

**HOUSING AUTHORITY OF SALT LAKE CITY
PROCUREMENT OF GOODS AND SERVICES
AND
DELEGATION OF AUTHORITY OF
HOUSING AUTHORITY OF SALT LAKE CITY**

AMENDED AND APPROVED August 29, 2016

IT IS THE POLICY OF THE HOUSING AUTHORITY OF SALT LAKE CITY (HASLC) REFERRED TO IN THIS DOCUMENT AS THE AUTHORITY) THAT ALL PROCUREMENT EXCEEDING \$40,000.00 BE APPROVED BY THE BOARD OF COMMISSIONERS. IF THIS AMOUNT IS EXCEEDED THROUGH CHANGE ORDERS, ADDENDA, TIME EXTENSIONS, OR ANY OTHER MEASURE, THE ITEM WILL BE FORMALLY REPORTED TO THE COMMISSION WITH 60 DAYS OF REACHING THE THRESHOLD.

AMENDED AND APPROVED May 23, 2016

IT IS THE POLICY OF THE HOUSING AUTHORITY OF SALT LAKE CITY (HASLC) REFERRED TO IN THIS DOCUMENT AS THE AUTHORITY) THAT ALL PROCUREMENT OF THE AUTHORITY BE DONE IN ACCORDANCE WITH THE STANDARDS ESTABLISHED IN HUD FEDERAL REGULATIONS AT 2 CFR PART 200, THE PROCUREMENT STANDARDS OF THE PROCUREMENT HANDBOOK FOR PHA' S, HUD HANDBOOK 7460.8, REV 2, AND APPLICABLE STATE AND LOCAL LAWS. ANY AND ALL REFERENCE TO 24 CFR 85.36 IN THE POLICY AND /OR THE HUD PROCURMENT HANDBOOK 7460.8 REV 2 SHOULD BE CHANGED TO READ 2 CFR PART 200.

AMENDED AND APPROVED JANUARY 25, 2010

IT IS THE POLICY OF THE HOUSING AUTHORITY OF SALT LAKE CITY (HASLC) REFERRED TO IN THIS DOCUMENT AS THE AUTHORITY) THAT ALL PROCUREMENT OF THE AUTHORITY BE DONE IN ACCORDANCE WITH THE

STANDARDS ESTABLISHED IN HUD FEDERAL REGULATIONS AT 24 CFR 85.36, THE PROCUREMENT STANDARDS OF THE PROCUREMENT HANDBOOK FOR PHA' S, HUD HANDBOOK 7460.8, REV 2, AND APPLICABLE STATE AND LOCAL LAWS.

I. PURPOSE

The purpose of this Statement of Procurement Policy is to provide for the fair and equitable treatment of all persons or firms involved in purchases by the Authority; assure that supplies, services and construction are procured efficiently, effectively and at the most favorable prices available to the Authority; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assurance that the Authority purchasing actions are in full compliance with Federal standards, including 24 CFR 85.36, HUD regulations and State and local laws.

II. POLICY

A. **Purchase Procedure:** Purchases and contracts for equipment, materials, supplies and labor services, shall be made in the following manner, in accordance with applicable State and local laws and regulations and conforming to applicable Federal law. It shall apply to every expenditure of funds by the Authority for purchases, irrespective of the source of funds, including contracts which do not involve an obligation of funds such as concession contracts:

- 1- **Petty Cash Purchases** Small purchases under \$ 100 which can be satisfied by local sources may be processed through the use of a petty cash account. The Controller shall ensure that the account is established in an amount sufficient to cover small purchases made during a reasonable period; security is maintained and only authorized individuals have access to the account; the account is periodically reconciled and replenished by submission of a voucher to the PHA

finance officer; and, the account is periodically audited by the finance officer or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers.

