



**SAMPLE
PROCUREMENT POLICY**

FOR

**LOUISIANA PUBLIC HOUSING
AUTHORITIES**

LHC BOARD OF DIRECTORS APPROVED: MAY 2018

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Section 1 - Introduction

This Sample Procurement Policy (“Policy”) is intended to be used as a reference guide for Public Housing Authorities (PHA) staff in the State of Louisiana. Policies contained herein shall be followed in order to promote fair and equitable purchases, consistency, accountability, and efficiency within the procurement process. This Policy provides guidance to ensure Agency funds are expended in accordance with Federal laws, HUD regulations and state and local laws.

Clarification of roles and responsibilities for each PHA, its staff, and Managing Departments is an important component of this Policy. Each PHA, its staff and Managing Departments shall define the properties and/or programs they manage, including any affiliates and/or subsidiaries. The PHA’s Affiliates (if any), third party contractors, including its Development Partners and Property Management Companies (PMCOs) are not bound to these policies unless a purchase is made by the PHA on behalf of a third party asset management contractor. The policies included in this document are applicable to all PHA contractors, excluding Housing Choice Voucher Payments to contractors doing business with the PHA, as well as PHA employees.

This manual is a living document, subject to future revisions and additions. As new or revised sections are developed, updates will be issued (*See Section 1.5 – Approval of Policies*).

1.1 Purpose

The Louisiana Housing Councils (LHC) Board of Directors approved this Sample Procurement Policy for use by PHA’s in the state of Louisiana, and is intended to provide guidance in the creation of a procurement policy. This policy shall provide for; fair and equitable treatment of PHA staff involved in the procurement process; assurance that materials, goods, professional and construction services are procured efficiently, effectively and at the most favorable prices available to PHA; promotion of open competition in contracting; safeguards for maintaining a procurement system of quality and integrity; and assurance that purchasing actions are in full compliance with applicable Federal laws, HUD regulations, and state and local laws.

Also, this Sample Procurement Policy is indented to assist in the establishment of internal controls that include separation of (staff) duties when purchasing and receiving goods and services for the PHA, which will allow ensure funds are expended in an appropriate manner.

1.2 Scope of Work

1.2.1 Funding Source

PHA’s receive federal, non-federal, and private funding. As such, in its procurement activities, PHA’s shall follow procedures designed to ensure compliance with applicable laws and regulations without necessarily imposing a higher standard than is necessary to ensure compliance.

Where a requirement in these Policies is based only on federal requirements, the PHA's Contracting Officer (Executive Director) and/or their Designee may, on a case-by-case basis for non-federally funded contracts, apply a less stringent standard than outlined in the federal requirements, provided, however, that it is otherwise consistent with applicable Policies and that all State or other legal requirements are met.

Nothing in these Procurement Policies will prevent the PHA from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law.

1.2.2 Included in Scope

This Sample Procurement Policy applies to all contracts and procurement actions undertaken by the PHA and its subsidiaries and/or affiliates (if any). It shall apply to all public purchasing and expenditure of federal funds by the agency, including but not limited to, all HUD Funds, Grants, and Operating Subsidy. The term "procurement", as used in this Sample Procurement Policy includes:

- a) Purchase orders
- b) Contracts
- c) Contract modifications
- d) Other types of procurement including:
 - Procurement/Credit Card(s)
 - Fuel Card(s)
 - Direct Check Request(s)

The above types of procurement are used to procure, purchase, lease, or rent goods, services, equipment, materials and supplies, and as described below:

- a) Construction Services
- b) Professional Services (including but not limited to: consulting services, appraisals, environmental assessments, financial analyses, and surveys)
- c) Maintenance Services
- d) Social Services
- e) Other Services

1.2.3 Excluded from Scope

The following shall not be governed by these Procurement Policies:

- a) Real Estate Purchase and Sale Transactions.
- b) Loan transactions and documents.
- c) Sub-recipient or sub-grantee agreements and related contract modifications.
- d) Employment contracts.
- e) Limited partnership agreements.
- f) Award of housing or other vouchers to non-profit agencies.
- g) Memoranda of Understanding and/or Agreements with other Public Agencies.
- h) Housing Assistance Payment contracts.

1.2.4 Direct Pay

The Direct Payments List is a list of transactions which, by the nature of the transaction, are impractical or impossible to competitively procure (bid) due to market or other conditions. These items are exempt from competitive purchasing requirements, although, still require pre-approval in accordance with the procurement threshold. These transactions do not have to be justified as a Non-Competitive Procurement but may be obtained directly by an individual staff member with the approval of authorized personnel. Depending on the item, there may or may not be a contract or Purchase Order outlining the terms and conditions. If a contract or Purchase Order is required to outline the terms and conditions, it shall be labeled "Direct Pay."

