contracts:

**VOUCHER SUBMISSION (COST-REIMBURSEMENT)
(FEB 2006)**

(a)(1) The contractor shall submit, _____ [*Contracting Officer insert billing period*], an original and two copies of each voucher. In addition to the items required by the clause at FAR 52.232-25, Prompt Payment, the voucher shall show the elements of cost for the billing period and the cumulative costs to date. All vouchers shall be distributed as follows, except for the final voucher, which shall be submitted in all copies to the Contracting Officer: original to the payment office, and one copy each

to the Government Technical Representative (GTR) and the Contracting Officer identified in the contract.

(2) To assist the government in making timely payments, the contractor is requested to include on each voucher the applicable appropriation number(s) shown on the award or subsequent modification document (e.g., Block 14 of the SF-26 or Block 21 of the SF-33). The contractor is also requested to clearly indicate on the mailing envelope that a payment voucher is enclosed.

(b) Contractor Remittance Information. The contractor shall provide the payment office with all information required by other payment clauses contained in this contract.

(End of clause)

**2452.233-70 Review of Contracting Officer Protest
Decisions.**

As prescribed in 2433.106, insert the following provision:

**REVIEW OF CONTRACTING OFFICER PROTEST
DECISIONS (FEB 2006)**

(a) In accordance with FAR 33.103 and HUDAR 2433.103, a protester may request an appeal of the Contracting Officer’s decision concerning a protest initially made by the protester to the Contracting Officer. The protester must submit a written request for an appeal to [*insert name of HCA and address*] not later than 10 days after the protester’s receipt of the Contracting Officer’s decision (see FAR 33.101 for the definition of “days”).

(b) The HCA shall make an independent review of the Contracting Officer’s decision and provide the protester with the HCA’s decision on the appeal.

(End of provision)

2452.237-70 Key Personnel.

As prescribed in 2437.110(a), insert the following clause in solicitations and contracts when it is necessary for contract performance to identify the contractor’s key personnel:

KEY PERSONNEL (FEB 2006)

(a) Definition. “Personnel” means employees of the contractor, or any subcontractor(s), affiliates, joint venture partners, or team members, and consultants engaged by any of those entities.

(b) The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including

proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the contractor without the written consent of the Contracting Officer. Key personnel shall perform as follows: *[List Key Personnel and/or positions, and tasks, percentage of effort, number of hours, etc., for which they are responsible, as applicable.]*

(End of clause)

2452.237-72 Coordination of Data Collection Activities.

As prescribed in 2437.110(c), insert the following clause in solicitations and contracts where the contractor is required to collect identical information from ten or more public respondents:

**COORDINATION OF DATA COLLECTION ACTIVITIES
(APR 1984)**

If it is established at award or subsequently becomes a contractual requirement to collect identical information from ten or more public respondents, the Paperwork Reduction Act (44 U.S.C. 3501-3520) applies. In that event, the Contractor shall not take any action to solicit information from any of the public respondents until notified in writing by the Contracting Officer that the required Office of Management and Budget (OMB) final clearance was received.

(End of clause)

2452.237-73 Conduct of Work and Technical Guidance.

As prescribed in 2437.110(d), insert the following clause in all contracts for services:

**CONDUCT OF WORK AND TECHNICAL GUIDANCE
(FEB 2006)**

(a) The Government Technical Representative (GTR) for liaison with the contractor as to the conduct of work is *[to be inserted at time of award]* or a successor designated by the Contracting Officer. The Contracting Officer will notify the contractor in writing of any change to the current GTR's status or the designation of a successor GTR.

(b) The GTR will provide guidance to the contractor on the technical performance of the contract. Such guidance shall not be of a nature which:

- (1) Causes the contractor to perform work outside the statement of work or specifications of the contract;
- (2) Constitutes a change as defined in FAR 52.243-1;
- (3) Causes an increase or decrease in the cost of the contract;
- (4) Alters the period of performance or delivery dates; or

(5) Changes any of the other express terms or conditions of the contract.

(c) The GTR will issue technical guidance in writing or, if issued orally, he/she will confirm such direction in writing within five calendar days after oral issuance. The GTR may issue such guidance via telephone, facsimile (fax), or electronic mail.

(d) Certain of the GTR's duties and responsibilities may be delegated to one or more Government Technical Monitors (GTMs) (see HUDAR subpart 2402.1). The Contracting Officer will notify the contractor in writing of the appointment of any GTMs.

