

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

AGENDA

November 17, 2016, 7:00 a.m.

at

501 Cedar Terrace South, Charles City, IA 50616

- I. Roll Call – Call Meeting to Order
- II. Public Comments
- III. Amend-Approve Minutes of October 20, 2016..... 1
- IV. Approval of Bills for November 2016..... 2
- V. Communications..... 3-7
  - 1. Capital Fund Program Update
  - 2. Rehab Update
  - 3. Section 8 Funding/Utilization
  - 4. Morningside Playground
  - 5. Snow Removal
  - 6. Public Housing Lease
  - 7. Flood Insurance.
  - 8. Monthly Rental Status Update
  - 9. End of Participation Tracker
- VI. Old Business - None
- VII. New Business
  - 1. Review Operating Reports..... 8-11
  - 2. Review Updated Procurement Policy..... 12-32
  - 3. Approve Resolution 13-16 Amendment to Interim Reexamination Policy..... 33-34
- VIII. Executive Director's Report
- IX. Move to Adjourn

Next regular meeting scheduled for Thursday, December 15, 2016  
7:00 a.m., CCHRA Office

CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY  
MINUTES

October 20, 2016 7:00 a.m.

Members Present: Jenna Haglund, Stewart Coulson, Carol Tyler, and Eric Miller. Absent: Jeremy Heyer. Others present: Heidi Nielsen, staff.

Call to Order. Vice-Chairperson Tyler called the meeting to order at 7:00 a.m.

Approve Minutes of September 15, 2016 and October 6, 2016. Coulson moved, Miller seconded the motion to approve the minutes of September 15, 2016 and October 6, 2016. Ayes: 4, Nays: 0. Motion carried.

Approval of Bills. Haglund moved, Miller seconded the motion to approve payment of the revised bill listing totaling \$68,532.63. Ayes: 4, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed. No action was taken.

Old Business. None

New Business.

Review Operating Reports. Operating reports for September 2016 were reviewed. There were no concerns or questions. No action was necessary.

Executive Director's Report.

Nielsen reported on the UPCS training she attended with Joe Ferch.

Being no further business, Haglund moved, Coulson seconded the motion to adjourn. Ayes: 4. Nays: 0. Motion carried and the meeting adjourned at 7: a.m.

Charles City Housing and Redevelopment Authority

\_\_\_\_\_  
Jeremy Heyer, Chairperson

ATTEST:

\_\_\_\_\_  
Heidi Nielsen, Director

Charles City Housing  
 Monthly Bill Listing  
 November 2016

Customer	Description	Amount
Bluhms Cedar Valley Electric 2008	electrical maintenance	90.00
Business Card	back up fee	19.98
C.Naber & Associates	accounting fees	395.00
Cintas	rug service	141.34
City of Charles City	water/sewer/URP/S8 inspections	975.00
Don's Repair	mower maintenance	626.59
HAPS	Nov. 1 HAPS	48,870.30
Hillegas Flooring, LLC	tile	1,090.45
Hockenson Plumbing	plumbing maintenance	298.08
IDALS	pesticide applicator license renewal	15.00
Iowa Department of Transportation	fuel	152.66
Jendro Sanitation	trash service	611.00
King-Knutson Construction, Inc.	payment on project-handrails	56,110.33
L&J Industries, Inc.	maintenance	45.00
Linderman Heating & Air, LLC	heating maintenance	362.00
Mehmen's Painting	painted apts.	585.00
Mid American Energy	electric/gas/urp	192.00
Noah, Smith & Schuknecht, P.L.C.	legal fees	314.50
Schueth Ace Hardware	maintenance items	770.96
Sherwin Williams	paint	555.23
Staples Direct	office items	
Stock Glass	window repair	401.00
Superior Lumber	maintenance items	144.12
T-J Service	refrig. Seals	399.96
Titus Lock Services	new keys cut	25.00
Wells Fargo Vendor FIN Serv	copier lease	265.03
YARDI	crimnal background checks	94.50
		<b>113,550.03</b>

REQUESTED ACTION: None - for your information only.

1. Capital Fund Update. The handrail project almost complete. The work at Morningside is complete and is almost complete at North Cedar Terrace. The work is scheduled to begin the week of November 7<sup>th</sup> at South Cedar Terrace and should be substantially complete by November 18<sup>th</sup>.

We are still working with the City Engineering Department to come up with the best solution to identify and eliminate the tripping hazards on the sidewalks. They have made a gauge to simplify the process of identifying the hazards.

2. Rehab Update. The application intake period is complete and we received 15 applications. The applications will be reviewed to ensure that they meet program requirements and the families are income eligible. The next step is to meet with the Rehabilitation Committee and approve the Administrative Plan and hold the Public Hearing on November 21<sup>st</sup>. After that we will just need to add the finishing touches to the application to help make our application stand out.
3. Section 8 Funding/Utilization. See attachments
4. Morningside Playground Update. We have met with a representative from the playground equipment company and he is working on an estimate for us for the poured rubber surface. He also pointed out that the playground behind the 2202 building has too much of a slope that will also have to be addressed and the swing set will also need to be moved because it is too close to the slide. He is also getting us a cost for signage to inform the residents of the age groups the equipment was designed for.
5. Snow Removal. We have advertised for our seasonal employee to help with the snow removal and have gotten five applications. The plan is to hire all five applicants and have them in place and ready to work no later than November 18<sup>th</sup>.
6. Public Housing Lease. The lease has been updated and the changes are being reviewed. If we can get the revised lease to the residents by November 15<sup>th</sup>, we can set the 30-day comment period to end December 15<sup>th</sup> so it can be adopted by board resolution at the December board meeting. After it has been adopted, the residents will get a 60-day notice prior to enforcement of the new lease. Then the residents will have 30-days to sign the new lease with it being in force on April 1, 2017.
7. Flood Insurance. Recent changes to the flood plain have resulted in some of the buildings at South Cedar Terrace being in the 100-year flood plain and HUD requires us to insure all property that is located in the flood plain. The City Engineering Department has surveyed the area to check the elevations. John Fallis has submitted an amendment request to FEMA to have one of the buildings removed from the 100-year flood plain. The proposed policy will cover the eight remaining buildings with a replacement cost coverage and \$25,000 deductible per building.

