

**REQUEST FOR PROPOSALS
BANKING SERVICES**

The Housing Authority of the City of Galveston (Authority) will be accepting sealed proposals from interested Banking institutions until 4:00 P.M., June 24, 2026; to provide banking services as specified in this Request for Proposals (RFP).

This RFP contains submission requirements, scope of services, period of services, terms and conditions and other pertinent information for submitting a proper and responsive proposal. Complete proposal documents delineating the specifications can be obtained on the GHA website at www.ghatx.org .

All proposals must be enclosed in a sealed envelope and labeled as follows:

PROPOSAL TO PROVIDE BANKING SERVICES

NAME OF OFFEROR
REQUEST FOR PROPOSALS
PROPOSALS DUE DATE AND TIME

PROPOSALS MUST BE ADDRESSED TO:

Deyna Sims
Procurement Manager
RFP Banking Services
Housing Authority of the City of Galveston
4700 Broadway, Suite A-100
Galveston, Texas 77551
(409) 765-1980

Proposals must reach the Galveston Housing Authority no later than 4:00 p.m. on June 24, 2026.

All Proposers must be certified as a public depository under Texas law.

Absolutely no proposal will be accepted for consideration if received after the deadline date and time specified. Proposals will be held in confidence and will not be released in any manner until after the contract award.

Proposals will be evaluated on the criteria stated in the RFP. Negotiations may be conducted with contractors who have a reasonable chance of being selected for the award.

After evaluation of the proposal revisions, if any, the contract will be awarded to the responsible firm(s) whose qualifications, price and other factors considered are the most advantageous to Galveston Housing Authority.

Contractors are solely responsible for ensuring that their proposals are actually received by the time and date stated.

Galveston Housing Authority reserves the right to reject any and all proposals as the interest of the Authority may require.

Publication dates: May 31, 2026 and June 3, 2026.

INSTRUCTIONS TO PROPOSERS

PREPARATION AND SUBMISSION

Proposers are expected to examine the specifications in their entirety.

All proposals must be in the format required by the Authority.

Proposers shall furnish all the information required by the solicitation and RFP.

The proposer must sign proposals.

The person signing the proposal must initial all erasures and/or other changes.

Proposers signed by an agent shall be accompanied by evidence of that agent's authority. (Proposers should retain a copy of the proposal for their record).

An original and four (4) copies (including one unbound) of the proposal must be submitted in a sealed envelope, which shall be clearly marked as follows:

"PROPOSAL DOCUMENTS"

To Provide Banking Services

Name and Address of Proposer

Date and time of deadline for submission

AMENDMENTS TO THE RFP

If the solicitation/specifications are amended, then all items and conditions, which are not modified, remain unchanged.

Amendments will be on file in the office of the Authority at least 72 hours prior to receipt of proposals deadline.

RESPONSIBILITY OF PROSPECTIVE PROPOSER

In determining a responsible proposer the Authority will consider such matters as the Proposer's:

1. Integrity;
2. Compliance with public policy;
3. Record of past performance; and
4. Financial and technical resources.

LATE SUBMISSION

Any Proposal received at the place designated in the solicitation after the exact date and time specified for receipt will not be considered.

CONTRACT AWARD

The Authority will evaluate proposals in response to the RFP and will award a contract to the responsible proposer whose proposal, conforming to the solicitation, will be most advantageous to the Authority based on qualification and giving consideration to price.

INTENT

It is the intent of this proposal to solicit a qualified bank to provide banking services that will meet the needs of the Authority.

PROFILE OF THE AUTHORITY

The Housing Authority of the City of Galveston is currently governed by the Housing Authorities Law, codified in the Texas Local Government Code. It is a unit of government and its functions are essential governmental functions. It operates and manages its housing developments to provide decent, safe, sanitary and affordable housing to low income families, the elderly, and the disabled, and implements various programs designed and funded by the U.S. Department of Housing and Urban Development (HUD). Galveston Housing Authority is a Public Housing Agency.

The property of the Authority is used for essential public and governmental purposes. The Galveston Housing Authority and its property are exempt from all taxes, including sales tax on all its purchases and supplies.

The Authority enters into and executes contracts and other instruments that are necessary and convenient to the exercise of its powers.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an Annual Contributions Contract with the Authority for the purpose of assisting the Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Authority for the purpose of providing decent, safe, sanitary and affordable housing to low-income citizens.

The Authority was established under the statutes and laws (LGC 392) of the State of Texas with its current central office located at 4700 Broadway, Galveston, Texas 77551.

A five member Board of Commissioners governs the Authority. The Mayor of the City of Galveston appoints the Commissioners. Each member of the Board serves a two-year term and may be reappointed for consecutive terms, except that Tenant Commissioners may serve only two consecutive terms.

The Authority currently employs approximately 41 employees. The Authority's current operation consists of 451 total Public Housing Units and 1,800 Housing Choice Vouchers.

INTRODUCTION

The Galveston Housing Authority is accepting written proposals from financial institutions to serve as its primary depository. The financial institution (Bank) should not be dependent upon Galveston Housing Authority's deposits; therefore, the Galveston Housing Authority may elect to periodically invest in interest-bearing securities with other financial institutions.

The Galveston Housing Authority reserves the right to reject any and all proposals and to award this contract to the financial institution whose overall capabilities will best serve its needs. Selection of the Contract Bank will be made primarily on the basis of the interest rate paid on the Galveston Housing Authority's idle monies, the amount of the projected service charges to process the Galveston Housing Authorities account activity, capacity of the bank to help the Galveston Housing Authority achieve its stated goal of increasing the supply of affordable housing in Galveston and the ability of the financial institution, in the sole judgment and opinion of the Galveston Housing Authority, to provide the overall level of service and commitment required for the Galveston Housing Authority to carry out its operations.

All questions regarding the Galveston Housing Authority's current banking operations should be directed to the Purchasing Officer.

DESCRIPTION OF CURRENT SERVICES

Rental payments and other fees (i.e. maintenance charges, late fees, excess utilities, etc.) are paid by checks or money orders, to the Authority's Central Office Cost Center (COCC) Processing Department where daily deposits are made to the general fund account. Funding from HUD is received through Automated Clearinghouse "ACH" to the general fund account. The Accounting department makes other deposits as funds are received in our main office.

The checks produced by the Authority each month are Magnetic Ink Character Recognition (MICR) encoded with both the account number and check number.

The Authority has accounts, which include the following:

1. Checking accounts: Frost National Bank
 - a. General fund account which has approximately \$2,400,000 balance
 - b. Housing Choice Voucher account which has approximately \$1,900,000 balance
 - c. Island Community Center (ICC) which has approximately \$620,000 balance
 - d. Development account which has approximately which has approximately \$2,690,000.00 balance
 - e. Admin account which has approximately \$245,000.00 balance
 - f. Family Self Sufficient account which has approximately \$187,000.00 balance
 - g. DHAP account which has approximately \$1,250.00 balance
 - h. Human Capital account which has approximately \$270,000 balance
 - i. Labor & L.U.R.A account which has approximately \$3,700 balance
 - j. FSS Forfeiture account which has approximately \$20,700 balance

BANKING SERVICES TO BE PROVIDED

Open and maintain a single "General Fund Operating Account" for the Authority's use in paying vendors, employees, and contractors, that is an interest bearing money market or sweep account which yield the highest interest.

Open and maintain a single "Housing Choice Voucher Account" for the Authority's use in paying Housing Choice Voucher residents and landlords, which is an interest bearing money market or sweep account that will yield the highest interest.

Open and maintain a separate savings account for Family Self-Sufficiency participants.

Open and maintain a separate Island Community Center account.

Open and maintain a Development account.

Open and maintain an Admin account.

Open and maintain a DHAP account.

Open and maintain other deposit accounts as needed, including checking, savings, and Certificates of Deposits.

Open and maintain an Investment Agreement.

Make periodic review of the Authority's money and investments held.

Make investment sales and purchases, subject to the Authority's approval, based upon written guidelines agreed upon by both parties. Such written guidelines shall include, but not be limited to, the requirements set forth in the U.S. Department of Housing and Urban Development Notice PIH 96-33 (Required HA Cash Management and Investment Policies and Procedures; Exhibit G).

MISCELLANEOUS SERVICES

The Bank shall provide:

- Commercial teller service for processing deposits.
- Personal teller service for processing checks written upon the Galveston Housing Authority's accounts.
- On-line stop payment service for checks issued, with transaction research available for a period of thirty (30) days.
- Account statements cut-off on the last day of the month, and have available to Galveston Housing Authority no later than ten (10) business days after the last day of each month.
- Electronic record of cleared checks, preferably stored on CD-ROM
- Supplies such as checks, deposit slips, endorsement stamps, cashier's checks, money bags, and locking coin bags, coin wrappers as needed. If cost is

involved, list on Exhibit C.