The following reoccurring items, paid for on behalf of the PHA, are authorized to be on a Direct Payment List:

- a) Utility bills (Water, Sewer, Electricity, Natural Gas, landline telephone services (excluding mobile services), cable, and other regulated utility expenses).
- b) Postage and other purchases from the U.S. Postal Service.
- c) Licenses, permits, and fees from governmental or regulatory entities at the federal, state, or local level.
- d) Purchases from other governmental entities (federal, state, city, local, port districts, Public Development Authorities (PDAs), housing authorities, state colleges and universities, state hospitals, etc.) where the governmental entity provides goods or services not available from the private sector.
- e) Emergency housing for PHA residents at motels/hotels, or as otherwise authorized by the Contracting Officer or their Designee.
- f) Service or use fees paid to governmental cooperative purchasing organizations.
- g) Specific legal services such as; arbitration fees, litigation fees, expert witness fees, court costs, and related expenses (including the cost of investigations, or related matters), when approved by the PHA's Legal Counsel.
- h) Legal settlements of disputed matters, and judgment claims against the PHA (for use only with approval by the PHA's Legal Counsel).
- i) Renewal of existing annual proprietary maintenance or support agreements, and software license renewals for computer and telecommunication-related services.
- j) All Agency advertisements for employment opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements and outreach, (published in all media outlets) etc. This exception does not include printing, design, or graphics services.
- k) Freight bills, express shipping, common carriers, and delivery services.
- l) Insurance deductible(s) and/or retained losses (requires approval of the Legal Department).
- m) Registration fees (hotel, conference, training), taxi, public transportation, and toll fares; mileage and incidental parking expenses.
- n) Publications and subscriptions (newspapers, magazines, books, pre-printed materials, reprints, publishers page charges, electronic publications, online subscription services, pre-recorded audio or video cassettes, slide presentations, tapes, CDs, diskettes when purchased from the publisher or producer; etc.).

- o) Mailing lists (print or electronic).
- p) Professional association membership dues, fees, licenses, accreditation, and certifications.
- q) Royalties, broadcast rights, and film rentals from the producer or protected distributors.

The following non-reoccurring items, paid for on behalf of PHA employees or residents, are authorized to be on the Direct Payment List:

- a) Credit card charges for approved expenses while on traveling.
- b) Travel expenses for PHA employees, residents, program participants, volunteers, or members of the PHA's Board of Commissioners necessary to conduct PHA business.
- c) Training registration fees and tuition for pre-established, non-PHA specific, seminars, workshops, etc. for PHA employees, residents, program participants, volunteers, and members of their Board of Commissioners.
- d) Testing and travel expenses of employment applicants (including relocation expenses for eligible personnel). This includes travel expenses of certain out-of-state job applicants (Travel expenses of job applicants must be approved by the Contracting Officer).
- e) Conference and convention expenses and fees for PHA employees, residents, program participants, volunteers, or members of their Board of Commissioners conducting PHA business.
- f) Honoraria and stipends.
- g) Entertainment such as speakers, lecturers, musicians, performing artists. Only when such expenses are permitted by the grant funding the activity.

1.3 Governing Laws and Regulations

1.3.1 Applicable Laws & Regulations

In adopting these Procurement Policies, each PHA's Board of Commissioners and Contracting Officer affirm that the policies are in compliance with all applicable federal, state, and local laws and regulations, which may include, but not be limited to, the following:

- a) 2 CFR § 200.317 Procurement Standards
- b) HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, dated 2/2007, as amended from time to time
- c) HUD's Annual Contributions Contract (ACC)
- d) Louisiana Public Bid Law, Revised Statute 38:2211, et. seq.
(for procurement of public works projects)

Where the above laws, regulations or procurement rules conflict, the more stringent law or rule should be applied. Exceptions to following the more stringent procurement rules include:

- a) **Geographic Preference:** Although some States impose certain geographic reference restrictions in the evaluation of bids or proposals, 2 CFR § 200.319 prohibits the use of geographic restrictions except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- b) **Wage Requirements:** Federal wage determinations (Department of Labor Davis-Bacon and/or HUD-Determined Wage Rates) preempt any State prevailing wage rate when the State wage rate is higher than the applicable Federally-imposed wage rate (2 CFR §200.320).

Per the HUD Procurement Handbook, if Local Governing Body (LGB) is required to furnish the same public facilities and services to each PHA and its tenants as other dwellings, HUD requires PHAs obtain a Cooperation Agreement between the PHA and the LGB. The LGB is required to cooperate with PHA in the development and administration of its projects, to accept dedications of lands for roads, alleys, and sidewalks and to provide water, storm and sanitary storm services for which the PHA shall pay the same amount as private owners. These arrangements may require some flexibility in complying with the PHA's procurement requirements.

1.3.2 HUD Handbook & Guidelines

Consistent with 2 CFR §200.105, effect on other issuances for federal awards, all administrative requirements, program manuals, handbooks and other non-regulatory materials that are inconsistent with the requirements of this Part must be superseded upon implementation of this Part by the Federal agency, except to the extent they are required by statute or authorized in accordance with the provisions in §200.102.

1.3.3 Changes in Laws & 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 Procurement Policies, automatically supersede these Procurement Policies, and the Contracting Officer or their Designee shall make appropriate modifications to the PHA's Procurement Policies.