The only building that will include coverage for personal property is the office building. The total annual premium through National Catastrophe Insurance Program is \$6,710.95.

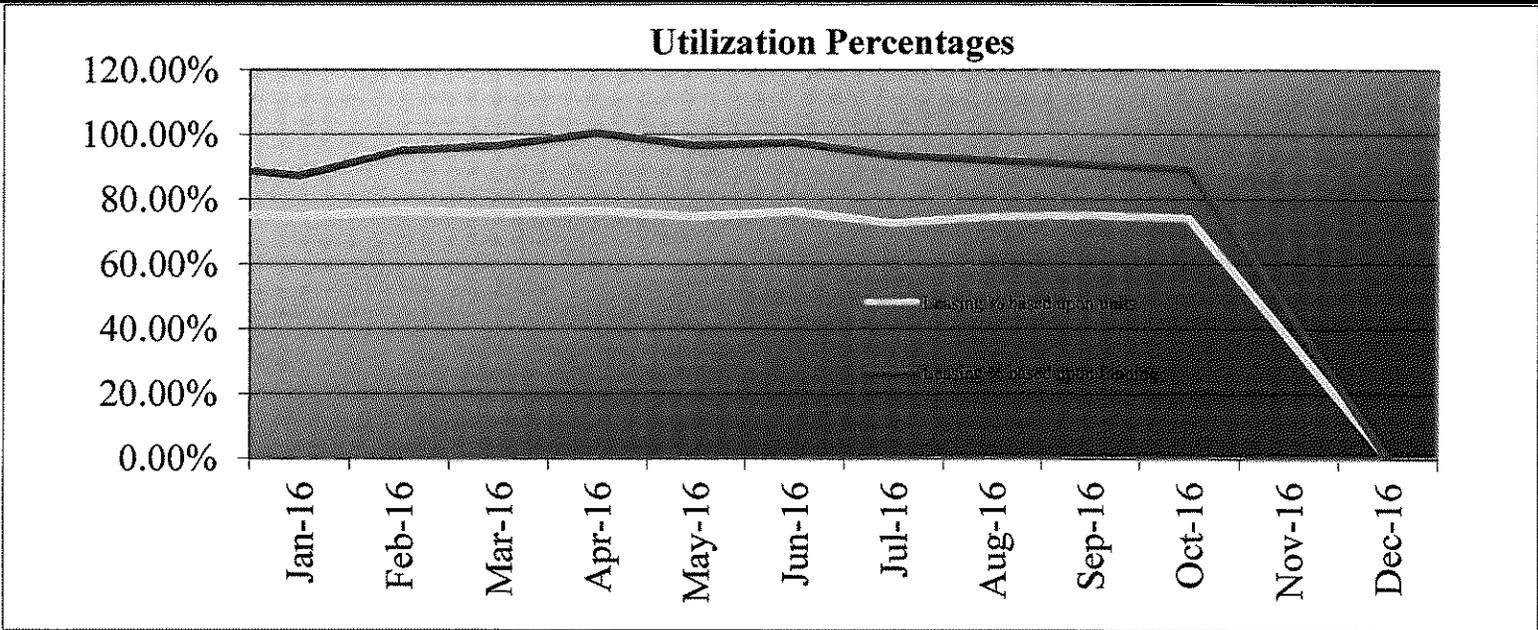
**8. Monthly Rental Status Update.**

Month of October 2016	Total Leased 10/1/16	New Leases	Removed Or Moved	Total Leased 11/1/16	Total On Waiting List	Offered Assistance	Removed
Terraces 132 Units	128	4	7	125	19	5	4
Morningside 16 Units	12	2	1	13	5	5	3
Section 8 197 Units	154	9	5	158	43	12	4

Declined Assistance (4) Over Income ( ) Denied (1) Insufficient Address ( )  
 Did not attend Briefing/Information Not Returned (16) Criminal Background Check ( )  
 Voucher Expired ( ) Purged ( )  
 Terminations: PH (2) S8 (1)

**9. End of Participation Tracker. See attachment**

	Unit Months Available	Unit Months Leased	Leasing % based upon units	HAP Revenue	HAP Funding Obligation	HAP Expenses Paid	Leasing % based upon funding	Per Unit HAP
Jan-16	197	147	74.62%	\$ 130.00	\$ 49,010	\$ 42,876	87.48%	\$ 291.67
Feb-16	197	150	76.14%	\$ 117.00	\$ 49,010	\$ 46,671	95.23%	\$ 311.14
Mar-16	197	149	75.63%	\$ 405.00	\$ 49,010	\$ 47,421	96.76%	\$ 318.26
Apr-16	197	150	76.14%	\$ 975.00	\$ 49,010	\$ 49,301	100.59%	\$ 328.67
May-16	197	147	74.62%	\$ 13.00	\$ 49,010	\$ 47,428	96.77%	\$ 322.64
Jun-16	197	150	76.14%	\$ 38.00	\$ 49,010	\$ 47,843	97.62%	\$ 318.95
Jul-16	197	143	72.59%	\$ 49.00	\$ 49,010	\$ 45,874	93.60%	\$ 320.80
Aug-16	208	155	74.52%	\$ 3.00	\$ 52,168	\$ 48,111	92.22%	\$ 310.39
Sep-16	208	156	75.00%	\$ 226.00	\$ 52,170	\$ 47,333	90.73%	\$ 303.42
Oct-16	208	154	74.04%	\$ 106.00	\$ 52,170	\$ 46,618	89.36%	\$ 302.71
Nov-15	208	159	76.44%		\$ 52,170	\$ 48,794	93.53%	\$ 306.88
Dec-16	208		0.00%		\$ 52,171		0.00%	
<b>YTD</b>	<b>2,419</b>	<b>1,660</b>	<b>68.62%</b>	<b>\$ 2,062.00</b>	<b>\$ 603,919</b>	<b>\$ 518,270</b>	<b>85.82%</b>	<b>\$ 312.21</b>



