

CHARLES CITY HOUSING & REDEVELOPMENT AUTHORITY  
AGENDA

May 16, 2019, 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 April 18, 2019 ..... 1-2
- IV. Approval of Bills for May 2019..... 3
- V. Communications..... 4-6
  - 1. Capital Fund Update
  - 2. Rehab Update
  - 3. Section 8 Funding/Utilization
  - 4. Monthly Rental Status Update
  - 5. End of Participation Tracker
- VI. Old Business
- VII. New Business
  - 1. Review Operating Reports..... 7-10
  - 2. Review and Approve Resolution 03-19 Approving  
Public Housing Budget Revisions for FYE 06/2019..... 11-12
  - 3. Review and Approve Resolution 04-19 Approving Public Housing  
Budget FYE 19/20..... 13-19
  - 4. Approve Roof Repairs at NCT..... 20
  - 5. Approve Renewal of Contract for Audit Services..... 21
  - 6. Approve Resolution 05-19 to update Procurement Policy..... 22-43
  - 7. Review Engineering Proposals for Parking Lot/Sidewalk  
Project and Make Recommendation for Approval..... 44
  - 8. Review Bids for Electrical Update Project at SCT..... 45
  - 9. Approve Repairs to NCT Garage. .... 46
- VIII. Director's Report
- IX. Move to Adjourn

Next regular meeting scheduled for Thursday, June 20, 2019, 7:00 a.m., CCHRA Office

MINUTES  
CHARLES CITY HOUSING AND REDEVELOPMENT AUTHORITY  
April 18, 2019 7:00 a.m.

Members Present, Beth Diers, Linda Klemesrud, Carol Tyler and Jeremy Heyer. Absent: Eric Miller. Others present: Diane Stewart, resident, and Heidi Nielsen, staff.

Call to Order. Board Chair Heyer called the meeting to order at 7:04 a.m.

Public Comment. None

Amend-Approve Minutes of March 21, 2019. On motion by Klemesrud and second by Tyler, the minutes of March 21, 2019 were approved as presented. Ayes: 4, Nays: 0. Motion carried.

Approval of Bills. Nielsen noted that expenses were routine in nature except for the payment for asbestos removal and architect fees. Diers motioned, Klemesrud seconded the motion to approve payment of the revised bill listing totaling \$ 81,853.63. Ayes: 4, Nays: 0. Motion carried.

Communications. Items under Communications were reviewed. Nielsen discussed the progress on the Electrical Update Project, other preliminary plans. Also discussed were the difficulties with contractor participation in the Rehab Program, an update on the new fee accountant. In addition, Nielsen explained HUD's new initiative or repositioning of the Public Housing inventory and informed the Board that the topic will be discussed in greater detail as more information is available. Nielsen reviewed the current funding and utilization along with an update on occupancy. No action was required.

Old Business. None

New Business.

Review Financial Statements. The operating reports for the period ending March 31, 2019 were presented to the board for their review. Nielsen stated that the necessary budget revisions included increasing the sundry and maintenance amounts, in addition to the portability line item.

Approve Boiler Repairs and Maintenance. Nielsen explained that the plans to replace the boilers was not necessary and due to the low demand that would be placed on them, there would not be any cost savings realized converting them to a higher efficiency option. Instead, Nielsen requested approval of an estimate for \$16,288.40 for routine maintenance from Linderman Heating and Air and included in the estimate was the cost to replace the site glasses with valves. It was agreed that if spending over \$220,000 to replace the boilers would not realize any operational cost savings, the routine maintenance on existing boilers would be the better plan of action. Tyler made a motion to recommend acceptance of the estimate from Linderman Heating & Air. The motion was seconded by Klemesrud. Ayes: 4, Nays: 0. Motion carried.

Executive Director Report. Nielsen stated that HUD had just released the 2019 Capital Improvement Fund award amounts and the agency received \$238,135.00.

Tyler discussed her participation on the board and decided to remain on the board and she briefly discussed the merits of the Senior Citizen Center.

Being no further business, Tyler moved and Klemesrud seconded the motion to adjourn. Ayes: 4. Nays: 0. Motion carried, and meeting adjourned at 7:54 a.m.

Charles City Housing and Redevelopment Authority

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Jeremy Heyer, Chairperson

ATTEST:

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Heidi Nielsen, Director

Charles City Housing  
Monthly Bill Listing  
May 2019

Customer	Description	Amount
Arnold Motor Supply	maintenance	61.75
Asbestrol, Inc.	tile removal	2,470.00
Bluhms Cedar Valley Electric 2008	electrical maintenance	188.20
Business Card	back up fee, maintenance items	283.80
CenturyLink	phone service	156.76
Charles City Press	ads	528.00
Cintas	rug service	55.22
City of Charles City	water,sewer/URP/S8 inspection	360.00
HAPS	May 1 HAPS	47,736.73
Hillegas Flooring, LLC	tile	3,594.49
Hockenson Plumbing	plumbing maintenance	1,279.14
Housing Authority Acctg. Spec, Inc.	accounting fees	2,537.50
Iowa Department of Transportation	fuel	182.37
Iowa Surveillance Team	security cameras	3,348.90
Jendro Sanitation	trash service	830.00
John Deere Financial	Theisen's maintenance purchases	53.14
LEAF	copier lease payment	232.18
Linderman Heating & Air, LLC	sightglass maintenance	455.56
Mediacom	internet for security cameras	136.90
Mid American Energy	electric/gas/URP	7,470.27
MRI Software, LLC	software yearly support	12,636.00
Pitney Bowes	meter lease	54.09
Schueth Ace Hardware	maintenance items for month	1,016.08
Sherwin Williams	paint	832.64
Sisson & Associates	insurance	13.00
Sisson & Associates	insurance	34.00
Sisson & Associates	insurance	5,418.00
Skott & Anderson Architets	architechth fee for projects	2,100.00
Staples Advantage	copy paper	49.21
Stock Glass	window/screen repairs	757.50
Superior Lumber	maintenance items for month	11.02
T-J Service	repairs fees	134.98
The PI Company	background check fees	64.50
		<b>95,081.93</b>

REQUESTED ACTION: None - for your information only.

