


# Doing Business with KCDC







# Introduction

- In 1936, to fulfill the promise for safe, decent and affordable housing, the City of Knoxville established the Knoxville Housing Authority.
  - Today, that organization is known as Knoxville's Community Development Corporation (KCDC).
  - KCDC has grown from two housing developments to overseeing 27 and has expanded its role to serve as the public housing and redevelopment authority for the City of Knoxville and Knox County.
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# KCDC Communities



- Autumn Landing
- First Creek at Austin Phase I
- First Creek at Austin Phase II
- Five Points 2
- Five Points 3
- Five Points 4
- Five Points Multiplexes
- Five Points Senior Duplexes
- The Residences at Five Points
- The Residences at Eastport 1
- The Residences at Eastport 2
- Isabella Towers
- Lonsdale Homes
- Montgomery Village
- The Manor at Northgate Terrace
- Northgate Terrace
- Nature's Cove
- Mechanicsville
- Passport Housing
- The Vista
- Valley Oaks
- Western Heights
- The Verandas
- Cagle Terrace
- Guy B. Love Towers
- North Ridge Crossing
- Cottages at Clifton



# General Information

- KCDC has about 3,600 units.
- KCDC has 150 employees.
- KCDC contracts most of its services it needs.
- KCDC buys most items to maintain its units and to run its offices.



# Procurement Process

- KCDC wants **you** to compete in the procurement process.
- Check the opportunities on our web page at [www.kcdc.org](http://www.kcdc.org).
- Once there, click on "Procurement" toward the top of the page and then on "Open Bids."





# Procurement Methods

- KCDC procures goods and services in various methods, and it is important that you know the differences in the methods.
- KCDC has procurement threshold levels that determine procurement methods.



# Procurement Methods



- Written Quotes
- Formal Sealed Bids
- Requests for Proposal
- Requests for Qualifications
- Term Bids
- Cooperative Purchases
- Emergency Purchases
- Sole Source Purchases
- Procurement Cards





# Written Quotations

- Expenditures over \$20,000 but under \$50,000 are considered quotes.
- At some sites this is \$3,000 instead of \$20,000.
- Procurement normally assigns a quote number and posts the document to the web page as part of KCDC's outreach efforts.
- At least three firms must be solicited.
- May not be very complex.
- Formal sealed bidding rules do not apply.



# Formal Sealed Bids

- Over \$50,000, KCDC uses formal sealed bids to meet the legal requirements imposed by the state and federal governments.
- Procurement assigns a bid number and posts the bid to the web page.
- The length and complexity of the document will vary with the scope.
- Award is primarily based upon cost or price alone.
- At least 15 days must be allowed for vendor responses.
- Awards exceeding \$100,000 must be approved by KCDC's board.



# Formal Sealed Bids

- Performance, payment and bid bonds may apply for construction.
- Davis Bacon Wage Rate requirements may apply at Western Heights.
- This process is formal and has limited flexibility.



# Formal Sealed Bids

- Over \$50,000, KCDC may use formal sealed proposals (RFP) to meet the legal requirements imposed by the state and federal governments.
- Procurement will assign a proposal number and post the RFP to the web page.
- Evaluation will be on price and other factors.
- The other evaluation factors are identified in the document.



# Formal Sealed Bids



- Proposals take longer to process and award than bids do.
- KCDC details the required outcome of the scope of work.
- Vendors determine how to achieve the desired outcome.
- An evaluation team reviews and scores the proposals.
- Public openings are not conducted.
- Only the proposer names are public until award.



# Request for Qualifications


- Similar to Requests for Proposal.
- Cost is not a factor until the “most qualified” is determined.
- Then cost is negotiated. If an agreement is not reached, KCDC moves to the second most qualified.
- Used for A/E services.







# Term Bids

- Allow the purchase of the same item/service over a specific period of time.
  - Allow staff to accumulate annual needs.
  - Contract with one or more vendors.
  - Leverages purchasing volume.
  - Helps lower costs.
  - Vendors are not guaranteed 100% of KCDC's purchases.
  - Everything a vendor offers is not on contract.
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# Cooperative Procurement

- May “piggyback” on other qualifying public term bids.
- Do not have to piggyback.
- Do not have to bid if using someone else’s contract.







# Emergency Purchases

- Purchases outside of the normal routine.
- Expedited purchases.
- When more than \$20,000 and competition is not possible.
- This waives the requirement for quotes/bids.




# Only Known Source Purchases

- Purchases above \$20,000 with no competition.
- No other vendor can supply the item.
- This waives competition due to only vendor being able to supply the goods or services.





# Procurement Cards (P-Cards)

- Some KCDC staff have P-Cards.
  - These are Mastercards.
  - These are either for an occasional purchase or for paying for repetitive purchases that have been bid.
  - The normal procurement rules still apply.
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# Bid Results

- KCDC normally posts the results of bids, quotations, proposals, etc., to its web page.





# Bonding

KCDC normally requires bonding only for construction projects if they exceed \$100,000:



**Bid Bond**

**5%**

**Payment Bond**

**100%**

**Performance Bond**

**100%**






# Firm Prices

- Unless otherwise noted in the solicitation document, prices are firm.
- Multiyear awards allow for price increases at renewal time provided the vendor can document cost increases.





