

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY

AGENDA

January 19, 2017, 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 December 15, 2016 1-2
- IV. Approval of Bills for January 2017 3
- V. Communications 4-7
 - 1. CFP Update
 - 2. Rehab Update
 - 3. Section 8 Funding/Utilization
 - 4. Continuing Resolution
 - 5. Monthly Rental Status Update
 - 6. End of Participation Tracker
- VI. Old Business
- VII. New Business
 - 1. Review Operating Reports 8-11
 - 2. Resolution 01-17 Approving Procurement Policy..... 12-35
 - 3. Accept Audit Report for FYE 06/30/2015..... 36
- VIII. Executive Director’s Report
- IX. Move to Adjourn

Next regular meeting scheduled for Thursday, February 16, 2017
7:00 a.m., CCHRA Office

MINUTES
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY
December 15, 2016 7:00 a.m.

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

Call to Order. Chairperson Heyer called the meeting to order at 6:59 a.m.

Public Comment. None

Amend-Approve Minutes of November 17, 2016. Miller moved, Tyler seconded the motion to approve the minutes of November 17, 2016 as presented. Ayes: 3, Nays: 0. Motion carried.

Approval of Bills. Miller moved, Tyler seconded the motion to approve payment of the revised bill listing totaling \$108,700.02. Ayes: 3, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed but no action required.

Old Business. None

New Business.

Review Financial Reports. Nielsen reported that it appears we are on track with spending, and informed the board of the reason for the appearance of excessive spending in the public housing sundry account. Also discussed was the need to do a budget amendment for the Section 8 Program due to the deductible that was paid. There were no questions or concerns

Approve Resolution 14-16 to Adopt Passbook Rate. Nielsen informed the board that the rates received from area banks were for a basic passbook account and requested to keep the rate at .10%. Nielsen also stated that it will not apply to most of the participants they do not have enough in assets. Miller moved to approve Resolution 14-16 adopting a passbook rate. Tyler seconded the motion. Motion carried on roll call vote. Ayes: Tyler, Miller, and Heyer. Nays: 0. Motion carried on roll call vote.

Approve Resolution 15-16 to Adopt New Public Housing Lease. Nielsen reviewed the changes with the Board. Residents comments were discussed concerning the removal of washers and dryers from the units and requirement to place all a/c units in the sleeve instead of the windows. It was decided to allow the a/c units to remain in windows. Miller suggested that residents with washers and dryers be grandfathered and be allowed to keep them with the understanding that if they do not hook them up properly or cause damage to the units they will be required to removed them. The decision was made not to allow any residents to have washers and dryers in the future. Miller moved to approve Resolution 15-16 approving new lease. Tyler seconded the motion. Motion carried on roll call vote. Ayes: Tyler, Miller, and Heyer. Nays: 0. Motion carried on roll call vote.

Approve Purchase of New Computers. Nielsen presented the proposal for the purchase from CDW-G and explained that only one quote was required because the computers were being purchased under a government contract. Tyler moved to approve the purchase with a second by Miller. Ayes: 3, Nays 0. Motion carried.

Approve Renewal of Contract for Computer Support. Nielsen discussed the merits of continuing the computer support contract with Trent Parker. There were no concerns voiced by the board. Tyler motioned to approve the contract. Miller seconded the motion. Ayes: 5, Nays: 0. Motion carried.

Approve Resolution 16-16 to Revise Legal Domicile Policy. Nielsen reviewed the history behind the policy and explained the purpose of the revision and noted that it would be in the best interest of the agency to adopt the revision. Tyler moved to approve Resolution 16-16 revising the Legal Domicile Policy. Miller seconded the motion. Motion carried on roll call vote. Ayes: Tyler, Miller, and Heyer. Nays: 0. Motion carried on roll call vote.

Executive Director's report. The board was updated on the status of the audit.