NRA / Prog Reserve Balance (Excess HAP) as of 1/1/2016:	\$ 116,439		
HAP Funding YTD:	\$ 603,919		
HAP Expenditures YTD:	\$ 518,270	Current Year Funding:	274
HAP Revenue (Fraud, FSS Forfeits) YTD:	\$ 2,062		
Current Remaining NRA / Prog Reserve:	\$ 204,150		
Current Monthly Funding (a)	\$ 51,537	Current Year Funding	
Current Average HAP Payment (b)	\$ 312	and reserves:	654
# of Units the Current Monthly Funding Would Support (a)/(b)	165		
# of Units Currently Leased	159		
Excess Units Leased, Current Month	(6)		
Current Year-to-Date Funding (a)	\$ 603,919		
Current Year-to-Date Average HAP Payment (b)	\$ 312		
# of Unit-Mos the Current Monthly Funding Supports (a)/(b)	1,934		
# of Unit-Mos Leased Year-to-Date	1,660		
Remaining Unit-Mos to Lease Year-to-Date	274		
Estimate of next years funding:			
YTD HAP expense	\$ 518,270		
Months to date	1		

# HCV HAP Spending Projection

C	D	E	NRA					HUD Held					N
			F	G	H	I	J	K	L	M			
PHA Name	Funds on Hand at PHA at End of Prior Month (HAP related, not administrative funds) beginning with 12/31/14 NRA	Plus: HUD Actual or Planned HAP Related Disbursements	Minus: HAP Expenses; Actuals from VMS and/or PHA projected	Disbursements minus Expenditures	VMS Reported Fraud Recovery and/or FSS Forfeitures	Estimated End of Month Balance (NRA): HAP funds on hand (includes Fraud Recovery and/or FSS forfeitures)		Beginning monthly HUD Held Balance starting 12/31/14	Plus: ALL Obligated HAP BA for prior period Tenant Protection vouchers)	Minus: HUD Actual or Planned HAP Related Disbursements	End of Month Balance HUD Held Undisbursed BA/Reserves (obligated HAP BA minus disbursements)		
PHA#	D	E	F	E-F	H	D+G+H		K	L	M	(K+L)-M		
2													
4													
5													
6													
7	IA002												
8	CY 2015												
9	January	\$3,858	\$50,801	\$46,396	\$8,263	\$46	\$8,309	\$94,477	\$48,673	\$50,801	\$92,349		
10	February	\$8,309	\$50,515	\$49,152	\$9,672	\$147	\$9,819	\$92,349	\$48,820	\$50,515	\$90,684		
11	March	\$9,819	\$50,515	\$47,877	\$12,457	\$148	\$12,605	\$90,654	\$48,820	\$50,515	\$88,959		
12	April	\$12,605	\$46,065	\$47,739	\$10,931	\$1,031	\$11,962	\$88,959	\$49,127	\$46,065	\$92,021		
13	May	\$11,962	\$43,833	\$48,728	\$7,067		\$7,067	\$82,021	\$49,130	\$43,833	\$97,318		
14	June	\$7,067	\$49,587	\$48,246	\$8,408	\$417	\$8,825	\$97,318	\$49,130	\$49,587	\$96,861		
15	July	\$8,825	\$39,901	\$51,695	-\$2,969		-\$2,969	\$96,861	\$49,730	\$39,901	\$106,690		
16	August	-\$2,969	\$54,469	\$51,161	\$339	\$10	\$349	\$106,690	\$49,130	\$54,469	\$101,351		
17	September	\$349	\$56,900	\$49,196	\$8,053	\$85	\$8,138	\$101,351	\$49,130	\$56,900	\$93,581		
18	October	\$8,138	\$52,729	\$49,666	\$11,201	\$116	\$11,317	\$93,581	\$49,010	\$52,729	\$89,862		
19	November	\$11,317	\$51,161	\$48,245	\$14,233	\$122	\$14,355	\$89,862	\$49,010	\$51,161	\$87,711		
20	December	\$14,355	\$51,161	\$44,561	\$20,955	\$163	\$21,118	\$87,711	\$58,544	\$51,161	\$96,094		
21	Total		\$597,637	\$582,662	\$2,285	\$2,285	\$21,118		\$598,254	\$597,637			
22	CY 2016												
23	January	\$21,118	\$50,180	\$42,876	\$28,422	\$65	\$28,487	\$95,094	\$49,010	\$50,180	\$93,924		
24	February	\$28,487	\$39,175	\$46,671	\$20,991	\$117	\$21,108	\$93,924	\$49,010	\$39,175	\$103,759		
25	March	\$21,108	\$49,210	\$47,421	\$22,897	\$405	\$23,302	\$103,759	\$49,010	\$49,210	\$103,559		
26	April	\$23,302	\$45,452	\$49,301	\$19,453	\$976	\$20,429	\$103,559	\$49,010	\$45,452	\$107,117		
27	May	\$20,429	\$47,604	\$47,428	\$20,605	\$13	\$20,618	\$107,117	\$49,010	\$47,604	\$108,523		
28	June	\$20,618	\$27,244	\$47,889	-\$27	\$38	\$11	\$108,523	\$49,010	\$27,244	\$130,289		
29	July	\$11	\$47,604	\$45,821	\$1,794	\$49	\$1,843	\$130,289	\$49,010	\$47,604	\$131,695		
30	August	\$1,843	\$50,762	\$48,111	\$4,494	\$3	\$4,497	\$131,695	\$52,168	\$50,762	\$133,101		
31	September	\$4,497	\$51,537	\$47,333	\$8,701	\$226	\$8,927	\$133,101	\$52,170	\$51,537	\$133,734		
32	October	\$8,927	\$51,537	\$46,728	\$13,736	\$106	\$13,842	\$133,734	\$52,170	\$51,537	\$134,367		
33	November	\$13,842	\$49,999	\$48,794	\$13,047		\$13,047	\$134,367	\$52,170	\$49,999	\$138,538		
34	December	\$13,047	\$49,897	\$49,897	\$62,944	\$1,998	\$62,944	\$138,538	\$52,171	\$49,897	\$140,812		
	Total		\$558,201	\$518,373	\$1,998	\$1,998	\$62,944		\$503,919	\$558,201			

