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## General Information about Doing Business with KCDC

### INTRODUCTION

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The information provided here is to assist vendors in doing business with Knoxville's Community Development Corporation (KCDC). It is not intended an all-inclusive list. KCDC Procurement Policy and the United States Department of Housing & Urban Development (HUD)'s Procurement Handbook detail how the procurement function at KCDC operates. Additionally, KCDC complies with State of Tennessee requirements. For detailed information, vendors should contact the Procurement Division and review other documents on KCDC's web page.

#### KCDC History

To fulfill the promise to provide safe, decent and affordable housing, the City of Knoxville established the Knoxville Housing Authority, known today as KCDC in 1934. At that time, there were two housing properties. KCDC has grown from managing those two housing properties to managing seventeen housing properties. In 2009, KCDC became the public housing & redevelopment authority for Knox County. The agency has also expanded the role of a public housing agency to include resident and development services. For details on the sites owned by KCDC, go to [www.kcdc.org](http://www.kcdc.org) and click on "Learn About Housing."

#### KCDC's Mission

KCDC's mission is to improve neighborhoods and communities by:

- Providing Quality Affordable Housing
- Advancing Development Initiatives
- Fostering Self-Sufficiency

Prospective vendors are encouraged to review the following information explaining how to conduct business with KCDC.

It is the policy of KCDC to ensure that all qualified vendors regardless of race, color, national origin, or gender shall have the maximum opportunity to participate in projects.

Please feel free to visit our website ([www.kcdc.org](http://www.kcdc.org) and click on "Procurement") or contact the Procurement Division for further information.



## **KCDC'S PURCHASING DIVISION MISSION**

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To be proactive in meeting our customers' needs by providing quality procurement services in an efficient, economical and professional manner. To achieve these goals requires continuous improvement of the procurement function. Creativity, teamwork and a commitment are keys to the success of our customers.

## **KCDC'S PURCHASING DIVISION GENERAL INFORMATION**

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The Procurement Division is the central procurement organization for all of KCDC. Its responsibilities include:

- Buying all supplies, materials and equipment necessary for the delivery of KCDC services
- Coordinating the selection of professional services for planning, design and special consultation work for KCDC
- Issuing bid invitations, Request for Proposals, Request for Qualifications and all other procurement activities of KCDC
- Administering the P-Card program
- Sale of surplus items
- Overseeing warehouses and inventory

To achieve these goals requires continuous improvement of the procurement function. This is achieved through creativity, teamwork and a commitment to the success of our customers.

## **AWARD CRITERIA**

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The basis for selection of a vendor for an award is generally the lowest most responsible, responsive bid or quote. The lowest responsible bidder is defined as the company or individual whose product best meets the bid specifications at the lowest price. Professional services (architects, engineers, et cetera) providers are selected by qualitative factors and price is not a factor in the initial evaluation. Qualitative factors considered in the evaluation process are typically: Staffing, Performance, Experience and Expertise, Availability and Financial Stability.

KCDC reserves the right to reject any and all bids/quotes or any portion thereof.

## **BONDS**

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KCDC normally requires bid, payment and performance bonds on any construction project exceeding \$99,999 in value. Details will be in the solicitation document.

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## COMMUNICATION

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The Procurement Division communicates extensively by email. To conduct work successfully with KCDC, vendors need to use email and texting routinely to conduct business.

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## CONTACT POINTS

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KCDC prefers that vendors first make contact with the Procurement Division and not with our sites and employees. The Procurement Division will refer vendors to employees as needed.

The KCDC Procurement Division is located at 901 Broadway N. Normal office hours are 7:30 a.m. to 4:00 p.m. Whenever possible, Procurement staff accommodates “drop in” visitors but you should try to contact staff for an appointment.

Phone: 865.403.1133  
Email: [purchasinginfo@kcdc.org](mailto:purchasinginfo@kcdc.org)

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## COOPERATIVE PURCHASING

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KCDC uses cooperatively bid contracts from other governmental agencies when it is in KCDC’s best interest. When KCDC uses a cooperative contract, bids are not issued. Examples include contracts issued by:

- National Joint Powers Association (NJPA)
- State of Tennessee
- The United States General Services Administration (GSA) (Selected contracts)
- U.S. Communities
- WSCA

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## DAVIS BACON/PREVAILING REQUIREMENTS

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Generally, any construction or construction related work for KCDC requires that the vendor adhere to the federal Davis Bacon requirements. Davis Bacon is often referred to as “Prevailing Wage laws.” These requirements are in the solicitation document. State prevailing wage rules and laws do not pertain to KCDC.

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## ETHICAL STANDARDS

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Employees in the Procurement Division do not accept entertainment or gifts offered by or on behalf of vendors, suppliers, contractors, businesses, or citizens currently or potentially serving KCDC. All employees keep themselves free of obligation. Nominal “gifts” from vendors, such as those routinely and openly given away at conferences and open houses, are acceptable provided they fall within the guidelines of KCDC’s overall ethical standards.