Being no further business, Miller moved, Tyler seconded the motion to adjourn. Ayes: 5, Nays: 0. Motion carried and meeting adjourned at 7:47 a.m.

Charles City Housing and Redevelopment Authority

Jeremy Heyer, Board Chairperson

ATTEST:

Heidi Nielsen, Director

Charles City Housing
 Monthly Bill Listing
 January 2017

Customer	Description	Amount
Arnold Motor Supply	truck maintenance	83.12
Bluhms Cedar Valley Electric 2008	security light repair	252.00
Business Card	tenant birthday postcards/back up service	429.98
C.Naber & Associates	accounting fees	395.00
CDW-G	new office computers	3,907.19
CenturyLink	phone bill	188.69
Charles City Housing	security deposits/interest held from moveouts	352.24
Charles City Press	advertisement for PH/S8 programs	1,100.00
Cintas	rug service	141.30
City of Charles City	water/sewer/URP/S8 inspections/quart.postage	2,922.71
Don's Repair	snow blower maintenance/new snow blowers	1,501.92
HAPS	Jan.1 HAPs	49,876.30
Hillegas Flooring, LLC	floor tile	1,151.29
Hockenson Plumbing	plumbing maintenance	405.80
Iowa Department of Public Health	lead renovator recert-Heidi/Steve/Joe	180.00
Iowa Department of Transportation	fuel	179.96
Jendro Sanitation	trash service	652.00
Linderman Heating & Air, LLC	electrical maintenance	605.51
Marco, Inc.	copy costs	132.76
Mehmen's Painting	painted units	380.00
Mid American Energy	electric/gas/URP	7,331.14
Mike Molstead Motors	truck repair	866.38
Nan McKay	admin plan update	224.00
Noah, Smith & Schuknecht, P.L.C.	legal fees	212.00
PHADA	survey fee	65.00
Pitney Bowes	meter lease	54.09
Rodney Joslin Estate	security deposit balance refund	6.72
Schueth Ace Hardware	maintenance items for month	566.10
Sharon Bormann	security deposit refund	250.00
Sherwin Williams	paint	186.21
Sisson & Associates	insurance payment	6,710.95
Staples Direct	office items	88.52
Stock Glass	window repair	150.00
Superior Lumber	maintenance items for month	95.73
US Cellular	cell phone bill	91.44
Wells Fargo Vendor FIN Serv	copier lease	252.02
YARDI	criminal background checks	63.00
		82,051.07

REQUESTED ACTION: None - for your information only.