1. Capital Fund/Maintenance Update. Lately there have been a few issues with the installation of the new flooring at the Terraces. The old flooring at both sites contains asbestos and if the flooring has deteriorated beyond being able to lay the new tiles over the top, we have had to have them remediated. That process has gone well. However, the process to remediate has caused issues with the glue failing under the new flooring. As of today, there are three apartments where the new flooring is popping up and won't stay down. We have been in contact with multiple flooring companies and manufacturers to determine the issue. What we have been told is that the solvent used to release the mastic from the cement subfloor penetrates the concrete and is creating a chemical reaction with the new glue. Some have said to grind the concrete, others say to apply a sealant or self-leveling product, and the last option is to install either a floating floor or carpet. We ended up grinding the concrete in the two vacant apartments and so far, this has worked. There are two occupied apartments having the same issue and we have not decided the approach we will take to repair the floors. Grinding the floors will make too much dust and while we plan to move their furniture out to do the repairs, we don't want to have to empty closets and cupboards and remove pictures, drapes, etc. At this point we are considering doing a couple of test areas using a sealant and self-leveling product to see which, if any, will work. Then decide from there.

The good news is that we are still on track to have the new locks installed by the end of May.

2. Rehab Update. Since we received no bids for the first two projects, we requested permission from the State to utilize sole source procurement. They have denied our request and are requiring us to re-bid the projects. So, the notice was published on May 8<sup>th</sup> and the bids are now due on May 22<sup>nd</sup>. They told us if we only get one person to bid, they will sign off on a single source procurement.
3. Section 8 Funding/Utilization. The worksheet has been updated to reflect HUD's estimated funding for 2019. See attachment for utilization.
4. Monthly Rental Status Update.

Month of April 2019	Total Leased 4/1/19	New Leases	Removed Or Moved	Total Leased 5/1/19	Total on Waiting List	Offered Assistance	Removed
Terraces 132 Units	127	3	2	128	N-21	N-0	N-1
					S-21	S-3	S-2
Morningside 16 Units	16	0	0	16	11	1	0
Section 8 197 Units	135	4	4	135	18	44	12

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

5. End of Participation Tracker. See attachment

# HCV HAP Spending Projection

	A	B	C	D	E	F	G	H	I	J	K	L	M	
	NRA										HUD Held			
1														
2	PHA Name	Funds on Hand at Prior Month of PHA related, not administrative funds) Beginning with 12/31/16 NRA	Number of Units Leased on the First of the Month	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 12/31/16	Plus: ALL Obligated HAP BA (including 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)	
3	PHA#	D		E	F	E-F	H	D+G+H		K	L	M	(K+L)-M	
4	IA002													
5														
6														
7	CY 2019													
8	January	-\$3,385	173	\$68,442	\$64,233	\$824	\$345	\$1,169	January	\$29,135	\$55,764	\$68,442	\$16,457	
9	February	\$1,169	168	\$68,442	\$61,830	\$7,781	\$357	\$8,158	February	\$16,457	\$55,764	\$68,442	\$3,779	
10	March	\$8,138	165	\$62,441	\$61,235	\$9,344	\$353	\$9,697	March	\$3,779	\$65,809	\$62,441	\$7,147	
11	April	\$9,697	160	\$58,663	\$57,221	\$11,139	\$210	\$11,349	April	\$7,147	\$70,046	\$58,663	\$18,530	
12	May	\$11,349	158	\$72,169	\$59,677	\$23,841	\$259	\$24,100	May	\$18,530	\$59,261	\$72,169	\$5,622	
13	June	\$24,100	158	\$65,518	\$60,908	\$28,710	\$691	\$29,401	June	\$5,622	\$67,878	\$65,518	\$7,982	
14	July	\$29,401	152	\$65,518	\$59,541	\$35,378	\$310	\$35,688	July	\$7,982	\$60,739	\$65,518	\$3,203	
15	August	\$35,688	161	\$59,712	\$60,484	\$34,916	\$47	\$34,963	August	\$3,203	\$56,612	\$59,712	\$103	
16	September	\$34,963	151	\$59,712	\$62,823	\$31,837	\$187	\$32,039	September	\$103	\$56,612	\$59,712	-\$2,997	
17	October	\$32,039	150	\$59,712	\$57,614	\$34,137	\$35	\$34,172	October	-\$2,997	\$60,888	\$59,712	-\$1,821	
18	November	\$34,172	143	\$34,770	\$54,634	\$14,308	\$48	\$14,356	November	\$1,821	\$60,929	\$34,770	\$24,338	
19	December	\$14,356	142	\$60,437	\$50,566	\$24,227	\$30	\$24,257	December	\$24,338	\$121,795	\$60,437	\$85,696	
20	Total			\$735,536	\$710,766	\$2,872	\$2,872	\$2,872	Total		\$792,097	\$735,536	\$56,561	
21														
22	CY 2019								CY 2019					
23	January	\$24,257	140	\$63,602	\$49,861	\$37,998	\$40	\$38,038	January	\$85,696	\$60,216	\$63,602	\$82,310	
24	February	\$38,038	141	\$63,602	\$50,694	\$50,946	\$849	\$51,795	February	\$82,310	\$60,216	\$63,602	\$78,924	
25	March	\$51,795	137	\$58,766	\$48,418	\$62,143	\$273	\$62,416	March	\$78,924	\$60,216	\$58,766	\$80,374	
26	April	\$62,416	135	\$58,766	\$47,332	\$73,850	\$63	\$73,913	April	\$80,374	\$60,216	\$58,766	\$81,824	
27	May	\$73,913	135	\$51,577	\$47,461	\$78,029		\$78,029	May	\$81,824	\$60,216	\$51,577	\$90,463	
28	June	\$78,029		\$0	\$78,029	\$78,029		\$78,029	June	\$90,463	\$60,216	\$0	\$150,679	
29	July	\$78,029		\$0	\$78,029	\$78,029		\$78,029	July	\$150,679	\$60,216	\$0	\$210,895	
30	August	\$78,029		\$0	\$78,029	\$78,029		\$78,029	August	\$210,895	\$60,216	\$0	\$271,111	
31	September	\$78,029		\$0	\$78,029	\$78,029		\$78,029	September	\$271,111	\$60,216	\$0	\$331,327	
32	October	\$78,029		\$0	\$78,029	\$78,029		\$78,029	October	\$331,327	\$60,216	\$0	\$391,543	
33	November	\$78,029		\$0	\$78,029	\$78,029		\$78,029	November	\$391,543	\$60,216	\$0	\$451,759	
34	December	\$78,029		\$0	\$78,029	\$78,029		\$78,029	December	\$451,759	\$60,216	\$0	\$511,975	
35	Total			\$296,313	\$243,766	\$1,225	\$1,225	\$1,225	Total		\$722,592	\$296,313	\$426,279	