- ACH software and services that will automatically transfer payroll checks from the Galveston Housing Authority's account to employees' various banking accounts.
- Prepare and provide monthly account analysis for each account, and have ready for Authority pickup not later than ten (10) business days after the last day of each month.
- All checks returned due to insufficient funds will be forwarded to the Authority.
- Adjustments to deposits will be corrected on the same day of deposit with notification sent to the Authority.
- Provide on-line wire transfer processing and Automated Clearinghouse (ACH) capability.
- Provide for telephone transactions.
- Describe any other services available.

COLLATERAL REQUIREMENTS

The Bank shall secure all deposits and repurchase agreements by depositing security with a disinterested financial institution as may be satisfactory to the Authority. Such security shall be HUD Approved Banking Instruments (as listed on Exhibit H) in an amount equal to at least one hundred ten percent (110%) of the amount on deposit and invested in repurchase agreements, less the amount insured by Federal Deposit Insurance Corporation (FDIC).

Monthly reports must be furnished on all securities pledged as collateral providing at least the following information – CUSIP number, par value, cost, market price, issue date and maturity date. The Bank shall state in the proposal whether securities can be independently maintained for two separate bank accounts.

INTEREST RATE

All proposals shall state the percentage of the current Federal Funds Rate to be paid daily on the investible balance (defined as all monies on hand each night, less minimum float requirements).

The Federal Funds Rate shall mean the preceding day's effective rate as published in the Wall Street Journal. All proposals shall be rounded to three (3) decimal places.

FINANCIAL INFORMATION

The Galveston Housing Authority will evaluate the financial stability of each financial institution submitting a proposal. The Galveston Housing Authority's accounts should not result in a material portion (equaling 10% or more) of the financial institution's deposits-on-hand. Include copies of the last two available audited year-end financial statements for your institution.

COMPENSATION

The proposer must specify a method of compensation by which the Authority will pay the proposer for its services. The Authority will consider a traditional compensating balance arrangement, a "hard dollar arrangement of fees and interest earnings," or a combination of the two.

The compensation arrangements proposed by a proposer shall be presented on Exhibits A, B, and C, and must include the following information:

1. Payments for services due the proposer and interest or other funds due the Authority will be posted to the bank account each month as a debit or credit.
2. The interest or earnings rate, which will be applied to account balances, the specific source of such rates, and the exact basis for the estimated frequency of changes in such rates. The interest rate yield should vary with the market.
3. The formula for calculating the monthly compensating balances necessary to support the monthly service charges and a sample calculation.
4. Of interest earned by the Authority or fees charged to the Authority. (i.e. if a compensating balance payment arrangement is proposed, describe the proposer's policy when the Authority's balances are in excess of the amount necessary to offset the fees.) Note whether the policy is affected by time periods, (i.e., end of a quarter, end of the year, or end of the contract). Include the opposite situation, if the Authority's balances are less than necessary to offset fees.

Note: The proposer may propose more than one compensation arrangement. The Authority will select the compensation arrangement most advantageous to the Authority.

FORMAT FOR PROPOSAL

The proposal shall be divided into two sections.

1. The first section shall be in the following format:
 - a. Profile of proposer—A general description of the proposer including its principal local business address and addresses of all locations to service

the accounts, authorized representative to act on behalf of the bank, contact person and its parent or holding company, if any;

- b. The proposer shall state if it is currently under or anticipates any indictment or court order or investigation by any government regulatory agency which would affect, in any way, the proposer's ability to provide the requested banking services to the Authority, or if it is "subject to regulatory oversight";
 - c. Organization and Resources – A description of the proposer's management organization, especially the organizational relationship of the offices, which will be providing the banking services to the Authority;
 - d. Include a brief description of the experience and professional background of the proposer's officers in these offices;
 - e. Loan Practices – Provide the most recent Community Reinvestment Act Report;
 - f. Provide a statement describing any steps taken by the bank to foster economic development or ensure equitable lending throughout the City of Galveston;
 - g. Description of Services to be provided – Describe the manner in which banking services requested in this RFP will be provided to the Authority;
 - h. Financial Data – Attach the proposer's most recent last two available audited year-end financial statements for your institution and the last four quarterly call reports submitted to the Federal Financial Institutions Examinations Council;
 - i. Non-Collusive Affidavit (Exhibit E); and
 - j. Public Depository Certification.
2. The second section shall contain the cost information set forth in Exhibits A through C.
- a. The proposal amounts will be on a variable cost basis. Under the variable cost basis, actual monthly services will be counted and the volume of transactions will be computed to determine the compensating balance or fee required to support the activity.
 - b. A calculation is required by the proposer to determine "Balance Required to support "\$1.00 of Services" (Exhibit B). Proposers will calculate their reserve requirements as of January 1, 2020, and clearly define their earnings credit yield. A second calculation multiplying the average

monthly charges by “Balance Required to Support \$1.00 of Services” is necessary to determine an average “Required Monthly Compensating Balance.” Proposers are required to show all computations.

- c. The proposal form requires all proposers to calculate a monthly compensating balance amount to acquaint the Authority with the necessary calculations. The Authority is primarily interested in “Total Proposal,” the reserve requirement, the earnings rate, and overall services that can be provided to meet the Authority’s Needs. The calculation and rationale used to determine the overdraft charge rate and earnings credit rate, and one year of historical rates, must be included in the response (Exhibit C).

PROPOSAL EVALUATION CRITERIA

Selection of the successful bank will be at the sole discretion of the Galveston Housing Authority. If a contract is awarded, it shall be to the responsible firm or individual whose qualifications; price and other factors are deemed most advantageous to the Galveston Housing Authority. Additionally, the Authority shall have the right to reject any and all proposals at its discretion.

Proposals will be evaluated by an Evaluation/Selection Committee comprised of appropriate Galveston Housing Authority staff with the appropriate experience and/or knowledge.

The committee will present its recommendations to the Board of Commissioners of the Authority who have authority to award contracts.

EVALUATION CRITERIA	MAXIMUM POINTS
1. Financial Strength of the institution	10
2. Experience in Providing Services to Similar Accounts	10
3. Electronic Bank Services Offered	15
4. Cost of Services	15
5. Interest Rates Offered	15
6. Type of Third Party Collateral	5
7. Borrowing & Operations Procedure	10
8. Location & Hours of Operations	10
9. Other Services Provided	10
TOTAL POSSIBLE POINTS	100

TRAVEL AND REIMBURSABLES

All travel, postage, telephone, living and miscellaneous expenses will be borne by the successful firm(s) and included in the total fixed contract price as per final negotiated

contract. There is no provision for reimbursable expenses, except for those resulting from contract modification, which will be defined, in the final negotiated contract.

AVAILABILITY OF RECORDS

The U.S. Department of Housing and Urban Development, the Inspector General of the United States, Galveston Housing Authority, and any duly authorized representatives of each, shall have access to, and the right to examine any and all pertinent books, records, documents, invoices, papers, and the like, of the firm(s) office or firm, which shall relate to the performance of the services to be provided.

STANDARDS OF CONDUCT

The successful proposer shall be responsible for maintaining satisfactory standards of employees' competency, conduct, courtesy, appearance, honesty, integrity, and shall be responsible for taking such disciplinary action with respect to any employee, as may be necessary.

MINORITY/WOMEN BUSINESS PARTICIPATION

The firm(s) awarded the contract agrees to subcontract with minority business enterprises and/or women business enterprises, certified as such or recognized by the Galveston Housing Authority as such. The proposer shall subcontract a sufficient dollar amount with MBE/WBE to ensure the final contract dollars are expended on one or more of the MBE/WBEs. All adjustments to increase the contract will also increase the total amount that the proposer must expend on MBE/WBEs.

In the event Galveston Housing Authority has a reasonable belief that the proposer will not use its best efforts to meet the 30 percent (30%) MBE/WBE participation goal, Galveston Housing Authority reserves the right to pull work from the contract. Best efforts may be established by showing the proposer has contracted and solicited bids/quotes from subcontractors in identifying MBE/WBEs.

PERTINENT FEDERAL REGULATIONS WITH REGARD TO NONDISCRIMINATION AND EQUAL OPPORTUNITY

The requirements of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964, relating to prohibitions against discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex or national origin must be met by the proposer.

The proposer must adhere to federal regulations prohibiting discrimination on the basis of age under the Age Discrimination Act of 1975, and prohibit discrimination against

handicapped individuals under Section 504 of the Rehabilitation Act of 1973 and the American with Disabilities Act of 1989.

The requirements of Executive Order 11246, relating to equal employment opportunity in connection with federally funded programs must be met by the proposer.

The proposer must also meet the requirements of Section 3 of the Housing and Urban Development Act of 1968, relating to the training and employment of individuals, and contracting for business opportunities in metropolitan areas in which federally funded programs are being operated.