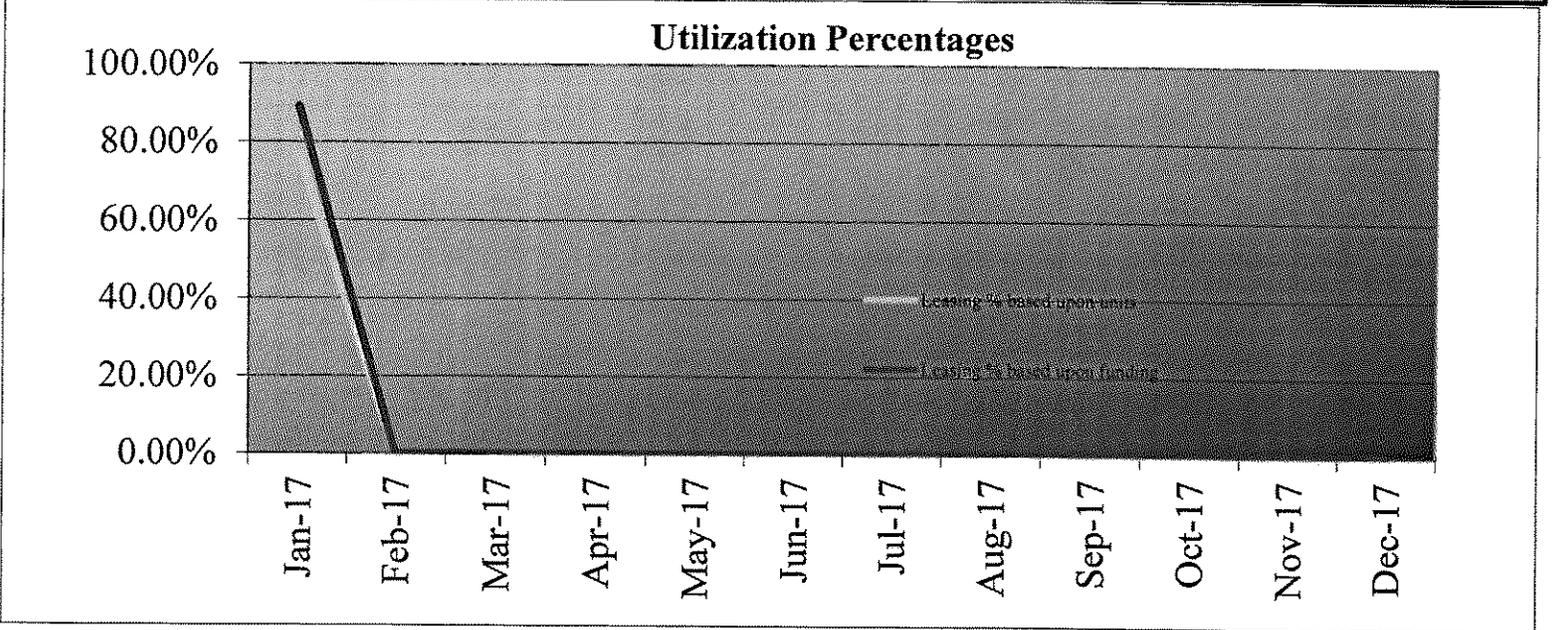
1. Capital Fund Update. Nothing to report
2. Rehab Update. The grant has been submitted and we should hear about the award in April.
3. Section 8 Funding/Utilization. See attachments
4. Continuing Resolution. We are currently operating under a continuing resolution which will expire on April 28, 2017. During that time, we will receive the same amount of funding for the vouchers that was allocated for the same time period in CY 2016. For the months of January and February 2017 will be at a 95% proration. The funding received for the administrative fees for the voucher program will be based on the September 2016 quarterly reconciliation. The proration is yet to be determined. January funding for the public housing program is based on an estimate using 2016 final project level eligibility and 2017 project inventory, with a 85% proration. Once Congress passes a balanced budget, HUD will determine our funding levels and associated pro-rations.
5. **Monthly Rental Status Update.**

Month of December 2016	Total Leased 12/1/16	New Leases	Removed Or Moved	Total Leased 1/1/17	Total On Waiting List	Offered Assistance	Removed
Terraces 132 Units	130	2	2	130	13	1	2
Morningside 16 Units	14	2	0	16	1	4	2
Section 8 197 Units	158	5	3	160	21	16	4

Declined Assistance (3) Over Income (1) Denied (1) Insufficient Address ()
 Did not attend Briefing/Information Not Returned (3) Criminal Background Check ()
 Voucher Expired (1) Purged (1)
 Terminations: PH () S8 (2)

6. 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-17	208	160	76.92%	\$ 51,440.00	\$ 54,170	\$ 48,280	89.13%	\$ 301.75
Feb-17	208		0.00%		\$ 54,170		0.00%	
Mar-17	208		0.00%		\$ 54,170		0.00%	
Apr-17	208		0.00%		\$ 54,170		0.00%	
May-17	208		0.00%		\$ 54,170		0.00%	
Jun-17	208		0.00%		\$ 54,170		0.00%	
Jul-17	208		0.00%		\$ 54,170		0.00%	
Aug-17	208		0.00%		\$ 54,170		0.00%	
Sep-17	208		0.00%		\$ 54,170		0.00%	
Oct-17	208		0.00%		\$ 54,170		0.00%	
Nov-17	208		0.00%		\$ 54,170		0.00%	
Dec-17	208		0.00%		\$ 54,170		0.00%	
YTD	2,496	160	6.41%	\$ 51,440.00	\$ 650,040	\$ 48,280	7.43%	\$ 301.75