- 2- **Credit Card Purchases** Use of a company credit card must be approved by a supervisor or manager in writing before the card is released to staff. Purchases by credit card are limited to \$1,000 or less. When the card is returned to the designated holder, an accountant in the Division of Finance, a receipt for purchases must accompany the card. Cards may not be held overnight. On a monthly basis all credit card purchases are reviewed by the holder. These cards are to be used for Housing Authority business only, and must follow small purchasing guidelines for \$2,000 or less.

- 3- **Small Purchases** For small purchases below \$2,000 only one quotation need be solicited if the price received is considered fair and reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order. It will be noted on the PO that the signer certifies that the price obtained is a fair and reasonable price and will be initialed by the Procurement Officer or Manager approving the purchase.

- 4- **Purchases and contracts from \$2,001 TO \$5,000** (See also Delegation of Authority) Three offeror shall be solicited to submit price quotations, which may be obtained orally, by fax, via catalogs, through electronic means, e.g., the Internet, by telephone, or in writing, as allowed by State or local laws. Award shall be made to the offeror providing the lowest acceptable quotation, unless justified in writing based on price and other specified factors. A Requisition Worksheet will be the backup for offers.

- 5- **Purchases and contracts from \$5,001 to \$25,000** (See also Delegation of Authority) Competitive bid and negotiation will be used and shall invite offers in writing from at least three suppliers or contractors. A file shall be kept by Procurement with an abstract or invitations made and offers received. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record
- 6- **For purchases and contracts of \$25,001 to \$100,001 or more** (See also Delegation of Authority) A formal advertising method/process shall be used unless otherwise justified on record. A sufficient time for response prior to the bid opening date will be given. The Executive Director or authorized individual shall solicit bids:
- 1) by advertisement in at least one newspaper of general circulation
 - 2) by mailing solicitations to bid to all known dealers or suppliers, or
 - 3) a combination of such methods. The invitation to bid or request for proposals shall define the goods or services in order for the bidder to properly respond and will include any specifications and pertinent attachments. Award may be postponed until a cost or price analysis is made to verify the reasonableness of the price.
 - 4) Contracts shall be awarded based on competitive bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the procurement lends itself to a firm fixed price contract; and the selection of the successful bidder can be made principally on the basis of price. Sealed bidding is the preferred method for construction procurement
- 7- **Procurement of Professional Services:** Architect & Engineer services in

excess of the small purchase limitation may be obtained by qualifications-based selection procedures (QBS). Sealed bidding, however, shall not be used to obtain architect/engineer services. Under qualifications-based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. The Contracting Officer will establish a selection committee to evaluate the qualifications based on specific rating factors. Qualifications-based selection procedures shall not be used to purchase other types of services even though architect-engineer firms are potential sources. The HA will not be using Indefinite Quantity Architect & Engineer Services at the present time. In the future if this is done we will incorporate it into the Procurement Policy.

Legal/Accounting Services may be obtained by competitive proposals method. HASLC will go out for Competitive Proposals for Professional Legal and Accounting services. Offers will be solicited, proposals will be evaluated based upon the specific requirements such as technical qualifications of the firm, experience, cost, expertise and similar factors. Every effort will be made to quantify the minimum and maximum usage with a clear description of the work we anticipate. An award will be made to the offeror whose proposal is most advantageous to HASLC, with price and other factors (as specified in the solicitation) considered.

- 8- Purchases shall not be artificially divided to constitute a small purchase and circumvent the Authority's competitive requirements.
- 9- The Authority may enter into intergovernmental agreements to use State and local procurement contracts where appropriate and shall request that the contracting Authority (State, County or City) note in its contract that use by the Authority is authorized. When using the State's list we will not limit

our selection to the same vendor, supplier or contractor. We will compare quotes on the sites list and if there are insufficient contractors on the State's list we will obtain other price quotes.

