



St. Louis Housing Authority

PROCUREMENT POLICY

Resolution No. 2894

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St. Louis Housing Authority
PROCUREMENT POLICY

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I. General Provisions

A. General

The rules and regulations outlined in this policy govern the process of acquiring goods and services needed for The St. Louis Housing Authority to function efficiently.

The intent of this Procurement Policy is to comply with the requirements of the Annual Contributions Contract (ACC) between St. Louis Housing Authority (SLHA) and the U.S Department of Housing and Urban Development (HUD), 2 CFR §200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Records (24 CFR §85.1, Applicability), namely, §200.317-200.326; Appendix II to Part 200. Additionally, Office of Management and Budget (OMB) Memorandum M-18-18 dated June 20, 2018 and Office of Public and Indian Housing (PIH) Letter dated March 12, 2019 (based on exception in accordance with 2 CFR §200.318): as may be amended the Procurement Handbook for PHAs, HUD Handbook 7460.8, Rev 2 and applicable State and Local laws.

1. The SLHA procurement system shall:

- a. Provide for fair and equitable treatment of all persons and firms involved in any purchasing transaction with SLHA.
- b. Ensure that all supplies and services, to include construction, are procured efficiently, effectively, and at the most favorable prices available.
- c. Promote full and open competition through use of the competitive procedures.
- d. Ensure all purchasing actions are in full compliance with federal, state, and local laws and regulations.

B. Application

This Procurement Policy applies to all procurement actions, regardless of the source of funds, except as noted below under (Section I-D) Exclusions; however, nothing in this Policy shall prevent SLHA from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law.

1. **When both federal (HUD) and non-federal grant funds are used for a project,** the work should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed by separate contracts, then regulations applicable to the source of funding may be followed.

C. Definition

The term “procurement,” as used in this policy, includes the procuring, purchasing, leasing, or renting of: (1) goods, supplies, equipment, and materials, (2) construction and maintenance, (3) consultant services, (4) architectural and engineering (A/E) services, (5) social services, and (6) other services.

D. Exclusions

These excluded areas are subject to applicable state and local requirements.

1. This policy does not govern:
 - a. Earned administrative fees, the award of vouchers or the execution of owner Housing Assistance Payments (HAP) contracts under the Housing Choice Voucher (formally Section 8) program.
 - b. Non-program income under 24 CFR §990.
 - c. Where the provisions of Federal statutes or regulations differ from the State or Local regulations, the provisions of the Federal statutes or regulations take precedence.

E. Changes in Laws and Regulations

If an applicable law or regulation is modified, eliminated, or if a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with this policy, automatically supersede this policy.

F. Public Access to Procurement Information

SLHA procurement information, that is not proprietary, is a matter of public record and shall be available to the public to the extent provided in the Missouri Open Records and Meetings Law, Missouri Revised Statute Section 610.

II. Ethics in Public Contracting

A. General

The SLHA hereby establishes this code of conduct/ethics regarding procurement issues and actions and shall implement a system of sanctions for violations as required by 2 CFR §200, 2 CFR §200.318; Appendix II to Part 200. This code of conduct, etc., is consistent with applicable federal, state and local law.

B. Conflicts of Interest 2 CFR §200.318 (c)

1. No SLHA employee, officer, or agent shall participate in the selection, award or administration of a contract supported by federal funds if a conflict of interest – financial or otherwise, real or apparent – would be involved.

Such a conflict would arise when an employee, officer or agent; any member of his or her immediate family; his or her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for the award.

2. In addition to any other applicable conflict of interest requirements, neither SLHA nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under the ACC in which any of the following classes of people have an interest, direct or indirect, during his or her tenure or for one year thereafter:

- a. Any present or former member or officer of the governing body of SLHA, or any member of his or her immediate family.

There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the SLHA or a business entity.

- b. Any employee of SLHA who formulates policy or who influences decisions with respect to the project(s), or any member of that employee's immediate family, to include the employee's partner.

Immediate family includes spouse, father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

- c. Any public official, member of the local governing body, or state or local legislator, or any member of the officials's immediate family, who exercises functions or responsibilities with respect to the project(s) of SLHA.
3. No present or former SLHA employee, officer, or agent shall engage in selling or attempting to sell supplies, services, or construction to SLHA for one year following the official date of separation from the SLHA.

The term "sell" means signing a bid or proposal, negotiating a contract, contacting any SLHA employee, officer, or agent for the purpose of obtaining, negotiating, or discussing changes in specifications, price, cost allowances, or other terms of a contract; settling contract disputes; or any other liaison activity with a view toward the ultimate consummation of a sale, although the actual contract is negotiated by another person.

C. Gratuities, Kickbacks, and Use of Confidential Information

1. **Gratuities.** No officers, agents, current employees or former employees – within one year of employment shall neither solicit, accept, or agree to accept gratuities, favors, or anything that exceed \$25 in value from contractors, potential contractors, or parties to sub-agreements.
2. **Kickbacks and Anticompetitive Practices.** No payment, gratuity, or offer of employment should be made by, or on behalf of, a contractor or subcontractor under contract to the prime contractor, higher tier subcontractor, or any person associated therewith as an inducement for the award of a subcontractor order.

The Contracting Officer shall report to the Executive Director and the appropriate state and local authorities if any anticompetitive practices by contractors is suspected.

3. **Use of Confidential Information.** It is a breach of ethical conduct for any current or former employee, officer or agent to knowingly use confidential information for actual or anticipated personal gain or for actual or anticipated personal gain of any other person.

