



Doing Business With KCDC

Introduction to KCDC

- ❖ 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 seventeen and has expanded its role to serve as the public housing and redevelopment authority for the City of Knoxville and Knox County

Properties Owned by KCDC

❖ Autumn Landing

- ❖ Cagle Terrace
- ❖ Cottages at Clifton
- ❖ Five Points
- ❖ Guy B. Love Towers
- ❖ Isabella Towers
- ❖ Lonsdale Homes
- ❖ Montgomery Village
- ❖ Nature's Cove
- ❖ North Ridge Crossing

- ❖ Northgate Terrace
- ❖ Passport Properties
- ❖ Valley Oaks
- ❖ Verandas
- ❖ Vista
- ❖ Western Heights

General Information

- ❖ KCDC has about 3,600 units
- ❖ KCDC has 140 employees
- ❖ KCDC contracts for most services it needs
- ❖ KCDC buys most items to maintain its units and to run its offices

Compete in the Procurement Process

- ❖ KCDC wants you to compete in the procurement process
- ❖ Check the opportunities on our webpage at www.kcdc.org
- ❖ Click on “Procurement” and then on “Open Solicitations”

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 Proposals
- ❖ Request 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 our 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 State and Federal Governments
- ❖ Procurement assigns a bid number and posts the bid to the webpage
- ❖ 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 Proposals

- ❖ 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 webpage
- ❖ Evaluation will be on price and other factors
- ❖ The other evaluation factors are identified in the document

Formal Sealed Proposals

- ❖ 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 Proposals
- ❖ Cost is not a factor until the “most qualified” is determined
- ❖ Then cost is negotiated or if 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

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

Bid Results

KCDC normally posts the results of bids, quotations, proposals, et cetera to its webpage

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
- ❖ Multi-year 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
- ❖ If you have questions, contact Procurement
- ❖ Complete all blanks
- ❖ Do not change the structure or pricing schema without KCDC's permission

Hazardous Materials

- * Some KCDC properties 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 work 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 to 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
- ❖ Breakdown pricing 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

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 Governmental Entity Sales Tax Exemption form to the vendor
- ❖ Tennessee does not give governments tax number as it does for non-profits
- ❖ If taxes are on KCDC's invoices, they will not be paid except for the LPs

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

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 wages rates apply

How Do I Get Started?

- ❖ Learn what KCDC does
- ❖ Learn its procurement procedures
- ❖ Review past bid processes & results
- ❖ Register as an interest vendor on KCDC's webpage
- ❖ 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 Ten 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


Top Ten Bid Mistakes

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 Ten 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

Top Ten Things Vendors Should Do

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 

Want more information about KCDC?

Contact the KCDC Procurement Division:

Street: 901 N. Broadway Knoxville, TN 37917

Phone: (865) 403-1133

Email: procurementinfo@kcdc.org

Web: www.kcdc.org Click on “Procurement”