END OF PARTICIPATION  
TRACKER  
2016-2017

SECT8	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
LEFT IN GOOD STANDING	2	3	1	1	1								8
ZERO HAP			1	1									2
MUTUAL RESCISION	2				1								3
ANNUAL RE-EXAM SEARCHING	1	1											2
PORT-OUT ABSORBED													0
PORT-OUT SEARCHING	3	2											5
DECEASED													0
MOVED IN VIOLATION	1	1	1	1	2								5
EVICTED													0
UNAUTHORIZED LIVE-IN				1									1
VIOLATION OF FAMILY OBLIGATION					1								1
GAVE UP ASSISTANCE BEFORE 1 YEAR													0
FAILURE TO RENEW													0
FAILURE TO REPAY													0
FAILURE TO PROVIDE INFO				1									1
FAILURE TO FOLLOW THROUGH													0
FRAUD													0
UNREPORTED INCOME-2ND TIME													0
UTILITIES DISCONNECTED													0
CRIMINAL CONVICTION													0
VOUCHER EXPIRED	3	1	1	2									7
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD				3									3
<b>TOTALS</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>0</b>	<b>38</b>						
<b>PUBLIC HOUSING</b>													
LEFT IN GOOD STANDING	1	1	2	2	4								10
DECEASED					2								2
MOVED IN VIOLATION		1	1	3	1								6
TERMINATED FOR LEASE VIOLATIONS					1								1
EVICTED													0
UNAUTHORIZED LIVE-IN													0
FAILURE TO RENEW													0
FAILURE TO REPAY													0
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
CRIMINAL CONVICTION													0
OTHER													0
UTILITIES DISCONNECTED													0
<b>TOTALS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>19</b>						

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**MEETING DATE:** 11/17/16

**RE:** Review Operating Reports

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**REQUESTED ACTION:** Review monthly operating reports.

**Comments:** The October 2016 operating reports are attached for your review.

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 10/2016, FISCAL 4/2017

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	28,000.00	3,050.13	12,192.57	43.54	15,807.43
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	160.00	1,467.00	36.68	2,533.00
173-532-4506	DWELLING RENT-PUBLIC HOUSING	500,000.00	39,448.00	162,347.00	32.47	337,653.00
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	9,500.00	342.00	4,258.00	44.82	5,242.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	12,000.00	1,035.25	3,339.25	27.83	8,660.75
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	2,000.00	.00	196.98	9.85	1,803.02
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	195,000.00	18,265.00	73,657.00	37.77	121,343.00
	PUBLIC HOUSING TOTAL	750,500.00	62,300.38	257,457.80	34.30	493,042.20
173-910-4830	TRANSFER IN - PUBLIC HOUSING	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
173-532-6010	SALARY - PUBLIC HOUSING	87,000.00	6,587.59	27,557.15	31.67	59,442.85
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	31.12	31.12	1.56	1,968.88
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	6,809.00	447.00	1,866.12	27.41	4,942.88
173-532-6130	IPERS - PUBLIC HOUSING	7,948.00	591.05	2,463.65	31.00	5,484.35
173-532-6150	HEALTH INS - PUBLIC HOUSING	38,145.00	3,062.08	12,248.32	32.11	25,896.68
173-532-6151	LIFE INS - PUBLIC HOUSING	310.00	30.79	114.51	36.94	195.49
173-532-6160	WORK COMP - PUBLIC HOUSING	2,704.00	.00	.00	.00	2,704.00
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	600.00	.00	11.01	1.84	588.99
173-532-6198	EMP BEN MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6199	EMPLOYEE BEN-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6230	STAFF TRAINING-PUBLIC HOUSING	5,000.00	680.51	910.51	18.21	4,089.49
173-532-6370	GAS - PUBLIC HOUSING	40,000.00	1,071.97	4,185.51	10.46	35,814.49
173-532-6371	UTILITIES - PUBLIC HOUSING	48,000.00	5,202.36	21,114.97	43.99	26,885.03
173-532-6374	WATER - PUBLIC HOUSING	18,000.00	1,360.14	5,760.77	32.00	12,239.23
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	24,000.00	1,692.59	6,977.11	29.07	17,022.89
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	4,000.00	192.08	1,272.08	31.80	2,727.92
173-532-6408	TORT LIABILITY - PUBLIC HOUSIN	25,542.00	.00	.00	.00	25,542.00
173-532-6411	LEGAL FEES - PUBLIC HOUSING	4,000.00	.00	602.50	15.06	3,397.50
173-532-6415	COPIER LEASE - PUBLIC HOUSING	3,100.00	265.03	1,060.12	34.20	2,039.88
173-532-6420	CONTRACT SERVICES - PUBLIC HOU	26,000.00	1,817.40	8,249.57	31.73	17,750.43
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	2,000.00	.00	485.81	24.29	1,514.19
173-532-6442	PILOT-PUBLIC HOUSING	37,000.00	.00	39,202.70	105.95	2,202.70
173-532-6490	OTHER PROFESSIONAL SERV	34,000.00	.00	.00	.00	34,000.00
173-532-6516	REFUNDS-PUBLIC HOUSING	1,000.00	73.00	73.00	7.30	927.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	25,000.00	1,678.36	13,935.66	55.74	11,064.34
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	75,000.00	3,820.23	28,139.84	37.52	46,860.16
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	517,158.00	28,603.30	176,262.03	34.08	340,895.97
173-536-6010	SALARY - PH MAINT	90,000.00	7,088.25	27,172.78	30.19	62,827.22
173-536-6040	OVERTIME SALARY - PH MAINT	5,000.00	373.27	1,221.58	24.43	3,778.42