NRA / Prog Reserve Balance (Excess HAP) as of 1/1/2017:	\$ 15,782	
HAP Funding YTD:	\$ 650,040	
HAP Expenditures YTD:	\$ 48,280	Current Year Funding: 166
HAP Revenue (Fraud, FSS Forfeits) YTD:	\$ 51,440	
Current Remaining NRA / Prog Reserve:	\$ 668,982	
Current Monthly Funding (a)	\$ 52,171	Current Year Funding and reserves: 185
Current Average HAP Payment (b)	\$ 302	
# of Units the Current Monthly Funding Would Support (a)/(b)	173	
# of Units Currently Leased	160	
Excess Units Leased, Current Month	(13)	
Current Year-to-Date Funding (a)	\$ 650,040	
Current Year-to-Date Average HAP Payment (b)	\$ 302	
# of Unit-Mos the Current Monthly Funding Supports (a)/(b)	2,154	
# of Unit-Mos Leased Year-to-Date	160	
Remaining Unit-Mos to Lease Year-to-Date	1,994	
Estimate of next years funding:		
YTD HAP expense	\$ 48,280	
Months to date	12	

HCV HAP Spending Projection

C	D	E	F	G	H	I	J	K	L	M	N
NRA						HUD Held					
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)
	D	E	F	E-F	H	D+G+H		K	L	M	(K+L)-M
2											
4											
5	PHA# IA002										
6											
7	CY 2016										
8	January	\$21,118	\$50,180	\$42,876	\$28,422	\$28,487		\$95,094	\$49,010	\$50,180	\$93,924
9	February	\$28,487	\$39,175	\$46,671	\$20,991	\$21,108		\$93,924	\$49,010	\$39,175	\$103,759
10	March	\$21,108	\$49,210	\$47,421	\$22,897	\$23,302		\$103,759	\$49,010	\$49,210	\$103,559
11	April	\$23,302	\$45,452	\$49,301	\$19,453	\$20,429		\$103,559	\$49,010	\$45,452	\$107,117
12	May	\$20,429	\$47,604	\$47,428	\$20,605	\$20,618		\$107,117	\$49,010	\$47,604	\$108,523
13	June	\$20,618	\$27,244	\$47,889	-\$27	\$11		\$108,523	\$49,010	\$27,244	\$130,289
14	July	\$11	\$47,604	\$45,821	\$1,794	\$1,843		\$130,289	\$49,010	\$47,604	\$131,695
15	August	\$1,843	\$50,762	\$48,111	\$4,494	\$4,497		\$131,695	\$52,168	\$50,762	\$133,101
16	September	\$4,497	\$51,537	\$47,333	\$8,701	\$8,927		\$133,101	\$52,170	\$51,537	\$133,734
17	October	\$8,927	\$51,537	\$46,728	\$13,736	\$13,842		\$133,734	\$52,170	\$51,537	\$134,367
18	November	\$13,842	\$47,999	\$48,794	\$13,047	\$13,254		\$134,367	\$52,170	\$47,999	\$138,538
19	December	\$13,254	\$49,897	\$47,495	\$15,656	\$15,782		\$138,538	\$52,171	\$49,897	\$140,812
20	Total		\$558,201	\$565,868	\$2,331			\$603,919		\$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	1	1	1	1	2			10
ZERO HAP													3
MUTUAL RESCISION	2		1	1	1	1	1	1	1	1			5
ANNUAL RE-EXAM SEARCHING	1		1			1	1	1	1	1			2
PORT-OUT ABSORBED													0
PORT-OUT SEARCHING	3	2											5
DECEASED													0
MOVED IN VIOLATION	1		1	1	1	2				1			6
EVICTED													0
UNAUTHORIZED LIVE-IN				1									1
VIOLATION OF FAMILY OBLIGATION					1								1
GAVE UP ASSISTANCE BEFORE 1 YEAR													0
FAILURE TO RENEW										1			1
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										1			1
VOUCHER EXPIRED	3	1	1	2			1			2	1		10
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD				3			1						4
TOTALS	12	6	5	10	5	8	4	0	0	0	0	0	50
PUBLIC HOUSING													
LEFT IN GOOD STANDING	1	1	2	2	4		2						12
DECEASED					2		1						3
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							1						0
OTHER (moved to new unit)													1
UTILITIES DISCONNECTED													1
TOTALS	1	2	3	5	8	2	2	0	0	0	0	0	23