END OF PARTICIPATION

TRACKER

2018-2019

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTALS
LEFT IN GOOD STANDING			3	1			1					2	8
ZERO HAP								2	1	1			4
MUTUAL RECISSION	1				1								3
ANNUAL RE-EXAM SEARCHING	1												1
PORT-OUT ABSORBED	1			3	5	3	1	3					16
PORT-OUT SEARCHING	1	2		1	1			2					9
DECEASED													0
MOVED IN VIOLATION			2								2		4
EVICTED	1												1
UNAUTHORIZED LIVE-IN		1	1			1							4
VIOLATION OF FAMILY OBLIGATION													0
GAVE UP ASSISTANCE BEFORE 1 YEAR													0
FAILURE TO RENEW						1	1						3
FAILURE TO REPAY			1					1					1
FAILURE TO PROVIDE INFO													0
FAILURE TO FOLLOW THROUGH													0
FRAUD													0
UNREPORTED INCOME-2ND TIME	1						1						3
UTILITIES DISCONNECTED									1				0
CRIMINAL CONVICTION													0
VOUCHER EXPIRED											2		2
VOUCHER REVOKED													0
LEASED W/NEW LANDLORD	2				1		1	1	1		1		7
<b>TOTALS</b>	<b>8</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>66</b>
<b>PUBLIC HOUSING</b>													
LEFT IN GOOD STANDING	2	1	1	2	1	4	1	1	1	2	2		18
DECEASED				1					1	1			3
MOVED IN VIOLATION				2				1					3
TERMINATED FOR LEASE VIOLATIONS				1									1
EVICTED			1		1								2
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 (moved to new unit)						1							1
UTILITIES DISCONNECTED													0
<b>TOTALS</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>28</b>