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 10/2016, FISCAL 4/2017

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6110	FICA - PH MAINT	7,268.00	530.67	2,037.62	28.04	5,230.38
173-536-6130	IPERS - PH MAINT	8,484.00	666.31	2,535.61	29.89	5,948.39
173-536-6150	HEALTH INS - PH MAINT	35,000.00	2,098.69	7,105.98	20.30	27,894.02
173-536-6151	LIFE INS - PH MAINT	200.00	16.74	50.22	25.11	149.78
173-536-6160	WORK COMP - PH MAINT	1,947.00	.00	.00	.00	1,947.00
173-536-6170	UNEMPLOYMENT - PH MAINT	550.00	.00	7.51	1.37	542.49
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	900.00	.00	450.00	50.00	450.00
173-536-6412	HEALTH SERVICES- PH MAINT	.00	.00	188.00	.00	188.00
	PUBLIC HOUSING MAINTENANC TOTA	149,349.00	10,773.93	40,769.30	27.30	108,579.70
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	83,993.00	22,923.15	40,426.47	48.13	43,566.53

CITY OF CHARLES CITY  
REVENUE & EXPENSE REPORT  
CALENDAR 10/2016, FISCAL 4/2017

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	700.00	198.92	554.45	79.21	145.55
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	5,000.00	212.00	853.00	17.06	4,147.00
174-533-4505	HUD CONTRIB-SEC 8	600,000.00	51,537.00	201,440.00	33.57	398,560.00
174-533-4509	ADMIN FEE/HTH-SEC 8	90,000.00	7,612.00	33,145.00	36.83	56,855.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	.00	.00	.00	1,000.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	.00	.00	1,000.00
	SECTION 8 VOUCHER TOTAL	697,700.00	59,559.92	235,992.45	33.82	461,707.55
174-910-4830	TRANSFER IN - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
174-533-6010	SALARY - SEC 8	39,000.00	2,909.70	10,404.47	26.68	28,595.53
174-533-6040	OVERTIME SALARY - SECTION 8	1,000.00	34.09	34.09	3.41	965.91
174-533-6110	FICA - SECTION 8	3,060.00	200.80	708.03	23.14	2,351.97
174-533-6130	IPERS -SECTION 8	3,572.00	262.87	932.12	26.10	2,639.88
174-533-6150	HEALTH INS - SECTION 8	16,348.00	1,312.32	5,249.28	32.11	11,098.72
174-533-6151	LIFE INS - SECTION 8	200.00	13.20	61.45	30.73	138.55
174-533-6160	WORK COMP - SECTION 8	1,817.00	.00	.00	.00	1,817.00
174-533-6170	UNEMPLOYMENT - SECTION 8	400.00	.00	7.34	1.84	392.66
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	1,500.00	156.01	381.01	25.40	1,118.99
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	818.00	4,034.00	26.89	10,966.00
174-533-6401	ACCOUNTING FEES - SECTION 8	3,500.00	220.00	1,070.00	30.57	2,430.00
174-533-6411	LEGAL-SEC 8	.00	.00	3,000.00	.00	3,000.00-
174-533-6420	CONTRACT SERVICES - SECTION 8	8,000.00	431.50	1,829.00	22.86	6,171.00
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6440	ENHANCED VOUCHER	.00	1,565.00	4,777.00	.00	4,777.00-
174-533-6443	HOME OWNERSHIP VOUCHER	.00	421.00	1,684.00	.00	1,684.00-
174-533-6444	PORTABILITY VOUCHER	.00	2,501.30	10,005.20	.00	10,005.20-
174-533-6445	HC VOUCHER PAY-SEC 8	600,000.00	41,499.00	167,851.00	27.98	432,149.00
174-533-6490	OTHER PROF SERVICES-SECTION 8	5,000.00	.00	.00	.00	5,000.00
174-533-6516	REFUND INTEREST-SEC 8	.00	.00	.00	.00	.00
174-533-6518	SUNDRY-OFF EXP-SEC 8	3,000.00	65.43	175.19	5.84	2,824.81
	SECTION 8 VOUCHER TOTAL	701,697.00	52,410.22	212,203.18	30.24	489,493.82
174-910-6910	TRANSFER OUT - SECTION 8 VOUCH	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	SECTION 8 VOUCHER TOTAL	3,997.00-	7,149.70	23,789.27	595.18-	27,786.27-

**REQUESTED ACTION:** Review updated procurement policy

**Comments:** We have been working with Ralph Smith to revise our procurement policy. The current policy that we use with the City doesn't align very well with the federal requirements and is difficult to apply.

The attached plan mirrors HUD's model procurement policy. It would be beneficial if the board could take a few minutes to review the policy before the meeting to make it easier to discuss. There are a few areas of concern with the policy and they will be addressed during the meeting.

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## 1.0 INTRODUCTION

- 1.1 **General.** Established for the Housing Authority of the City of Charles City, Iowa (hereinafter, "the Agency") by Action of the City Council of Charles City, Iowa on \_\_\_\_\_, 2016, this Procurement Policy (Policy) complies with the Annual Contributions Contract (ACC) between the Agency and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR §200.317 through §200.326, *Procurement Standards*, the procurement standards of the Procurement Handbook for Public Housing Authorities (PHAs), HUD Handbook 7460.8, REV 2, and applicable State and Local laws.

## 2.0 GENERAL PROVISIONS

- 2.1 **General.** The Agency shall:
- 2.1.1 Provide for a procurement system of quality and integrity;
  - 2.1.2 Provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Agency;
  - 2.1.3 Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to the Agency;
  - 2.1.4 Promote competition in contracting; and
  - 2.1.5 Assure that the Agency purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.
- 2.2 **Application.** This Policy applies to all procurement actions of the Agency, regardless of the source of funds, except as noted under "exclusions" below. However, nothing in this Policy shall prevent the Agency from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be accomplished with the funds 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 a new contract, then regulations applicable to the source of funding may be followed.

- 2.3 **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; consultant services, (3) Architectural and Engineering (A/E) services, (4) Social Services, and (5) other services.
- 2.4 **Exclusions.** This policy does not govern administrative fees earned under the Section 8 voucher program, the award of vouchers under the Section 8 program, the execution of landlord Housing Assistance Payments contracts under that program, or non-program income, e.g., fee-for-service revenue under 24 CFR §990. These excluded areas are subject to applicable State and local requirements.
- 2.5 **Changes in Laws and Regulations.** In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.
- 2.6 **Public Access to Procurement Information.** Most 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 Iowa Freedom of Information Act.

