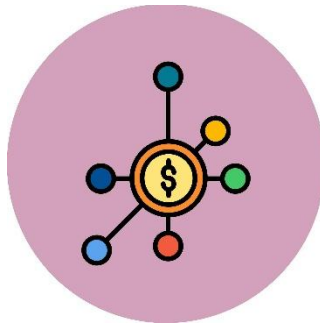




Supplier Diversification and Diversity Plan

Effective September 28, 2023

Revised July 8, 2025

**Denver Housing Authority
Supplier Diversification and Diversity Plan**

Introduction

The Denver Housing Authority (DHA) Supplier Diversification and Diversity Program is intended to assure full and open competition for a variety of vendors, contractors and suppliers across all commodity and service categories. It involves engaging with several suppliers capable of providing comparable products or services, thereby avoiding dependence on a single supplier. In addition, it is a strategic initiative of sourcing goods and services from businesses owned by underrepresented groups. Through this program, DHA intends to provide small (SBE) and Section 3 Business (S3B) Enterprises the maximum practicable opportunity to participate in DHA's contract awards. The utilization of a diversified supplier base is beneficial to DHA's organizational growth, creates business relationships that strengthen and support the communities we serve and the overall economy through job creation for our residents, participants, and individuals in the community. We are committed to maximizing the use of small and Section 3 suppliers whenever possible. Our primary objectives include:

- Lowering costs
- Boosting adaptability
- Improving quality
- Actively seeking businesses who are classified or certified as Small or Section 3
- Encouraging our Contracting Officer Representatives (COR), Alternate Contracting Officer Representatives (ACOR) and Procurement Staff to seek out Small or Section 3 certified or self-certified businesses and include those businesses in our procurement efforts
- Conducting outreach and communication to Small and Section 3 businesses
- Supporting organizations that promote, develop or certify Small and Section 3 businesses

Mission

DHA's mission is to develop and provide high-quality, affordable housing with responsive services, enabling people and communities to thrive.

Vision

DHA's vision is that every individual or family shall have quality and affordable housing, in communities offering empowerment, economic opportunity, and a vibrant living environment.

Guiding Principles

DHA will promote resident employment and micro-business formation. DHA will be recognized for its innovative programs that achieve high levels of SBE and Section 3 Business participation and create economic impact in the communities we serve.

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Supplier Definitions

A small business enterprise is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.

A “Section 3 business concern” has three different definitions as defined under 24 CFR Part 75.

1. 51% or more owned by low- or very low-income persons;
2. 75% or more labor hours are performed by low- or very low-income persons;
3. 51% or more are owned by current residents of public housing or Section 8 assisted housing.

Responsibilities

Procurement Services: Manage the procurement process; Encourage Contracting Officer Representatives (COR), alternate Contracting Officer Representatives (ACOR), and departments to explore opportunities to include and utilize small and Section 3 Businesses to compete for business and from whom to obtain goods and services whenever possible; Complete additional outreach for procurement opportunities through various partner organizations and the annual DHA Contracting Open House; Attend pre-proposal/pre-bid/pre-quote meetings to discuss Section 3 requirements and aspirational contracting goals; Monthly and annual reporting of small and Section 3 spend statistics; Monthly and Annual Section 3 Labor Hour reporting; Assist suppliers in identifying their Section 3 Business status prior to and during the solicitation process.

Education and Employment Services (through the Resident and Community Connections Division): Identify, develop, and promote resident-owned businesses; Promote job and training opportunities to DHA residents and participants.

Contracting Officer Representatives: All CORs should explore opportunities to obtain goods and services from SBE and Section 3 Businesses; Develop specifications, proposal requirements, delivery schedules and evaluation criteria to encourage participation from small and Section 3 suppliers; Conduct pre-proposal/pre-bid/pre-quote meetings to discuss specifications/statements of work; Conduct pre-construction and/or pre-contract meetings to discuss performance expectations, spend goals, scope of work and other compliance requirements.

Department/Division Directors: Develop divisional procurement plan, analyze outreach opportunities, and review monthly and annual departmental contracting goal reporting for improvements.

Procurement Manager: Manage, review, and continuously improve the supplier diversification and diversity program.