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**MEETING DATE:** 5/16/19

**RE:** Review Operating Reports

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

**Comments:** The April 2019 operating reports are attached for your review.

**REVENUE & EXPENSE REPORT**  
**CALENDAR 4/2019, FISCAL 10/2019**

PCT OF FISCAL YTD 83.3%

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-532-4300	INTEREST-PUBLIC HOUSING	45,000.00	6,168.74	61,522.60	136.72	16,522.60-
173-532-4504	FRAUD-PUBLIC HOUSING	4,000.00	467.67	2,722.99	68.07	1,277.01
173-532-4506	DWELLING RENT-PUBLIC HOUSING	500,000.00	43,785.00	434,505.00	86.90	65,495.00
173-532-4507	EXCESS UTILITY-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-4508	CONTRIB-OTHER-PUBLIC HOUSING	12,000.00	838.00	7,981.27	66.51	4,018.73
173-532-4710	REIMBURSED EXP-PUBLIC HOUSING	2,000.00	85.00-	4,729.50	236.48	2,729.50-
173-532-4781	OPER SUBSIDY-PUBLIC HOUSING	220,000.00	13,910.00	157,731.00	71.70	62,269.00
	<b>PUBLIC HOUSING TOTAL</b>	<b>783,000.00</b>	<b>65,084.41</b>	<b>669,192.36</b>	<b>85.47</b>	<b>113,807.64</b>
173-910-4830	TRANSFER IN - PUBLIC HOUSING	.00	.00	.00	.00	.00
	<b>TRANSFERS IN/OUT TOTAL</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>
173-532-6010	SALARY - PUBLIC HOUSING	91,033.00	6,862.28	77,756.81	85.42	13,276.19
173-532-6040	OVERTIME SALARY-PUBLIC HOUSING	2,000.00	.00	.00	.00	2,000.00
173-532-6070	LABOR/MAINT-PUBLIC HOUSING	.00	.00	.00	.00	.00
173-532-6110	FICA - PUBLIC HOUSING	7,117.00	431.94	5,006.94	70.35	2,110.06
173-532-6130	IPERS - PUBLIC HOUSING	8,782.00	647.78	7,304.22	83.17	1,477.78
173-532-6150	HEALTH INS - PUBLIC HOUSING	44,350.00	3,699.82	36,974.09	83.37	7,375.91
173-532-6151	LIFE INS - PUBLIC HOUSING	350.00	27.93	279.28	79.79	70.72
173-532-6160	WORK COMP - PUBLIC HOUSING	4,400.00	.00	405.60	9.22	3,994.40
173-532-6170	UNEMPLOYMENT - PUBLIC HOUSING	55.00	.00	155.64	282.98	100.64-
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	812.68	1,676.83	33.54	3,323.17
173-532-6370	GAS - PUBLIC HOUSING	40,000.00	3,741.30	25,823.83	64.56	14,176.17
173-532-6371	UTILITIES - PUBLIC HOUSING	50,000.00	6,138.30	49,528.25	99.06	471.75
173-532-6374	WATER - PUBLIC HOUSING	19,000.00	1,262.56	13,567.16	71.41	5,432.84
173-532-6379	OTH UTIL-PUBLIC HOUSING -SEWER	25,000.00	2,020.02	19,744.51	78.98	5,255.49
173-532-6401	ACCOUNTING FEES-PUBLIC HOUSING	3,000.00	.00	2,130.00	71.00	870.00
173-532-6408	TORT LIABILITY - PUBLIC HOUSING	35,000.00	.00	6,721.05	19.20	28,278.95
173-532-6411	LEGAL FEES - PUBLIC HOUSING	4,000.00	242.00	2,071.43	51.79	1,928.57
173-532-6415	COPIER LEASE - PUBLIC HOUSING	3,500.00	232.18	1,979.84	56.57	1,520.16
173-532-6420	CONTRACT SERVICES - PUBLIC HOUSING	40,000.00	8,435.36	39,026.54	97.57	973.46
173-532-6441	TENANT SERVICES-PUBLIC HOUSING	2,000.00	.00	309.85	15.49	1,690.15
173-532-6442	PILOT-PUBLIC HOUSING	40,000.00	.00	38,344.91	95.86	1,655.09
173-532-6490	OTHER PROFESSIONAL SERV	21,000.00	.00	.00	.00	21,000.00
173-532-6516	REFUNDS-PUBLIC HOUSING	1,000.00	.00	.00	.00	1,000.00
173-532-6518	SUNDRY-OFF EXP-PUBLIC HOUSING	35,000.00	2,078.33	33,352.99	95.29	1,647.01
173-532-6599	MAINT MATERIALS-PUBLIC HOUSING	75,000.00	3,738.42	74,347.74	99.13	652.26
173-532-6725	CAP OUTLAY-EQUI-PUBLIC HOUSING	40,000.00	.00	41,344.56	103.36	1,344.56-
173-532-6750	CAP IMPR BLDG-PUBLIC HOUSING	60,000.00	.00	14,165.02	23.61	45,834.98
	<b>PUBLIC HOUSING TOTAL</b>	<b>656,587.00</b>	<b>40,370.90</b>	<b>492,017.09</b>	<b>74.94</b>	<b>164,569.91</b>
173-536-6010	SALARY - PH MAINT	85,000.00	6,145.56	68,211.96	80.25	16,788.04
173-536-6040	OVERTIME SALARY - PH MAINT	5,000.00	70.73	1,971.84	39.44	3,028.16

**REVENUE & EXPENSE REPORT**  
**CALENDAR 4/2019, FISCAL 10/2019**

PCT OF FISCAL YTD 83.3%

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
173-536-6110	FICA - PH MAINT	6,885.00	460.04	5,221.59	75.84	1,663.41
173-536-6130	IPERS - PH MAINT	8,496.00	589.36	6,472.43	76.18	2,023.57
173-536-6150	HEALTH INS - PH MAINT	9,457.00	778.10	7,781.00	82.28	1,676.00
173-536-6151	LIFE INS - PH MAINT	160.00	14.70	147.00	91.88	13.00
173-536-6160	WORK COMP - PH MAINT	2,800.00	.00	608.40	21.73	2,191.60
173-536-6170	UNEMPLOYMENT - PH MAINT	70.00	.00	198.46	283.51	128.46-
173-536-6181	UNIFORM ALLOWANCE - PH MAINT	900.00	.00	900.00	100.00	.00
173-536-6412	HEALTH SERVICES- PH MAINT	.00	.00	.00	.00	.00
	PUBLIC HOUSING MAINTENANC TOTA	118,768.00	8,058.49	91,512.68	77.05	27,255.32
173-910-6910	TRANSFER OUT - PUBLIC HOUSING	.00	.00	.00	.00	.00
	TRANSFERS IN/OUT TOTAL	.00	.00	.00	.00	.00
	PUBLIC HOUSING TOTAL	7,645.00	16,655.02	85,662.59	1,120.50	78,017.59-