### 3.0 ETHICS IN PUBLIC CONTRACTING

- 3.1 **General.** The Agency hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, etc., is consistent with applicable Federal, State, or local law.
- 3.2 **Conflicts of Interest.** No employee, officer, Board member, or agent of the Agency shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:
- 3.2.1 An employee, officer, Board member, or agent involved in making the award;
  - 3.2.2 His/her relative (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);
  - 3.2.3 His/her partner; or
  - 3.2.4 An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

- 3.3 **Gratuities, Kickbacks, and Use of Confidential Information.** No officer, employee, Board member, or agent of the Agency shall ask for or accept gratuities, favors, or items of more than nominal value (i.e. inexpensive hat with logo) from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.
- 3.4 **Prohibition against Contingent Fees.** Contractors wanting to do business with the Agency must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

## 4.0 PROCUREMENT PLANNING

- 4.1 **General.** Planning is essential to managing the procurement function properly. Hence, the Agency will periodically review its record of prior purchases, as well as future needs, to:
- 4.1.1 Find patterns of procurement actions that could be performed more efficiently or economically;
  - 4.1.2 Maximize competition and competitive pricing among contracts and decrease the Agency's procurement costs;
  - 4.1.3 Reduce Agency administrative costs;
  - 4.1.4 Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and
  - 4.1.5 Minimize errors that occur when there is inadequate lead time.

Consideration shall be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

## 5.0 PROCUREMENT METHODS

- 5.1 **Petty Cash Purchases.** Purchases under \$50 may be handled through the use of a 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 Agency shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.
- 5.2 **Micropurchases.** For purchases above the Petty Cash level, but less than \$3,000, the Agency may procure the material and/or labor by obtaining a single quote, but, to the extent possible, Micropurchases should be distributed among qualified sources to promote competition.

- 5.3 Small Purchase Procedures.** For any amounts above the Micropurchase ceiling, but not exceeding \$150,000, the Agency may use small purchase procedures. Under small purchase procedures, the Agency shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than \$3,000 (except for construction procurements which is set at \$2,000), also known as Micro Purchases, only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotations for Small Purchases (QSP), or quotes, may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to the Agency. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The Agency 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: (1) permit use of the small purchase procedures or (2) avoid any requirements that applies to purchases that exceed the Micro Purchase threshold.
- 5.4 Sealed Bids.** Sealed bidding, also known as Invitation for Bids (IFB), shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this Policy. Under sealed bids, the Agency publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$150,000.
- 5.4.1 Conditions for Using Sealed Bids.** The Agency shall use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; three or more responsible bidders are willing and able to compete effectively for the work; the contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.
- 5.4.2 Solicitation and Receipt of Bids.** An IFB is issued which includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both 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.

- 5.4.3 Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be made available for public inspection. If equal low bids are received from responsible bidders, selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis.
- 5.4.4 Mistakes in Bids.** Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made. All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the Agency or fair competition shall not be permitted.
- 5.5 Competitive Proposals.** Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; 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 the Agency, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.
- 5.5.1 Conditions for Use.** Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services that will exceed the small purchase threshold. As detailed within Section 7.2.B of HUD Procurement Handbook 7460.8 REV 2, "Only under limited circumstances would construction services be procured by competitive proposals;" accordingly, construction services will most typically be procured utilizing the sealed bid (IFB) or small purchase procedures (QSP).

- 5.5.2 Form of Solicitation.** Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an 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. 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. The Agency may assign price a specific weight in the evaluation factors or the Agency may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.
- 5.5.3 Evaluation.** The proposals shall be evaluated only on the factors stated in the RFP. Where not apparent from the evaluation factors, the Agency shall establish an Evaluation Plan for each RFP. Generally, all RFPs shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation Report, summarizing the results of the evaluation, shall be prepared prior to award of a contract.
- 5.5.4 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 Agency 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 Agency'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 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 scope and extent of discussions are a matter of the contracting officer's judgment. The contracting officer may inform an offeror that its price is considered by the Agency to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the Agency'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.

- 5.5.4 **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 Agency provided that the price is within the maximum total project budgeted amount established for the specific property or activity.
  
- 5.5.6 **A/E Services.** The Agency shall contract for A/E services using Qualifications-based Selection (QBS) procedures, 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, other than Energy Performance Contracting and Developer services, though architectural/engineering firms are potential sources.

## 5.6 Noncompetitive Proposals.

- 5.6.1 **Conditions for Use.** Procurement by noncompetitive proposals (sole- or single-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:
  - 5.6.1.1 The item is available only from a single source, based on a good faith review of available sources;
  - 5.6.1.2 An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or

would otherwise cause serious injury to the Agency, 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;

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

5.6.2 **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:

- 5.6.2.1 Description of the requirement;
- 5.6.2.2 History of prior purchases and their nature (competitive vs. noncompetitive);
- 5.6.2.3 The specific exception in 2 CFR §200.320(f)(1)-(4) which applies;
- 5.6.2.4 Statement as to the unique circumstances that require award by noncompetitive proposals;
- 5.6.2.5 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.);
- 5.6.2.6 Statement as to efforts that will be taken in the future to promote competition for the requirement;
- 5.6.2.7 Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer); and

5.5.2.8 **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.

5.7 **Cooperative Purchasing/Intergovernmental Agreements.** The Agency 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 Agency 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 §200.317 through §200.326.

5.8 **City Council Approval.** All procurement made pursuant to this Section (5) for \$10,000 or more shall require prior approval of the City Council.

5.9 **Compliance with State Bidding Requirements.** Notwithstanding the provisions of this Section (5) all procurement actions subject to Chapter 26 of the Iowa Code shall be bid pursuant to the provisions thereof and in compliance with that chapter. If other conflicts exist between the provisions of this procurement policy and state law, then state law shall govern.

## 6.0 INDEPENDENT COST ESTIMATE (ICE)

6.1 **General.** For all purchases above the Micro Purchase threshold, the Agency shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

## 7.0 COST AND PRICE ANALYSIS (CPA)

7.1 **General.** The Agency shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions.

7.1.1 **Petty Cash and Micro Purchases.** No formal cost or price analysis is required. 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.

7.1.2 **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 are

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.