The proposer must meet the requirements of Executive Orders 11625, 12432, and 12138 relating to use of minority and women's business enterprises in connection with federally funded programs.

CONTRACT TERMINATION

If Bank fails to fulfill its obligation in accordance with its proposal, the Authority shall give notice by registered mail either of its intention to cancel the contract or to pursue legal action to force compliance. The Bank will then have thirty (30) days to take corrective actions before the contract is terminated by the Galveston Housing Authority.

GENERAL REQUIREMENTS

All proposals must conform to requirements outlined herein. The Authority reserves the option to require oral presentation of proposals or to request additional information from selected candidates.

The Bank is advised to check that all parts of this RFP package have been received. The Bank shall be responsible for informing themselves with respect to all conditions, which might in any way affect the cost or performance of any of the work. Failure to do so shall be at the sole risk of the Bank and no relief shall be given for errors or omissions by the Bank.

An authorized representative of the Bank must sign the proposal and complete certification in the attached format.

MODIFICATIONS OR WITHDRAWALS

Proposals may not be changed, modified, or withdrawn after the time and date specified for proposal submission. All requests to change, modify or withdraw a proposal prior to the proposal due date must be in writing and bear the same contractor name appearing on the proposal already submitted.

CORRESPONDENCE

Requests for additional information related to this RFP should be made in writing and directed to the Galveston Housing Authority Purchasing Officer.

An amendment may be issued prior to the opening of proposals for the purpose of changing or clarifying the intent in this RFP. All amendments shall be binding in the same way as if originally written in this RFP.

Any interpretation affecting all contractors made prior to the proposal due date will be issued in the form of an amendment. The Authority will not be bound by or responsible for any other explanations or interpretations of this RFP package other than those given in writing as set forth in this paragraph. Oral instructions, interpretations, or representations will not be binding upon the Galveston Housing Authority or its representatives.

Subcontractor(s) and others who have been requested by the contractor to assist in preparing a proposal shall obtain necessary information from the contractor. They shall not directly contact the Galveston Housing Authority or its representatives for this information.

Proposals will not be publicly opened and read.

Contracts for these programs and services may be awarded to one or more contractors whose proposals were judged to be the most advantageous to the Galveston Housing Authority. In the event services are initiated prior to the processing of a fully executed contract, such services would be provided without guarantee of compensation.

DOCUMENT REQUIREMENTS

The following is a description of the minimum information, which must be supplied by Contractors in their proposals. It is open to all Contractors to give such supplementary facts or materials that they consider may be of assistance in the evaluation of the proposal submitted. Proposals that omit critical elements may be considered non-responsive. The critical elements of this proposal include the following information:

- **Letter of Transmittal**

Signed by the person authorized to commit the organization or to perform the services in the proposal.

- **Executive Summary**

Provide a brief non-technical overview of the Contractor's business including the range of products and services offered.

- **Proposer's Experience**

- **Key Personnel**

Include resumes of the key personnel responsible for processing the Authority's activity. Designate one person as the primary contact.

- **Financial Statements**

Audited Year-end financial statements for the past two completed fiscal years.

- **Minority Business Enterprise Participation**

Describe and provide evidence of the proposer's plans to maximize the utilization of minority business enterprise (MBE) and/or women business enterprise (WBE) firms in this management effort. In addition, all proposals shall include a completed minority business enterprise form, attached as Exhibit I.

- **Certifications and Affidavits**

Proposers shall submit the following certifications and affidavit as attached:

Exhibit E: Form of Non-Collusive Affidavit

Exhibit L: Certifications and Representations of Offerors for Non-Construction Contracts (Form HUD 5369-C)

- Evidence of all appropriate and applicable insurance coverage carried by the firm, including policy coverage periods. Offerors shall furnish Galveston Housing Authority with certificates of insurance showing the following insurance is in force and will insure all operations under this RFP, and name Galveston Housing Authority as an additional insured. Required insurance levels are as follows:

Workers' compensation in accordance with the State of Texas rules and regulations.

General Liability Insurance with a single limit for bodily injury of \$1,000,000 per occurrence and property damage limit of no less than \$1,000,000 per occurrence. The insurance may have a combined aggregate of coverage amounting to no less than \$1,000,000. Such insurance shall protect offeror against claims of bodily injury or death and property damage to others. If offeror has a "claims made policy," then the following additional requirements apply: The policy must provide a "retroactive date" which must be on or before the execution date of the Agreement and the extended reporting period may not be less than five (5) years following the completion date of the Agreement.

Automobile liability on owned and non-owned motor vehicles used on the site(s) or in connection herewith for a combined single limit of bodily injury and property damage of not less than \$1,000,000 per occurrence.

- **Certification of Proposal**

The undersigned attests that the information contained within the proposal is accurate to the best of his/her knowledge, and that the financial institution

- Has the ability to adhere to all HUD regulatory provisions applicable to the Galveston Housing Authority.
- Agrees with the requested banking services, unless otherwise noted in the proposal.
- Has included copies of the last two available audited year-end financial statements and that there has not been any subsequent events which would materially affect the financial institution's financial position.
- Has not offered any gratuities, favors, or anything of monetary value to any elected official, director, employee, agent or council member of the Galveston Housing Authority or the City of Galveston for the purpose of influencing favorable disposition toward this proposal.
- Has not engaged, in any manner, in any practice with any other financial institutions' proposals that might restrict or eliminate competition, or otherwise restrain trade.

Signature, Title

- **Calculations to Determine Balance Required to Support \$1,00 of Services (Exhibit B) and Calculations and Rationale for Determining the Negative Balance Charge and Earnings Credit Rates (Exhibit C)**

The fees provided by the bank will be binding for the initial contract period of two years. They may be negotiated at the end of the initial contract period on an annual basis.

EQUAL EMPLOYMENT OPPORTUNITY

The proposer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or disability. The proposer will take affirmative action to ensure that applicants are employed and that employees are treated fairly during employment without regard to their race, color, religion, sex, national origin, age or disability.

Such action shall include but not be limited to, the following: employment, up-grading, demotion, or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.

Describe and provide evidence of the Proposer's plans to maximize the utilization of minority business enterprise (MBE) and/or women business enterprise (WBE) firms in this management office. In addition, all proposals shall include a completed Minority Business Enterprise Form (Exhibit I).

CONFLICT OF INTEREST

No Officer or employee of the Authority, no member of the governing body of the locality in which the Authority is situated, no member of the governing body of the locality in which the Authority was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Authority, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

TERM OF AGREEMENT

The Agreement shall be for a period of three (3) years commencing on the date of the Agreement. The parties may extend the terms of the contract for three additional years subject to the negotiation of acceptable terms and conditions heretofore.

TERMINATION

Either party to the Agreement shall be entitled to terminate the Agreement at anytime, with or without cause, upon thirty days written notice to the other party. Upon termination proposer shall be entitled to receive monies due for actual work performed and billed to the Authority, less the amount of damages, if any, suffered by the Authority because of the party's breach of Agreement.

HOLD HARMLESS

The proposer must agree to hold the Authority harmless for any acts of negligence or any other obligations.

OFFICIALS NOT TO BENEFIT

No Member of or Delegate to Congress or Resident Commissioner of the United States shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

INQUIRIES

Questions about this Request for Proposals may be directed to Deyna Sims, Procurement Specialist, Galveston Housing Authority (409) 765-1980.

REJECTION OF PROPOSALS

The Authority reserves the right to reject any and all proposals as the interest of the Authority may require.

ATTACHMENTS

- Exhibit A (Banking Services Consolidated Price Proposal)
- Exhibit B (Balance Calculation)
- Exhibit C (Charges and Earnings Calculations)
- Exhibit D (Banking Services Contract)
- Exhibit E (Non-Collusive Affidavit)
- Exhibit F (Selection Criteria)
- Exhibit G (Notice PIH 96-33)
- Exhibit H (HUD Approved Investment Instruments)
- Exhibit I (MBE/WBE Recordkeeping)
- Exhibit J (General Depository Agreement)
- Exhibit K (Instructions to Offerors Non-Construction Contracts Form HUD 5369-B)
- Exhibit L (Certifications and Representations of Offerors Form HUD 5369-C)
- Exhibit M (General Conditions for Non-Construction Contracts Form HUD 5370-C)

EXHIBIT A

BANKING SERVICES CONSOLIDATED PRICE PROPOSAL REQUIRED "SWEEP ACCOUNT" SERVICES

Can the Bank provide some type of "Zero Balance Account" (ZBA) system which will allow the Authority to aggregate all of its bank accounts balances for investment purposes?

Yes _____ No _____

If your bank has an alternative method through which the Authority may accomplish its stated goals, please describe:

Describe the method by which the daily interest rates will be calculated on Authority balances:

(1) Quotation for the previous week's average "fed funds effective" rate as quoted in the Wall Street Journal, minus _____%.