Additionally KCDC has established a Vendor Code of Business Conduct for all of its business partners. The Code of Business Conduct is on KCDC' webpage.

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## **GENERAL INSTRUCTIONS TO VENDORS**

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In order to reduce the amount of paper in solicitation documents, KCDC removed many standard legal items from its terms and conditions and placed them on the internet in a document entitled "General Instructions to Vendors." By submitting a response to any KCDC solicitation, the vendor is certifying that they have read and will abide by these requirements. Note that not all of these requirements apply to every solicitation.

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## **INSURANCE**

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Vendors are required to have insurance when they provide any service to KCDC. The specific requirements are in the solicitation document. Work may not commence until KCDC receives a proper Certificate of Insurance from the vendor.

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## **INVOICING**

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Until a purchase order is in place, work is not to be performed nor are goods to be delivered. As purchase orders authorize work and obligate payment, if a vendor performs work without a purchase order in place, KCDC does not have a legal obligation to pay for the work.

Depending upon the nature and volume of the award, vendors may:

- Bill once per month or to bill each individual job
- Provide a monthly statement that recaps all charges for the month
- Transmit invoices to the site manager or ordering official or to send them to Accounts Payable
- Leave an invoice at the work site, mail them, email them or fax them

Invoices must:

- Be numbered
- Have a date on them that is after the work is completed or goods delivered
- Show the purchase order number
- Breakdown pricing according to the award structure

- For instance, if the award is priced by the hour, then the invoice needs to show the hours and rates
- This is important so that KCDC can quickly compare the rates charged with the approved rates
- For example:

<b>ACME Company 123 Any Street Sometown, TN 37999 865.555.1212</b>			
<b>Invoice Date</b>	05-31-15		
<b>Invoice Number</b>	12345		
<b>Purchase Order Number</b>	123456-123456		
<b>Service/Delivery Date</b>	05-28-15		
<b>Service/Goods Details</b>			
<b>Item</b>	<b>Rate</b>	<b>Quantity</b>	<b>Total</b>
<b>Labor Hours-Laborer (per bid)</b>	\$20.00	6	\$120.00
<b>Labor Hours-Technician (per bid)</b>	\$25.00	4	\$100.00
<b>Rock (per ton with 8% discount)</b>	\$50.00	1	\$50.00
<b>Dumping Fee</b>	\$100.00	1	\$100.00
<b>Boards, 2 x 4, pressure treated (per bid)</b>	\$1.00	75	\$75.00
<b>Grand Total</b>			\$445.00

- Be suitable for scanning since KCDC does not maintain paper records.

Note: KCDC strongly encourages vendors to supply computer generated or otherwise typed invoices instead of hand completed invoices.

Invoices must be submitted within 90 days of the date the goods or services were. KCDC reserves the right to refuse invoices submitted after the 90-day threshold.

KCDC is exempt from all taxes levied by the State of Tennessee, its cities and counties, as well as most federally imposed taxes. However if vendors purchase goods for KCDC, the vendor must pay sales or “use tax.” Upon the placement of a purchase order or the award of a contract, KCDC will provide a State of Tennessee Sales Tax Exemption form to the vendor. Taxes on KCDC’s invoices will not be paid.

KCDC normally pays by electronic transfer (ACH) only. KCDC does not issue checks. Information about KCDC’s Vendor Portal is on KCDC’s webpage. This document explains how to set up access, access options and how to use the portal to track payments.

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## PROCUREMENT PROCESS

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Once Procurement has received requisitions, purchasing personnel will generate Quotations, Formal Sealed Bids or Request for Proposals if the amount reaches the thresholds requiring competition.

As mandated by federal regulation, state law and/or KCDC policy, the total purchase amount of the requisition dictates whether a quotation or formal sealed bid will be required.

### Monetary Limits for Quotation Procedures are:

Less than \$3,000	One quotation
\$3,001 or more (Services)	Three quotes and Davis Bacon Wage rates apply
\$3,001 or more (Goods)	Three quotes
\$100,000 and Over	Sealed Bids or Request for Proposals

All purchases over \$100,000 require KCDC's Board approval whether they are quotes or formal bids.

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## PUBLIC RECORDS

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KCDC operates under Tennessee's open records law and accordingly all records are public. RFP submittals are not public until an award decision occurs.

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## PURCHASE ORDERS

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It is very important for vendors to remember that no office or department of KCDC can authorize the purchase items or services prior to the vendor's receipt of a purchase order. However, employees with KCDC procurement cards may use those cards within the guidelines permitted for procurement cards.

Only the Procurement Division can authorize the purchase of goods or services and this requires a purchase order. Vendors do not accept contrary instructions or conditions from any source other than the Procurement Division. Should the vendor receive from any other source contrary instructions or conditions, the immediately notify the Procurement Division.

KCDC's software automatically emails purchase orders to the vendor. KCDC does not mail purchase orders. Acceptance of a purchase order signifies acceptance of KCDC's purchase order terms and conditions. Purchase order terms and conditions are on KCDC's webpage.