Procurement Process

Contracting Goals

Per the HUD Procurement Handbook 7460.8 REV 3 dated 2/2007, DHA is supported in “contracting with residents and resident-owned businesses” and is also encouraged “to establish goals for contract awards to small... and businesses in labor surplus areas” (p. 15-1). The means to establish the goals must not

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have the effect of limiting competition and should not be used as a mandatory set-aside or quota to ensure full and open competition (United States Department of Housing and Urban Development, 2007, p. 15-3).

Based on recommendations from staff, the Board of Commissioners set an overall aspirational goal of 25% Small Business Enterprise participation of all contracts awarded in the procurement of supplies and services. The Section 3 Business goal of 25% participation is based on the DHA Section 3 Policy. These goals are not mandatory requirements.

Solicitation/Contract Language

In formal solicitations/contracts, DHA's small and Section 3 goals are stated as well as suggestions on how to build a team through subcontracting or partnering to help meet the goals. These goals are also discussed during pre-proposal/pre-bid/pre-quote meetings.

Procurement Plan

On an annual basis, DHA establishes an Agency Procurement Plan in conjunction with budget development. The plan provides the opportunity to periodically review records of prior purchases, as well as future needs, to find patterns of procurement action that could be performed more efficiently and/or economically and identify opportunities for small and Section 3 Business participation.

Self-certification Process

Any business that identifies as an SBE or Section 3 Business can self-certify their status through DHA by completing a Business Status Affidavit. DHA welcomes other certifications but still requires that businesses complete the affidavit.

Use of Quotes vs. Formal Solicitation (RFP)

HUD allows for larger requirements to be broken into smaller ones to afford underrepresented suppliers the opportunity to participate in DHA's procurements. In cases where individual development procurements for the same product or service are below \$250,000 but collectively amount to more than \$250,000, the Department/Division Director will prepare a written analysis to support the issuance of quotes by development versus the issuance of a formal solicitation (e.g., RFP) for the entire Authority requirement. At a minimum, the analysis for the issuance of quotes by development will consider:

- Cost – Economies of Scale
- Productivity and Efficiency
- Administrative Requirements
- Small and Section 3 Business Outreach Opportunities

Quotation Process

Procurement opportunities under \$250,000 in value do not have to be publicly advertised. A minimum of three (3) quotes shall be solicited with at least one of the quotes being solicited from an SBE or Section 3 Business. Exemptions must be approved by the Chief Executive Officer. Since an end user is

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allowed the choice of whom they will be soliciting, the distribution could be all underrepresented suppliers.

Price and Other Factors Evaluation

Any procurement activity estimated to be over \$20,000 in value is required to use a price and other factors evaluation process (optional for activity under \$20,000). A price and other factors evaluation provides opportunity to underrepresented suppliers by allowing them to present their skill set, experience, and capacity and not just their price. It also allows DHA to award at best value versus the lowest price to obtain the best contractor for the job. Section 3 participation is also a factor used during the evaluation process.

Request for Proposal Process

Procurement opportunities exceeding \$250,000 in value are required to be publicly advertised through the BidNet Direct website. Any suppliers registered with the site will receive a notification when the solicitation is issued if the solicitation is within their registered commodities. Other registered suppliers also can review the solicitation documents (even if the solicitation is not within their registered commodity) and submit a proposal response. All other interested suppliers must register on the site to review solicitation documents to submit a proposal response. Procurement Services also completes separate outreach to other suppliers not registered on the BidNet Direct website for these opportunities.

Resident-owned Business (Section 3 Business) Alternative Procurement Process

HUD procurement regulations allow DHA to use an alternative procurement process when contracting with businesses owned in substantial part by public housing authority residents (resident-owned businesses) for public housing services, supplies, or construction. The alternative procurement process must comply with procedures and requirements as set forth in HUD's procurement regulations, except that solicitations are limited to resident-owned businesses. The use of this alternative procurement process is not a requirement and will be coordinated with the Resident and Community Connections department.

Debriefings to Unsuccessful Contractors

Unsuccessful offerors are provided with the opportunity to debrief with the lead of the evaluation committee. This debriefing will discuss the strengths and weaknesses of their proposal in comparison to the evaluation criteria. Suppliers are encouraged to always debrief on any unsuccessful offers to better prepare them for the next solicitation they decide to submit a proposal for and to review the winning proposal(s) through Open Records.

In addition, an award notification is sent to all planholders of the solicitation for the purposes of promoting subcontracting opportunities with the selected prime contractor, when applicable.

Pre-Construction and Post-Award Conferences

Following the award of the contract, a conference should be held. These conferences are held to ensure full understanding of the work, scope, expectations, and contract management related issues. For

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construction, the notice to proceed is typically issued at this conference. This is an additional opportunity for the COR to discuss Section 3 participation, contracting goals and expectations.

Outreach

DHA's Website Procurement Page

The Business Opportunities, Become a Vendor, Davis Bacon, Procurement and Supplier Development pages on DHA's website provide an overview of the procurement process for all vendors interested in doing business with DHA. It also provides an overview of the buying departments in the Agency, the various procurement events for vendors, the Section 3 process, contracting goals, supplier development resources, Davis Bacon requirements, Open Records, and the BidNet Direct website.

DHA's annual procurement plan is placed on the website for public view after the annual Contracting Open House event. The procurement plan is updated monthly in a similar fashion to when it is updated for the monthly Board of Commissioners meeting. The procurement page also articulates the type of purchasing opportunities for each buying department instead of just a general description of the department.

BidNet Direct Website

The BidNet Direct website is utilized for public advertisements of all solicitations over \$250,000, select solicitations under \$250,000 (choice of the COR) and DHA's Annual Contracting Open House event. It is also DHA's vendor database; COR's utilize the site to search for suppliers for their procurement activities and procurement card holders can utilize it for micro buying (under \$10,000) needs. Registered vendors have access to planholder lists to all solicitations on the site and are also able to search for each other for partnering, joint venture, subcontracting and networking opportunities.

For each issued solicitation, DHA adds a list of supplemental suppliers. These supplemental suppliers are groups including but not limited to the Colorado Apex Accelerators (formerly Procurement Technical Assistance Center), Rocky Mountain MicroFinance Institute, and Small Business Administration (SBA). These organizations promote doing business with small and Section 3 Businesses and provide services outside of the scope that DHA can provide for building supplier capacity. They receive a copy of every solicitation that is issued via the BidNet Direct website.

Annual Contracting Open House Event

The Annual DHA Contracting Open House provides business owners with an opportunity to learn about DHA's current priorities; receive the contracting schedule for the coming year; conduct one-on-one sessions with procurement decision makers; and network with DHA senior management, staff, and other vendors. The event involves all departments including Executive and Senior leadership, strategic partner involvement, workshops and presentations and provides on-site BidNet Direct registration assistance.

It is also an opportunity to outreach to our small and Section 3 business community to invite them to join DHA in our business endeavors, educate them on how to do business with DHA, to get their foot in the door with our staff and other larger contractors to help them grow their business. We provide them

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with resources, information about upcoming opportunities and even connections with other partner organizations such as the Colorado Apex Accelerators.

Procurement Monthly Meet and Greet Sessions

Companies that are newly registered and have never done business with DHA have an opportunity to personally meet with a Procurement Services representative during one of the monthly Meet & Greet sessions. Thirty minutes is dedicated for each entrepreneur to present their company and discuss upcoming contracting opportunities.

Housing Management Monthly Meet and Greet Sessions

Companies have an opportunity to present their company and discuss upcoming contracting opportunities with Housing Management managers and maintenance staff during one of their monthly Meet & Greet sessions.

Individual Solicitation Outreach

Prior to issuance of solicitations, Procurement Services completes additional outreach outside of BidNet Direct for each solicitation to maximize opportunities for Small and Section 3 suppliers.

Subcontracting and Joint Ventures

As previously discussed, through the BidNet Direct website, vendors can communicate and search for each other. One way that this function becomes very useful is for subcontracting opportunities. Vendors can utilize the search function to look for subcontractors (if a prime) or review planholders lists look for prime contractors (if a subcontractor) to inquire if they need subcontractors in their field and to help meet DHA contracting goals. If subcontracting is not an option, vendors are also encouraged to start a joint venture or partnership to contract for services with DHA.

Section 3 Business

Procurement Services assists businesses that approach them by identifying whether they will qualify as a Section 3 Business Concern, completing the Business Status Affidavit and guidance in registering on the BidNet Direct site. Outreach for Section 3 Business Concerns occurs in one of three ways: 1) Request for Proposal/Invitation for Quote follow-up conversations and meetings; 2) Denver Urban Renewal Authority First Source Employment Partner/Tenant Meetings (through Education and Employment Services); 3) Denver Housing Authority Education and Employment Services clients who are qualified under Section 3 from the Denver Metro Area that indicate at intake that they are business owners.

