Replacement & Capital Improvement Bids and Change Orders

Effective Date: 03/24/2025

Purpose:

To define bid and change order requirements for capital improvements and replacement work across all developments in the Agency's portfolio. This ensures transparency, competitive pricing, and appropriate oversight. Additional requirements apply to Risk Share developments.

I. Bid Requirements

A. General Portfolio Developments

Estimated Project Cost	Bid Requirement
$0 – $19,999	No bid required
$20,000 – $49,999	One (1) bid
$50,000 and above	Two (2) competitive bids

B. Risk Share Developments

Estimated Project Cost	Bid Requirement
$10,000 and above	Three (3) competitive bids

All bids must be reviewed and approved by the Agency prior to project initiation.

II. Required Bid Documentation

- Detailed scope of work
- Line-item cost estimate
- Contractor license and insurance verification
- Anticipated timeline
- Applicable labor compliance documentation (e.g., prevailing wage)

CalHFA applies a tiered approval process to change orders:

Change Order Amount	Action Required
Up to 10%	Owner/Agent approval
10%–14%	Owner/Agent approval; report to CalHFA within 30 days
15% and over	Prior written approval from CalHFA required

All change orders must include the CalHFA Change Order Form

IV. Exceptions

- **Emergency Work:** Work necessary to address immediate health, safety, or habitability concerns may proceed prior to formal bid approval. The Owner/Management Agent must notify the Agency within **48 hours** and submit documentation, including bids, as soon as feasible.
- The Agency reserves the right to request additional bids, backup documentation, or further justification regardless of project size.