**REVENUE & EXPENSE REPORT**  
**CALENDAR 4/2019, FISCAL 10/2019**

PCT OF FISCAL YTD 83.3%

ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL BUDGET	MTD BALANCE	YTD BALANCE	PER CENT EXPENDED	UNEXPENDED
174-533-4300	INTEREST - SECTION 8	1,800.00	548.33	4,169.75	231.65	2,369.75-
174-533-4440	STATE GRANT-SEC 8	.00	.00	.00	.00	.00
174-533-4504	FRAUD-SEC 8	5,000.00	125.00	3,759.00	75.18	1,241.00
174-533-4505	HUD CONTRIB-SEC 8	750,000.00	58,766.00	584,597.00	77.95	165,403.00
174-533-4509	ADMIN FEE/HTH-SEC 8	110,000.00	8,285.00	83,282.00	75.71	26,718.00
174-533-4710	REIMBURSED EXP-SEC 8	1,000.00	.00	6.00	.60	994.00
174-533-4715	REFUNDS-SEC 8	1,000.00	.00	.00	.00	1,000.00
	SECTION 8 VOUCHER TOTAL	868,800.00	67,724.33	675,813.75	77.79	192,986.25
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	39,017.00	3,141.37	27,689.40	70.97	11,327.60
174-533-6040	OVERTIME SALARY - SECTION 8	1,000.00	.00	.00	.00	1,000.00
174-533-6110	FICA - SECTION 8	3,061.00	199.75	1,784.44	58.30	1,276.56
174-533-6130	IPERS -SECTION 8	3,778.00	296.56	2,608.23	69.04	1,169.77
174-533-6150	HEALTH INS - SECTION 8	19,007.00	1,585.64	15,846.01	83.37	3,160.99
174-533-6151	LIFE INS - SECTION 8	175.00	11.97	119.72	68.41	55.28
174-533-6160	WORK COMP - SECTION 8	2,238.00	.00	.00	.00	2,238.00
174-533-6170	UNEMPLOYMENT - SECTION 8	75.00	.00	103.74	138.32	28.74-
174-533-6199	EMPLOYEE BEN-SEC 8	.00	.00	.00	.00	.00
174-533-6230	STAFF TRAINING - SECTION 8	2,000.00	.00	89.73	4.49	1,910.27
174-533-6380	UTILITY ALLOT - SECTION 8	15,000.00	815.00	7,824.00	52.16	7,176.00
174-533-6401	ACCOUNTING FEES - SECTION 8	4,000.00	.00	2,170.00	54.25	1,830.00
174-533-6411	LEGAL-SEC 8	1,000.00	.00	.00	.00	1,000.00
174-533-6420	CONTRACT SERVICES - SECTION 8	10,000.00	384.75	4,747.75	47.48	5,252.25
174-533-6423	SPECIAL SERVICE - SECTION 8	300.00	.00	.00	.00	300.00
174-533-6440	ENHANCED VOUCHER	16,000.00	1,411.00	14,369.00	89.81	1,631.00
174-533-6443	HOME OWNERSHIP VOUCHER	6,000.00	420.00	3,630.00	60.50	2,370.00
174-533-6444	PORTABILITY VOUCHER	150,000.00	8,832.73	146,650.63	97.77	3,349.37
174-533-6445	HC VOUCHER PAY-SEC 8	550,000.00	36,129.00	371,301.00	67.51	178,699.00
174-533-6490	OTHER PROF SERVICES-SECTION 8	10,000.00	.00	.00	.00	10,000.00
174-533-6516	REFUND INTEREST-SEC 8	.00	.00	.00	.00	.00
174-533-6518	SUNDRY-OFF EXP-SEC 8	4,500.00	.00	5,873.84	130.53	1,373.84-
	SECTION 8 VOUCHER TOTAL	837,151.00	53,227.77	604,807.49	72.25	232,343.51
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	31,649.00	14,496.56	71,006.26	224.36	39,357.26-

**REQUESTED ACTION:** Review revisions to the FYE 2019 Public Housing Budget and approve Resolution 04-19.

**Comments:** A request was made to increase the following budget codes in the city budget:

6518 Sundry                      Increased from 35,000 to 45,000 an increase of \$10,000  
(increase resulted from additional expenses with the new software)

6599 Maintenance Fees      Increased from 80,000 to 85,000 an increase of \$5,000  
(increase resulted from higher than anticipated turnover)

The revisions have been approved by the City Council. The approved revisions to the city budget were sent to the fee accountant and they transferred all revisions to the HUD budget.

Approval requires resolution by board on HUD form 52574.

**PHA Board Resolution**  
Approving Operating Budget

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing -  
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026  
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Charles City HRA

PHA Code: IA002

PHA Fiscal Year Beginning: 07/01/2018

Board Resolution Number: 03-19

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

05/16/2019

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Jeremy Heyer	Signature:	Date: 05/16/2019
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**MEETING DATE:** 5/16/19

**RE:** Approve Resolution 03-19 Approving Public Housing Operating Budget for FY 19/20

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**REQUESTED ACTION:** Approve Resolution No. 03-19 for the Public Housing operating budget for FY 19/20.

**Comments:** This is the same budget previously approved for the City. Our fee accountant has entered the amounts into their accounting software so the reports could be printed in the required HUD format. The budget is attached for your review. Once approved, we must submit the Board Resolution to HUD.

**PHA Board Resolution**  
Approving Operating Budget

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing -  
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026  
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Charles City HRA

PHA Code: IA002

PHA Fiscal Year Beginning: 07/01/2019

Board Resolution Number: 04-19

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

05/16/2019

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
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Print Board Chairperson's Name: Jeremy Heyer	Signature:	Date: 05/16/2019
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# Operating Budget