Supplier Development

Although DHA is the largest Housing Authority in the region, procurement staff do not have the capacity to assist suppliers in developing their businesses. Supplier development is leveraged through several partner organizations: Small Business Administration (SBA), Colorado Apex Accelerators, and the various Chambers of Council. If a vendor requests assistance with proposal or business development, they are directed to these organizations.

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Larger suppliers are also encouraged to develop mentor-protégé relationships to help smaller suppliers build capacity. Benefits to this type of arrangement go both ways. For example, the protégé can benefit from the mentors' knowledge, resources, and capabilities. Mentors can refine their skills and note potential areas for improvement. The City and County of Denver and SBA operate mentor-protégé programs that interested suppliers can sign up for.

Internal Communications and Reporting

Procurement and Supplier Diversification Strategies Training with Staff

On an annual basis, the Procurement Department conducts procurement training with all Contracting Officer Representatives, alternate Contracting Officer Representatives and any other staff interested in learning about the procurement process. This training covers the procurement planning, the solicitation process, contract administration and outreach. If necessary, the Division/Department Director also has the option to send their staff to formal HUD procurement training. Procurement staff also attend various outreach events and trainings.

Monthly Reporting

As part of the Finance and Administration monthly report to the Board, the Procurement department reports on SBE and Section 3 Business spending with prior year comparative statistics. This spending is reported on a prime contractor basis. In addition, the ten (10) year SBE and Section 3 purchase order average percentage is reported.

Procurement Services also reports Small and Section 3 Business spend by department. This report is presented to the Chief Executive Officer for discussion with the Department/Division Director on how they can improve their outreach in their procurement activities.

Annual Reporting

Contracting goals are reported and set yearly in the DHA annual budget document. Section 3 quantitative labor hour data and qualitative data are reported to HUD annually as well.

Compliance with Prime Contractors

Prime contractors who indicate that they will have subcontractors working under them, that are SBE or Section 3 Businesses report to their subcontractor activity to DHA monthly. This reporting is completed to ensure that the Prime contractor is working with the reported subcontractors and that this was not written into their proposal response to be awarded the solicitation. Prime and subcontractors are also required to report Section 3 labor hours no less than each month during their contract period.

Annual Program Review

The Procurement Manager has primary responsibility for management of the program at the Authority. This includes ensuring that Contracting Officer Representatives follow the Supplier Diversification and Diversity Plan. The Procurement Manager will develop and document an approach and methodology for

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routinely reviewing goals, spending and the procurement activities of CORs to ensure overall compliance with the program. The results of reviews will be documented and retained for review by other CORs, the Chief Executive Officer and/or internal and external auditors. The Procurement Manager will also develop a continuous improvement program for on-going service and process enhancements.

If upon review of the subject contractor's activities and information, the Procurement Manager concludes that a contractor has not made a good faith effort to include small or Section 3 suppliers in its subcontracting activities, or if the contractor does not provide the requested information or otherwise fails to cooperate with the review of their good faith efforts, the Procurement Manager may take one or more of the following actions:

- Obtain the contractor's cooperation in implementing a plan to remediate the deficiencies in its good faith efforts.
- Complete a Contractor Performance Evaluation to document the contractor's efforts to be used in evaluation of future contractor submissions.

External Communications

External communications are handled through the following documents posted to the DHA Internet Website and/or through Open Records requests:

- Supplier Diversification and Diversity Plan
- Board of Commissioners Monthly Report: reports monthly contracting spend.
- Annual Budget Document: reports performance measures for outreach and SBE/S3B participation
- Procurement Services Webpages: lists contracting goals and supplier development resources.
- Annual Procurement Plan: lists all current purchasing opportunities.

The Procurement Manager will work with the Director of Communications and Public Affairs to create a communications plan for regular external community communications and outreach. These communications may include, but not be limited to, contracting goals and current spend, Section 3 compliance, outreach events, procurement opportunities, and goals that have been met.

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References

United States Department of Housing and Urban Development. (2007). *Procurement Handbook for Public Housing Agencies* (HUD Handbook 7460.8 REV 2, dated 2/2007). Washington, DC: Office of Indian and Public Housing.