(e) Other specific limitations *[to be inserted by Contracting Officer]*:

(f) The contractor shall promptly notify the Contracting Officer whenever the contractor believes that guidance provided by any government personnel, whether or not specifically provided pursuant to this clause, is of a nature described in paragraph (b) above.

(End of clause)

2452.237 75 Access to HUD Facilities (DEVIATION).

As prescribed in 2437.110(e), insert the following clause in solicitations and contracts:

**ACCESS TO HUD FACILITIES (NOV 2005)
(DEVIATION)**

(a) Definitions. As used in this clause -

"Access" means physical entry into, and to the extent authorized, mobility within, a Government facility.

"Contractor employee" means an employee of the prime contractor or of any subcontractor, affiliate, partner, joint venture, or team members with which the contractor is associated. It also includes consultants engaged by any of those entities.

"Facility" and "Government facility" mean buildings, including areas within buildings, owned, leased, shared, occupied, or otherwise controlled by the Federal Government.

"NACI" means National Agency Check with Written Inquiries, the minimum background investigation prescribed by the U. S. Office of Personnel Management.

"PIV Card" means Personal Identity Verification (PIV) Card, the Federal Government-issued identification credential (identification badge).

(b) General. The performance of this contract requires contractor employees to have access to HUD facilities. All such employees who do not already possess a current PIV Card acceptable to HUD shall be required to provide personal background information, undergo a background investigation (NACI or other OPM-required or approved investigation), including an FBI National Criminal History Fingerprint Check, and obtain a PIV Card prior to being

permitted access to any such facility in performance of this contract. HUD may accept a PIV Card issued by another Federal Government agency but shall not be required to do so. No contractor employee will be permitted access to a HUD facility without a proper PIV Card.

(c) Background information.

(1) For each contractor employee subject to the requirements of this clause and not in possession of a current PIV Card acceptable to HUD, the contractor shall submit the following properly-completed forms: Standard Form (SF) 85, "Questionnaire for Non-sensitive Positions," FD 258 (Fingerprint Chart), and a partial Optional Form (OF) 306 (Items 1, 2, 6, 8-13, 16, and 17). The SF-85, and OF-306 are available from the Office of Personnel Management's (OPM) website: <http://www.opm.gov>. The GTR will provide all other forms that are not obtainable via the Internet.

(2) The contractor shall deliver the forms and information required in subparagraph (c)(1) to the GTR.

(3) The information provided in accordance with paragraph (c)(1) will be used to perform a background investigation to determine the suitability of the contractor employees to have access to Government facilities. After completion of the investigation, the GTR will notify the contractor in writing if any contractor employee is determined to be unsuitable to be given access to a Government facility. The contractor shall immediately remove such employees from work on this contract that requires the employees' physical presence in a Government facility.

(4) Affected contractor employees who have had a Federal background investigation without a subsequent break in Federal employment or Federal contract service exceeding two (2) years may be exempt from the investigation requirements of this clause subject to verification of the previous investigation. For each such employee, the contractor shall submit the following information in lieu of the forms and information listed in subparagraph (c)(1): employee's full name, Social Security Number, and place and date of birth.

(d) PIV Cards.

(1) HUD will issue a PIV Card to each contractor employee who is to be given access to HUD facilities and does not already possess a PIV Card acceptable to HUD (see paragraph (b)). HUD will not issue the PIV Card until the contractor employee has successfully cleared the FBI National Criminal History Fingerprint Check, and HUD has initiated the background investigation for the contractor employee. Initiation is defined to mean all background information required in paragraph (c)(1) has been delivered to HUD. The employee may not be given access prior to those two events. HUD may issue a PIV Card and grant access pending the completion of the background investigation. HUD will revoke the PIV Card and the employee's access if the background investigation process

(including adjudication of investigation results) for the employee has not been completed within six (6) months after the issuance of the PIV Card.

(2) PIV Cards shall identify individuals as contractor employees. Contractor employees shall display their PIV Cards on their persons at all times while working in a HUD facility, and shall present cards for inspection upon request by HUD officials or HUD security personnel.

(3) The contractor shall be responsible for all PIV Cards issued to the contractor's employees and shall immediately notify the GTR if any PIV Card(s) cannot be accounted for. The contractor shall notify the GTR immediately whenever any contractor employee no longer has a need for his/her HUD-issued PIV Card (e.g., employee terminates employment with the contractor, employee's duties no longer require access to HUD facilities). The GTR will instruct the contractor as to how to return the PIV Card. Upon expiration of this contract, the GTR will instruct the contractor as to how to return all HUD-issued PIV Cards not previously returned. The contractor shall not return PIV Cards to any person other than the individual(s) named by the GTR.

(e) Control of access. HUD shall have and exercise full and complete control over granting, denying, withholding, and terminating access of contractor employees to HUD facilities. The GTR will notify the contractor immediately when HUD has determined that an employee is unsuitable or unfit to be permitted access to a HUD facility. The contractor shall immediately notify such employee that he/she no longer has access to any HUD facility, remove the employee from any such facility that he/she may be in, and provide a suitable replacement in accordance with the requirements of this clause.

(f) Access to HUD information systems. If this contract requires contractor employees to have access to HUD information system(s), application(s), or information contained in such systems, the contractor shall comply with all requirements of HUDAR clause 2452.239-70, Access to HUD Systems, including providing for each affected employee any additional background investigation forms prescribed in that clause.

(g) Subcontracts. The contractor shall incorporate this clause in all subcontracts where the requirements specified in paragraph (b) of this section are applicable to performance of the subcontract.

(End of clause)

2452.237-77 Observance of Legal Holidays and Closure of HUD Facilities.

As prescribed in 2437.110(f), insert the following clause:

OBSERVANCE OF LEGAL HOLIDAYS AND CLOSURE OF HUD FACILITIES (FEB 2006)

(a)(1) The Department of Housing and Urban Development observes the following days as holidays--

New Year's Day
 Martin Luther King's Birthday
 Washington's Birthday
 Memorial Day
 Independence Day
 Labor Day
 Columbus Day
 Veterans Day
 Thanksgiving Day
 Christmas Day

Any other day designated by Federal law, Executive Order or Presidential Proclamation.

(2) When any holiday specified in (a)(1) falls on a Saturday, the preceding Friday shall be observed. When any such holiday falls on a Sunday, the following Monday shall be observed. Observances of such days by Government personnel shall not be cause for additional period of performance or entitlement to compensation except as set forth in the contract. If the contractor's personnel work on a holiday, no form of holiday or other premium compensation will be reimbursed either as a direct or indirect cost, unless authorized pursuant to an overtime clause elsewhere in this contract.

(b)(1) HUD may close a HUD facility for all or a portion of a business day as a result of—

- (A) Granting administrative leave to non-essential HUD employees (e.g., unanticipated holiday);
- (B) Inclement weather;
- (C) Failure of Congress to appropriate operational funds;
- (D) Or any other reason.

(2) In such cases, contractor personnel not classified as essential, i.e., not performing critical round-the-clock services or tasks, who are not already on duty at the facility shall not report to the facility. Such contractor personnel already present shall be dismissed and shall leave the facility.

(3) The contractor agrees to continue to provide sufficient personnel to perform round-the-clock requirements of critical tasks already in operation or scheduled for performance during the period in which HUD employees are dismissed, and shall be guided by any specific instructions of the Contracting Officer or his/her duly authorized representative.

(c) When contractor personnel services are not required or provided due to closure of a HUD facility as described in

this clause, the contractor shall be compensated as follows--

(1) For fixed-price contracts, deductions in the contractor's price will be computed as follows--

(A) The deduction rate in dollars per day will be equal to the per month contract price divided by 21 days per month.

(B) The deduction rate in dollars per day will be multiplied by the number of days services are not required or provided.

If services are provided for portions of days, appropriate adjustment will be made by the Contracting Officer to ensure that the contractor is compensated for services provided.

(2) For cost-reimbursement, time-and-materials and labor-hour type contracts, HUD shall not reimburse as direct costs, the costs of salaries or wages of contractor personnel for the period during which such personnel are dismissed from, or do not have access to, the facility.

(End of clause)

2452.239 70 Access to HUD Systems (DEVIATION).

As prescribed in 2439.107(a), insert the following clause:

**ACCESS TO HUD SYSTEMS (NOV 2005)
(DEVIATION)**

(a) Definitions: As used in this clause -

"Access" means the ability to obtain, view, read, modify, delete, and/or otherwise make use of information resources.

"Application" means the use of information resources (information and information technology) to satisfy a specific set of user requirements (see OMB Circular A-130).

"Contractor employee" means an employee of the prime contractor or of any subcontractor, affiliate, partner, joint venture, or team members with which the contractor is associated. It also includes consultants engaged by any of those entities.

"Mission critical system" means an information technology or telecommunications system used or operated by HUD or by a HUD contractor, or organization on behalf of HUD, that processes any information, the loss, misuse, disclosure, or unauthorized access to, or modification of, would have a debilitating impact on the mission of the agency.

"NACI" means National Agency Check with Written Inquiries, the minimum background investigation prescribed by the U. S. Office of Personnel Management.

"PIV Card" means Personal Identity Verification (PIV) Card, the Federal Government-issued identification credential (i.e., identification badge).

"Sensitive information" means any information, the loss, misuse, or unauthorized access to or modification of which could adversely affect the national interest or the conduct of federal programs or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.

"System" means an interconnected set of information resources under the same direct management control, which shares common functionality. A system normally includes hardware, software, information, data, applications, communications, and people (see OMB Circular A-130). System includes any system owned by HUD or owned and operated on HUD's behalf by another party.

(b) General.

(1) The performance of this contract requires contractor employees to have access to a HUD system or systems. All such employees who do not already possess a current PIV Card acceptable to HUD shall be required to provide personal background information, undergo a background investigation (NACI or other OPM-required or approved investigation), including an FBI National Criminal History Fingerprint Check, and obtain a PIV Card prior to being permitted access to any such system in performance of this contract. HUD may accept a PIV Card issued by another Federal Government agency but shall not be required to do so. No contractor employee will be permitted access to any HUD system without a PIV Card.

(2) All contractor employees who require access to mission-critical systems or sensitive information contained within a HUD system or application(s) are required to have a more extensive background investigation. The investigation shall be commensurate with the risk and security controls involved in managing, using, or operating the system or applications(s).

(c) Citizenship-related requirements. Each affected contractor employee as described in paragraph (b) shall be:

- (1) A United States (U.S.) citizen; or,
- (2) A national of the United States (see 8 U.S.C. 1408); or,
- (3) An alien lawfully admitted into the United States for permanent residence as evidenced by an Alien Registration Receipt Card Form I-151.

(d) Background investigation process:

(1) The Government Technical Representative (GTR) shall notify the contractor of those contractor employee positions requiring background investigations.

(i) For each contractor employee requiring access to HUD information systems, the contractor shall submit the following properly-completed forms: Standard Form (SF) 85, "Questionnaire for Non-sensitive Positions," FD 258 (Fingerprint Chart), and a partial Optional Form (OF) 306 (Items 1, 2, 6, 8-13, 16, and 17).

(ii) For each contractor employee requiring access to mission-critical systems and/or sensitive information contained within a HUD system and/or application(s), the contractor shall submit the following properly-completed forms: SF 85P, "Questionnaire for Public Trust Positions," FD 258, and a Fair Credit Reporting Act form (authorization for the credit-check portion of the investigation). Contractor employees shall not complete the Medical Release behind the SF 85P.

(iii) The SF85, 85P, and OF 306 are available from the Office of Personnel Management's website: <http://www.opm.gov>. The GTR will provide all other forms that are not obtainable via the Internet.

(2) The contractor shall deliver the forms and information required in subparagraph (d)(1) to the GTR.

(3) Affected contractor employees who have had a Federal background investigation without a subsequent break in Federal employment or Federal contract service exceeding two (2) years may be exempt from the investigation requirements of this clause subject to verification of the previous investigation. For each such employee, the contractor shall submit the following information in lieu of the forms and information listed in subparagraph (d)(1): employee's full name, Social Security number, and place, and date of birth.

(4) The investigation process shall consist of a range of personal background inquiries and contacts (written and personal) and verification of the information provided on the investigative forms described in subparagraph (d)(1).

(5) Upon completion of the investigation process, the GTR will notify the contractor if any contractor employee is determined to be unsuitable to have access to the system(s), application(s), or information. Such an employee may not be given access to those resources. If any such employee has already been given access pending the results of the background investigation, the contractor shall ensure that the employee's access is revoked immediately upon receipt of the GTR's notification.

(6) Failure of the GTR to notify the contractor (see subparagraph (d)(1)) of any employee who should be subject to the requirements of this clause and is known, or should reasonably be known, by the contractor to be subject to the requirements of this clause, shall not excuse the contractor from making such employee(s) known to the GTR. Any such employee who is identified and is working under the contract without having had the appropriate background investigation or furnished the required forms for the investigation, shall cease to perform such work immediately and shall not be given access to the system(s)/application(s) described in paragraph (b) until the contractor has provided the investigative forms required in subparagraph (d)(1) for the employee to the GTR.

