

Capital Improvement Bids, Change Orders, & Replacement Reserve Disbursements

Effective Date: 08/19/2026

Purpose:

To outline the replacement reserve disbursement process and define bid and change order requirements for capital improvements and replacement work across all developments in the Agency's portfolio. This framework promotes transparency, ensures competitive pricing, and provides 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.

C. 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)
- All bids must be submitted and receive written approval from the Agency before any work begins. Please complete the following form when submitting bids: [Combined Bid Approval Request](#)

II. Change Orders

CalHFA applies a tiered approval process to change orders:

Change Order Amount	Action Required
Up to 10%	Owner/Agent approval
10.01%–14.99%	Owner/Agent approval; report to CalHFA within 30 days
15% and over	Prior written approval from CalHFA required

All change orders requiring written approval from CalHFA must include the CalHFA Change Order Form: [CalHFA Change Order Form](#)

D. 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.

III. Replacement Reserve reimbursement request:

- Invoices must be submitted within one year of the previous fiscal year end to be eligible for reimbursement from the Replacement Reserve.
- Proof of payment is required. (Organized in the order the expense is listed on the reserve disbursement request form)
- Copies of invoices are required. (Organized in the order the expense is listed on the reserve disbursement request form)
- Please complete the following form when submitting requests:
[Combined Reserve Disbursement Request](#)
- Please reference CalHFA's replacement reserve eligible and ineligible items:
[Combined Replacement Reserve Eligible vs. Ineligible Items](#)