# Forms

- KCDC's solicitation packages have various forms for the vendor to complete.
  - Contact Procurement if you have questions.
  - Complete all blanks.
  - Do not change the structure or pricing schema without KCDC's permission.
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# Hazardous Materials

- Some KCDC communities may have asbestos or lead-based paint.
- If so, only qualified vendors may perform the work.
- KCDC tries to notify the vendors in the solicitation document.
- If vendor discovers such conditions, immediately stop work and discuss with KCDC management.

# Indemnification

- State law is specific about the extent of KCDC's ability to indemnify vendors:
  - Vendor shall indemnify, defend, save and hold harmless KCDC, its officers, agents and employees from all suits, claims, actions or damages of any nature brought because of, arising out of or due to breach of the agreement by vendor, its subcontractors, suppliers, agents or employees, or due to any negligent act or occurrence or any omission or commission of vendor, its subcontractors, suppliers agents or employees.





# Insurance



- KCDC normally requires insurance for services and the coverage levels vary by the nature of the work being performed.




# Invoicing

- General Comments
  - Work is not to be performed nor are goods to be delivered until a purchase order or contract is in place.
  - If vendors perform without a purchase order or contract 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 be asked to:
  - Bill once per month or bill each individual job.
  - Provide a monthly statement that recaps all charges for the month.
  - Leave an invoice at the work site or email them.




# Invoicing

- Invoices must:
    - Be numbered.
    - Have a date on them that is after the work is completed or goods delivered.
    - Show the purchase order number.
    - Break down price according to the bid structure.
    - Be submitted within 90 days of the date the goods or services were delivered.
    - KCDC may not pay invoices submitted after 90 days.
    - KCDC does not normally pre-pay for goods or services.
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# Invoicing

- Mostly, KCDC is exempt from taxes levied by the state, its cities and counties, as well as federally imposed taxes.
  - KCDC's limited partnerships are not sales tax exempt.
  - KCDC will provide a State of Tennessee Government Entity Sales Tax Exemption form to the vendor.
  - Tennessee does not give governments a tax number as it does for nonprofits.
  - If taxes are on KCDC's invoices, they will not be paid except for the LPs.
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# Payment

- KCDC pays vendors via ACH.
- Payments are made throughout the month.
- The Orderer, Accounts Payable and Procurement must have time to verify that the invoice reflects the correct contract pricing.





A person wearing a blue button-down shirt is seated at a desk, writing on a document with a pen. A smartphone is placed on the desk next to the document. The background is slightly blurred, focusing on the person's hands and the documents. There is a red vertical bar on the left side of the image and a red horizontal bar at the bottom of the slide.

# Public Record

- KCDC operates under Tennessee's Open Records Law:
  - All documents are public record.
  - You may examine past bids/proposals.



# Restrictive or Ambiguous Specifications


- When reviewing the solicitation packet, notify the Procurement Division if the specifications unnecessarily restrict competition or are conflicting or ambiguous.







# Subcontractors

- KCDC must approve subcontractors before they commence work.
  - Insurance and prevailing wage rates apply.
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# How Do I Get Started?

- Learn what KCDC does.
- Learn its procurement procedures.
- Review past bid processes and results.
- Register as an interested vendor on KCDC's web page.
- Be able to access the internet.
- Provide quality products and services that KCDC needs.



# How Do I Respond to Solicitations?

- Understand the bidding process.
- Read the entire solicitation document carefully before you start to respond to it.
- Pay close attention to declaratives such as “Shall, Must, Will.”
- Do not guesstimate.
- Do not over promise.

# How Do I Respond to Solicitations?

- Allow time to properly complete the response.
- Follow up after a reasonable amount of time.
- Assess the tasks required.
- Assess the risks and costs to you.
- Assess the probability of success.
- Assess the potential profit.



# Top 10 Bid Mistakes

1. Failure to sign the bid response.
2. Failure to supply contractor licensing information.
3. Failure to complete all forms in the bid.
4. Failure to deposit the bid on time.
5. Changing the bid format.
6. Not answering the questions that were asked.
7. Not asking questions and getting clarifications.
8. Waiting until the day the bid is due to ask questions.
9. Not asking for help in making sure that bid documents are properly completed.
10. Not bidding because you do not think that you have an "in" with KCDC.

# Top 10 Things Vendors Should Do

1. Read the instructions before you respond.
2. Follow the instructions.
3. Take the bid opening time and date seriously.
4. Provide everything called for in the solicitation.
5. Ask questions and get clarifications.
6. Ask questions when there is still time to get answers.
7. Ask for guidance in bid document completion.
8. Obtain and read addendum.
9. Request a debriefing after the award is made. You can learn a lot for next time.
10. Submit a bid. It is a wonderful learning tool.





**[www.kcdc.org](http://www.kcdc.org) (Click "Procurement")**



**[procurementinfo@kcdc.org](mailto:procurementinfo@kcdc.org)**



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# Get in Touch

Want more information about KCDC?  
Please feel free to reach out to us.