Confidential information includes but is not necessarily limited to: the contents of a bid (prior to bid opening) or proposal (prior to contract award using competitive proposals), names of individuals or firms that submitted bids (prior to bid opening) or proposals (prior to contract award); SLHA-generated information related to a procurement (including SLHA cost estimates, contractor selection and evaluation plans, specifications [before solicitation is issued]); and any other information the disclosure of which would have a direct bearing upon the contract award or the competitive process.

Disclosure of confidential information to any person not authorized by the Contracting Officer to receive such information shall be a breach of the ethical standards.

D. Prohibition Against Contingent Fees

No person shall be retained to solicit or secure a SLHA contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for the retention of bona fide employees or a bona fide agency established for the purpose of securing business.

This prohibition includes the employment of former SLHA officials and employees on a contingency basis to obtain contracts with the SLHA by a business seeking SLHA contracts.

E. Sanctions

Employees that violate the conflict of interest provisions may receive disciplinary action as outlined in the Personnel Policy. Sanctions for contractors or subcontractors who violate the conflict of interest provisions are outlined in the terms and conditions of the contract. Such violations may lead to termination of the contract for default.

III. Procurement Planning

A. General

1. Planning is essential to managing the procurement function properly; however, the type and extent of planning will depend on, among other factors, the method and size of the procurement – with larger and more complex procurements requiring more planning.
2. Careful advance planning provides SLHA with adequate time to accomplish procurement actions and helps to:
 - a. Maximize competition and competitive pricing among contracts and decrease the SLHA's procurement costs and reduce SLHA's administrative costs.
 - b. Ensure supplies and services are obtained without any need for re-procurement, e.g., resolving bid protests.
 - c. Minimize errors that occur when there is inadequate lead-time.

3. SLHA will periodically review prior purchase records, as well as future needs, to identify patterns of procurement actions that could be performed more efficiently or economically. Items purchased repetitively might be obtained more economically through various master contracts. However, consideration should be given to storage, security, and handling requirements when planning these types of purchasing actions.

B. Individual Procurement Plans (IPPs)

For larger (in excess of \$250,000), more complex procurements, such as major computer purchases or construction projects, SLHA will use an IPP.

IPPs establish deadlines or milestones for completion of the steps necessary to assure timely delivery or performance and may also include staffing assignments.

C. Equipment Lease or Purchase

For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

1. Based on a case-by-case evaluation of costs and other factors, SLHA may consider the leasing of equipment. Other factors to consider include, but are not limited to:
 - a. Length of period the equipment is to be used and the extent of use within that period;
 - b. Financial and operating advantages of alternative types and makes of equipment;
 - c. Cumulative rental payments for the estimated period of use;
 - d. Net purchase price;
 - e. Transportation and installation;
 - f. Maintenance and other service costs;
 - g. Potential obsolescence of the equipment because of imminent technological improvementism;
 - h. Availability of the purchase items;
 - i. Trade-in or salvage value;

- j. Imputed interest; and
- k. Availability of servicing capability.

IV. Purchasing Methods 2 CFR §200.320

A. Petty Cash Purchases – Up to \$50

SLHA purchases not exceeding \$50 may be paid through the petty cash account.

Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the SLHA shall ensure that security is maintained and only authorized individuals have access to the account. These accounts should be replenished and reconciled periodically, but not less than twice a year.

B. Micro Purchase Procedures 2 CFR §200.320 (a) – less than \$10,000

Micro purchases are those that exceed the Petty Cash ceiling but are less than \$10,000, for which, one quote is required provided the quote is considered reasonable.

The micro-purchase threshold (floor) is set by the Federal Acquisition Regulation (48 CFR 2.101) and is periodically adjusted for inflation. (See 2 CFR 200.67)

To the greatest extent feasible, and to promote competition, micro purchases should be equitably distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), by e-mail, fax, in writing, or through e-procurement. To avoid misinterpretations, the preferred method is to obtain quotes in writing.

The SLHA shall not break down requirements aggregating more than the micro purchase threshold into several purchases that are less than the applicable threshold merely to avoid any requirements that applies to purchases that exceed the micro purchase threshold.

The construction threshold is \$2,000, which is governed by Federal Labor Standards, Davis Bacon and Related Acts. Mandatory clauses shall be incorporated into contracts for development or construction projects. All Laborers and mechanics will be paid unconditionally and not less often than once a week in accordance with the regulations.

C. Small Purchase Procedures 2 CFR §200.320 (a) - \$10,000 but less than \$250,000

SLHA may use small purchase procedures when the purchase amount is above the petty cash ceiling, but does not exceed \$250,000.

Under small purchase procedures, the SLHA shall obtain a reasonable number of quotes (preferably three). To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), by e-mail, fax, in writing, or through e-procurement. To avoid misinterpretations, the preferred method is to obtain quotations in writing. Award shall be made to the qualified vendor that provides the best value to the SLHA.

If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The SLHA shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to permit use of the small purchase procedures or avoid any requirement that applies to purchases that exceed the Micro Purchase threshold.

D. Sealed Bids 2 CFR §200.320 (c) - Above \$250, 000

Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$250,000.

Sealed bidding shall be used for all contracts that exceed the small purchase threshold of \$250,000; and, for contracts that are not competitive or non-competitive proposals, as these terms are defined in this Policy.

Under sealed bids, SLHA publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the Invitation for Bids (IFB) is the lowest in price.