OR

(2) Description of alternative interest rate calculation:

The bank would be satisfied for the Authority to maintain an average monthly balance of approximately \$ _____ on account to cover items clearing after investment deadline.

Will the sweep account utilize a repurchase agreement or some kind of specially designed "Super Now" account? If "Super Now", please describe.

EXHIBIT B

CALCULATIONS TO DETERMINE BALANCE REQUIRED TO SUPPORT \$1.00 OF SERVICES

EXHIBIT C

CALCULATIONS AND RATIONALE FOR DETERMINING THE NEGATIVE BALANCE CHARGE AND EARNINGS CREDIT RATES

EXHIBIT D
HOUSING AUTHORITY OF THE CITY OF GALVESTON
BANKING SERVICES CONTRACT

This agreement made _____, between the Housing Authority of the City of Galveston, hereinafter referred to as the "Authority" and _____, hereinafter referred to as the "Bank."

1. SERVICES TO BE PROVIDED:

Services to be provided under this contract will be according to the Request for Proposal, dated _____ and included here as "ATTACHMENT A" and the Response of Bank, _____, with all negotiated changes included here as "ATTACHMENT B."

2. TIME OF PERFORMANCE:

The services hereunder will be provided by the Bank commencing _____, and this contract will be effective for three (3) years from that date.

3. COMPENSATION:

The authority agrees to pay the Bank, and Bank agrees to accept, as full and complete compensation for all of its services and expenses under this agreement, including payments to any subconsultant, a sum of money not to exceed the volumes each month multiplied by the cost per service as shown on the attached fee schedules (EXHIBITS A, B AND C), plus any other service provided for the Authority by the Bank at a fee agreed upon prior to performance. Such compensation will be payable upon the timely and satisfactory completion of the work to be done hereunder, and the timely and satisfactory delivery by the Bank to the Authority of all items to be delivered hereunder.

Should this contract be terminated prior to the completion of the effective date, the Bank will be paid the amounts corresponding to the phase or phases which have been satisfactorily completed as of the date of termination.

4. AUTHORITY'S REPRESENTATIVE:

All services to be performed hereunder will be fully coordinated by the Bank with the Authority through the Executive Director, or his designee, who will be the authority's representative for purposes of this agreement.

5. INFORMATION AND REPORTS

The Bank will provide monthly:

- a. A 3" diskette or CD-ROM and associated printout, a list of checks paid by check number, amount and date paid. Also, the tape should include deposit information such as: encoded reference number, amount of deposit, and date posted.
- b. Bank statements with all copies of canceled checks sorted by check number, to be ready for Authority pickup not later than seven (7) business days after the last of each month.
- c. A monthly account analysis to be available for pickup by the Authority within ten (10) business days after the last day of the month.

6. RECORDS AND INSPECTION:

The Bank will maintain full and accurate records with respect to all matters covered under this Agreement. The Authority, the Department of Housing and Urban Development, and the Comptroller General of the United States, will have free access at all times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all Authority data, documents, proceedings and activities.

7. CHANGES:

The Authority will have the right at any time to make changes to this contract. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract, an equitable adjustment will be negotiated in this contract price or delivery schedule, or both, and the contract will be modified in writing accordingly.

8. SERVICES AND MATERIALS TO BE FURNISHED BY THE AUTHORITY:

The Authority will furnish the Bank with all available necessary information, data and materials pertinent to the accomplishment of this Agreement. The Authority will cooperate with the Bank in carrying out the work herein, and will provide available staff for liaison in the Bank's performance of the Contract.

9. AUTHORITY NOT OBLIGATED TO THIRD PARTIES:

The Authority will not be obligated or liable hereunder to any party other than Bank.

10. PERSONNEL ASSIGNMENTS:

All of the professional personnel who are identified in Section IV, Part 2, of the RFP will be assigned by the Bank to perform the work under this Agreement, in accordance with the identified assignments in that section. Any changes in such personnel assignments, including the substitution of any persons for those identified in said Section, will be approved by the Executive Director in writing prior to the performance of services by any substitute personnel. Actions taken by the Authority under this Article will not relieve the Bank of its responsibility for deficiencies, errors, or omissions in the services performed.

11. STATUS OF BANK:

It is understood and agreed by and between the parties that the status of the Bank will be that of an independent contractor and of a person retained on a contractual basis to perform professional or technical services for limited periods of time. It is not intended, nor will it be construed, that the Bank or any employee or subconsultant is an employee, officer, or agent of the Authority.

12. ASSIGNMENT:

The Bank will not assign, transfer, convey, sublet or otherwise dispose of the Contract or its right, title, or interest in or to the same or any part thereof without prior written consent of the Authority, by means of a Contract Change.

13. BANK LIABILITY IF AUDITED:

The Bank will assume that all financial and statistical information provided to the Bank by the Authority employees or representatives is accurate and complete. If the Bank becomes aware of any inaccuracy or incompleteness in such information, it will immediately notify the Authority.

Any subsequent disallowance of funds paid to the Authority by any source, which is solely attributable to any such inaccuracy or incompleteness on the part of the Authority or its agents, is the sole responsibility of the Authority. Bank will, however, provide direct assistance to the Authority should an audit be undertaken of the Authority's indirect costs which are determined under the Contract, regardless of the reason for the audit.

14. TERMS OF PAYMENT:

Payments for services due the Bank and interest or other funds due the Authority will be posted to the bank account each month as a debit or credit as applicable.

15. EQUAL EMPLOYMENT OPPORTUNITY:

The Bank will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or disability. The Bank will take affirmative action to ensure that applicants are employed and that employees are treated fairly during employment without regard to their race, color, religion, sex, national origin, age or disability. The Bank will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

16. TERMINATION OF AGREEMENT:

The Authority may terminate this Agreement at any time on ten (10) days notice if the Bank's services are not being satisfactorily performed in accordance with the Agreement. The Authority may otherwise terminate Agreement without cause, for its convenience, upon thirty (30) days notice to the Bank. If the Bank's services are terminated, they will be paid only for that portion of services satisfactorily completed in accordance with this Agreement at the time of notice of such action.

17. WHEN RIGHTS AND REMEDIES NOT WAIVED:

In no event will any payment by the Authority hereunder constitute or be construed to be a waiver by the Authority of any breach of covenant or condition or any default which may exist on the part of the Bank, and the making of any such payment when any such breach or default will exist will not impair or prejudice any right or remedy available to the Authority with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more covenants, provisions, or conditions for the Agreement will be construed as a waiver of any succeeding or other breach.

18. AGREEMENT AS COMPLETE INTEGRATION; AMENDMENTS:

This agreement is intended as the complete integration of all understanding between the parties. No prior or contemporaneous addition, deletion, or other amendment will have any force or effect, unless embodied herein in writing. Amendments to this Contract will become effective when approved by both parties and executed in the same manner as the Contract.

19. CONFLICT OF INTEREST:

No officer or employee of the Authority, no member of the governing body of the locality in which the Authority is situated, no member of the governing body of the locality in which the Authority was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Authority, during his tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

20. COVENANT AGAINST CONTINGENT FEES:

The Bank warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bonafide employees or bonafide established commercial or selling agencies maintained by the Bank for the purpose of securing business. For breach or violation of this warranty, the Authority will have the right to annul this Contract without liability or, at its discretion, to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

21. COUNTERPARTS OF THIS AGREEMENT:

This Agreement will be executed in two (2) counterparts, each of which will be deemed to be an original of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE BANK

HOUSING AUTHORITY OF THE CITY OF
GALVESTON, TEXAS

Signature

Signature

Dated

Dated

EXHIBIT E

FORM OF NON-COLLUSIVE AFFIDAVIT

STATE OF TEXAS

COUNTY OF GALVESTON

_____, Being
first duly sworn, deposes and says:

That he/she is

(a partner of the firm, etc)

the party making the forgoing proposal, that such proposal is genuine and not collusive or sham; that said proposer has not colluded, conspired, connived, or agreed directly or indirectly, with any proposer or person, to put in a sham proposal or to refrain from submitting a proposal, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the proposal of affiant or any other proposer, or to secure any advantage against the Housing Authority of the City of Galveston or any person interested in the proposed agreement; and that all statements contained in said proposal are true.

Signature of Bidder, if Bidder is an Individual

Signature of Bidder, if Bidder is a Partnership

Signature of Officer, if Bidder is a Corporation

Address

SUBSCRIBED AND SWORN to before me

this _____ day of _____, 2 _____

My commission expires _____.