- 10- All procurement of equipment, materials, supplies and labor services shall be documented including the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price. Each purchase, regardless of dollar amount, shall be supported by a purchase request approved by an authorized person. Expenditures up to \$2,000 shall be supported by receipts. Purchases of \$2,001 to \$5,000 shall be made by standard purchase order or by contract. Purchase requests of \$5,001 and over shall be signed by the Executive Director, Deputy Director, or Finance Manager to indicate that sufficient funds are available for payment and for obligation of funds before the purchase is made. Purchase requests shall be filed with the resulting purchase documents.

- 11- HASLC may use the State procurement contract to purchase from pre-qualified vendors. However, based on the purchase requirements in 1 through 5 above HASLC will obtain price or rate quotes from an adequate number of qualified sources. HASLC will attempt to get three offerors from the list of qualified firms if there is an insufficient number of responsible contractors identified by the State.

B. ETHICS IN PUBLIC CONTRACTING

- 1- **GENERAL** The PHA shall adhere to the following code of conduct, consistent with applicable Federal law. 24 CFR 982.161, 24 CFR 85.36, Section13.

2- **CONFLICT OF INTEREST** As outlined in 24 CFR 85.36, HUD's Annual Contributions Contract , HUD's Handbook 7460.8 Rev.2. Procurement Handbook for Public Housing Agencies. No employee, officer or agent of this PHA shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- 1) An employee, officer or agent involved in making the award;
- 2) His/her *immediate family* (including father, mother, son , daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, 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);
- 3) His/her partner(*immediate family*);
- 4) An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above;
- 5) Any public official, member of a governing body or State or local legislature, who exercises functions or responsibilities with respect to programs; or
- 6) Any present or former Board member or officer of the PHA;
- 7) Employees who formulate policy or influence decision with respect to a project

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

- 1) Any present or former member or officer of the governing body of the HA, or any member of the officer's immediate family. There shall be an exception 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 a resident corporation.
- 2) Any employee of the HA who formulates policy or who influences decisions with respect to projects, or any member of the employee's immediate family, or employee's partner.
- 3) Any public official, member of the local governing body, or state or local legislator, or any member of such individuals, immediate family, who exercises functions or responsibilities with respect to the projects or the HA.
- 4) Any member of Congress of the United States.

4. The HA may not hire an employee in connection with a project under the ACC or the tenant based program if the prospective employee is an immediate family member of any person belonging to one of the following classes:

- 1) Any present or former member or officer of the governing body of the HA. There shall be an exception 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 a resident corporation.
- 2) Any employee of the HA who formulates policy or who influences decisions with respect to project.
- 3) Any public official, member of the local governing body, or state or local legislator, or any member of such individuals, immediate family, who exercises functions or responsibilities with respect to the projects or the HA.
- 4) Any member of Congress of the United States.

5. An employee has breached ethical standards if that employee participates directly or indirectly in the procurement when the employee or any relative has a financial interest pertaining to a procurement or a business or organization in which the employee, or any relative, has a financial interest pertaining to the procurement. Additionally upon discovery of an actual or potential conflict of interest, an employees required to promptly file a written statement of disqualification and shall withdraw from further participation in the transaction involved.
6. The Conflict of interest prohibition under this section may be waived by HUD Field Office for good cause.
7. The following additional prohibitions apply to HA procurement:
 - 1) Restriction on Employment of Present and Former Employees.
A present or former HA employee shall not knowingly act as a principal or agent for anyone other than the HA in connection with any contract or claim in which the employee participated personally and substantially through the decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while a HA employee, where the HA is a party or has a direct and substantial interest. Contemporaneous employment of a HA employee by persons contracting or actively seeking a contract with the HA is prohibited.
 - 2)Prohibition Against Selling to the HA, As provided in Sect. 515 of the ACC, a present or former HA employee shall not engage in selling or attempting to sell supplies, services, or construction to the HA for one year following the date such employment ceased.
8. **GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION** Officers, employees or agents shall not solicit or accept

gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts,(outside the realm of lunch/dinner and event tickets no higher than \$50) and shall not knowingly use confidential information for actual or anticipated personal gain. Such action would be in direct violation of the Authority's Personnel Policy and would result in immediate disciplinary action.