MEETING DATE: 1/19/17

RE: Review Operating Reports

REQUESTED ACTION: Review monthly operating reports.

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

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	28,000.00	3,508.07	18,973.74	67.76	9,026.26
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	235.84	1,957.00	48.93	2,043.00
173-532-4506	DWELLING RENT-PUBLIC HOUSING	500,000.00	66,094.16	267,745.16	53.55	232,254.84
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	9,500.00	252.00	4,678.00	49.24	4,822.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	12,000.00	1,497.00	4,836.25	40.30	7,163.75
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	2,000.00	.00	362.35	18.12	1,637.65
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	195,000.00	19,838.00	111,760.00	57.31	83,240.00
	PUBLIC HOUSING TOTAL	750,500.00	91,425.07	410,312.50	54.67	340,187.50
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	7,034.70	44,683.81	51.36	42,316.19
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	.00	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	512.87	3,059.93	44.94	3,749.07
173-532-6130	IPERS - PUBLIC HOUSING	7,948.00	628.20	3,993.07	50.24	3,954.93
173-532-6150	HEALTH INS - PUBLIC HOUSING	38,145.00	3,062.08	18,372.48	48.16	19,772.52
173-532-6151	LIFE INS - PUBLIC HOUSING	310.00	30.79	176.09	56.80	133.91
173-532-6160	WORK COMP - PUBLIC HOUSING	2,704.00	.00	.00	.00	2,704.00
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	600.00	6.59	17.60	2.93	582.40
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	101.91	1,012.42	20.25	3,987.58
173-532-6370	GAS - PUBLIC HOUSING	40,000.00	1,667.97	7,074.47	17.69	32,925.53
173-532-6371	UTILITIES - PUBLIC HOUSING	48,000.00	3,099.81	26,871.70	55.98	21,128.30
173-532-6374	WATER - PUBLIC HOUSING	18,000.00	1,465.15	8,567.31	47.60	9,432.69
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	24,000.00	1,785.43	10,471.34	43.63	13,528.66
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	4,000.00	175.00	1,622.08	40.55	2,377.92
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	25,542.00	.00	.00	.00	25,542.00
173-532-6411	LEGAL FEES - PUBLIC HOUSING	4,000.00	.00	917.00	22.93	3,083.00
173-532-6415	COPIER LEASE - PUBLIC HOUSING	3,100.00	265.03	1,590.18	51.30	1,509.82
173-532-6420	CONTRACT SERVICES - PUBLIC HOUSING	26,000.00	1,905.39	12,322.50	47.39	13,677.50
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	.00	73.00	7.30	927.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	25,000.00	563.64	17,314.58	69.26	7,685.42
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	75,000.00	5,027.23	38,630.62	51.51	36,369.38
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	27,331.79	236,489.81	45.73	280,668.19
73-536-6010	SALARY - PH MAINT	90,000.00	7,552.84	45,357.97	50.40	44,642.03
73-536-6040	OVERTIME SALARY - PH MAINT	5,000.00	1,360.14	2,660.89	53.22	2,339.11

