# Chapter 8: Procurement

Where funding requirements conflict with this policy, funding requirements supersede this policy.

## Section 8.1: Decision Matrix

The Northwest Montana Community Land Trust is regularly a party in real estate transactions relatively short timelines, expedient delivery of services is frequently the key decision factor in selecting a vendor. Conversely, the NWMT CLT also frequently engages in large-scale, long term projects where low-cost services are more important to seek out. As such, the following matrix should be used to determine the appropriate procurement method.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Time | | |
| Cost |  | **Under 2 Weeks** | **Over 2 Weeks** |
| **Less than or equal to $5,000** | 1st prequalified vendor | Lowest prequalified bidder |
| **Over $5,000** | Lowest prequalified bidder | RFP/RFQ |

## Section 8.2: Qualifying Vendors

1. A vendor must be prequalified before use.
   1. If a vendor is discovered to be suited for the project, but they are not on the prequalified list they cannot be added after the project has been solicited. They will be added to the prequalified list and may be used as a vendor in the future.
2. A vendor list of prequalified professionals will be maintained by Northwest Montana Community Land Trust staff and be used when selecting vendors.
3. All contractors are required to have the following paperwork submitted to NWMT CLT before they can be added to the prequalified list:
   * 1. Copy of Liability Insurance from Insurance Company
        1. Policy must have an occurrence limit of $1,000,000 and aggregate limit of $2,000,000.
        2. Northwest Montana Community Land Trust must be listed as additionally insured.
        3. The general description of the work qualified to perform by the prequalified vendor must be included on the insurance policy.
     2. Proof of Workman’s Compensation Insurance
        1. Exemption certificates are only accepted and valid if the name on the certificate is the ONLY person doing the work. No employees may be on the site.
        2. If the vendor has employees, they must have a proof of workman’s compensation insurance.
     3. Copy of Contractor Registration from the State of Montana
        1. Even if a contractor is Independent, they will still have a registration number from the State of Montana.
        2. NWMT CLT staff will verify the contractor has not been placed on the State of Montana Contractor disbarred list.
     4. W-9 Tax Identification Form
     5. A list of services provided by the vendor.
     6. If applicable, proof that vendor’s work is sufficient to meet the needs of the CLT.
4. Awards will only be made to responsible and responsive contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement process.
5. Minority and women owned businesses will be contracted wherever possible and appropriate.
6. Consideration will be given to such matters as contractor integrity, compliance with policies, record of past performance, and financial and technical resources.
7. All qualified vendors will receive equal consideration for bids and employment without regard to race, color, national origin, religion, sex, pregnancy, marital status, sexual orientation, gender identity, age, physical or mental disability, or covered veteran status.
8. Any and all contractors will be screened for on the Excluded Parties List provided by the federal government. If a contractor is found on the list, they will not be allowed to bid nor will they be contracted with under any circumstances until their name has been removed from the EPLS. The website is <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>

## Section 8.3: Specification & Cost Estimation

Prior to bidding, NWMT CLT staff should write up specifications and prepare estimates using the NSP Sample Single-Family Housing Rehabilitation Specification Toolkit, or similar depending on funding requirements.

## Section 8.4: First Prequalified Vendor

On contracts up to $5,000 with a deadline of two weeks or less, the ability for the project to be completed quickly is more important than the absolute lowest cost. As such, a fixed price for the specified work should be prepared based on the cost estimation plus a small premium (at staff’s discretion based on demand for labor). Once the price is established, it should be sent to all prequalified vendors. The first vendor to respond that they can complete the work within the timeframe shall be awarded the contract. The initial appraisal and inspection required in Chapter 2 should also be awarded using the first prequalified bidder methodology.

## Section 8.5: Lowest Prequalified Bidder

If the work specified is expected to exceed $5,000, or the timeline for work is over two weeks, NWMT CLT staff should solicit bids from all qualified vendors. Staff is responsible for providing a detailed description including the following:

* Specifications on the work to be completed
* Relevant information on site conditions
* Specifications on vendor qualifications
* A timeline for the work to be completed
* A due date for the bid to be submitted
* How to submit a bid
* A date when the contract will be awarded
* Details on the timing of payments

## Section 8.6: Request for Proposals/Request for Qualifications

Projects estimated to be over $5,000 with timelines of more than two weeks can utilize one of two different bid methods: a request for proposal (RFP) or a request for qualifications (RFQ). The deciding factor is the complexity of the project. If a project is relatively simple and the process for completing it is well understood, an RFP should be used. If a project is expected to be complex and have frequent change orders, an RFQ should be used.

The process for soliciting an RFP is similar to the lowest prequalified bidder with the following exceptions:

* The selection criteria is likely to be more complex than simply the lowest bid and should be provided in detail in the RFP
* The RPP should be published more widely. As such, the vendor does not have to be prequalified before the solicitation opens. Vendors will need to be qualified prior to the award of contract.

The process for soliciting an RFQ is similar to the RFP process except that the specifications are much more generalized.

## Section 8.7: Exempt Vendor Types

Because the needs of CLTs are very specific and legal context need to be very well understood, the following vendor types should be exempt from the procurement process:

* Realtor
* Title Company
* Attorney

Instead of bidding specific projects as they come up, exempted vendor types should be selected through an annual RFQ.

## Additional Documents

* NSP Sample Single-Family Housing Rehabilitation Specification Toolkit