- 7.1.3 **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 Agency cannot reasonably determine price reasonableness, the Agency must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.
- 7.1.4 **Competitive Proposals.** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, the Agency 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 Agency must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.
- 7.1.5 **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, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$150,000.

## 8.0 SOLICITATION AND ADVERTISING

### 8.1 Method of Solicitation.

- 8.1.1 **Petty Cash and Micro Purchases.** The Agency may contact only one source if the price is considered reasonable.
- 8.1.2 **Small Purchases.** Quotes may be solicited orally, through fax, E-Procurement, or by any other reasonable method.
- 8.1.3 **Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. The Agency must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.

- 8.1.3.1 Advertising in newspapers or other print mediums of local or general circulations.
  - 8.1.3.2 Advertising in various trade journals or publications (for construction).
  - 8.1.3.3 E-Procurement. The Agency may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR §200.317 through §200.326, State and local requirements, and the Agency's procurement policy.
- 8.2 **Time Frame.** For purchases of more than \$150,000, the public notice should run not less than once each week for two consecutive weeks.
- 8.2 **Form.** Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, the solicitation number, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).
- 8.4 **Time Period for Submission of Bids.** A minimum of 30 days shall generally be provided for preparation and submission of sealed bids and 15 days for competitive proposals. However, the Executive Director may allow for a shorter period under extraordinary circumstances.
- 8.5 **Cancellation of Solicitations.**
  - 8.5.1 An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
    - 8.5.1.1 The supplies, services or construction is no longer required;
    - 8.5.1.2 The funds are no longer available;
    - 8.5.1.3 Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
    - 8.5.1.4 Other similar reasons.
  - 8.5.2 A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
    - 8.5.2.1 The supplies or services (including construction) are no longer required;
    - 8.5.2.2 Ambiguous or otherwise inadequate specifications were part of the solicitation;

- 8.5.2.3 All factors of significance to the Agency were not considered;
  - 8.5.2.4 Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
  - 8.5.2.5 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
  - 8.5.2.6 For good cause of a similar nature when it is in the best interest of the Agency.
- 8.5.3 The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- 8.5.4 A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.
- 8.5.5 If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the Agency's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either
- 8.5.5.1 Re-solicit using an RFP; or
  - 8.5.5.2 Complete the procurement by using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the Agency's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- 8.5.6 If problems are found with the specifications, the Agency should cancel the solicitation, revise the specifications and re-solicit using an IFB.
- 8.6 **Credit (or Purchasing) Cards.** Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer 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, the Contracting Officer would generally need to have obtained

a reasonable number of quotes before purchasing via a credit card. When using credit cards, the Agency shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

## 9.0 BONDING REQUIREMENTS

9.1 General. No bond shall be required except as required by state law.

## 10.0 CONTRACTOR QUALIFICATIONS AND DUTIES

### 10.1 Contractor Responsibility

10.1.1 The Agency 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:

10.1.1.1 Have adequate financial resources to perform the contract, or the ability to obtain them;

10.1.1.2 Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;

10.1.1.3 Have a satisfactory performance record;

10.1.1.4 Have a satisfactory record of integrity and business ethics;

10.1.1.5 Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;

10.1.1.6 Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,

10.1.1.7 Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.

10.1.2 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.

10.2 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 §200.317 through §200.326) or by other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings. Prior to issuance of a contract, Agency staff shall, as detailed within Section 10.2.H.1 and 10.2.H.2 of HUD Procurement Handbook 7460.8 REV 2, conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration System for Award Management (SAM) and place within the applicable contract file a printed copy of the results of each such search.

- 10.3 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.

## **11.0 CONTRACT PRICING ARRANGEMENTS**

- 11.1 Contract Types.** Any type of contract which is appropriate to the procurement and which will promote the best interests of the Agency may be used, **provided the cost -plus-a-percentage-of-cost and percentage-of-construction-cost methods are not used.** All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and the Agency. For all cost reimbursement contracts, the Agency 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.
- 11.2 Options.** Options for additional quantities or performance periods may be included in contracts, provided that:
- 11.2.1** The option is contained in the solicitation;
  - 11.2.2** The option is a unilateral right of the Agency;
  - 11.2.3** The contract states a limit on the additional quantities and the overall term of the contract;
  - 11.2.4** The options are evaluated as part of the initial competition;
  - 11.2.5** The contract states the period within which the options may be exercised;
  - 11.2.6** The options may be exercised only at the price specified in or reasonably determinable from the contract; and
  - 11.2.7** The options may be exercised only if determined to be more advantageous to the Agency than conducting a new procurement.

## 12.0 CONTRACT CLAUSES

- 12.1 **Contract Pricing Arrangements.** All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the Agency.
- 12.2 **Required Forms.** Additionally, the forms HUD-5369; 5369-A; 5369-B; 5369; 5370; 5370-C (Sections I and II); 51915; and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$150,000, as well as any forms/clauses as required by HUD for small purchases, shall be used, as applicable, in all corresponding solicitations and contracts issued by the Agency.
- 12.3 **Required Contract Clauses:** The Agency shall ensure that each contract executed by the Agency contains the required contract clauses detailed within 2 CFR §200.326 and Appendix II.

## 13.0 CONTRACT ADMINISTRATION

- 13.1 **General.** The Agency 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.

## 14.0 SPECIFICATIONS

- 14.1 **General.** All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying the Agency's 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.
- 14.2 **Limitation.** The following types of specifications shall be avoided:
- 14.2.1 Geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor if adequate competition is available);

- 14.2.2 Brand name specifications (unless the specifications list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use).

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.

## 15.0 APPEALS AND REMEDIES

- 15.1 **General.** It is Agency 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.
- 15.2 **Informal Appeals Procedure.** The Agency shall adopt an informal bid protest/appeal procedure for contracts of \$150,000 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Officer.
- 15.3 **Formal Appeals Procedure.** A formal appeals procedure shall be established for solicitations/contracts of more than \$150,000.
- 15.3.1 **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. 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. 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/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.
- 15.3.2 **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 Agency. Contractor claims shall be governed by the Changes clause in the relevant form HUD-5370.