HOUSING AUTHORITY OF THE CITY OF GALVESTON
TO PROVIDE BANKING SERVICES
SELECTION CRITERIA

Description	Points (100)	Proposer
1. Financial Strength of the Proposer	10	
2. Experience in Providing Services To Similar Accounts	10	
3. Electronic Bank Service Offered	15	
4. Cost of Services	15	
5. Interest Rates Offered	15	
6. Type of Third Party Collateral	5	
7. Borrowing & Operations Procedure	10	
8. Location and Hours of Operation	10	
9. Other Services Provided	10	
TOTAL POSSIBLE POINTS	100	

EXHIBIT G

Public Housing Agencies; Indian Housing Authorities; Secretary's Representatives; State/Area Coordinators; Directors, Public Housing Divisions; Administrators, Offices of Native American Programs; Resident Management Corporations (RMCs)

Notice PIH 96-33(HA)
Issued: June 4, 1996
Expires: June 30, 1997

Required HA Cash Management and Investment Policies and Procedures

1. PURPOSE

The purpose of this Notice is to advise public housing agencies and Indian housing authorities (herein referred to as HAs) and Area Offices of the Department's HA requirements governing cash management and approved investment instruments. The Notice extends and reissues, with minor editorial changes, the policies and procedures, including the list of HUD approved investment instruments, previously set forth in Notice PIH 95-27.

2. BACKGROUND

The Annual Contributions Contract (ACC) requires the HA to deposit and invest all program funds for projects under an ACC in accordance with the terms of a General Depository Agreement. The General Depository Agreement must be in a form approved by HUD and is executed between the HA and the depository. In addition, the ACC requires the HA to invest General Fund (program) monies only in HUD approved investments.

The Federal Code of Regulations, Part 85, Subpart C, (24 CFR § 85.20) requires HAs to establish cash management procedures. Cash management is the process of managing the cash flow of a HA to optimize its use of funds. This process involves the timing of receipts and disbursements to assure the availability of funds to meet expenditures and to maximize the yield from the investment of temporarily surplus funds. Effective cash management calls for organized planning. Good relations between the HA and the financial institution can improve the effectiveness of a cash management program.

3. APPLICABILITY

This Notice applies to the Low Rent Public Housing Program, the HA Owned/Leased Housing Homeownership Program (Turnkey III Program), the Section 23 Leased Housing Program, and the Mutual Help Homeownership Program.

4. **BANKING SERVICES**

Banking services shall be arranged by selecting a bank through competitive solicitation to assure the HA that it receives the banking services provided at the lowest cost. It should be noted, however, that HAs must designate a single bank account for the deposit of all payments that are received from HUD through Direct Deposit-Electronic Funds Transfer (DD-EFT). (A Standard Form 1199A, Direct Deposit Sign-Up Form, must be submitted to designate this account.) A copy of the General Depository Agreement (see below) with the financial institution shall be attached with the SF-1199A. Once the funds are received, they may be transferred to separate accounts according to the applicable program.

a. **General Depository Agreement**

The General Depository Agreement (Form HUD-51999) shall be executed by the HA and the depository. The depository must be a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF). An original HUD-51999 should be maintained by the HA and the financial institution. A copy of the HUD-51999 should be sent to the HUD Area Office and the Field Accounting Office (along with the SF-1199A).

b. **Procurement Procedure and Period of Service**

Banking services should be periodically solicited through competitive negotiation. The solicitation in the form of a Request for Proposal (RFP) would permit the HA to evaluate the quality of the services received as well as the price. This periodic process should prevent the bank supplying the services from becoming complacent in its dealings with the HA.

5. **COLLATERALIZATION OF DEPOSITS**

HAs shall require their depositories to continuously and fully (100%) secure all deposits regardless of type (i.e. regular, savings, etc.) that are in excess of the \$100,000 insured amount. This may be accomplished by the pledging or setting aside collateral of identifiable U.S. Government securities as prescribed by HUD. The HA has possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for wire contract) and will be maintained for the full term of the deposit. Such securities shall be owned by the depository and the manner of collateralization shall provide the HA with a continuing perfected security interest for the full term of the deposit in the collateral in accordance with applicable laws and Federal regulations. Such collateral shall, at all times, have a market value at least equal to the amount of the deposits so secured.

6. INVESTMENT OF FUNDS

a. Funds Available for Investment

- 1) Funds on deposit in the General Fund are comprised of four components: (1) funds for current transaction purposes, (2) development and/or modernization funds (see #2 below), (3) funds exceeding those necessary for the daily operation of the HA which are considered available for investment and (4) any operating reserve funds. As a general rule, the average amount on deposit in the General Fund cash accounts (the targeted maximum cash balance) should be the amount needed on hand for transaction purposes or as a safeguard against cash shortages. In the interest of good cash management, non-interest bearing deposits should be reduced to the amount necessary to maintain a good banking relationship.
- 2) Under the Modernization and Development Programs, the term "cash management" also means minimizing the time elapsing between the drawdown and disbursement of funds by the HA. HUD has established the maximum time to be generally three working days. Therefore, reference to "excess funds" also means the amount of modernization or development funds drawn down, but not needed for immediate disbursement (see 24 CFR § 85.21 (b)). Interest income earned on modernization funds is included as operating income in the calculation of operating subsidy eligibility under the Performance Funding System (PFS). Interest income earned on development funds is credited to the development program and reduces the development cost of the project.

b. Approved Investment Securities

In most cases, purchases of securities shall have maturities which coincide with expected disbursements by the HA. For the purpose of investing operating reserves, issues shall be limited to maturities three years or less. Although some of the following securities have maturities longer than three years, they can be traded in the secondary market. A list of investments approved by HUD for the investment of HA funds is attached. HAs are required to choose from these financial instruments. Within the HUD approved instruments, HAs are permitted to modify their investment policy without prior HUD approvals. The choice of investments from the approved list should be made using the criteria developed in the remainder of this paragraph.

c. Determination of Investment Type

The determination of the best or appropriate types and mixtures of investments is dependent on several factors. The primary objective is safety. Once that objective is attained, the optimum return on the investment should be consistent with the goals of the cash management program of the HA. The factors that should be taken into account include the following:

- (1) Safety - Safety is achieved through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency or issued by a Government-sponsored agency, coupled with an appropriate maturity date.
- (2) Yield - The HA should strive to achieve the highest yield consistent with the other factors of the investment policy. Tax-exempt securities are not appropriate for investment by a HA because it would not benefit from the tax advantage.
- (3) Liquidity - All investments must be capable of being liquidated on one day's notice. Therefore, no investments may be made which impose a longer notice period for redemption or which are not readily marketable.
- (4) Maturity - Investments should be scheduled to mature when the funds are needed. Sale of securities prior to maturity should be avoided due to the inherent risk. (If the market interest rate increases above the yield on the investment, the market value of the securities will decline.) Investments shall be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the HA, but not beyond the current financing cycle. HAs may invest in securities up to three years for the investment of operating reserves.
- (5) Amount - The best or most appropriate type of investment depends, to some degree, on the amount available for investment because certain investments require a large initial amount.
- (6) Administrative Cost - In choosing an investment, a HA must consider the administrative work involved, particularly with regard to investments of short duration. Substantial amounts can be invested for periods as short as one or two days. However, the administrative costs with small amounts may be greater than the return on the investment, thus would not be justified or cost effective. Administrative costs will be higher with a more frequent turnover of investments and must be taken into account together with the yield and term in determining the optimum investment strategy.

d. INVESTMENT OF FUNDS HELD BY HA FISCAL AGENTS

Funds held by the Fiscal Agent in any trust funds shall be invested in strict accordance with the Resolution establishing such funds. Where the Resolution contains no provision concerning the investment of funds, the funds shall be invested in securities approved for General Fund Investment provided such investment will mature or may be redeemed at the option of the purchaser at not less than the purchase price on or prior to the date such funds are required to be disbursed by the Fiscal Agent. A description of funds established by HA resolutions authorizing the issues of bonds is attached.

e. Investment Register

An investment register or other record shall be maintained by the HA or its agent. The register/record shall be maintained in such a manner that a determination can be made as to the amount of investment securities purchased from each fund and at a minimum provide for recording a complete description of investment instrument, date of purchase, purchase price, interest rate, and applicable date of sale or maturity. The investment register/record may also be used to identify the source of funds invested (i.e., modernization or development funds, tenant security deposit funds, operating funds).

f. Internal Controls

HAs shall implement the following internal controls to assist in controlling investments and preventing loss or misuse.

- (1) Investment transactions shall be authorized by the HA governing board and documented in the board minutes.
- (2) Investment documents shall be kept in a safe fire-resistant locked file cabinet, safe deposit box, or other similarly secured location.
- (3) Individuals responsible for custody of securities shall be someone other than an individual maintaining the accounting records.
- (4) Investments shall be maintained in a custodian or trust account.
- (5) Investments shall be in the name of the HA.
- (6) Investments shall be recorded in detail in an investment ledger.
- (7) A system shall be in place to insure that all interest earned is collected and credited to the appropriate HA records.

- (8) Investments shall be reconciled periodically to the detailed record (investment ledger).