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## REMOVAL FROM THE VENDORS LIST

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It may be necessary for the Procurement Division to remove a vendor from the Vendor List for specific reasons. The Procurement Division will notify vendors removed from the Vendor List in writing and an explanation for the removal is given.

Some of the removal reasons are:

- Bid Rigging/Collusion
- Non-Compliance with Specifications/Poor Performance
- Reneging on a bid
- Being added to HUD's debarment listing

## SEALED BID PROCESS

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Commodities or services valued at \$100,000.00 or more require formal sealed bids or proposals. KCDC uses its web page as its official advertising medium. Additionally, KCDC places an advertisement in the Knoxville News Sentinel each month directing readers to KCDC's web page for all solicitation opportunities. Copies of the solicitation are emailed to various distribution groups including:

- Associated Construction Women
- Bidnet
- Black Contractor's Association
- Datafax
- Hispanic Chamber of Commerce
- Knoxville Builders Exchange
- Knoxville Chamber Partnership
- Knoxville's EBOP Office
- Knoxville Area Urban League
- Knox County's Supplier Diversity Office
- McGraw Hill Construction Room
- Reed Business Information
- Tennessee Minority Supplier Development Council

KCDC posts solicitations on its webpage at [www.kcdc.org](http://www.kcdc.org). Vendors may read, download and/or print the solicitations as desired.

Solicitation openings are generally at 11:00 a.m. on the date specified in the bid document. The location of each bid opening is on the first page of the solicitation but openings are normally in the Procurement Division Office. Until the specified local prevailing time, on the bid opening date, the KCDC Procurement Division will accept solicitations. By law, bids received later than the specified are not accepted.

KCDC may fax solicitation notices and/or email registered vendors when opportunities arise. However, vendors are encouraged to monitor KCDC's website for solicitations, as this is the official way that KCDC advertises bids and communicates. No other method (faxes, emails, et cetera) are guaranteed.

All bid openings are public and vendors are encouraged to attend. Bids are available for review by appointment after the bid opening. Apparent low bidders and bid recommendations are available after the initial bid opening or immediately following publication of the award recommendation if the solicitation is a RFP. In either case, the results post to KCDC's webpage.

Bid documents can be quite lengthy if the goods or services desired are complex. Accordingly, bidders should carefully read the instruction and follow the directions. If you have questions, please contact the Procurement Division prior to submitting your bid.

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## SURPLUS SALES

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KCDC uses an on-line auction service to sell its surplus items. To view KCDC surplus, go to [www.govdeals.com](http://www.govdeals.com).

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## TERM BIDS

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KCDC has many Term Bids in place. These agreements are contracts initiated by the Procurement Division for commonly used supplies or services at fixed unit prices for a specified term, typically one year. Typically, a term bid has four, one-year renewal periods that exercisable upon the concurrence of both parties. A term bid may last up to five years. However, KCDC does not guarantee any purchase amount. Nor does KCDC guarantee a vendor 100% of all purchases for that commodity or service.

Individual orders against term bids are placed directly by employees of KCDC departments and each order will have a unique purchase order number. This order number must appear on your invoice to ensure prompt payment. A listing of term bids is available upon request.

Award of Term Bids may be made to multiple suppliers. When submitting a bid for a Term Bids, prices quoted shall be firm for a period of one year unless otherwise stated within the specification. When an award is made on a Term Bid, the vendor receives a "Success Letter" and purchases against this agreement or contract are confirmed by issuing a purchase order.

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## VENDOR PERFORMANCE

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The Procurement Division establishes vendor performance and information files for all vendors doing business with KCDC. Two areas are of particular importance:

1. **Delivery Dates:** Failure to meet a specified delivery date reflects on performance and could be a factor in subsequent award determinations. It is the vendor's responsibility to notify the Procurement Division and the appropriate department when a delay in the delivery schedule is anticipated or occurs. At that time, the vendors are to indicate the new anticipated delivery date and the reason for delay. Failure to deliver within contractual delivery schedules may result in the vendor being in default and cancellation of the purchase order.
2. **Quality of Service:** Unsatisfactory product quality or service performance also reflects on a vendor and could be a factor in subsequent award determinations as well as removal from the active vendor list. Such performance can increase KCDC's operating costs and are considered when complying with the policy of awarding to the "lowest responsible bidder".

One technique that KCDC uses to evaluate vendor performance is through User Surveys. Once a vendor provides goods or services to KCDC, Procurement surveys our employees about the vendor's performance. The results are shared with the vendor and retained by the Procurement Division.

## **VENDOR REGISTRATION**

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KCDC procures goods and services from qualified and registered vendors. Interested vendors are encouraged to complete the brief on-line vendor application. This provides KCDC with a database of vendors to consult as needs dictate. To complete the registration, go to [www.kcdc.org](http://www.kcdc.org). Click on "Procurement" Then click on "Register as a Vendor." Follow the instructions and you are done within minutes. Once registered, you will have a password so that you can edit your information and keep it current.

KCDC's sole responsibility for vendor notification is posting the solicitation to the KCDC web page.