(7) The contractor shall notify the GTR in writing whenever a contractor employee for whom a background investigation package was required and submitted to HUD, or for whom a background investigation was completed, terminates employment with the contractor or otherwise is no longer performing work under this contract that requires access to the system(s), application(s), or information. The contractor shall provide a copy of the written notice to the Contracting Officer.

(e) PIV Cards.

(1) HUD will issue a PIV Card to each contractor employee who is to be given access to HUD systems and does not already possess a PIV Card acceptable to HUD (see paragraph (b)). HUD will not issue the PIV Card until the contractor employee has successfully cleared an FBI National Criminal History Fingerprint Check, and HUD has initiated the background investigation for the contractor employee. Initiation is defined to mean all background information required in paragraph (d)(1) has been delivered to HUD. The employee may not be given access prior to those two events. HUD may issue a PIV Card and grant access pending the completion of the background investigation. HUD will revoke the PIV Card and the employee's access if the background investigation process (including adjudication of investigation results) for the employee has not been completed within six (6) months after the issuance of the PIV Card.

(2) PIV Cards shall identify individuals as contractor employees. Contractor employees shall display their PIV Cards on their persons at all times while working in a HUD facility, and shall present cards for inspection upon request by HUD officials or HUD security personnel. \

(3) The contractor shall be responsible for all PIV Cards issued to the contractor's employees and shall immediately notify the GTR if any PIV Card(s) cannot be accounted for. The contractor shall notify the GTR immediately whenever any contractor employee no longer has a need for his/her HUD-issued PIV Card (e.g., employee terminates employment with the contractor, employee's duties no longer require access to HUD systems). The GTR will instruct the contractor as to how to return the PIV Card. Upon expiration of this contract, the GTR will instruct the contractor as to how to return all HUD-issued PIV Cards not previously returned. The contractor shall not return PIV Cards to any person other than the individual(s) named by the GTR.

(f) Control of access. HUD shall have and exercise full and complete control over granting, denying, withholding, and terminating access of contractor employees to HUD systems. The GTR will notify the contractor immediately when HUD has determined that an employee is unsuitable or unfit to be permitted access to a HUD system. The contractor shall immediately notify such employee that he/she no longer has access to any HUD system, physically retrieve the employee's PIV Card from the employee, and

provide a suitable replacement employee in accordance with the requirements of this clause.

(g) Incident response notification. An incident is defined as an event, either accidental or deliberate, that results in unauthorized access, loss, disclosure, modification, or destruction of information technology systems, applications or data. The contractor shall immediately notify the GTR and the Contracting Officer of any known or suspected incident, or any unauthorized disclosure of the information contained in the system(s) to which the contractor has access.

(h) Nondisclosure of information.

(1) Neither the contractor nor any of its employees shall divulge or release data or information developed or obtained during performance of this contract, except to authorized government personnel with an established need to know or upon written approval of the Contracting Officer. Information contained in all source documents and other media provided by HUD is the sole property of HUD.

(2) The contractor shall require that all employees who may have access to the system(s)/applications(s) identified in paragraph (b) sign a pledge of nondisclosure of information. The employees shall sign these pledges before they are permitted to perform work under this contract. The contractor shall maintain the signed pledges for a period of three years (3) after final payment under this contract. The contractor shall provide a copy of these pledges to the GTR.

(i) Security procedures.

(1) The Contractor shall comply with applicable Federal and HUD statutes, regulations, policies and procedures governing the security of the system(s) to which the contractor's employees have access including, but not limited to:

(i) Federal Information Security Management Act (FISMA) of 2002;

(ii) OMB Circular A-130, Management of Federal Information Resources, Appendix III, Security of Federal Automated Information Resources;

(iii) HUD Handbook 2400.25, Information Security Policy;

(iv) HUD Handbook 732.3, Personnel Security/Suitability;

(v) Federal Information Processing Standards 201 (FIPS 201), Sections 2.1 and 2.2;

(vi) Homeland Security Presidential Directive 12 (HSPD-12); and

(vii) OMB Memorandum M-05-24, Implementing Guidance for HSPD-12.

The HUD Handbooks are available online at: <http://www.hudclips.org/cgi/index.cgi> or from the GTR.

(2) The contractor shall develop and maintain a compliance matrix that lists each requirement set forth in paragraphs, (b), (c), (d), (e), (f), (g), (h), (i)(1) and (m) of this clause with specific actions taken, and/or procedures implemented, to satisfy each requirement. The contractor

shall identify an accountable person for each requirement, the date actions/procedures were initiated/completed, and certify that information contained in this compliance matrix is correct. The contractor shall ensure that information in this compliance matrix is complete, accurate, and up-to-date at all times for the duration of this contract. Upon request, the contractor shall provide copies of the current matrix to HUD.

(3) The Contractor shall ensure that its employees, in performance of the contract, receive annual training (or once if the contract is for less than one year) in HUD information technology security policies, procedures, computer ethics, and best practices in accordance with HUD Handbook 2400.25.

(j) Access to contractor's systems. The Contractor shall afford HUD, including the Office of Inspector General, access to the Contractor's facilities, installations, operations, documentation (including the compliance matrix required under paragraph (i)(2)), databases and personnel used in performance of the contract. Access shall be provided to the extent required to carry out, but not limited to, any information security program activities, investigation and audit to safeguard against threats and hazards to the integrity, availability and confidentiality of HUD data and systems, or to the function of information systems operated on behalf of HUD, and to preserve evidence of computer crime.

(k) Contractor compliance with this clause. Failure on the part of the contractor to comply with the terms of this clause may result in termination of this contract for default.

(l) Physical access to Federal Government facilities. The contractor and any subcontractor(s) shall also comply with the requirements of HUDAR clause 2452.237 75 when the contractor's or subcontractor's employees will perform any work under this contract on site in a HUD or other Federal Government facility.

(m) Subcontracts. The contractor shall incorporate this clause in all subcontracts where the requirements specified in paragraph (b) of this section are applicable to performance of the subcontract.

(End of clause)

2452.239-71 Information Technology Virus Security.

As prescribed in 2439.107(b), insert the following clause:

**INFORMATION TECHNOLOGY VIRUS SECURITY
(FEB 2006)**

(a) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to

their delivery to HUD using software tools and processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract:

[product description, part/catalog number, other identifier, and serial number, if any] This product has been scanned for known viruses using *[name of virus-screening product, including version number, if any]* and is certified to be free of known viruses at the time of delivery."

(c) The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor's failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract.

(d) This clause shall not limit the rights of the government under any other clause of this contract.

(End of clause)

2452.242-70 Indirect costs.

As prescribed in 2442.705-70, insert the following clause in cost-reimbursement type solicitations and contracts when it is determined that the contractor will be compensated for negotiated or provisional indirect cost rates pending establishment of final indirect cost rates:

INDIRECT COSTS (APR 1984)

(a) Pursuant to the provisions of the clause of this contract entitled "Allowable Cost and Payment" the rates listed below are established. If the column entitled "Ceiling Rates" has rates listed, the ceiling applies for those rates only. If there are no ceiling rates listed, ceilings do not apply to this contract and the provisions of paragraph (b) of this clause are not applicable.

Period	Category	Provisional Rate	Ceiling Rate	Base

Effective date until amended *[insert date]*

(b) For the term of this contract, the final indirect rates shall not exceed the ceiling rates listed above, if any. However, in the event the indirect rates developed by the cognizant audit activity on the basis of actual allowable costs are less than the ceiling rates agreed to herein, then the rates established by such cognizant audits shall apply (downward adjustment only). The Government shall not be obligated to pay any additional amounts on indirect rates above the ceiling rates as set forth for the applicable period.

(End of clause)

2452.242-71 Contract Management System.

As prescribed in 2442.1107, insert the following clause:

CONTRACT MANAGEMENT SYSTEM (FEB 2006)

(a) The contractor shall use contract management baseline planning and progress reporting as described herein.

(b) The contract management system shall consist of two parts:

(1) Baseline plan. The baseline plan shall consist of:

(i) A narrative portion that:

(A) Identifies each task and significant activity required for completing the contract work, critical path activities, task dependencies, task milestones, and related deliverables;

(B) Describes the contract schedule, including the period of time needed to accomplish each task and activity (see paragraph (ii)(B) of this section below);

(C) Describes staff (e.g., hours per individual), financial, and other resources allocated to each task and significant activity; and,

(D) Provides the rationale for contract work organization and resource allocation.

(ii) A graphic portion showing:

(A) Cumulative planned or budgeted costs of work scheduled for each reporting period over the life of the contract (i.e., the budgeted baseline); and

(B) The planned start and completion dates of all planned and budgeted tasks and activities.

(2) Progress reports. Progress reports shall consist of:

(i) A narrative portion that:

(A) Provides a brief, concise summary of technical progress made and the costs incurred for each task during the reporting period; and

(B) Identifies problems, or potential problems, that will affect the contract's cost or schedule, the causes of the problems, and the contractor's proposed corrective actions.

(ii) A graphic portion showing:

(A) The original time-phased, budgeted baseline.

(B) The schedule status and degree of completion of the tasks, activities, and deliverables shown in the baseline plan for the reporting period, including actual start and completion dates for all tasks and activities in the baseline plan; and

(C) The costs incurred during the reporting period, the current total amount of costs incurred through the end date of the reporting period for budgeted work, and the projected costs required to complete the work under the contract.

(3) Reporting frequency. The reports described in (b)(2) shall be submitted [*insert period, e.g., monthly, quarterly, or schedule based on when payments will be made under the contract*].

(c) The formats, forms, and/or software to be used for the contract management system under this contract shall be [*Contracting Officer insert appropriate language "as prescribed in the schedule;" "a format, forms and/or software designated by the GTR;" or, "the contractor's own format, forms and/or software, subject to the approval of the GTR."*].

(d) When this clause applies to individual task orders under the contract, the word "contract" shall mean "task order."

(End of clause)

Alternate I (FEB 2006). As prescribed in 2442.1107, replace paragraph (b) with the following:

(b) The contract management system shall consist of two parts:

(1) Baseline plan. The baseline plan shall consist of:

(i) A narrative portion that:

(A) Identifies each task and significant activity required for completing the contract work, critical path activities, task dependencies, task milestones, and related deliverables;

(B) Describes the contract work schedule, including the period of time needed to accomplish each task and activity (see paragraph (ii) of this section below);

(C) Describes key personnel allocated to each task and significant activity; and,

(D) Provides the rationale for contract work organization.

(ii) A graphic portion showing the planned start and completion dates of all planned tasks and activities.

(2) Progress reports. Progress reports shall consist of:

(i) A narrative portion that:

(A) Provides a brief, concise summary of technical progress made for each task during the reporting period; and

(B) Identifies problems, or potential problems, that will affect the contract's cost or schedule, their causes, and the contractor's proposed corrective actions.

(ii) A graphic portion showing the schedule status and degree of completion of the tasks, activities, and deliverables shown in the baseline plan for the reporting period, including actual start and completion dates for all tasks and activities in the baseline plan.

(3) Reporting frequency. The reports described in (b)(2) shall be submitted [*insert period, e.g., monthly, quarterly, or schedule*].

(End of clause)

2452.246-70 Inspection and acceptance.

As prescribed in 2446.502-70, insert the following clause in all solicitations and contracts:

INSPECTION AND ACCEPTANCE (FEB 2006)

Inspection and acceptance of all work required under this contract shall be performed by the Government Technical Representative (GTR) or other individual as designated by the Contracting Officer or GTR.

(End of clause)

2452.251-70 Contractor Employee Travel.

As prescribed in 2451.7001, insert the following clause

in all cost-reimbursement solicitations and contracts involving travel:

CONTRACTOR EMPLOYEE TRAVEL (OCT 1999)

(a) To the maximum extent practical, the Contractor shall make use of travel discounts which are available to Federal employees while traveling in the conduct of official Government business. Such discounts may include, but are not limited to, lodging and rental car rates.

(b) The Contractor shall be responsible for obtaining and/or providing to his/her employees written evidence of their status with regard to their performance of Government contract work needed to obtain such discounts.

(End of clause)

PART 2453--FORMS

Sec.

2453.000 Scope of part

Subpart 2453.2--Prescription of Forms

2453.227 Patents, rights, and copyrights.

2453.227-70 Form HUD-770, Report of Inventions and Subcontracts.

2453.000 Scope of part.

This part prescribes Agency forms for use in acquisition and contains requirements and information generally applicable to the forms.

Subpart 2453.2--Prescription of Forms**2453.227 Patents, data, and copyrights.****2453.227-70 Form HUD-770, Report of Inventions and Subcontracts.**

As prescribed in 2427.305-2, form HUD-770 shall be completed by the Contractor, and submitted to the Contracting Officer, if requested, upon completion of the contract.