7. CASH MANAGEMENT

A major factor contributing to the success of an investment program is the delegation of responsibility and authority for developing and executing it. A HA should compare the cost of establishing a cash management program in-house (if qualified professional staff are available) to contracting out. If HAs contract for cash management and investment services, then the organization should have qualified personnel to achieve cost-effectiveness. Commercial banks and savings and loans association offer such services.

Good cash management, which is an objective of management, creates responsibilities for the use of funds. Such responsibilities are placed on both the HA and HUD for a successful program to benefit both. The primary goals of cash management are to assure the availability of cash for transaction needs, preserve the value of cash resources and earn the maximum return on funds until disbursed.

a. Cash Management by the HA

The HA should compare the return from an in-house cash management program with a program managed by an agent. If the HA finds that administrative costs of an in-house program are such that the net yield on investments is less than that obtainable through an alternative, the general rule is that the HA should use that alternative.

b. Cash Management by an Agent

As an alternative to an in-house cash management program, a HA may enter into a contract with an approved governmental unit such as a State agency established for this purpose (see attachment A, #6, Municipal Depository Fund), or a financial institution (excluding investment bankers and brokerage houses) to administer its cash management program.

Such a program may include any of the functions of cash management, i.e., receipts, disbursements and investments. Such a contractual arrangement will give a small HA the expertise and administrative skills which it would not otherwise be expected to have and often can make a cash management program cost-effective.

c. Temporary Funds Available for Investment

- (1) Each HA with an average cash balance of \$20,000 or more shall invest such funds in HUD-Approved Investment Securities in order to meet the PFS Target Investment requirements (24 CFR Section 990.109 (e), 24 CFR §950.725 (e)).

HAs with average cash balances of less than \$20,000 shall also invest such funds in HUD-Approved Investment Securities. For the purpose of calculating operating subsidy eligibility under the PFS (24 CFR Section 990.109 (e), 24 CFR §950.725 (e)) these HAs shall make a reasonable estimate of investment income for the requested budget year. Please note that investment income estimates for these HAs are not subject to the mandatory year-end adjustment.

- (2) See Handbook 7475.13, Performance Funding System (PFS), regarding reporting requirements for projecting investment income for the purpose of calculating PFS operating subsidy eligibility. These requirements mandate a minimum investment income (Target Investment Income) for calculating operating subsidies and allow HAs to retain investment income in excess of the required amount. HAs should review these requirements carefully in developing their cash management programs.\

8. **MONITORING**

The Office of Finance and Budget, PIH, will continue to oversee the overall cash management policy and programs for HAs. Actual monitoring of each HA's cash management will continue to be the responsibility of the respective Area Office. Monitoring will be accomplished through review of documentation submitted to support the investment income shown in the calculation of operating subsidy and during on-site monitoring reviews.

If there are questions regarding the contents of this Notice, please contact the Office of Finance and Budget at 202-708-1872.

_Casimir Bonkowski for Acting
Assistant Secretary for Public and Indian Housing

Attachments

EXHIBIT H
HUD APPROVED BANKING INSTRUMENTS

1. Direct Obligations of the Federal Government Backed by the Full Faith and Credit of the United States:

a. U.S. Treasury Bills

These securities are short-term obligations which a HA or its agent may purchase directly. Treasury Bills with 3-month and 6-month maturities are issued weekly and those with 9-month and 12-month maturities are issued monthly. The minimum denomination is \$10,000. They are issued on a discount basis and are redeemed at par upon maturity.

U.S. Treasury Bills are available for purchase at any time after issuance from investment departments of banks and from dealers in investment securities. Purchases may be made conveniently using the HA's depository bank. Treasury Bills may be acquitted by subscription on this issue date from a Federal Reserve Bank or branch in amounts not in excess of \$200,000. Detailed information is contained in the weekly or monthly announcements which may be received regularly upon application to a Federal Reserve Bank or branch.

b. U.S. Treasury Notes and Bonds

These securities are issued periodically by the Treasury Department through Federal Reserve Banks and branches. They are medium to long-term obligations which a HA or its agent can only purchase in the secondary market to assure that they will mature at a date which coincides with scheduled disbursements by the HA. Outstanding issues may be purchased from banks or dealers in investment securities at the market price which on any given day may be more or less than the face amount.

1. U.S. Treasury Notes

These notes mature in not less than one (1) and not more than ten (10) years from the issue date and bear interest at fixed rates payable semi-annually.

2. U.S. Treasury Bonds

These bonds mature after ten (10) years from the issue date and bear interest at fixed rates payable semi-annually. Many issues of bonds are redeemable on call by the Treasury Department before maturity. The yield of such issues usually is computed to the first call date which may be as much as five (5) years prior to maturity.

2. Obligations of Federal Government Agencies:

a. Federal Financing Bank (FFB)

The Federal Financing Bank is authorized to purchase obligations held by Federal agencies and to issue obligations to the public.

b. Government National Mortgage Association (GNMA), Mortgage Backed Securities (GNMA I and GNMA II)

The securities, guaranteed by GNMA are issued by an issuer (a GNMA-approved mortgage lender).

The securities are backed by a pool of government-insured or guaranteed mortgages. The holders of the securities receive monthly payments of principal and interest. The minimum denomination issued is \$25,000. The difference in GNMA I and GNMA II is that the GNMA II payment date is on the 20th of the month and the GNMA I payment date is on the 15th; GNMA II uses a central paying agency whereas GNMA I has individual issuers sending checks to investors; and GNMA II has interest rates that vary within a one percent range. The maximum maturity for GNMA I and GNMA II is 30 years, except that GNMA I project loans mature in 40 years.

c. GNMA Participation Certificates

These securities, guaranteed by GNMA, were sold by GNMA as the trustee with various other Federal agencies as trusters. They represent beneficial interest in future payments of principal and interest on mortgage pools. Their maturities range between one (1) and twenty (20) years and the minimum denomination is \$5,000.

d. Maritime Administration Merchant Marine Bonds, Notes, Obligations

These securities are issued by shipping companies and are backed by the full faith and credit of the U.S. Government. Each issue is further secured by a first preferred ship or fleet mortgage. Maturities and denominations vary.

e. Small Business Administration (SBA) , Small Business Investment Corporation (SBIC) Debentures

When authorized by appropriation acts, the SBA may guarantee principal and interest payments on debentures of SBIC. The SBA may also pool these debentures and sell SBA-guaranteed debentures. These issues have maturities of ten (10) years and are issued in \$10,000 denominations.

f. Tennessee Valley Authority (TVA) Power Bonds and Notes

These securities are secured by a first charge or net power proceeds. Payment of interest and principal on them is ranked ahead of annual payments to the U.S. Treasury. They have been issued in multiples of \$1,000.

3. Securities of Government Sponsored Agencies:

a. Farm Credit Consolidated System Wide Discount Notes

These notes are secured joint and several obligations of the Farm Credit System which consists of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. They are issued in denominations of \$5,000 and maturities are authorized from five (5) to three hundred sixty five (365) days.

b. Federal Farm Credit Banks Consolidated System-wide Bonds

These bonds are the secured joint and several obligations of the Farm Credit Banks. Their issuance supersedes individual bond issues by the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. They are issued in multiples of \$1,000 for maturities in excess of thirteen (13) months and in multiples of \$5,000 for shorter maturities.

c. Federal Home Loan Banks Consolidated Obligations

These securities are the secured joint and several obligations of the Federal Home Loan Banks comprised of:

1. Bonds

Bonds which have maturities of one year or more. They are issued in multiples of \$10,000, \$25,000, \$100,000, and \$1,000,000.

2. Notes

Notes which have maturities of less than one year. They are issued in multiples of \$10,000, \$25,000, \$100,000, and \$1,000,000.

3. Discount Notes

Discount notes which have maturities ranging from thirty (30) to one-hundred seventy (170) days. They are issued in denominations of \$100,000 and \$1,000,000.

d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)

These certifications represent undivided interest in specific fixed rate, first lien conventional and residential mortgages. FHLMC provides monthly interest and principal payments. The final payment is the first of the month and year in which the last monthly payment on the last maturing mortgage is scheduled to be paid.

e. FHLMC Collateralized Mortgage Obligations (CMOs)

CMOs are general obligations of FHLMC that are secured by a single pool of conventional mortgages owned by FHLMC. CMOs are issued in several classes with varying stated maturities. Semiannual principal payments are allocated to each class of the CMOs in the order of the stated maturity of each class so that no principal payments are made to holders of a class until classes with an earlier maturity are retired.

f. Federal National Mortgage Association (FNMA) Debentures

These debentures are issued in denominations ranging from \$10,000 and with maturities ranging from twenty (20) to twenty-five (25) years.

g. FNMA Notes

The minimum investment in these notes is \$50,000 with maturities ranging from one (1) to twenty (20) years.

h. FNMA Short-Term Discount Notes

These notes are similar to commercial paper and are tailored to the individual needs of investors. They are sold at published rates with maturities of thirty (30) to two hundred seventy (270) days and in denominations ranging from \$5,000.

i. FNMA Capital Debentures

These debentures are subordinated to the non-capital debentures, notes, and short-term discount notes. They were last issued in 1975 in a \$10,000 minimum denomination and with maturities of five (5) and twenty five (25) years.

j. Student Loan Marketing Associations (SLMA) Obligations

SMLA issues obligations comprising of guaranteed student loans as follows:

1. Floating Rate and Mater Notes

These notes bear interest at rates that vary with the 91-day Treasury Bill rate. Short-term borrowing have an original or remaining term maturity of one (1) year or less.