C. **Bonding requirements:** For construction or facility improvement contracts or subcontracts exceeding \$100,000, the minimum requirement shall be:

- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The bid guarantee shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified;
- 2) A performance bond on the part of the contractor for 100 percent (100%) of the contract price;
- 3) A payment bond on the part of the contractor for 100 percent (100%) of the contract price;
- 4) For COMP Grant contracts, separate performance and payment bonds each for 50 percent (50%) or more of the contract price or a 20 percent (20%) cash escrow or a 25 percent (25%) letter of credit on a local financial institution acceptable to the Authority is acceptable.

D. **Contract Requirements:** All Authority contracts must contain the following provisions:

No member, officer/commissioner or employee of the Authority during his/her tenure or for one year thereafter, shall have interest, direct or indirect, in this contract or the proceeds thereof.

No contract will be automatically extended without a written notice from the Authority. In the event a contract lapses and no letter has been received by the vendor or contractor from the Authority it will be assumed by all parties to be a month to month obligation only.

E. **Appeals/Protest Procedure:** It is the PHA's policy to resolve all contractual issues informally at the PHA level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the PHA level. When appropriate, the PHA may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the PHA to review a complaint or protest.

1- **Supplier Claims** Written procedures have been established for procurement transactions and other written procedures to cover disputes and protest from suppliers, to monitor the actions of the staff, to ensure compliance with this policy and to ensure that all solicitations:

- 1) Incorporate a clear and accurate description of the technical requirement for the material, product or service to be procured. Such description shall not contain features which unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define performance or other salient requirements;
- 2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals;
- 3) Refer to Protest Procedures of the Authority adopted by action of the Board of Commissioners. These procedures and any amendments must be submitted to the Board for approval.

- 2- **Bid Protests** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Statement. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.
- 3- **Contract Claims** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee 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 a higher level in the PHA, such as the Executive Director or a designated Board member, or a Procurement Appeals Board.
- F. **Duplicate Purchases:** Proposed purchases made under this policy shall be reviewed to avoid unnecessary or duplicate items, to foster economy and efficiency, to provide full and open competition consistent with this policy and to prohibit in-state or local geographic preferences unless expressly encouraged by Federal statutes.
- G. **Sole Source/Emergency Purchases:** For purchases by non-competitive proposals (proposals from only one source) shall be used only when the award of a contract is infeasible under one of the methods specified above under A 1-5 and one of the following circumstances applies:

- 1) The item is available only from a sole source;
- 2) A public exigency or emergency exist which must be remedied immediately;
- 3) The awarding Authority (such as HUD) authorizes non -competitive proposals; or
- 4) After solicitation of a number of sources, competition is determined inadequate.

The Executive Director or authorized person must provide a formal report of such award, together with a certification or statement justifying the lack of competition. The best possible price shall be negotiated with the supplier or provider. A cost analysis shall be performed. The offeror shall be required to submit one of the following:

- 1) A cost breakdown showing projected costs and profit;
- 2) Commercial pricing and sales information sufficient to enable the Authority to verify the reasonableness of the proposed prices as a catalog or market price of a commercial product sold in substantial quantities to the general public;
- 3) Documentation showing that the offered price is set by law or regulation.

H. **Sealed Bidding:** When there is written competition bidding for contracts in excess of \$100,000 bids will be publicly opened at the time and place described in the invitation for bids. Any or all bids may be rejected for any reason by the Authority. Documentation of all rejections must be maintained for one year. A firm fixed-price contract award shall be made in writing to the lowest responsible bidder who possesses the ability to perform successfully under the terms and conditions of the contract.

I. **Price Analysis:** Cost or price analysis shall be performed by the Authority in connection with every procurement action including contract modifications. Independent estimates of cost shall be made or obtained by the Authority before soliciting bids or proposals. Costs analysis shall be performed when the offeror is required to submit the elements of estimated cost, such as a professional consulting and architectural/engineering services type contract. Cost analysis shall be performed by the Authority when adequate price competition is lacking and for sole source procurement.