1. **Conditions for Using Sealed Bids.** SLHA shall use the sealed bid method if the following conditions are present:

- a. A complete, adequate, and realistic statement of work, specification, or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively for the work;
- c. The contract can be awarded based on a firm fixed price; and

d. The selection of the successful bidder can be made principally on the lowest price.

2. **Solicitation and Receipt of Bids.** The IFB includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement informing interested bidders that award will be made to the lowest responsible, responsive bidder whose bid meets the requirements of the solicitation. The IFB must clearly state the time and place for: receiving the bids and the public bid opening.

All bids received will be date and time-stamped and stored unopened in a secure place until the public bid opening. A bidder may withdraw the bid at any time prior to the bid opening.

3. **Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, and then made available for public inspection.

If equal low bids are received from responsible bidders, selection shall be made by drawing lots or by using another similar random method. The method for the special selection shall be stated in the IFB.

If only one responsive bid is received from a responsible bidder, SLHA shall not make the award unless the price can be determined to be reasonable, based on a cost or price analysis. HUD Approval is required on contracts in excess of \$250,000.

4. **Mistakes in Bids.**

- a. General. Corrections or withdrawals of bids require careful consideration. The integrity of the competitive bidding system must be maintained, fairness ensured, and delays avoided. While bidders must be bound by their bids (the “firm bid rule”), circumstances may arise where correction or withdrawal of bids is proper and may be permitted.
- b. Mistakes Before Bid Opening. Bidders shall be permitted to withdraw or modify their bids by written or facsimile notice prior to bid opening.
- c. Review of Bids for Mistakes. After the bid opening, the Contracting Officer should carefully review all bids to ensure that the bidders have not made any obvious mistakes in their bids, e.g., the sum of individual bid line items does not equal the total bid price. An item-by-item recalculation of the bid costs will often reveal the miscalculation or error.

If a bidder appears to have made a mistake, the Contracting Officer should immediately notify him or her of any apparent mistake in the bid and request verification of the bid as submitted.

- d. Mistakes after Bid Opening. In general, bidders should not be permitted to change a bid after bid opening. Withdrawal of a bid is permissible if there is an obvious error in the bid such as a math error, but the mistake must be readily apparent from the bid itself. A bidder may be permitted to withdraw a low bid if a mistake is clearly evident on the face of the bid document, but the intended correct bid is not similarly evident.

A bidder may also be permitted to withdraw a low bid if the bidder submits written evidence that clearly and convincingly demonstrates that a mistake was made.

SLHA will require written supporting evidence before allowing withdrawal by the bidder. If a bid is withdrawn, the bid bond should be returned to the bidder upon verification of the error.

E. Competitive Proposals 2 CFR §200.320 (d)

Unlike sealed bidding, the competitive proposal method permits consideration of technical factors other than price. The method allows discussion with offerors concerning: offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award.

Award is normally made on the basis of the proposal that represents the best overall value to SLHA, considering price and other factors set forth in the solicitation and not solely the lowest price.

1. **Conditions for Use.** The competitive proposals method should be used whenever any of the following conditions exist:
 - a. The requirement cannot be described specifically enough to permit the use of sealed bidding. In other words, the work is not definite enough to accurately estimate the total cost of the contract. Therefore, the contractor would have to build monetary contingencies into his/her price to ensure that his/her costs were covered.

- b. The nature of the requirement is such that the SLHA needs to evaluate more than just price to be sure that the prospective contractor understands its needs and can successfully complete the contract, especially when contracting for professional services (e.g., legal, architect-engineer, accounting, etc.) where specific expertise and experience is needed.
 - c. The requested work lends itself to different approaches.
2. **Form of Solicitation.** Other than achitectural and engineering services, competitive proposals shall be solicited through the issuance of a Request for Proposals (RFP).

The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors and price. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. The SLHA may assign price, a specific weight in the evaluation criteria or the SLHA may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.

Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after award.

3. **Evaluation.** Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee, who shall be required to disclose any potential conflicts of interest and sign a Non-Disclosure statement. The committee shall prepare an Evaluation Report summarizing the results of the evaluation prior to award of a contract.

The proposals shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, the SLHA shall establish an Evaluation Plan for each RFP.

Each respondent will receive a score based upon the points assigned to the Evaluation Factors by each committee member. All individual Factors will be added to obtain an accumulated total score. Should the SLHA deem it advisable to obtain additional clarification, proposal yielding clearly competitively high scores during the first phase evaluation may be invited to a technical question and answer conference to be held at a specific time and date scheduled by the Procurement Department. Not all respondants may be asked to make such oral presentations. If oral presentations are held, propsals will again be evaluated on the technical evaluation factors based on information obtained from the oral presentations.

4. **Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not needed with any of the offerors. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP.

These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations.

Negotiations are exchanges (in either competitive or sole source environment) between the SLHA and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining.

Bargaining includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions.

Discussions are tailored to each offeror's proposal, and shall be conducted by the Contracting Officer with each offeror within the competitive range. The primary object of discussions is to maximize the SLHA's ability to obtain best value, based on the requirements and the evaluation factors set forth in the solicitation.

The Contracting Officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performance, and terms and conditions) that could, in the opinion of the Contracting Officer, be altered or explained to enhance materially the proposer's potential for award.

The Contracting Officer may inform an offeror that its price is considered by the SLHA to be too high, or too low, and reveal the results of the analysis supporting that conclusion. However, the scope and extent of discussions are a matter of the Contracting Officer's judgment.

It is also permissible to indicate to all offerors the cost or price that the government's price analysis, market research, and other reviews have identified as reasonable.

"Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

5. **Award.** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the SLHA provided that the price is within the maximum total project budgeted amount established for the specific property or activity.
6. **Architectural and Engineering (A/E) Services.** The SLHA must contract for A/E services using Qualification Based Solicitation (QBS) procedures, by utilizing a Request for Qualifications (RFQ). Sealed bidding shall not be used for A/E solicitations.

Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, though architectural/engineering firms are potential sources.

F. Noncompetitive Proposals 2 CFR §200.320 (f)

1. **Conditions for Use.** Procurement by noncompetitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:
 - a. The item is available only from a single source, based on a good faith review of available sources;
 - b. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the SLHA, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event.

In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency;

- c. HUD authorizes the use of noncompetitive proposals; or
- d. After solicitation of a number of sources, competition is determined inadequate.

2. **Justification.** Each procurement based on noncompetitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole-source procurements. The justification, to be included in the procurement file, should include the following information:
- a. Description of the requirement;
 - b. History of prior purchases and their nature (competitive vs. noncompetitive);
 - c. The specific exception in 2 CFR 2 CFR §200.320 (1) – (4) which applies;
 - i. The item is available only from a single source;
 - ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - iii. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity or
 - iv. After solicitation of a number of sources, competition is determined inadequate.
 - d. Statement as to the unique circumstances that require award by noncompetitive proposals;
 - e. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications, phone calls to local suppliers, issuance of a written solicitation, etc.);
 - f. Statement as to efforts that will be taken in the future to promote competition for the requirement;
 - g. Price Reasonableness. The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.
 - h. Approval of the Contracting Officer's and the Executive Director; and
 - i. HUD approval for procurements that exceed \$250,000, unless HUD specifically waives such approval.

G. Cooperative Purchasing/Intergovernmental Agreements

The SLHA may enter into state and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services.

The decision to use an interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions.

The SLHA may use federal or state excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with 2 CFR 200.318.

V. Independent Cost Estimate (ICE)

A. Use of ICE 2 CFR §200.323- – \$250,000 and over

The Contracting Officer shall prepare, or have prepared, an ICE for all purchases and modifications over \$250,000 to commensurate with the purchase requirement (2 CFR §200.323). The level of detail will depend upon the dollar value of the proposed contract and the nature of the goods or services to be acquired. The ICE must be prepared prior to the solicitation of offers. The requirements for ICEs are:

1. **For Micro Purchases (less than \$10,000)**, generally there is no need to prepare an ICE. Price reasonableness normally will be based on a comparison with historical prices paid for the item, commercial catalog prices, or other offers.
2. **For purchases above \$10,000 but less than \$250,000 the SLHA's small purchase threshold**, documentation should be kept to a minimum. The ICE may be based on prior purchases, commercial catalogs, or detailed analyses (e.g., purchases for services).
3. **For purchases above the SLHA's small purchase threshold (above \$250,000)**, the level of detail will vary, but should be commensurate with the size (i.e., dollar value), complexity, and commercial nature of the requirement. ICEs are normally broken out into major categories of cost (e.g., labor, materials, and other direct costs such as travel, overhead, and profit). Commercially available products and services may require less detail as the marketplace tends to provide current reliable pricing information for commercially available products. Non-commercial type requirements, and work designed specifically for the SLHA, will require much more extensive estimation and a detailed ICE.

VI. Cost and Price Analysis

Before entering into a contract, the SLHA shall require assurance that the price is reasonable, in accordance with the following instructions.

A. Petty Cash and Micro Purchases

No formal cost or price analysis is required for Petty Cash and Micro Purchases. Rather, the execution of a contract by the Contracting Officer (through a Purchase Order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors.

B. Small Purchases

A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes is not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis.

C. Sealed Bids

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and where the SLHA cannot reasonably determine price reasonableness, the SLHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

D. Competitive Proposals

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, the SLHA must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, the SLHA must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable. This method is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the conditions in 2 CFR §200.320 as amended must be followed.

E. Non-Competitive Proposals

This method may only be used when other methods of procurement are not feasible and the circumstances described in 2 CFR Part 200 (§200.320) as amended as follows are applicable:

1. Services are available from only a single source;
2. Public exigency or emergency for the requirements will not permit a delay resulting from competitive solicitations;
3. After solicitation of a number of sources, competition is determined inadequate; or
4. HUD authorizes the use of non-competitive proposals.

F. Contract Modifications

A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids, Competitive Proposals, or Non-Competitive Proposals, and for projects originally procured through Small Purchase procedures where the amount of the contract modification will result in the total contract price exceeding the Small Purchase threshold of \$250,000.

VII. Solicitation and Advertising

A. Method of Solicitation

1. **Petty Cash and Micro Purchases.** The SLHA may contact only one source if the price is considered reasonable.
2. **Small Purchases.** Quotes may be solicited orally, through e-mail, fax, or by any other reasonable method.
3. **Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. The SLHA must use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition.
 - a. Advertising in newspapers or other local or general print media.
 - b. Advertising in various trade journals or industry publications (for construction).

- c. E-Procurement. The SLHA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with this policy.

B. Time Frame

For purchases of more than \$250,000, the public notice of solicitation should run not less than once each week for two consecutive weeks.

C. Form

At minimum, notices and advertisements should state: the place, date, and time that the bids or proposals are due. The notice should also provide the solicitation number, a contact that can provide a copy of, and information about the solicitation, and a brief description of the needed item(s).

D. Time Period for Submission of Bids

A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and competitive proposals. Under extraordinary circumstances, the Executive Director may allow for a shorter period – less than 30 days.

E. Cancellation of Solicitations

1. An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
 - a. The supplies, services or construction is no longer required;
 - b. The funds are no longer available;
 - c. Proposed amendments to the solicitation are of such magnitude that it requires a new solicitation to be issued; or
 - d. Other similar reasons.
2. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
 - a. The supplies or services (including construction) are no longer required;
 - b. The specifications were found to be ambiguous or otherwise inadequate;
 - c. All factors of significance to the SLHA were not considered;

- d. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - e. There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 - f. For good cause of a similar nature when it is in the best interest of the SLHA.
3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
 4. A notice of cancellation shall be sent to all bidders or offerors solicited and, if appropriate, shall explain the opportunity to compete on any resolicitation or future procurement of similar items.
 5. If problems are found with the specifications, SLHA should cancel the solicitation, revise the specifications and resolicit using an IFB.

F. Credit (or Purchasing) Cards

Credit card usage should follow the small purchase rules and guidelines.

For example, the Contracting Officer or designee may use a credit card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase level (above \$10,000), the Contracting Officer or designee would generally need to have obtained a reasonable number of quotes before purchasing via a credit card.

Goods and services purchased using the credit card are allowable only if there is no other reasonable means to pay for the services, such as the vendor will not take a SLHA check or purchase order.

The credit card may also be used for travel arrangements. Any other use of the credit card must have the prior approval of the Director of Finance and the Executive Director.

VIII. Bonding Requirements

The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchases or for competitive proposals.

The SLHA may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.

A. Bid Bonds.

For construction contracts exceeding \$100,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

B. Performance and Payment Bonds.

For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:

1. A performance and payment bond in a penal sum of 100% of the contract price; or
2. Separate performance and payment bonds, each for 50 % or more of the contract price; or
3. A 20 % cash escrow; or
4. A 25 % irrevocable letter of credit.

C. Sureties

All bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the state where the work is to be performed. Individual sureties are not acceptable.

U.S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing government contracts, the maximum underwriting limits on each contract bonded, and the states in which the company is licensed to do business. Use of companies on this circular is mandatory.

IX. Contractor Qualifications and Duties

A. Contractor Responsibility

SLHA shall not award any contract until the prospective contractor, i.e., low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

1. Have adequate financial resources to perform the contract, or the ability to obtain them;
2. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidder's/offeror's existing commercial and governmental business commitments;

3. Have a satisfactory performance record;
4. Have a satisfactory record of integrity and business ethics;
5. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
6. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
7. Be otherwise qualified and eligible to receive an award under applicable laws and regulations; and not be suspended, debarred or under a HUD-imposed Limited Denial of Participation (LDP) list.

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

B. Suspension and Debarment

Contracts shall not be awarded to debarred, suspended, or ineligible contractors.

Contractors may be suspended, debarred, or determined to be ineligible by HUD in accordance with HUD regulations (2 CFR 4) or by other federal agencies, e.g., Dept of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings.

C. Vendor Lists

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any lists of persons, firms, or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

X. Contract Pricing Arrangements

A. Contract Types

General Guidance. A wide selection of contract types is available to provide needed flexibility in acquiring supplies and services.

1. Contract types vary according to:
 - a. the degree and timing of the responsibility assumed by the contractor for the costs of performance; and

- b. the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals.

The contract types are grouped into two broad categories: fixed-price contracts and cost-reimbursement contracts.

The specific contract types range from firm-fixed-price, in which the contractor has full responsibility for the performance costs and resulting profit (or loss), to cost-plus-fixed-fee, in which the contractor has minimal responsibility for the performance costs and the negotiated fee (profit) is fixed.

In between are the various incentive contracts, in which the contractor's responsibility for the performance costs and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

2. Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price contracts with economic price adjustment.
3. Contracts resulting from competitive proposals may be of any type or combination of types.
4. In accordance with 2 CFR §200.323, the use of the following types of contracts is prohibited:
 - a. **Cost-plus-percentage-of-cost.** This type of contract is prohibited because it obligates SLHA to pay all costs incurred throughout the contract, plus a commission based on the percentage of future costs. In this type of pricing arrangement, the contractor's profit increases in proportion to its costs incurred in the performance of the contract. The contractor has a clear incentive to increase costs.
 - b. **Cost-plus-percentage-of-construction-cost.** This type of contract is prohibited because the cost for individual construction-related services is determined by applying a percentage of actual construction costs as a fee, such as an architecture and engineering (A/E) contract in which the fee is determined based on the total construction cost. Such an arrangement allows the possibility of the contractor designing an overly expensive construction project in order to increase profits.
5. For all cost reimbursement contracts, SLHA must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

B. Options

Options for additional quantities or performance periods may be included in contracts, provided that:

1. The option is contained in the solicitation;
2. The option is a unilateral right of the Authority;
3. The contract states a limit on the additional quantities and the overall term of the contract;
4. The options are evaluated as part of the initial competition;
5. The contract states the period within which the options may be exercised;
6. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
7. The options may be exercised only if determined to be more advantageous to SLHA than conducting a new procurement.

XI. Contract Requirements

A. Contract Clauses

All contracts should identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the SLHA. Additionally, the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A , which contain all HUD-required clauses and certifications for contracts of more than \$100,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by SLHA.

B. Contract Administration

The SLHA shall maintain a system of contract administration designed to ensure that contractors perform in accordance with their contracts. These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in HUD Handbook 2210.18.

XII. Specifications

A. General

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying SLHA needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items.

Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible.

Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase.

For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

B. Limitation

The following types of specifications shall be avoided:

1. **Geographic restrictions** not mandated or encouraged by applicable federal law (except for architecture and engineering contracts, which may include geographic location as a selection factor if adequate competition is available);
2. **Brand name specifications**, unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use, or multiple brand name products are specified.

C. State Licensing Laws

Nothing in this procurement policy shall preempt any state licensing laws. Specifications shall be reviewed to ensure that organizational conflicts of interest do not occur.

XIII. Appeals and Remedies

A. General

It is SLHA policy to resolve all contractual issues informally and without litigation. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

B. Informal Appeals Procedure

For contracts that do not exceed \$100,000, SLHA shall use an informal bid protest/appeal procedure. Under these procedures, a bidder/contractor may request to meet with the Contract Officer to explain their concern. After such a meeting the Contracting Officer shall provide a written response, to the bidder/contractor, that summarizes the concern and the actions SLHA will take.

C. Formal Appeals Procedure

For contracts of more than \$100,000, the formal appeals procedures shall be included in the solicitation documents. In general the procedures provide for the following:

1. **Bid Protest.** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. All bid protests shall be in writing and submitted to the Contracting Officer or designee, who shall issue a written decision on the matter.

Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contract receives notice of the contract award, or the protest will not be considered.

The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.

2. **Contractor Claims.** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer for a written decision. The contractor may request a conference on the claim.

The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in SLHA. Contractor claims shall be governed by the Changes clause in the form HUD-5370.

XIV. MBE/WBE and Section 3 and Small Businesses Assistance Requirements

A. Required Efforts

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the SLHA project are used when possible. Such efforts shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;
2. Encouraging such participation through direct solicitation of bids or proposals whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
6. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR Part 135 (so-called Section 3 businesses); and
7. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

B. Definitions

1. **A small business** 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.
2. **A minority-owned business (MBE)** is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.
3. **A women's business enterprise (WBE)** is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.

4. **A labor surplus area business** is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.
5. **A Section 3 business** is defined as a business that is:
 - a. fifty-one percent (51%) or more owned by Section 3 residents; or
 - b. whose permanent, full-time employees include persons, at least thirty (30%) of whom are currently Section 3 residents, or within three (3) years of the date of first employment with the business concern were Section 3 residents; or
 - c. that provides evidence of a commitment to subcontract in excess of twenty-five (25%) of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs one (a) or two (b) in this definition of Section 3 business concerns.

C. Participation Goals

SLHA has established goals for participation by small businesses, minority-owned businesses, women-owned business enterprises and labor surplus area businesses in SLHA prime contracts and subcontracting opportunities. Those goals are as follows:

1. It is the goal of the SLHA that twenty-five percent (25%) of the dollar amount of all purchases/contracts shall be awarded to minority owned businesses and five percent (5%) of the dollar amount of all purchases/contracts shall be awarded to women business enterprises.
2. It is the goal of the SLHA that 35% of the workforce, on all contracts in excess of \$25,000.00, be minority workers. The Workforce shall include the general contractor and all subcontractors. The 35% goal is for the total dollar amount of the contract.
3. It is the goal of the SLHA that 5% of the workforce, on all contracts in excess of \$25,000.00, be female workers. The Workforce shall include the general contractor and all subcontractors. The 5% goal is for the total dollar amount of the contract.

Goals may be established by the SLHA periodically for participation by small businesses and labor surplus area businesses which are located in, or owned in substantial part by persons residing in the area of the project, in the SLHA's prime contracts and subcontracting opportunities.

D. Section 3 Businesses and Resident Participation

1. Required Efforts

Section 3 is a provision of the Housing and Urban Development Act of 1968 which requires that programs of direct financial assistance administered by the U.S. Department of Housing and Urban Development (HUD) provide, to the greatest extent feasible, opportunities for job training and employment to lower income residents in connection with projects in their neighborhoods.

Consistent with Section 3 of the Housing and Urban Development Act of 1968, the SLHA encourages contractors and subcontractors to make a good faith effort to provide job training, employment and contracting to Section 3 residents and businesses. Such efforts shall include, but shall not be limited to:

- a. Advertising in local media;
- b. Distributing flyers about training and job opportunities to public housing sites and posting flyers in common areas;
- c. Informing labor organizations and private job training agencies of potential jobs and contract opportunities; and
- d. Participation in job information meetings and workshops to help Section 3 residents complete applications and learn interviewing techniques.

To the “greatest extent feasible,” contractors and/or subcontractors shall demonstrate compliance with the Section 3 requirement by meeting the numerical goals set forth in this section for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 business concerns.

2. Training and Employment

Thirty percent (30%) of the aggregate number of new hires should be Section 3 residents.

3. Contracts

At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or other public construction; and at least three percent (3%) of the total dollar amount of all other Section 3 covered contracts should be awarded to Section 3 businesses.

XV. Board Approval of Procurement Actions

Approval by the Board of Commissioners is not required for any procurement action, as permitted under state and local law. Rather, it is the responsibility of the Executive Director to make sure that all procurement actions are conducted in accordance with the policies contained herein.

XVI. Delegation of Contracting Authority

While the Executive Director is responsible for ensuring that SLHA procurement actions comply with this Policy, the Executive Director may delegate all procurement authority as is necessary and appropriate to conduct the business of the Agency. The person with authority for procurement activities is referred to as the Contracting Officer when he/she performs that function, regardless of any other job or position titles he/she may have.

The delegation of procurement authority sets the following limits of the authority delegated: **Reference Appendix 1 – Threshold and Approvals for Procurement Activities.**

For contracting obligation:

1. Micro Purchase – less than \$10,000
 - d. Supervisor/Manager, Director of Finance or Designee – Up to \$50
 - e. Procurement Manager – up to \$2,499
 - f. Contracting Officer and Finance Director – \$2,500 to \$10,000
 - g. Executive Director - All above \$5,000
2. Small Purchase - \$10,000 up to \$250,000
 - a. Contracting Officer and Finance Director – All up to \$250,000
 - b. Executive Director – All above \$5,000
3. IFB, RFP - over \$250,000
 - a. Contracting Officer and Finance Director – All up to \$5,000
 - b. Executive Director – All above \$5,000
4. The Contracting Officer may further re-delegate authority upon the approval of the Executive Director.
5. Each contract or purchase action (e.g., new contract, modification, interagency agreement, purchase order etc.) that obligate the SLHA to pay a contractor or vendor must be signed or otherwise authorized by the individual to whom the SLHA has expressly delegated the authority to make such an obligation.

6. If an individual is not an authorized Contracting Officer, that individual must not bind the SLHA by making an implied contract such as by making a promise or stating an intent to purchase, either orally or in writing.

Further, and in accordance with this delegation of authority, the Executive Director shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The Executive Director shall also establish a system of sanctions for violations of the ethical standards described in Section II (E), consistent with federal, state, or local law.

XVII. Documentation

The level of documentation should be commensurate with the value of the procurement.

A. Records

1. The SLHA must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:
 - a. Rationale for the method of procurement (if not self-evident);
 - b. Rationale of contract pricing arrangement (also if not self-evident);
 - c. Reason for accepting or rejecting the bids or offers;
 - d. Basis for the contract price (as prescribed in this handbook);
 - e. A copy of the contract documents awarded or issued and signed by the Contracting Officer or Executive Director;
 - f. Basis for contract modifications; and
 - g. Related contract administration actions.
2. Records should be retained for a period of three years after final payment and all matters pertaining to the contract are closed (i.e. litigation, audit matters, etc.).

XVIII. Disposition of Surplus Property

Property no longer necessary for the SLHA's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable federal, state, and local laws and regulations and SLHA's Disposition Policy.

XIX. Funding Availability

Before initiating any contract, the SLHA shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

XX. Self-Certification

The SLHA self-certifies that this Procurement Policy, and the SLHA's procurement system, complies with all applicable federal regulations and, as such, the SLHA is exempt from prior HUD review and approval of individual procurement action.

XXI. HUD Review

HUD reserves the right to review any records pertaining to procurement activities.

Appendix 1

THRESHOLDS AND APPROVALS FOR PROCUREMENT ACTIVITIES AND PAYMENTS

Type of Form	When Should it be Used	Required Reviewers and Thresholds		Final Approval Authority/Thresholds	
<p>Petty Cash Form (Althelia Thomas is the Petty Cash Administrator)</p>	<p>Purchases of \$50 or less</p> <ul style="list-style-type: none"> Receipt must be attached to Form (See Petty Cash Policy) All expenditures must be substantiated and used for eligible uses of funds, no matter the amount. Replenishment of Petty Cash fund should be requested when 70% depleted Refunded by Check Request (See Check Request Form below). <p>Ineligible Uses:</p> <ul style="list-style-type: none"> Coffee, beverages, food items, etc. are <u>not</u> eligible expenditures and will <u>not</u> be reimbursed unless approved in advance by the Contracting Officer for business meetings and an agenda is attached. Multiple purchases with the obvious intent of circumventing the \$50 individual limit will <u>not</u> be reimbursed. 	<ol style="list-style-type: none"> Requestor Supervisor/Manager Director of Finance 	<p>Up to \$50 Up to \$50</p>	<ol style="list-style-type: none"> Supervisor/Manager Director of Finance or designee (<i>Accounting Manager in case of absence</i>) 	<p>Up to \$50 Up to \$50</p>
<p>Check Request Form</p>	<p>\$10,000 or Less in lieu of other methods of procurement when such is deemed most prudent and approved by the Planning and Procurement Manager or Contract Officer as</p> <ul style="list-style-type: none"> Requests for Landlord Section 8 payments (Procurement Approval not needed) Attendance at meetings or out of town travel as previously 	<ol style="list-style-type: none"> Requestor Supervisor/Manager Division Director Planning and Procurement Manager Director of Finance <i>Contract Officer</i> <i>Executive Director</i> 	<p>All All All All All \$2,500 to \$10,000 \$5,000 to \$10,000</p>	<ol style="list-style-type: none"> Division Director <i>Planning and Procurement Manager</i> Financial Director <i>Contract Officer</i> <i>Executive Director</i> 	<p>All Up to \$2,499.99 All \$2,500 to \$10,000 \$5,000 to \$10,000</p>

Appendix 1

THRESHOLDS AND APPROVALS FOR PROCUREMENT ACTIVITIES AND PAYMENTS

<p>Check Request Form (Continued)</p>	<p>approved by Travel Request Form and not paid in advance</p> <ul style="list-style-type: none"> • Mileage/Parking costs • FSS Disbursements and Final Payouts • Stipends for Residents, SLHA Commissioners and dissolved TAB Board members • Certain SLHA incorporation fees, permits, taxes, court costs. • Replenishment of Petty Cash Fund and Credit Card Payments • Certain subscriptions that include intermittent updates (newspapers, magazines, publications) • Memberships and Dues¹ – require justification • All other purchases that are not supplies or services and do not require a Materials/Service requisition/PO such as utilities. 	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. Planning and Procurement Manager 5. Director of Finance 6. <i>Contract Officer</i> 7. <i>Executive Director</i> 	<p>All All All All All \$2,500 to \$10,000 \$5,000 to \$10,000</p>	<ol style="list-style-type: none"> 1. Division Director 2. <i>Planning and Procurement Manager</i> 3. Financial Director 4. <i>Contract Officer</i> 5. <i>Executive Director</i> 	<p>All Up to \$2,499.99 All \$2,500 to \$10,000 \$5,000 to \$10,000</p>
<p>Materials Requisition</p>	<p>Up to \$250,000² - must include a complete description of the requested materials.</p> <ul style="list-style-type: none"> • \$0-\$10,000 <i>Requires only 1 bid (oral, fax or e-mail) but cost must still be substantiated and requestor must certify that there are no conflicts</i> • \$10,000-\$250,000² <i>Requires at least 3 quotes (requirements same as above)</i> 	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. Planning and Procurement Manager 5. Director of Finance 6. <i>Contracting Officer</i> 	<p>All All All Up to \$9,999.99 All \$10,000 up to \$250,000</p>	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. <i>Contracting Officer</i> 	<p>All All Up to \$9,999.99 All \$10,000 to \$250,000</p>

Appendix 1

THRESHOLDS AND APPROVALS FOR PROCUREMENT ACTIVITIES AND PAYMENTS

Type of Form	When Should it be Used	Required Reviewers and Thresholds		Final Signature Approval Authority/Thresholds	
<p>Service Requisition (If involving labor over \$2,000 on any SLHA owned site a wage determination must be issued by the Development Dept.)</p>	<p>Up to \$250,000² must include a complete description of the requested materials.</p> <ul style="list-style-type: none"> • \$0-\$10,000 Requires at least 1 bid, but cost must still be substantiated and requestor must certify that there are no conflicts • \$10,000-\$250,000² Requires at least 3 quotes (requirements same as above) 	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. <i>Contracting Officer</i> 	<p>All All All Up to \$9,999.99 All \$10,000 up to \$250,000</p>	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. <i>Contracting Officer</i> 	<p>All All Up to \$9,999.99 All \$10,000 to \$250,000</p>
<p>Purchase Order</p>	<p>Up to \$250,000² Requires a Materials or Service Requisition to Proceed</p>	<ol style="list-style-type: none"> 1. Preparer 2. Contracting Officer 3. Executive Director 	<p>All All \$50,000 to \$250,000</p>	<ol style="list-style-type: none"> 1. Contracting Officer 	<p>All</p>
<p>Contracts and Agreements (including Memorandums of Understanding)</p>	<p>Any contract, modification or interagency agreement that obligates SLHA to pay a contractor or vendor.</p> <ul style="list-style-type: none"> • All non-construction related contracts require a Purchase Order be completed at the point of entering into a Contract. 	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. Contracting Officer 	<p>All All All All All All</p>	<ol style="list-style-type: none"> 1. Contracting Officer 2. Executive Director 	<p>Up to \$249,999.99 Over \$250,000</p>
<p>Invoice Routing Memo (see attached)</p> <p>Invoices are only to be received by Jeri in Finance</p>	<p>Attach to all invoices received that satisfy <u>current valid purchase orders</u>. Not required for items listed above that use Check Request Forms.</p> <ul style="list-style-type: none"> • Include a copy of the most current purchase order in which the invoiced goods or service are listed and the pricing shown • Include, If a contract exists, only a copy of the fee schedule or unit price page 	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. <i>Contracting Officer</i> 7. <i>Executive Director</i> 	<p>All All All All All \$2,500 to \$250,000 \$5,000 to \$250,000</p>	<ol style="list-style-type: none"> 1. Requestor 2. Supervisor/Manager 3. Division Director 4. <i>Planning and Procurement Manager</i> 5. Director of Finance 6. <i>Contracting Officer</i> 7. <i>Executive Director</i> 	<p>All All Up to \$2,499.99 All \$2,500 to \$250,000 \$5,000 to \$250,000</p>

Appendix 1

THRESHOLDS AND APPROVALS FOR PROCUREMENT ACTIVITIES AND PAYMENTS

	<ul style="list-style-type: none"> • Include a tracking spreadsheet for recurring payments (See attached sample) • Must have been certified that supplies/services have been received and approved for payment 				
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¹Payments may exceed the maximum of \$10,000 with the approval of the Executive Director

²If a project estimate is close to the small purchase threshold ceiling, consider using formal procurement instead.

Type of Form	When Should it be Used	
<i>Sealed Bids (IFB)</i> <i>Competitive Proposals (RFP),(RFQ)</i> <i>Non-Competitive Proposals (Sole Source)</i> <i>MOU</i>	Above \$250,000 as described in SLHA Procurement Policy (7/25/19) and 2 CFR §200.320 (c-e) <ul style="list-style-type: none"> • Purchases or services in excess of \$250,000 and not approved in the budget require Board of Commissioners approval 	FORMAL PROCUREMENT PROCESS REQUIRED