2. The Series E and F Floating Rate Notes

These notes bear interest at rates which vary with the 91-day Treasury Bill, except that each issue has fixed minimum and maximum rates known as interest rate "collars" for any quarterly interest period.

3. Zero Coupon Notes

These notes are shown at net proceeds adjusted for accretion of discount.

4. Demand and Savings Deposits

Demand and savings deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions are permitted for HA funds provided that the entire deposit is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by any of the securities listed under paragraphs 1, 2, and 3 of this Exhibit. Care should be taken that withdrawals may be made on demand without loss of interest and without penalty.

5. Money-Market Deposit Accounts

Money-Market Deposit Accounts at depository institutions that may not be insured fully by the FDIC or NCUSIF are permitted provided that the certificates are fully backed by 100 percent collateral consisting of securities listed under paragraphs 1, 2, or 3 of this Exhibit. When accounts exceed the \$100,000 insurance limitation, their safety also may depend on the HA's control of the underlying collateral which must consist of clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected security interest may be the only sure protection against loss in case of financial institution failure.

6. Municipal Depository Fund

A Municipal Depository Fund (Fund) or Local Government Investment Pool which is established by States, municipalities, units of local government or other political subdivisions to serve as an investment fund for HAs is permitted. The securities purchased by a Fund shall be on the HUD-approved list of investment securities. HA shall have either an undivided or divided interest in securities comprising the Fund. The Fund shall be under the control of the Investment Company Act of 1940, and its objective shall be clearly stated. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation and conservation of capital.

The Fund shall disclose clearly the basis of earnings and how they are distributed. HA shall obtain a statement of potential default and risk and a clear demonstration that withdrawals from the Funds will not be so restricted as to impair a HA day-to-day cash management needs. The management fee shall be fixed at a reasonable amount and management shall be passive. HA shall limit the amount invested in the Fund to no more than 30 percent of the HA's available investment funds. The Fund shall disclose the relationships of the investment advisor, manager, trustees, custodian and transfer agent. Each financial advisory relationship shall be evidenced by a written document executed prior to, upon, or promptly after the inception of the financial advisory relationship, or promptly after the creation or selection of the issuer. If the issuer does not exist or has not been determined at the time the relationship commences, that written document shall set forth the basis of compensation for the financial advisory services to be rendered.

7. Super NOW Accounts

Super NOW Accounts have been available and approved for public funds since January, 1983. They offer a relatively high market rate and are fully transactional (have no limitations on the number of checks or transfers). Insurance and collateral requirements are as above for subparagraph 4) Demand and Savings Deposits.

8. Certificates of Deposit

- a. Certificates of Deposit are permitted at depository institutions that are insured by an agency of the Federal Government. Caution must be exercised for certificates exceeding the \$100,000 insurance limit or when the term is longer than thirty (30) to ninety (90) days. Although the certificates' rate of return may be attractive for larger amounts and longer terms, U.S. Treasury securities offer superior safety and liquidity for the same amounts and terms. Certificates shall be in the HA's name. In addition, a General Depository Agreement (Exhibit J) must be executed by each financial institution that issues a Certificate of Deposit.
- b. Certificate amounts above \$100,000 are permitted provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected security interest may be the only sure protection against loss in case of bank failure.
- c. Brokered deposits should be avoided because it is impossible to get \$100,000 federal insurance on a number of deposits placed by brokers.

9. Repurchase Agreements (Special Requirements)

Repurchase (repo) agreements for a term not to exceed thirty (30) days may be entered into with Federally insured depository institutions for purchase and sale of securities identified in paragraphs 1, 2 and 3. A repurchase agreement is an agreement negotiated with a bank usually for a short period (1 to 7 days) wherein securities approved for investment are purchased from that bank at a stated price with the bank agreeing to repurchase them on a specified date for a specified amount. The minimum may vary, although it is usually \$100,000. There are three main types: (1) fixed term, where both parties are bound to the negotiated time period, (2) demand, where the agreement stays in effect until terminated by either party, and (3) day-to-day, where daily renewal is by mutual consent and 24-hour notice is required for termination. The HA should review existing and future repos for compliance with the following certifications. Prior approval by HUD is not necessary, however, the repos seller depository or its agency must provide a written certification to HUD, Assistant Secretary for Public and Indian Housing (Office of Finance and Budget), the Area Office, and to the HA.

- a. that the depository's repo program complies with applicable Federal and State statutes and regulations and that the program does not involve sales or loans of Federal securities by securities dealers that are not regulated or that do not report to the Federal Reserve Board;
- b. that the depository owns the underlying Federal securities (approved for repurchase under HUD guidelines) when the repo interest is sold and that the value of the securities is equal to or greater than the amount the HA pays for the repo;
- c. that the HA has possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by a safe keeping receipt and a written bailment for hire contract), from the time the repo interest is sold to the HA and will be (or is expected to be) maintained for the full term of the repo;
- d. that the repo agreement and any related documents identify specific Federal securities related to the specific repo purchased by the HA;
- e. that the repo interest does not represent any interest in a pool or fund of Federal securities for which registration under the Investment Company Act of 1940 may be required;
- f. that the HA will have a continuous perfected security interest in the underlying Federal Securities under State or Federal law for the full term of the repo (disclosing the method by which perfection has or will be accomplished, i.e., by possession, filing, registration of book-entry securities and/or Federal preemption of State law by Federal regulation);
- g. that the depository or a reporting dealer selling the repo has not received any adverse financial report from a credit reporting agency, State or Federal regulatory agency; and
- h. that the depository will not substitute other securities as collateral, except to increase the value of the repo security to match the repo's purchase price.

10. Sweep Accounts

Sweep Accounts is a contractual agreement between a bank and a HA which provides that the bank will regularly "sweep" or transfer any available collected balances from the HA's account into repurchase agreements. The Sweep Accounts agreement shall include all the certification provided in the Repurchase Agreement and adherence to paragraph 4, Demand and Savings Deposits.

11. Separate Trading of Registered Interest and Principal of Securities

Separate Trading of Registered Interest and Principal of Securities (STRIPS) are Treasury-based zero-coupon securities which consist of interest or principal on U.S. Treasury securities. STRIPS are issued in minimum increments of \$1,000. STRIPS pay no interest until maturity and the rate of return is "locked in" at the time of purchase. The delivery of STRIPS is accomplished by wire transfer through the Federal Reserve book entry system. STRIPS shall be in the name of the HA.

12. Mutual Funds (Special Requirements)

A Mutual Fund (Fund) is an investment company that makes investments on behalf of individuals and institutions. The Fund pools the money of the investors and buys various securities that are consistent with the Fund's objective.

a. Mutual Fund Criteria

The Fund shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Act of 1933. The Fund shall be under the control of the Securities Exchange Act of 1934, Investment Advisors Act of 1940 and the Investment Company Act of 1940. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation, conservation, and stability of capital. The mutual fund objective cannot be changed without the prior approval of fund shareholders.

b. The securities purchased by the Fund shall be on the HUD-approved list of investment securities. The Fund will not engage in options or financial futures. The HA shall limit the amount of funds invested in the Fund to no more than 20 percent of the HA's available investment funds. The Fund shall disclose clearly the basis of earnings and how they are distributed. The HA shall obtain a statement of potential default and risk. The HA's invested funds shall be accessible to the HA daily. It shall be demonstrated that any limitations on withdrawals will not impair the HA's day-to-day cash management needs.

c. The management fee shall be fixed at a reasonable amount. The Fund shall disclose the relationships of the investment advisor, manager, trustee, custodian and transfer agent. The Fund shall clearly state all services (such as wire transfers and check writing privileges) and charges.

d. Investment of the Fund shall be authorized by a Board Resolution. A certified copy of the resolution shall accompany the initial application for the Fund.

e. The Fund (or custodian) and the HA shall sign the General Depository Agreement, HUD-51999 dated June, 1991 (Exhibit J) modified as follows:

- 1) In the title "(Mutual Fund)" shall be added after General Depository Agreement. Whenever "depository" appears in the text it also refers to "mutual fund."
- 2) The HA's name and location (including county and city) will be filled in the first clause of the General Depository Agreement. The name, location and the HA's mutual fund account number also will be filled in the first clause. The second clause remains unchanged.
- 3) The third clause is substituted as follows: "Whereas, under the terms of the Contract the HA shall invest in a mutual fund (herein called the depository) only on the terms set forth hereafter. Mutual fund is defined as an investment company that makes investments on behalf of individuals and institutions. The depository shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Exchange Act of 1933. The depository shall be under the control of the Securities Exchange Act of 1934, the Investment Advisors Act of 1940 and the Investment Company Act of 1940. HA shall acquire shares in a mutual fund whose portfolio includes only securities on the HUD-approved list of investment securities."
- 4) Paragraphs 1, 3, 11 and 12 are deleted.
- 5) Paragraphs 4 through 6 are modified to read as follows:
 - a) Paragraph 4: Any shares purchased from HA funds shall be held by the depository in safe-keeping for the HA until sold.