J. **Cancellation of Solicitations:**

1- An invitation for bid, request for proposals, request for quotation or other solicitations may be canceled by the Authority before offers are due if the Authority no longer requires the supplies, services or construction; the Authority can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or for the convenience of the Authority. A solicitation may be canceled and all bids or proposals that have already been received may be rejected if:

- 1) the supplies, services or construction are no longer required;
- 2) ambiguous or otherwise inadequate specifications were part of the solicitation;
- 3) the solicitation did not provide for consideration of all factors of significance to the Authority;
- 4) prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
- 5) there is reason to believe that bids or proposals may not have been collusive or may have been independently arrived at in open

competition, may have been collusive or may have been submitted in bad faith;

6) for good cause;

7) for any reason in the best interest of the Authority.

- 2- The reasons for cancellation shall be documented in the procurement file. The reasons for cancellation and/or rejection shall be provided upon request to any offeror solicited.
- 3- A notice of cancellation shall be sent to all offerors solicited. If appropriate, the notice may explain that the offeror will be given an opportunity to compete on future solicitation or procurement of similar items.
- 4- If all otherwise acceptable bids received in response to an invitation for bids are at unreasonable prices or only one bid is received and the price is unreasonable the Authority shall cancel the solicitation and either:
 - 1) Re -solicit using a request for proposals;
 - 2) Complete the procurement using the competitive proposals method, following paragraph IIA-5 above (when more than one otherwise acceptable bid has been received) or by using the non - competitive proposals method and following paragraph IIA-5 above (when only one bid is received at an unreasonable price; provided, that the Executive Director (or authorized individual) determines in writing that such action is appropriate. Bidders shall be informed of the Authority's intent to negotiate and each responsible bidder shall be given a reasonable opportunity to negotiate.

K. Minority/Small Business Pursuit: The Contracting Officer or authorized individual shall actively pursue small businesses, minority business enterprises and women's business enterprises as sources for suppliers and services. The Authority shall establish procedures for affirmative steps to assure that minority firms, women's

business enterprises and labor surplus area or firms located in or owned in substantial part by persons residing in the area of a PHA project are used when possible and all have the maximum opportunity to participate in purchasing, as provided by law.

- L. **Monitoring:** The Executive Director or authorized individual will implement and maintain a monitoring system which ensures that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.

- M. **Board Notification:** A report of all contracts in excess of \$50,000, or contracts that are out of the ordinary course of business for the Authority, shall be made known to the Board of Commissioners at the next scheduled Board meeting.

- N. **Contract Clauses:** In addition to containing a clause identifying the contract type, contracts shall include necessary clauses when required by Federal statutes, executive orders and their implementing regulations as provided in 24 CFR 85.36 (l) such as:
 - 1) Termination for convenience;
 - 2) Termination for default;
 - 3) Equal employment opportunity;
 - 4) Anti -Kickback Act;
 - 5) Davis -Bacon Act;
 - 6) Contract Work Hours and Safety Standards Act (reporting requirements);
 - 7) Patent rights;
 - 8) Rights in data;

- 9) Examination of records by Comptroller General, retention of records for three years after closeout;
- 10) Clean air and water;
- 11) Energy efficiency standards;
- 12) Bid protests and contract claims;
- 13) Value engineering;
- 14) Payment of funds to influence certain Federal transactions.

The operational procedures required by Section IIB of this statement shall contain the text of all clauses and required certifications, such as required non-collusive affidavits, used by the Authority.

The Housing Authority of Salt Lake City self-certifies that this Procurement Policy, and HALSC's procurement system, complies with all applicable Federal regulations and, as such, HASLC is exempt from prior HUD review and approval of individual procurement action.

DELEGATION OF AUTHORITY

(separate attachment)