## 16.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES

- 16.1 **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 HACM project are used when possible. Such efforts shall include, but shall not be limited to:

- 16.1.1 Including such firms, when qualified, on solicitation mailing lists;
  - 16.1.2 Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
  - 16.1.3 Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
  - 16.1.4 Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
  - 16.1.5 Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
  - 16.1.6 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 §135 (so-called Section 3 businesses); and
  - 16.1.7 Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.
- 16.2 **Goals.** Shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in Agency prime contracts and subcontracting opportunities.

### 16.3 Definitions.

- 16.3.1 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 §121 should be used to determine business size.
- 16.3.2 A minority-owned business 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.

- 16.3.3 A women's business enterprise 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.
- 16.3.4 A "Section 3 business concern" is as defined under 24 CFR §135.
- 16.3.5 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 §654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

## 17.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

- 17.1 **No Board Approval Necessary.** Other than approval of this Procurement Policy, approval by the Board of Commissioners is not required for any procurement actions, 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 contain herein.

## 18.0 DELEGATION OF CONTRACTING AUTHORITY

- 18.1 **Delegation.** While the ED is responsible for ensuring that the Agency's procurements comply with this Policy, the ED may delegate in writing all procurement authority as is necessary and appropriate to conduct the business of the Agency.
- 18.2 **Procedures.** Further, and in accordance with this delegation of authority, the ED shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The ED shall also establish a system of sanctions for violations of the ethical standards described in Section 3.0 herein, consistent with Federal, State, or local law.

## 19.0 DOCUMENTATION

- 19.1 **Required Records.** The Agency 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:
  - 19.1.1 Rationale for the method of procurement (if not self-evident);
  - 19.1.2 Rationale of contract pricing arrangement (also if not self-evident);

- 19.1.3 Reason for accepting or rejecting the bids or offers;
  - 19.1.4 Basis for the contract price (as prescribed in this handbook);
  - 19.1.5 A copy of the contract documents awarded or issued and signed by the Contracting Officer;
  - 19.1.6 Basis for contract modifications; and
  - 19.1.7 Related contract administration actions.
- 19.2 **Level of Documentation.** The level of documentation should be commensurate with the value of the procurement.
- 19.3 **Record Retention.** Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed.

## **20.0 DISPOSITION OF SURPLUS PROPERTY**

- 20.1 **General.** Property no longer necessary for the Agency's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, state, and local laws and regulations.

## **21.0 FUNDING AVAILABILITY**

- 21.1 **General.** Before initiating any contract, the Agency shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

**REQUESTED ACTION:** Approve Resolution 13-16 to accept changes made to the interim reexamination policy, which is incorporated into the Public Housing Lease, Administrative Plan, and Admissions and Continued Occupancy Plan.

**Comments:** Because of issues with utilization in both the Section 8 and Public Housing Programs, the suggestion has been made to eliminate the interim rent re-examinations. Current policy requires an interim rent calculation be done whenever a program participant experiences an increase in income of more than \$100 per month.

Eliminating the interim re-examinations would provide several benefits. Specifically, it would:

- help participants by giving them a longer grace period before increasing the amount of rent they are responsible for
- utilize more Housing Assistance Payment (HAP) funding in the Section 8 Program
- there will be less turnover on the Section 8 Program due to zero Housing Assistance Payments
- there will be less turnover of the Public Housing units due to residents being over income
- there will be a reduction in the number of file calculations done each month, reducing workload on staff

Under the amended policy, regulations would still require program participants to report any changes in income. However, the increase in income would not be counted until their annual re-examination. If we get into a situation where we use too much of our reserve funding, the interim policy can be reinstated.

Enabling us to use more funding and retain more vouchers will serve two purposes. First, our future HAP funding is determined by our current funding utilization. Second, our administrative funding is based on the number of vouchers that we have under lease in any given month. So, the more vouchers under lease, the more administrative funding that we receive.

Furthermore, a reduction in the turnover in the Public Housing units will reduce the amount work required to re-lease a unit. In addition, if we can lower the turnover and vacancies resulting from the turnover, we will be able to keep our occupancy rate at acceptable levels. Much of the score received from HUD is driven by keeping our occupancy rate over 98%. There are other factors involved in calculating our score such as physical inspections and finances. However, our occupancy rate carries a higher weight.

Charles City Housing and Redevelopment Authority

RESOLUTION NO. 13-16

AMENDMENT TO THE INTERMIM REEXAMINATION POLICY

WHEREAS, the Charles City Housing and Redevelopment Authority (CCHRA) provides housing for low income families through various programs including the Section 8 Housing Choice Voucher Program and Public Housing Program, and

WHEREAS, the CCHRA is directed by HUD to maintain the Section 8 Housing Choice Voucher program regulations in accordance with 24 CFR 982 as stated in the Administrative Plan, and the Public Housing Program regulations in accordance with 24 CFR 960 as stated in the Admissions and Continued Occupancy Plan (ACOP).

WHEREAS, due to a reduction in program utilization, the CCHRA has deemed it necessary to eliminate the requirement to conduct an interim reexamination to re-determine rent due to participant reported increase in income or decrease in expenses, and

WHEREAS, the following policy will be amended in section 9-III.C. of the Public Housing ACOP:

Families are required to report all increases in earned income, including new employment, within 10 business days of the date the change takes effect.

The Charles City Housing Authority will not adjust the rent up as a result of an increase in income or decrease in expenses until the next annual reexamination, and

WHEREAS, the following policy will be amended in section 11-II.C. of the Section 8 Admin Plan:

Families are required to report all increases in earned income, including new employment, within 10 business days of the date the change takes effect.

The Charles City Housing Authority will not adjust the rent up as a result of an increase in income or decrease in expenses until the next annual reexamination, and

WHEREAS, the CCHRA will still retain the ability to conduct interim reexaminations for families receiving the Earned Income Disregard, zero income families, seasonal employment, lack of adequate third party verifications, correct an error in a prior calculation, to account for fraud, or changes in family composition.

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners, meeting in regular session on November 17, 2017, to amend the policy as presented.

PASSED AND ADOPTED THIS 17th DAY OF NOVEMBER 2017

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Jeremy Heyer, Board Chairperson

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Heidi Nielsen, Director