Dividends and distributions on such shares and the proceeds from the sale thereof shall be used to purchase additional shares or remitted directly to the HA.

- b) Paragraph 5: The language "from said Accounts" is deleted.
- c) Paragraph 6: The language "in respect of the Accounts" is deleted.
- d) Paragraphs 7 through 10 are not changed.
- e) The additional language can be typed on a separate page, attached and duly executed. The following language shall be added to the bottom of the page: Page number incorporated in and made a part of the General Depository Agreement between the Galveston HA and _____(Depository).

EXHIBIT I

SAMPLE FORMAT FOR RECORDKEEPING

ESTIMATED WORK FORCE BREAKDOWN

M/WBE PARTICIPATION

JOB CATEGORY	TOTAL ESTIMATED POSITIONS FOR PROJECT	NO. POSITIONS OCCUPIED BY CURRENT EMPLOYEES	NUMBER OF POSITIONS NOT OCCUPIED	NUMBER OF POSITIONS TO BE FILLED WITH M/WBE
OFFICER/SUPERVISOR				
PROFESSIONAL				
TECHNICAL				
OFFICE/CLERICAL				
SERVICE WORKERS				
TRAINEES				
CONTRACTS				
OTHERS				

Company

Person Completing Form

HUD APPROVED INVESTMENT INSTRUMENTS

1. Direct Obligations of the Federal Government Backed by the Full Faith and Credit of the United States:
 - a. U.S. Treasury Bills
 - b. U.S. Treasury Notes
 - c. U.S. Treasury Bonds

2. Obligations of Federal Government Agencies:
 - a. Federal Financing Bank (FFB)
 - b. Government National Mortgage Association (GNMA)
 - c. Mortgage Backed Securities (GNMA I and GNMA II)
 - d. GNMA Participation Certificates
 - e. Maritime Administration Merchant Marine Bonds
 - f. Maritime Administration Merchant Marine Notes
 - g. Maritime Administration Merchant Marine Obligations
 - h. Small Business Administration (SBA)
 - i. Small Business Investment Corporation (SBIC) Debentures
 - j. Tennessee Valley Authority (TVA) Power Bonds
 - k. Tennessee Valley Authority (TVA) Power Notes

3. Securities of Government Sponsored Agencies;
 - a. Farm Credit Consolidated System Wide Discount Notes
 - b. Federal Farm Credit Banks Consolidated System Wide Bonds
 - c. Federal Home Loan Banks Consolidated Obligations
 - d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)
 - e. FHLMC Collateralized Mortgage Obligations (CMOs)
 - f. Federal National Mortgage Association (FNMA) Debentures
 - g. FNMA Notes
 - h. FNMA Short Term Discount Notes
 - i. FNMA Capital Debentures
 - j. Student Loan Marketing Associations (SLMA) Obligations

4. Demand and Savings Deposits

5. Money Market Deposit Accounts

6. Municipal Depository Fund

7. Super NOW Accounts

8. Certificates of Deposit

9. Repurchase Agreements (Special Requirements)
10. Sweep Accounts
11. Separate Trading of Registered Interest and Principal Securities
12. Mutual Funds (Special Requirements)

CERTIFICATION

I hereby certify that I have received and thoroughly reviewed the investment policy of the Housing Authority of the City of _____ and have implemented reasonable procedures and controls designed to preclude imprudent investment activities arising out of investment transactions conducted between this firm and the Housing Authority of the City of _____. Transactions between this firm and the Housing Authority of the City of _____ will be directed towards protecting the Authority from credit or market risk.

All sales personnel of this firm dealing with the Housing Authority of the City of _____ accounts have been informed and will be routinely informed of the Housing Authority of the City of _____ investment horizons, limitations, strategy, and risk constraints, whenever we are *so* informed.

The firm pledges due diligence in informing the Housing Authority of the City of _____ of foreseeable risks associated with financial transactions connected to this firm.

(Firm)

(Signature of Registered Principal)

(Name)

(Title)

(Date)

Public reporting burden for this collection of information is estimated to average 1 hour per response. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. HUD will use this information to ensure PHAs use all Program Receipts received from HUD or otherwise associated with public housing funds for purposes of public housing, by requiring such financial assistance to be deposited into interest-bearing accounts at certain financial institutions. The information requested does not lend itself to confidentiality.

This Agreement, entered into this ___ day of ___, 20___ by and between ___ (herein called the "HA"), a duly organized and existing public body corporate and politic of the ___ of ___ and ___ (herein called the "Depository"), located at ___.

Witnesseth:

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more Annual Contributions Contracts (herein called the "ACC" with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the ACC the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

- 1.** The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.
- 2.** All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest-bearing deposit or interest-bearing accounts, designated "Accounts" (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.
- 3.** Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.
- 4.** Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt
- 5.** If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.
- 6.** The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the ACC, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the ACC or whether either HA or HUD is in default under the provisions of the ACC. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed
- 7.** The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third-party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD

11. **Strike this paragraph if inapplicable:** Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.

12. **Strike this paragraph if paragraph 2 applies:** For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2.

At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated as ____.

Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD.

During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

_____, on behalf of _____
Title Organization (HA)

_____, on behalf of _____
Title Organization (Depository)

_____, on behalf of _____
Title Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. **Notice under the terms of this agreement shall be implemented by the Depository within 24 hours of actual receipt.**

In Witness Whereof, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

HA
(SEAL)
ATTEST:
By _____
Chairman

Secretary

Depository
(SEAL)
ATTEST
By _____

Instructions to Offerors Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing



- 03291 -

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

Certifications and Representations of Offerors

Non-Construction Contract

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offers to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1) has, has not employed or retained any person or company to solicit or obtain this contract; and
- (2) has, has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a) is, is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b) is, is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c) is, is not a minority enterprise which, pursuant to Executive Order 11625, is defined as 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, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|---|---|
| <input type="checkbox"/> Black Americans | <input type="checkbox"/> Asian Pacific Americans |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans |
| <input type="checkbox"/> Native Americans | <input type="checkbox"/> Hasidic Jewish Americans |

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);
(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

General Conditions for Non-Construction Contracts

Section I — (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 1/31/2027)

Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB number. This form includes those clauses required by OMB's common rule on grantee procurement, implemented at HUD in 2 CFR 200, and those requirements set forth in Section 3 of the Housing and Urban Development Act of 1968 and its amendment by the Housing and Community Development Act of 1992, implemented by HUD at 24 CFR Part 75. The form is required for non-construction contracts awarded by Public Housing Agencies (PHAs). The form is used by PHAs in solicitations to provide necessary contract clauses and allows PHAs to enforce their contracts. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, Office of Policy Development and Research, REE, Department of Housing and Urban Development, 451 7th St SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0157. Do not send this completed form to either of these addressees. The information collected will not be held confidential.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$250,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$250,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$250,000 — use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$250,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

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- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
 - (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
 - (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section 111, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - () The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the 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 HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (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 HA may terminate the contract for default.
- (d) The terms 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.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(v) The prohibition does not apply as follows:

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- (1) Agency and legislative liaison by Own Employees.
- (a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.
- (b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.
- (c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:
- (1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,
- (2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
- (d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:
- (1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;
- (2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and
- (3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.
- (e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.
- (2) Professional and technical services.
- (a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-
- (i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
- (i) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
- (b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.
- (c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.
- (d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.
- (iii) Selling activities by independent sales representatives.
- (c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:
- (i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and
- (ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
- (d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.
- (e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.
- (f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.
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16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The [contractor/seller] will, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(c) The [contractor/seller] will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the [contractor/seller]'s commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The [contractor/seller] will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The [contractor/seller] will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Brail or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 prioritization requirements, and shall state the minimum percentages of labor hour requirements established in the Benchmark Notice (FR-6085-N-04)..
- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.
- (e) Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts
- (f) Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR Part 75.

23. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered

materials practicable consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

- (c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:
- (i) Award of the contract may result in an unfair competitive advantage;
 - (ii) The Contractor's objectivity in performing the contract work may be impaired; or
 - (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.
- (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 HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.
- (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 HA, the HA may terminate the Contract for default.
- (d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:
