



Louisiana Housing
Corporation

CONTRACT MANAGEMENT POLICY

Version 1.0

May 10, 2023

FOREWORD

This Contract Management Policy, together with other established policies of the Louisiana Housing Corporation (LHC or The Corporation), applies to the management of all contracts executed by authorized parties subsequent to proper procurement activities. Contract Management involves those activities performed by The Corporation staff after a contract has been awarded and executed. It encompasses all dealings between the government and the vendor from the time the contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved.

Contract Management constitutes that primary part of the procurement process that assures The Corporation gets what it paid for. In contract management, the focus is on obtaining supplies and services, of requisite quality, on time, and within budget. While the legal requirements of the contract are determinative of the proper course of action of LHC staff in managing a contract, the exercise of skill and judgment is often required in order to effectively protect the public interest.

The specific nature and extent of contract management varies from contract to contract. It can range from the minimum acceptance of a delivery and payment to the vendor to extensive involvement by program, audit and procurement officials throughout the contract term. Factors influencing the degree of contract administration include the nature of the work, the type of contract, and the experience and commitment of the personnel involved.

The effective management of Contracts with supplies is essential to the Corporation in maximizing the benefits and achieving the agency's objectives. These benefits can be summarized as follows:

Benefits of Contract Management	
Business Benefits	<ul style="list-style-type: none">• Maximizes outcomes to the Corporation and our constituents by managing supplier performance, maintaining quality, improving productivity and identifying opportunities for improvement and innovation.
Value for Money	<ul style="list-style-type: none">• Enables savings and benefits opportunities identified during the procurement or contract management process be realized while also ensuring the achievement of expected procurement outcomes.• Enables further benefits through ongoing performance reviews, service, improvement, and innovation.
Risk Management	<ul style="list-style-type: none">• Reduces contractual risks through robust contract management practices.• Ensures that the Corporation is also aware of, and complies with its own contractual and legislated obligations.

Approved by:

Joshua G. Hollins, Executive Director

Date

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GENERAL PROVISIONS

GOAL

It is the goal of the LHC to manage the process of contract creation, execution, and analysis to maximize operational and financial performance at the Corporation, while also reducing financial risk.

PURPOSE

Every contract shall be managed in accordance with this policy. The purpose of this policy is to ensure that there is proper oversight, communication, task management, and payment schedules.

AUTHORITY

The LHC was created by the Louisiana Housing Corporation Act in 2011 as a public body corporate and politic, and instrumentality of the state (R.S. 40:600.88 et seq.). The Corporation is governed by a Board of Directors who appoints an Executive Director who shall be the chief executive officer of the Corporation. The Executive Director shall administer, manage, and direct the affairs and business of the Corporation subject to the policies, control, and direction of the Board of Directors of the Corporation. Pursuant to the authority vested in the Executive Director, the Executive Director directs that these policies shall be followed by LHC staff.

POLICY

All employees of the LHC shall adhere to established policy for contract management and administration. This policy does not supersede program specific regulations and requirements but shall be used in conjunction therewith.

POLICY OBJECTIVES

The specific policy objectives are to ensure:

- Contracts are managed in a manner that facilitates business delivery while minimizing risk;
- A standard contract management approach is undertaken;
- Contracts are managed maximizing financial and operational performance for both expenditure and revenue generating contracts;
- Role and task clarity is provided;
- Probity and fairness in contract management is achieved; and
- Legislative compliance.

DEFINITIONS

Award - the acceptance of the highest scoring bid(s) or proposal(s) by LHC with the intent to contract.

Board of Directors - the governing body of the Louisiana Housing Corporation.

Contract – agreements between LHC and an individual or entity, including but not limited to purchase orders, for the procurement or disposal of goods and services and the generation of revenue for the LHC by the use of the Corporation’s facilities, personnel, or services; “contract” shall not include contracts or appointments for employment or cooperative endeavor agreements.

Contract Monitor - the Housing Finance Administrator or Department Head who requested the services or goods to be rendered under the contract.

Corporation - Louisiana Housing Corporation, a public body corporate and politic constituting an instrumentality of the State of Louisiana created pursuant to Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, and charged with the mission of providing affordable, accessible, decent, safe, and sanitary housing to the low- to moderate-income citizens of the State of Louisiana.

Delegation of Authority – the written transference of responsibility of a task to another LHC employee.

Executive Director - the chief administrative head of the Louisiana Housing Corporation appointed by the Board of Directors, whether identified by this or some other title in the LHC’s organizational chart.

Goods - all property, including but not limited to, equipment, materials, supplies, insurance, license agreements for software, and leases on real property, excluding a permanent interest in land, all consistent with established LHC policies. Goods are not services.

Negotiation - conferring, discussing, or bargaining to reach an agreement to obtain and/or purchase a good or service.

Procurement - the process by which goods or services are acquired. Includes all functions that pertain to the obtaining of goods and services, including but not limited to description of requirements, selection and solicitation of sources, negotiation, preparation, and award of contract.

Procurement Officer (PO) - as used in this procurement policy, is the director of procurement for the LHC, appointed by the Executive Director, and does not refer to the chief procurement officer for the State of Louisiana.

Purchase Order - a legally binding contract for purchase between the LHC and the vendor.

Services - the furnishing of labor, time or effort by a vendor which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance.

Solicitation - an RFP, RFQ, NOI, an electronic document posting, or any other communication used to acquire responses for the purpose of obtaining a good or service.

Vendor - an individual or organization that provides specified and agreed upon goods and/or services to the Corporation. May be used interchangeably with “supplier.”

APPLICATION

This Contract Management policy applies to the management of all active contracts with the Corporation.

PUBLIC RECORD

Procurement information shall be a matter of public record to the extent provided for in LA. R.S. 44:1 et. seq., and will be made available upon request to the LHC Legal Department (LHC Legal). A copy documentation charge may be assessed.

FEDERAL SPECIALTY ACTS AND GRANTS

For contracts utilizing any funds from federal specialty acts and/or grants the LHC will follow all statutory requirements, as well as all regulations and guidance issued by HUD, the Office of Management and Budget (OMB), and other federal and state agencies that may be authorized to issue such regulations and guidance.

CONTRACTS

CONTRACT DRAFTING

After the procurement process has concluded and an award has officially been made, LHC Legal shall draft a contract between the awarded party and the Corporation. There may be limited instances where the LHC will use a contract provided by the awarded party (i.e. IT software, hardware, web-based services, or like vendors who only use form contracts).

LHC Legal shall consult with the Contract Monitor regarding the Scope of Work or Services for the contract and the deliverables that are to be achieved under the contract.

LHC Legal shall ensure that potential risk to the Corporation is considered in the drafting of the contract and mitigate any such foreseen risks. LHC Legal shall ensure that the contract complies with all relevant LHC policies and procedures, State of Louisiana insurance and indemnity requirements, relevant State and Federal law, and relevant source of fund regulations.

All contracts shall be in writing and must be signed by the LHC Executive Director, or his designee under a valid Delegation of Authority.

CONTRACT CLAUSES

REQUIRED CONTRACT CLAUSES

Clauses providing for the following requirements shall be included in all contracts, except upon a written determination by LHC Legal that the interests of LHC are best served by omitting the clause. All contracts shall include any clauses required by Federal and State statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i), such as the following:

- A. Scope of Work/Services
- B. Communication
- C. Termination for Convenience
- D. Termination for Cause
- E. Payment Terms
- F. Term of Contract
- G. Licenses and Permits
- H. Insurance
- I. Indemnification/Hold Harmless Agreement
- J. Workers Compensation Indemnity
- K. Subvendors
- L. Taxes
- M. Amendment
- N. Assignment
- O. Audit
- P. Force Majeure
- Q. Governing Law and Disputes
- R. Non-Discrimination
- S. Data Ownership
- T. Fiscal Funding
- U. Confidentiality
- V. Contract Disputes

ADDITIONAL CONTRACT CLAUSES

Contracts may require the inclusion of additional clauses in order to comply with federal or state regulations, if the contract will be funded using federal or state funding sources. LHC Legal and the Contract Monitor shall consult the relevant regulations to ensure appropriate clauses are included in the contract. Those clauses include, but are not limited to:

1. Anti-Kickback Act
2. Davis-Bacon Act
3. Uniform Relocation Assistance and Real Property Acquisition Policies Act

4. Fair Housing Act
5. National Environmental Policy Act
6. Clean Air and Water Act
7. Energy Efficiency Standards Act

OTHER AUTHORIZED CONTRACT CLAUSES

Clauses may be included that provide for the appropriate equitable adjustments in prices, time for performance, or other contract provisions covering these issues:

1. The unilateral right of the LHC to order changes in the work within the general scope of the contract in any one or more of the following:
 - a. drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the state in accordance therewith;
 - b. method of shipment or packing; or
 - c. place of delivery;
2. The unilateral right of the LHC to require suspension of work or delay of performance;
3. Variations between estimated quantities of work in a contract and actual quantities;
4. Performance measurements and monitoring plan to support a more efficient payment process and allows for better expenditure tracking.

CONTRACT NEGOTIATION

LHC Legal will lead negotiations of contracts. Negotiation may involve the Contract Monitor or other LHC employees as needed.

The objective in negotiating the contract is to ensure the terms and conditions are favorable to the Corporation and meet the objectives of the scope of work to be accomplished under the contract.

LHC Legal shall secure all necessary written documentation required by the clauses in the contract prior to contract finalization, execution, and implementation of services (i.e. negotiated costs, required proof of insurance through a certificate of insurance, required payment or performance bonds, etc.).

CONTRACT EXECUTION

LHC Legal shall ensure the contract is fully executed by all parties to the contract. Once the contract has been executed by all parties, LHC Legal will ensure that a fully executed copy is sent to all parties in the contract, the Contract Monitor, and the LHC Accounting Department (LHC Accounting).

CONTRACT ADMINISTRATION

Protocol designed to ensure that vendors perform in accordance with their contracts. The protocol shall include procedures for inspection of supplies (as needed), services, or construction, as well as monitoring vendor performance, budgeting, invoicing, status reporting on contracts, and similar matters.

CONTRACT MONITOR

The Contract Monitor shall be the Housing Finance Administrator or Department Head who has requested the services or goods to be rendered under the contract. The Contract Monitor shall oversee the administration of the contract and maintain all documentation that arises during the administration of the contract.

The Contract Monitor shall review the contract and govern the services rendered in accordance with the terms listed in the contract. If the Contract Monitor has any questions regarding the terms or requirements of the contract, they should consult with LHC Legal.

The Contract Monitor shall provide tasks to the vendor in service-based contracts and shall ensure that the tasks are being completed timely and in a quality manner. The Contract Monitor shall inspect and approve all invoices submitted from the vendor. The Contract Monitor shall certify to LHC Accounting that the services covered under the contract have been completed or that the goods have been received.

DOCUMENTATION

The Contract Monitor shall maintain a file for any and all contracts under their purview. The file must be maintained for auditing purposes for a minimum of ten (10) years. The file shall be stored on site for a minimum of three (3) years and then may be moved to appropriate off-site storage. The timeframe to maintain the file may vary by source of funding. Accordingly, the Contract Monitor must consult their Program regulations to ensure that their file is retained for the amount of time required by the funding source.

The contract file must contain the following documents: a copy of solicitation from procurement process or quotes received, a copy of the fully executed contract, certificate(s) of insurance, amendments to contract (if any), task orders, invoices, communications to vendor for any substantive issues of non-compliance, reports created based on the services of the contract, and any other documents related to the goods and services rendered under the contract.

CONTRACT MONITORING

The Contract Monitor shall oversee the services or goods to be rendered under the contract and shall ensure that the vendor is providing timely and quality services and goods in accordance with the terms of the contract. The Contract Monitor shall draft task orders as necessary and ensure deliverables have been met. The Contract Monitor shall ensure that the vendor is compliant and shall document in writing any issues of non-compliance (lack of adequate service, lack of communication, lack of timely invoicing).

The Contract Monitor is expected to maintain regular communication with the vendor throughout the term of the contract. The Contract Monitor shall conduct telephone calls, electronic mail (e-

mail), face-to-face meetings and video conferences with the vendor as needed to complete the services under the contract.

The Contract Monitor shall inspect and approve all invoices before submitting the invoice to LHC Accounting. All invoices will be received no later than thirty (30) days past the date when services were rendered or goods were received. The Contract Monitor shall review invoices within two (2) weeks from date of receipt. If the Contract Monitor does not approve of the invoice submitted or needs additional supporting documentation from the vendor, the Contract Monitor shall request additional supporting documents from the vendor via e-mail within three (3) days of the initial review. The vendor must return the supporting documentation to the Contract Monitor within seven (7) days from the e-mail.

The Contract Monitor shall ensure that all invoices and any supporting documents are promptly sent to LHC Accounting for payment. By submitting the invoice to LHC Accounting, the Contract Monitor is certifying that the goods received or services performed during the period of the invoice are satisfactory and in accordance with the terms of the contract.

The Contract Monitor shall consult the Contract Disputes section of this policy to determine consequences for vendors who are non-compliant (lack of adequate service, lack of communication, lack of timely invoicing).

The Contract Monitor shall, prior to the end of the contract term, assess with the Procurement Officer and LHC Legal (as needed) whether the contract can be extended or must be re-solicited through the procurement process.

At the expiration or termination of the contract, the Contract Monitor should close out the contract file and maintain the file for a minimum of ten (10) years. The timeframe to maintain the file may vary by source of funding. Accordingly, the Contract Monitor must consult their Program regulations to ensure that their file is retained for the required amount of time.

CONTRACT DISPUTES

GENERAL

It is the Corporation's policy and goal to resolve all contractual issues informally at the Corporation level, without litigation. The Contract Monitor shall endeavor to resolve disputes timely and amicably. If an amicable resolution is unable to be reached, the Contract Monitor shall follow the dispute protocols set forth herein.

CONTRACT MONITOR DISPUTE DUTIES

The Contract Monitor shall document any instances when a vendor is non-compliant (lack of adequate service, lack of communication, lack of timely invoicing) with the terms of the contract. The Contract Monitor should seek to informally resolve the issues of non-compliance in writing by submitting an e-mail to the vendor outlining the compliance issues and giving the vendor a timeframe to correct the non-compliance. If the vendor does not correct the non-compliance in a timely manner, the Contract Monitor shall give the vendor a firm deadline to correct the issues or advise that the contract may be terminated.

Prior to termination, the Contract Monitor shall notify the LHC Procurement Officer, LHC Legal, and the LHC Executive Director of the issues of non-compliance. The LHC Procurement Officer and LHC Legal will advise on the procedures necessary for termination and how to procure the services or goods needed from an alternate source.

If the services to be terminated were procured under a competitive solicitation, the Procurement Officer may initiate a new procurement process to replace the terminated contract or award the contract to the respondent with next highest score from the solicitation which resulted in the contract at issue, subject to acceptance by that respondent, and may hold the defaulting vendor responsible for the difference in cost.

CONTRACT CLAIMS

Formal contract disputes may be brought by the vendor. All claims by a vendor relating to performance of a contract shall be submitted in writing to LHC Legal. If LHC Legal cannot resolve the dispute, the vendor may request a meeting with the Executive Director.

DEBARMENT

LHC shall have the authority to suspend or debar a person or entity for cause from consideration or continuation of contracts with the LHC, provided that doing so is in the best interest of the LHC.

CAUSES

A person or entity may be suspended or debarred from further participation in contracts with the LHC on any of the following grounds:

1. Conviction of the person or entity, or any of its officers, directors, principals, or key employees, of a criminal offense related to obtaining or attempting to obtain a contract with the LHC or the performance of a contract with the LHC;
2. Conviction of the person or entity, or any of its officers, directors, principals, or key employees, of a criminal offense related to fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, or receiving stolen property, or any other offense involving moral turpitude;
3. Conviction, or a civil finding of liability, of the person or entity or any of its officers, directors, principals, or key employees, of an offense under antitrust statutes of the United States, Louisiana, or any other state, for activities arising out of the submission of bids or proposals;
4. Failure to perform in accordance with the terms of one or more contracts following notice of such failure, or a repeated failure to perform or of unsatisfactory performance of one or more contracts; or
5. The person or entity is currently under debarment by any other government entity based upon a settlement, agreement or a final administrative or judicial determination issued by a federal, state or local governmental entity.

SUSPENSION PENDING DEBARMENT

The Contract Monitor shall inform the Procurement Officer of any suspected fraudulent activity, malfeasance, illegal acts, or other cause as previously defined, connected with a person or entity who seeks to contract with or has contracted with the LHC.

The Contract Monitor shall supply evidence of the alleged acts, convictions, or civil finding of liability to the Procurement Officer.

The Procurement Officer shall investigate the allegations and may issue a written determination to suspend a person or entity from doing business with the LHC, pending further investigation to determine whether cause exists for debarment pursuant to the section above. The suspension shall not be for a period exceeding six (6) months pending the investigation.

The written determination shall be sent by e-mail and shall be considered received upon successful completion of the e-mail to the e-mail address on file with the LHC for the person or entity.

The written determination must inform the person or entity of the following:

- Cause for suspension;
- The temporary nature of the suspension;
- The effect of the suspension;
- That, within fourteen (14) days after transmission of the written determination, the person or entity may submit, in writing, information and argument in opposition to the suspension, including any additional specific information that raises a genuine dispute of the material facts;
- That, within (14) days after transmission of the written determination, the person or entity may request an informal hearing during the investigation to present any opposition. Any informal hearing shall be conducted by the Procurement Officer, or a designee of the Executive Director; and
- That, additional proceedings to determine disputed material facts may be conducted unless the suspension is based on a conviction or civil finding or liability as listed in (1), (2), or (3) under the Causes section.

INVESTIGATION

The Procurement Officer shall investigate any claims received relative to suspension or potential debarment. In determining the adequacy of the evidence to support the suspension, the Procurement Officer shall consider how much information is available, how credible it is given the circumstances, whether or not the allegations are corroborated, and what inferences can reasonably be drawn as a result. During this assessment, the Procurement Officer may examine the basic documents, including but not limited to, contracts, grants, cooperative agreements, loan authorizations, task orders and written communication. The Procurement Officer shall consider

any information submitted in writing or presented in an informal hearing from the person or entity in opposition. The Procurement Officer shall also consider an indictment, conviction, civil judgment, or other official findings by Federal, State, or local bodies that determine factual and/or legal matters. These legal documents shall constitute adequate evidence for purposes of suspension actions. In deciding whether immediate action is needed to protect the LHC, the Procurement Officer may exercise broad discretion.

DECISION

The Procurement Officer shall issue a written decision after the investigation has concluded. The decision shall:

- State if the suspension is lifted or if the person or entity will be subject to proposed debarment;
- State the reasons for the action taken; and
- Inform the debarred or suspended person or entity involved of its rights to administrative and judicial review.

NOTICE OF PROPOSED DEBARMENT

If the Procurement Officer determines that a person or entity should be debarred from consideration or continuation of contracts with the LHC, the person or entity shall receive a written *Notice of Proposed Debarment* (Notice).

The Notice shall be sent by e-mail and shall be considered received upon successful completion of the e-mail to the e-mail address on file with the LHC for the person or entity.

The Notice of Proposed Debarment must inform the person or entity of the following:

- Cause for debarment;
 - In addition to the cause, the Notice must give reasons for the proposed debarment sufficient to put the person or entity on notice of the conduct or transactions upon which the proposed debarment is based.
- That, within fourteen (14) days after transmission of the Notice, the person or entity may submit, in writing, information and argument in opposition to the suspension, including any additional specific information that raises a genuine dispute over the material facts;
- That, within fourteen (14) days after transmission of the Notice, the person or entity may request a formal hearing during the investigation to present their opposition in person. A formal hearing shall be conducted by an independent hearing officer, or a designee of the Executive Director;
- That, additional proceedings to determine disputed material facts may be conducted unless:

- The suspension is based on a conviction or finding or civil liability as listed in (1), (2), or (3) under the Causes section.
- Of the potential government wide effect of debarment (in the case of contracts that are sourced with federal and state funding).

HEARING

When the LHC receives a request for a formal hearing from a person or entity who has received a Notice of Proposed Debarment, the agency shall schedule said hearing within thirty (30) days of receipt of the request. The formal hearing shall be conducted by an independent hearing officer, or a designee of the Executive Director, in which evidence is received and a record created.

DECISION

The independent hearing officer shall issue a written decision, including findings of fact and conclusions. The hearing officer shall base their decision on the following:

- (1) All documents, information and arguments in support of the proposed debarment both contained in writing and presented at the formal hearing;
- (2) All documents, information, and arguments presented in opposition to the proposed debarment both contained in writing and presented at the formal hearing.

The written decision shall be mailed to all interested parties and their representatives within fourteen (14) days of the hearing.

EFFECT

If the decision is to debar, the decision shall state the debarment period and inform the person or entity that no person representing the debarred person or entity during the debarment period may conduct business with the LHC and that any response to a solicitation received from the debarred person or entity during the debarment period will not be considered.

ADMINISTRATIVE REVIEW

A decision by the independent hearing officer to debar a person or entity may be appealed to the Executive Director within seven (7) days of receipt of the written decision on debarment. The Executive Director's review shall be based on the record created from the hearing. The decision of the Executive Director shall constitute the final administrative determination regarding the debarment. The person or entity debarred may seek judicial review of the administrative determination which shall be based on the record compiled at the administrative level.