REVENUE & EXPENSE REPORT
CALENDAR 12/2016, FISCAL 6/2017

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6110	FICA - PH MAINT	7,268.00	661.77	3,458.63	47.59	3,809.37
173-536-6130	IPERS - PH MAINT	8,484.00	754.44	4,246.59	50.05	4,237.41
173-536-6150	HEALTH INS - PH MAINT	35,000.00	2,098.69	11,303.36	32.30	23,696.64
173-536-6151	LIFE INS - PH MAINT	200.00	16.74	83.70	41.85	116.30
173-536-6160	WORK COMP - PH MAINT	1,947.00	.00	.00	.00	1,947.00
173-536-6170	UNEMPLOYMENT - PH MAINT	550.00	10.02	17.53	3.19	532.47
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	298.00	.00	298.00
	PUBLIC HOUSING MAINTENANC TOTA	149,349.00	12,454.64	67,876.67	45.45	81,472.33
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	51,638.64	105,946.02	126.14	21,953.02

REVENUE & EXPENSE REPORT
CALENDAR 12/2016, FISCAL 6/2017

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	700.00	266.92	960.65	137.24	260.65-
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	5,000.00	252.00	1,518.00	30.36	3,482.00
174-533-4505	HUD CONTRIB-SEC 8	600,000.00	101,337.00	350,776.00	58.46	249,224.00
174-533-4509	ADMIN FEE/HTH-SEC 8	90,000.00	14,770.00	55,435.00	61.59	34,565.00
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	185.00	18.50	815.00
	SECTION 8 VOUCHER TOTAL	697,700.00	116,625.92	408,874.65	58.60	288,825.35
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	2,462.56	17,020.98	43.64	21,979.02
174-533-6040	OVERTIME SALARY - SECTION 8	1,000.00	.00	34.09	3.41	965.91
174-533-6110	FICA - SECTION 8	3,060.00	177.20	1,166.59	38.12	1,893.41
174-533-6130	IPERS -SECTION 8	3,572.00	219.90	1,522.95	42.64	2,049.05
174-533-6150	HEALTH INS - SECTION 8	16,348.00	1,312.32	7,873.92	48.16	8,474.08
174-533-6151	LIFE INS - SECTION 8	200.00	13.20	87.85	43.93	112.15
174-533-6160	WORK COMP - SECTION 8	1,817.00	.00	.00	.00	1,817.00
174-533-6170	UNEMPLOYMENT - SECTION 8	400.00	4.40	11.74	2.94	388.26
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	1,500.00	.00	546.54	36.44	953.46
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	875.00	5,877.00	39.18	9,123.00
174-533-6401	ACCOUNTING FEES - SECTION 8	3,500.00	220.00	1,510.00	43.14	1,990.00
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	442.00	3,163.50	39.54	4,836.50
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6440	ENHANCED VOUCHER	.00	1,565.00	7,907.00	.00	7,907.00-
174-533-6443	HOME OWNERSHIP VOUCHER	.00	351.00	2,456.00	.00	2,456.00-
174-533-6444	PORTABILITY VOUCHER	.00	2,501.30	15,007.80	.00	15,007.80-
174-533-6445	HC VOUCHER PAY-SEC 8	600,000.00	42,279.00	253,545.00	42.26	346,455.00
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	220.00	1,749.19	58.31	1,250.81
	SECTION 8 VOUCHER TOTAL	701,697.00	52,642.88	322,480.15	45.96	379,216.85
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-	63,983.04	86,394.50	2,161.48-	90,391.50-

REQUESTED ACTION: Approve Resolution 01-17 Approving Procurement Policy.

Comments: In November, we reviewed the revised Procurement Policy. Ralph Smith has incorporated the changes that were suggested. The revised policy is attached for your review and comment. The changes can be found in Section 5.8 on page 11, which revises the dollar amount for procurement requiring City Council approval to \$10,000 and requires review by the Housing Board; and Section 17.1 on page 20, which sets the dollar amount of procurement requiring Housing Board approval at \$5,000.

