

Manufactured Housing Association for Regulatory Reform

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April 1, 2019

VIA FEDERAL EXPRESS

Hon. Brian Montgomery
Acting Deputy Secretary
Assistant Secretary for Housing-Federal Housing Commissioner
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Re: <u>HUD Manufactured Housing Monitoring Contract Solicitations</u>

Dear Secretary Montgomery:

As you know, the Manufactured Housing Association for Regulatory Reform (MHARR) has been a constant and vociferous proponent of full and fair competition for the federal manufactured housing program monitoring contract as specifically mandated by Congress in the Manufactured Housing Improvement Act of 2000, and as provided generally by federal law. Strict compliance with the open competition requirements of federal law – as we have stressed repeatedly – is particularly essential in the case of the manufactured housing monitoring contract, given the de facto regulatory power of the monitoring contractor and the fact that the incumbent contractor, the Institute for Building Technology and Safety (IBTS), has held that contract continuously since the inception of the federal manufactured housing program, more than 40-years ago.

When we met with you late in 2018 and when we met several weeks ago with HUD's Acting Chief Procurement Officer, Mr. Jimmy Scott, we stressed that among the essential elements needed to ensure full and fair competition for the monitoring contract — which has been absent from past solicitations — is a reasonable bid response timeframe, given both the complexity of the responsibilities inherent in the production and design monitoring contracts, and the very fact that no party, other than the incumbent contractor, has ever performed the monitoring function. Indeed, we clearly stated that a needlessly short and truncated bid response timeframe, in-and-of-itself, constitutes a baseless and unwarranted bidding advantage for the incumbent, which can, has, and will discourage other potential bidders and thus undermine the full and fair competition mandated by law.

Consequently, we were appalled and disappointed to see that the monitoring contract solicitations published by HUD on March 25 (production surveillance) and March 29, 2019 (design approval) each carry a bid response date of April 24, 2019, now less than three weeks away. Such a short response period for these contracts – particularly in light of the substantial costs of bid preparation for a non-incumbent offeror – will again discourage or even prevent full and fair competition as required by law and prevent the program from receiving the benefit of fresh ideas and new thinking that would accompany a new contractor after 40-plus years of stasis.

Based on all of this, MHARR asks that you exercise your authority to <u>require</u> an extension of the bid response dates for both monitoring contract solicitations for at least an additional thirty days beyond the currently-posted response date of April 24, 2019, in order to allow non-incumbent bidders a reasonable opportunity to prepare and submit responsive bids.

We thank you in advance for your consideration.

Sincerely,

Mark Weiss

President and CEO

cc: Hon. Mick Mulvaney (OMB)

Mr. Jimmy Scott (HUD)

HUD Code Industry Manufacturers, Communities and Retailers