Type of Submission <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No:		Fiscal year ending 6/30/2020	No. of months (check one) <input checked="" type="checkbox"/> 12 months <input type="checkbox"/> other (specify)		Type of HUD assisted projects(s) 01 <input checked="" type="checkbox"/> PHA/IHA-Owned Rental Housing 02 <input type="checkbox"/> IHA Owned Mutual Help Homeownership 03 <input type="checkbox"/> PHA/IHA Leased Rental Housing 04 <input type="checkbox"/> PHA/IHA Owned Turnkey III Homeownership 05 <input type="checkbox"/> PHA/IHA Leased Homeownership	
Name of Public Housing Agency/Indian Housing Authority (PHA/IHA) Charles City HRA					HUD Field Office Kansas City, KS	
Address (city, state, zip code) 501 Cedar Terrace South Charles City, IA 50616						
ACC Number KC-9056		PAS/LOCCS Project No. IA002050616				
No. of Dwelling Units 148		No. of Unit Months Available 1776		No. of Projects 1		
FDS Line No.	Acct. No.	Description	Actuals Last FYE 6/30/2018 ACTUAL \$\$	<input type="checkbox"/> Estimates <input checked="" type="checkbox"/> or Actual Current Budget Year 2019	PHA Budget Estimates 06/30/20	
					PUM	Amount (to nearest \$10)
<b>Operating Receipts</b>						
70300	3110	Net Tenant Dwelling Revenue		500,000	281.53	500,000
70400	3120/3690	Tenant Revenue- (Excess Utilities/Other)		16,000	10.14	18,000
<b>70500</b>	<b>Total</b>	<b>Rental Income</b>	-	<b>516,000</b>	<b>291.67</b>	<b>518,000</b>
70600	3401.1	HUD PHA Operating Grant-CFP Draw to Operations		-	-	-
70600	3401.2	HUD PHA Operating Grant-Operating Subsidy		220,000	123.87	220,000
<b>70700</b>	<b>Total</b>	<b>Fee Revenue</b>	-	<b>220,000</b>	<b>123.87</b>	<b>220,000</b>
70750	3610	Interest on General Fund Investments		70,000	39.41	70,000
71500	3690.1	Other Revenue		5,000	6.76	12,000
<b>70000</b>	<b>Total</b>	<b>Revenue</b>	-	<b>811,000</b>	<b>461.71</b>	<b>820,000</b>
<b>Operating Expenditures - Administration</b>						
91100	4110	Administrative Salaries		93,033	53.80	95,540
91200	4171	Auditing Fees		5,000	2.82	5,000
91400	4190.6	Advertising and Marketing		2,000	3.43	6,100
91500	4182	Employee Benefits-Admin		60,654	36.06	64,040
91600	4190	Office Expenses		51,800	21.65	38,450
91700	4130	Legal Expense		4,000	2.25	4,000
91800	4150	Travel		700	0.56	1,000
91810	4190	Allocated Overhead		-	-	-
91900	4170	Other (Accounting Fees)		3,000	1.69	3,000
<b>91000</b>	<b>Total</b>	<b>Operating-Administrative</b>	-	<b>220,187</b>	<b>122.26</b>	<b>217,130</b>
<b>Tenant Services</b>						
92100	4210	Salaries		-	-	-
92200	4215	Relocation Costs		-	-	-
92400	4220	Rec., Publ., & Other Services		2,000	1.13	2,000
92400	4230	Contract Costs - Cable TV		-	-	-
<b>92500</b>	<b>Total</b>	<b>Tenant Services</b>	-	<b>2,000</b>	<b>1.13</b>	<b>2,000</b>
<b>Utilities</b>						
93100	4310	Water		19,000	10.70	19,000
93200	4320	Electricity		50,000	28.15	50,000
93300	4330	Gas		40,000	22.52	40,000
93400	4340	Fuel		-	-	-
93500	4350	Labor		-	-	-
93600	4360	Sewer		14,000	9.01	16,000
<b>93800</b>	<b>Total</b>	<b>Utilities Expense</b>	-	<b>123,000</b>	<b>70.38</b>	<b>125,000</b>

Name of PHA/IHA Charles City HRA			Fiscal Year Ending 06/30/20			
FDS Line No.	Acct. No.	Description	Actuals Last FYE 6/30/2018 ACTUAL \$\$	<input type="checkbox"/> Estimates <input checked="" type="checkbox"/> or Actual Current Budget Year 2019	PHA Budget Estimates 06/30/20	
				PUM	Amount (to nearest \$10)	
<b>Ordinary Maintenance and Operation</b>						
94100	4410	Labor		90,000	50.68	90,000
94200	4420	Materials		85,000	45.05	80,000
94300	4430	Contract Costs		57,000	34.32	60,947
94500	4433	Employee Benefits-Maint.		25,984	15.08	26,780
<b>94000</b>	<b>Total</b>	<b>Maintenance</b>	-	257,984	145.12	257,727
<b>Protective Services</b>						
95100	4460	Labor		-	-	-
95200	4462	Contract Costs		-	-	-
95300	4480	Other		16,000	9.01	16,000
95500	4461	Employee Benefits-Protective Services		-	-	-
<b>95000</b>	<b>Total</b>	<b>Protective Services</b>	-	16,000	9.01	16,000
<b>General Expense</b>						
96100	4510	Total Insurance Premiums		42,200	20.23	35,920
96200	4590	Other General Expense		-	-	-
96210	4550	Compensated Absences		-	-	-
96300	4520	Payments in Lieu of Taxes		40,000	22.52	40,000
96400	4570	Bad Debt-Tenant Rents		-	-	-
<b>96000</b>	<b>Total</b>	<b>Other General Expenses</b>	-	82,200	42.75	75,920
<b>96900</b>	<b>Total</b>	<b>Operating Expenses</b>	-	701,371	390.64	693,777
<b>97000</b>	<b>Excess</b>	<b>Operating Revenue over Operating Expenses</b>	-	109,629	71.07	126,223
<b>Nonroutine Expenditures</b>						
97100	4610	Extraordinary Maintenance		-	-	-
97200	4620	Casualty Losses-Non Capitalized		-	-	-
<b>90000</b>	<b>Total</b>	<b>Expenses</b>	-	701,371	390.64	693,777
<b>Prior Year Adjustments</b>						
11040	6010	Prior Year Adjust. Affecting Operating Reserve		-	-	-
<b>Memo Expenditures</b>						
11620	7520	Replacement of Equipment		-	-	-
11630	7540	Nondwelling Equipment-Admin		26,000	22.52	40,000
11640	7540	Building/Site Improvements		79,000	253.38	450,000
<b>10000</b>	<b>Net</b>	<b>Change in Operating Reserve</b>	-	4,629	(204.83)	(363,777)

Unrestricted Net Assets		PHA/IHA Estimates
<b>Provision for and Estimated or Actual Unrestricted Net Assets at Fiscal Year End</b>		
Unrestricted Net Assets at End of Previous Fiscal Year-Actual for FYE (date)		6/30/2018 2,426,860
Change in Unrestricted Net Assets - Current Budget year (check one)		
<input checked="" type="checkbox"/>	Estimated for FYE	6/30/2019 4,629
<input type="checkbox"/>	Actual for FYE	
Unrestricted Net Assets at End of Current Budget year (check one)		
<input checked="" type="checkbox"/>	Estimated for FYE	6/30/2019 2,431,489
<input type="checkbox"/>	Actual for FYE	
Net Change in Unrestricted Net Assets-Requested Budget year Estimated for FYE		6/30/2020 (363,777)
Unrestricted Net Assets at End of Requested Budget Year Estimated for FYE		6/30/2020 2,067,712

**Operating Budget**

Schedule of All Positions and Salaries

Name of Housing Authority: Charles City HRA		501 Cedar Terrace South Charles City, IA 50616				Fiscal Year End 6/30/2020			
Position Title and Name By Organizational Unit and Function	Present Salary Rate as of (date) 02/28/19	Requested Budget Year			Allocation of Salaries by Program				
		Salary/Wage Rate	Estimated Payment		Low Rent Public Housing	Section 8 Programs	Other Programs CFP	Longevity	Method of Allocation
No. Months	Amount								
<b><u>ADMINISTRATIVE POSITIONS</u></b>									
Various Positions					93,540				
Overtime					2,000				
<b>TOTAL ADMINISTRATIVE SALARIES/WAGES</b>					<b>95,540</b>	-	-	-	
<b><u>TENANT SERVICES POSITIONS</u></b>									
<b>TOTAL TENANT SERVICES SALARIES/WAGES</b>					-	-	-	-	
<b><u>MAINTENANCE LABOR</u></b>									
Various Positions					85,000				
Overtime					5,000				
<b>TOTAL MAINTENANCE SALARIES/WAGES</b>					<b>90,000</b>	-	-	-	



# Operating Budget

Schedule of Administrative Expenses  
Other than Salaries

Name of Housing Authority Charles City HRA			Locality 501 Cedar Terrace South Charles City, IA 50616		Fiscal Year End 6/30/2020		
FDS Line #	Acct #	Description	Total	Low Rent Public Housing			
91200	4171	Auditing Fees	5,000	5,000	-	-	-
91400	4190.7	Advertising & Marketing	6,100	6,100	-	-	-
91600	Office Expenses						
	4140	Staff Training	5,000	5,000	-	-	-
	4172	City Management	9,000	9,000	-	-	-
	4185	Telephone/Internet	1,500	1,500	-	-	-
	4190.1	Publications	-	-	-	-	-
	4190.2	Membership Dues and Fees (list organization and amount)	700	700	-	-	-
	4190.3	Administrative Services Contracts (list and provide justification)	3,500	3,500	-	-	-
	4190.4	Forms, Stationary and Office Supplies	10,000	10,000	-	-	-
	4190.5	Other Sundry Expense (provide breakdown)	8,750	8,750	-	-	-
	4190.6	Collection Agent Fees and Court Costs	-	-	-	-	-
91600	Total	Office Expenses	38,450	38,450	-	-	-
91700	4140	Legal Expenses	4,000	4,000	-	-	-
91800	4150	Travel	1,000	1,000	-	-	-
91900	4170	Other (Accounting Fees)	3,000	3,000	-	-	-
		TOTAL ADMINISTRIVE EXPENSES OTHER THAN SALARIES	57,550	57,550	-	-	-

Justification / Breakdown:

Membership Dues & Fees:

UPHO	40	
MHDA	40	
NAHRO	220	
PHADA	140	
Keweenaw Chamber of Commerce	200	
WUPSAS Coordinating Agency	60	700

Administrative Service Contracts:

Copier	650	
IT	250	
HDS	2330	
Quickbooks	700	
Miscellaneous	500	4430

Other Sundry :

Postage	600	
Bank Service Charges	400	
Credit/Background Checks	1350	
Misc	150	2500

Accounting Fees:

HAAS, Inc	7400	
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**Operating Budget**

## Summary of Budget Data And Justifications

Name of Housing Authority Charles City HRA	Locality 501 Cedar Terrace South Charles City, IA 50616	Fiscal Year Ending 06/30/20
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**Operating Receipts****Dwelling Rental**

148 Units Available		PUM	300.89
		x Change Factor	1.03%
146 Avg Units Occupied as of:	2/28/2019		309.92
		x Occupancy %	99%
43,930 Avg Rent Roll			306.82
		x UMA	1776
300.89 Avg Monthly Dwelling Rent Per Unit		Dwelling Rental	500,000

**Excess Utilities**

Utility Services Surcharged:  Electricity  Other Specify \_\_\_\_\_

Comments:

- Misc. Utility Charges to Tenants

**Interest on General Fund Investments**

Estimated Investment Income 70,000

**Other Revenue**

Nondwelling Rental - a/c 3190  
 Tenant Income-Other 18,000 a/c 3690  
 Non-Tenant Income 12,000 a/c 3690.1

Total 30,000

Comments:

**Operating Expenditures****Utilities**

Water 19,000  
 Electricity 50,000  
 Gas 40,000  
 Sewer 16,000  
 Total 125,000

**Ordinary Maintenance & Operation-Materials**

Estimated Materials 80,000

# Operating Budget

## Summary of Budget Data And Justifications

Name of Housing Authority Charles City HRA	Locality 501 Cedar Terrace South Charles City, IA 50616	Fiscal Year Ending 6/30/2020
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### Operating Expenditures

#### Ordinary Maintenance & Operation-Contract Costs

Acct	Description	
4430.01	Garbage Removal	9,000
4430.02	Heating and Cooling	5,000
4430.03	Snow Removal	1,000
4430.04	Elevator	-
4430.05	Landscape & Grounds	8,000
4430.06	Unit Turnaround	8,500
4430.07	Electrical	4,000
4430.08	Plumbing	5,000
4430.09	Exterminating	3,000
4430.10	Janitorial	7,000
4430.11	Routine	2,000
4430.12	Misc. Contracts	8,447
		<u>60,947</u>
4480	Police Security	<u>16,000</u>

#### Insurance

All Insurance	35,920
	<u>35,920</u>

#### Employee Benefit Contributions

	Total	Admin	Maint
Fica	14,194	7,309	6,885
IPERS	17,515	9,019	8,496
Health Insurance	56,805	46,908	9,897
Life Insurance	526	350	176
Unemployment	877	449	428
Uniform Allowance	900	-	900
		<u>64,035</u>	<u>26,782</u>
Compensated Absences Estimate	-		

#### Collection Losses

Estimated Adjustment to Allowance for Doubtful Accts	<u>-</u>
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#### Tenant Services/ Other General

Tenant Services	2,000	Acct 4220
Tenant Contracts-Cable TV	-	Acct 4230
Total Tenant Services	<u>2,000</u>	
Other General Expenses	<u>-</u>	Acct 4590

**REQUESTED ACTION:** Approve Joseph Brennan to repair the roof at building 109-112 at NCT.

**Comments:** The roof on the building with apartments 109-112 at North Cedar Terrace has become structurally unsound. We have been trying to get an estimate from a contractor for the repairs for almost a year. The area contractors have been reluctant to provide an estimate because they already have their work booked over the next couple of years. Joseph Brennan has provided us with a quote of \$7, 230.00 for the repairs and has indicated that he would be able to get the work done this summer. He said that once the roof was opened up, we would be able to tell the extent of the damage and that the final cost may be less than the quote.

Steve Diers has said that due to the difficulty in getting a bid he would sign off on it with only one estimate if we had approval from the Housing Board. The funding has been budgeted under the operating budget.

**REQUESTED ACTION:** Approve renewal of audit contract with Collins & Associates.

**Comments:** In 2016 we entered into a contract with Collins & Associates to perform our HUD audit at a cost of \$7,100 per year. The initial proposal included the option of renewal at the end of the first three years. We have asked to extend the agreement for another three years to include the 2019, 2020, and 2021 audit. They have agreed to the extension at \$7,100 per year.

We have developed a good working relationship with the auditor. He has been helpful with our financial submissions to HUD and we would like to continue with them for the next three years. At the end of the three years we will solicit proposals again.

**REQUESTED ACTION:** Approve updates to Procurement Policy to increase thresholds for Micro Purchases and Simplified Acquisition Thresholds.

**Comments:** In March HUD notified all PHA's that there have been statutory changes made to the Micro Purchases and Simplified Acquisition Thresholds. It increased the Micro Purchases threshold to \$10,000 and the Simplified Acquisition Threshold to \$250,000. This means that for all procurement actions under \$10,000 only one quote is necessary and those over \$10,000 and under \$250,000 only three quotes are necessary. The exception to this would be construction projects over \$2,000 which are subject to Davis-Bacon Wage Rates. However, sealed bids are only required on projects over \$250,000.

In addition, the other change to the policy involves the State purchasing thresholds. Chapter 26, of the Iowa Code, exempts us from the Public Construction Bidding requirements for State entities. Under our existing policy, we are subject to all provisions under the code. Due to this, we are suggesting that the policy change to reflect the exemption.

The necessary changes have been made to the policy, and the changes are noted in the attached copy. Before the approved policy is presented to the City Council for approval, it will be sent the City Attorney for review.

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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 January 16, 2017, 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~~ \$10,000, 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~~250,000, 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~~10,000 (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~~250,000.

**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 Public Improvements undertaken by the Agency are exempt from requirements under 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~~250,000.

## **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 ~~\$450,000~~\$250,000, 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~~250,000 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~~250,000.
  - 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.

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**MEETING DATE:** 5/16/19

**RE:** Approve Engineering Proposals for Parking Lot/Sidewalk Project & Make Recommendation for Approval

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**REQUESTED ACTION:** Make recommendation to City Council to approve proposal for engineering services for the Parking Lot/Sidewalk Project.

**Comments:** A request for proposal was sent out to WHKS & Co., SEH, Veenstra & Kimm, and Fehr Graham. We are looking to contract with an engineering firm to design and procure contractors to repair or replace all deteriorated asphalt and cement at all three sites, eliminate any tripping hazards, and add additional parking at North Cedar Terrace. Three of the firms responded to the request. The following is a breakdown of the Proposals:

Veenstra & Kimm, Inc.	\$ 22,500
SEH	\$ 22,900
Fehr Graham	\$ 40,000

The factors in determining the most advantageous proposal included project approach and scope of services, experience of staff and experience with Federal funding requirements, anticipated project completion date, references, and pricing and value for the scope of proposed services. The fees are all stated as not-to-exceed.

All the proposals and timeframes are similar and will meet our expectations. We have had our maintenance staff review them as well as John Fallis, City Engineer. The proposals will be available for you to review at the meeting, if you have any questions. We plan to get Council approval on May 20<sup>th</sup> so we can get started. The work must be completed by June 1, 2020.

We anticipate a separate agreement for construction administration with the same firm. The services for both the design phase and construction administration will be paid out of the 2018 and 2019 Capital Fund Program.

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**MEETING DATE:** 5/16/19

**RE:** Review Bids for Electrical Update Project at SCT

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**REQUESTED ACTION:** Review bids received for the Electrical Update Project at South Cedar Terrace and make recommendation to the City Council.

**Comments:** The bids for the project are due on May 14, 2019. They will be presented to the City Council at the Planning Session on May 15<sup>th</sup>. The following companies have requested the plans: Perry Novak, Stanton Electric, Linahon Electric, K& W Electric, and The Electricians. Based on site visits and questions from the contractors we are anticipating receiving two to three bids.

The City Council will take action and award the contract at the May 20, 2019 meeting.

**REQUESTED ACTION:** Approve Joseph Brennan to repair the garage structural issues at NCT.

**Comments:** The roofline on the garage at NCT has been sagging and the existing structural beams no longer support the load of the roof. When we had Atura Architecture help us with our Capital Needs Study last year they developed some plans for the repair and provided us with a cost estimate of \$7,015. The repair involves installing a steel beam to span the length of the garage. As with the other repairs needed at NCT, we had been having trouble getting the contractors interested in the project. Joseph Brennan agreed to look at the project and has submitted a quote of \$7,450 for the repair.

Steve Diers has said that due to the difficulty in getting a bid he would sign off on it with only one estimate if we had approval from the Housing Board. The funding has been budgeted under the operating budget.