The revisions to the procurement policy caused us to look at the powers of the Housing Board as defined by Chapter 27 of the City Code. To simplify the procurement process and give the Housing Department more autonomy, the code will also be amended. Under the amended code the Housing Department will still operate as a city department under the supervision of the City Administrator. However, the Board of Commissioners will now exercise all the powers of the City Council concerning the housing projects and programs and the Executive Director will be authorized to sign all contracts and documents approved by the Board of Commissioners with two limitations. The first concerns the hiring and firing of all employees, which will be subject to the approval of the City Administrator. The second concerns procurement, which will be subject to the Procurement Policy. A copy of Chapter 27 in its entirety is also attached for you to review.

Once approved, these changes will require some revisions to the by-laws. They will be reviewed and the changes approved during the annual meeting in February.

Table of Contents

Section	Description	Page
1.0	Introduction	3
1.1	General	3
2.0	General Provisions	3
2.1	General	3
2.2	Application	3
2.3	Definition	3
2.4	Exclusions	4
2.5	Changes in Laws and Regulations	4
2.6	Public Access to Procurement Information	4
3.0	Ethics in Public Contracting	4
3.1	General	4
3.2	Conflict of Interest	4
3.3	Gratuities, Kickbacks, and Use of Confidential Information	4
3.4	Prohibition Against Contingent Fees	5
4.0	Procurement Planning	5
4.1	General	5
5.0	Procurement Methods	5
5.1	Petty Cash Purchases	5
5.2	Micropurchases	5
5.3	Small Purchase Procedures	5
5.4	Sealed Bids	6
5.5	Competitive Proposals	7
5.6	Noncompetitive Proposals	9
5.7	Cooperative Purchasing/Intergovernmental Agreements	11
5.8		11
5.9	Compliance with State Bidding Requirements	11
6.0	Independent Cost Estimate (ICE)	11
6.1	General	11
7.0	Cost and Price Analysis (CPA)	11
7.1	General	11
8.0	Solicitation and Advertising	12
8.1	Method of Solicitation	12
8.2	Time Frame	13
8.3	Form	13
8.4	Time Period for submission of Bids	13
8.5	Cancellation of Solicitations	13
8.6	Credit (or Purchasing) Cards	14

Table of Contents (con'd)

Section	Description	Page
9.0	Bonding Requirements	15
9.1	General	15
10.0	Contractor Qualifications and Duties	15
10.1	Contractor Responsibility	15
10.2	Suspension and Debarment	15
10.3	Vendor Lists	16
11.0	Contract Pricing Arrangements	16
11.1	Contract Types	16
11.2	Options	16
12.0	Contract Clauses	16
12.1	Contract Pricing Arrangements	17
12.2	Required Forms	17
12.3	Required Contract Clauses	17
13.0	Contract Administration	17
13.1	General	17
14.0	Specifications	17
14.1	General	17
14.2	Limitation	17
15.0	Appeals and Remedies	18
15.1	General	18
15.2	Informal Appeals Procedure	18
15.3	Formal Appeals Procedure	18
16.0	Assistance to Small and Other Businesses	18
16.1	Required Efforts	18
16.2	Goals	19
16.3	Definitions	19
17.0	Board Approval of Procurement Actions	20
17.1	Authority	20
18.0	Delegation of Contracting Authority	20
18.1	Delegation	20
18.2	Procedures	20
19.0	Documentation	20
19.1	Required Records	20
19.2	Level of Documentation	21
19.3	Record Retention	21
20.0	Disposition of Surplus Property	21
20.1	General	21
21.0	Funding Availability	21
21.1	General	21

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 after consideration and recommendation by the Housing Authority Board of Commissioners.

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 except those exceeding \$5,000 in amount. 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.

CHAPTER 27

HOUSING AND REDEVELOPMENT AUTHORITY BOARD OF COMMISSIONERS

27.01 Purpose
27.02 Commission Established
27.03 Powers Defined

27.04 Commissioners
27.05 Meeting and Organization
27.06 Executive Director

27.01 PURPOSE. The purpose of this chapter is to provide for the administration of all municipal housing programs and projects pursuant to Chapter 403A of the *Code of Iowa*, as amended.

27.02 POWERS DEFINED AND COMMISSION ESTABLISHED. The City Council of the City of Charles City, Iowa shall exercise all powers conferred by Chapter 403A of the *Code of Iowa*, as amended, but shall exercise such powers through the Charles City Housing and Redevelopment Authority Board of Commissioners and its Executive Director (collectively referred to herein as the Charles City Housing and Redevelopment Authority). The Charles City Housing and Redevelopment Authority shall not constitute an independent municipal housing agency as defined by Section 403A.2(1) of the Iowa Code, but rather it shall be a department of the City of Charles City, subject to the jurisdiction of the City Council of Charles City and supervision of the City Administrator. The Board of Commissioners may exercise all powers of the City Council concerning housing projects and programs and the Executive Director is authorized to sign all contracts and documents approved by the Board of Commissioners, subject to the following limitations:

- A. All employees engaged in the administration of the housing projects and programs shall be hired and fired by the City Administrator of Charles City; and
- B. All procurement by the Housing Authority shall be made pursuant to the Housing Authority Procurement Policy approved by the City Council of the City of Charles City.

The Executive Director shall attend City Council meeting as directed by the City Administrator to report on Authority activities to the City Council.

27.03 COMMISSIONERS. The Commission shall consist of five members to be appointed by the Mayor, subject to Council approval, for overlapping terms of two years. Member of the Commission shall serve without compensation but shall be entitled to the necessary expenses, including travel expenses, incurred in the discharge of their duties. Members of the Commission may be removed from office by the Mayor, subject to Council approval. Each Commissioner shall hold office until a successor has been appointed and qualified.

27.04 MEETING AND ORGANIZATION. The Commission shall meet at regular intervals, said meetings to be public. It shall adopt its own bylaws and shall keep an accurate record of all its proceedings. Three members shall constitute a quorum for the transaction of business. The Commission may, through its bylaws, provide for appointment of a Chairperson and Vice Chairperson from among the Commissioners.

27.05 EXECUTIVE DIRECTOR. An Executive Director may be appointed by the City Administrator of Charles City, subject to approval by the City Council, to supervise the day-to-day operation of the municipal housing program. The Executive Director shall be under the direct supervision of the City Administrator but shall be subject to the direction of the Board of Commissioners created under this chapter.

Charles City Housing and Redevelopment Authority

RESOLUTION NO. 021-17

RESOLUTION APPROVING THE PROCUREMENT 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 procure goods and services according to the Annual Contributions Contract, Federal Regulations (2 CFR §200.317 through §200.326), the standards in the HUD Procurement Handbook 7460.8, REV 2, and applicable State and Local laws, and

WHEREAS, the CCHRA Board of Commissioners has reviewed the policy and have determined that the policy meets all requirements referenced above.

NOW, THEREFORE, BE IT RESOLVED, by the Charles City Housing and Redevelopment Authority Board of Commissioners, meeting in regular session on January 19, 2017, to accept the revisions to the Procurement Policy as presented.

PASSED AND ADOPTED THIS 19th DAY OF JANUARY, 2017

Jeremy Heyer, Board Chairperson

Heidi Nielsen, Director

REQUESTED ACTION: Review audit report from from Collins and Associates, SC and accept the report.

Comments: The audit report will be reviewed and any questions answered. The audit reports will be distributed at the meeting.

Once the report is approved, the audited financial statements and supporting documents will be submitted to HUD for approval. The submission deadline is March 31st.