1.4 Responsibilities

The PHA shall ensure that Senior Staff (Director) positions in each department are established and include procurement responsibilities. The responsibilities of the senior employees are limited to procurement only, and are not all inclusive for each employee position. Senior Staff (Director) positions and their procurement responsibility for each department is outlined below:

1. Chief Executive Officer (CEO)/Executive Director (ED)

The CEO/ED is responsible for the management of all procurement activity for the PHA, and shall hold Department Directors/Mangers and other staff accountable for complying with these Procurement Policies and related Procurement Procedures. The CEO/ED is the Contracting Officer for the organization, and consequently, must execute all contracts

on behalf of the organization after proper approval is obtained based on expenditure authority.

These Procurement Policies and related Procedures will be adopted administratively by the CEO/ED or his/her designee. The CEO/ED shall:

- a) Use sound judgment in accomplishing the procurement activities of the PHA.
- b) Ensure that all procurement activities of the PHA are consistent and in the best interests of the PHA and applicable laws and regulations.
- c) Assign a Contract Monitor via written delegation of a Contracting Officer's Representative (Contract Monitor) for each contract to ensure adequate contract monitoring, oversight, and administration.
- d) Authorize all purchases in accordance with Procurement Authority Limits.
- e) Ensure funding is available for purchases prior to authorized purchase approval.
- f) Review and present all purchases at \$150,000 and greater are approved by the PHA's Board of Commissioners.
- g) Approve and implement appropriate Procurement Procedures that are consistent with these Procurement Policies.

2. Director of Procurement and Contracts

The Director of Procurement and Contracts, acting upon the recommendation of CEO/ED and the Department Directors, as set forth in Section 2 - Procurement Authority, of this policy, shall be responsible for the following:

- a) Ensure Policies and related Procedures in reviewing and approving all procurement activity.
- b) Use sound judgment in accomplishing the procurement activities of the PHA.
- c) Ensure procurement activity is authorized by the appropriate PHA employee, as set forth in the policy, and accompanied by the appropriate approval.
- d) Ensure contractors receive fair, impartial, and equitable treatment.
- e) Ensure that contract actions comply with all applicable Federal, State, and local laws, rules, and the PHA's approved procurement policy.
- f) Seek the best value and greatest overall benefit to the PHA in response to a department's need.
- g) Ensure an Independent Cost Estimate (ICE) is prepared by the Requesting Department to ensure reasonable cost (*see Section 7.3 – Ensuring Reasonable Cost*).
- h) Ensure a cost analysis is prepared and deliberated prior to award of a contract or contract modification by the Director of Procurement and Contracts.
- i) Ensure solicitations, contracts, and contract modifications are in writing, and clearly specify the required goods or services.
- j) Ensure contracts are supported by required documentation to procure goods or services, which include at a minimum the following: a rationale for the method of procurement chosen (if not apparent), solicitation documents, quotes, bids or proposals received, contract type (if not apparent), contractor(s) selected and/or rejected, and the basis for the contract price.
- k) Initiate the hearing process, in coordination with the PHA's Legal Counsel/ Department upon receipt of a protest regarding a bid or proposal.
- l) Coordinate and distribute notification of award to contractors.
- m) Obtain verification of available funding from the PHA Finance Department prior to purchases.
- n) Maintain the official and original contract file for purchases subject to this procurement policy.
- o) Maintain, update and distribute procurement policies.

- p) Provide procurement policy, procedures and training to PHA personnel. Prepare the Annual Procurement Plan.
- q) Monitor procurement activities and perform spend analysis.

3. Department Directors/Asset Managers

Department Directors and Asset Managers are responsible for managing the procurement related activities of their department/site to ensure compliance with Policies and related Procedures. Department Directors and Asset Managers shall:

- a) Determine the department/site procurement needs and develop scopes of work that are appropriate, sufficient, detailed, clear, and comply with the Procurement Policy.
- b) Make recommendations to the Procurement Department regarding solicitations, contracts, and contract modifications that are consistent with their departmental needs.
- c) Review and approve the scope of work/services of the requested solicitation (Requests for Proposals, Requests for Qualifications, Invitation for Bids, and Requests for Quotes) prior to submission to the Procurement Department.
- d)
- e) Ensure all documents forwarded to the Procurement Department for action follows the prescribed process.
- f) Assign ownership of each procurement to an appropriate staff person trained according to the PHA's Procurement Policy.
- g) Ensure each assigned staff person understands procurement responsibilities, has been provided with sufficient training, and provided with ongoing supervision.
- h) Assist the Director of Procurement and Contracts in preparing the annual Procurement Plan.
- i) Assist the Director of Procurement and Contracts to evaluate the most economical, equitable, and efficient approach to a procurement, including whether to consolidate or split a procurement; where appropriate based on sound and documented business reasons, whether to lease or purchase items; and any other appropriate cost-benefit analyses. Procurements shall not be split in order to avoid various dollar thresholds related to the solicitation and selection process.
- j) Develop an Independent Cost Estimate prior to solicitation (*see Section 7.3 – Ensure Reasonable Cost*).
- k) Monitor the department's/site's annual budget and coordinate with the PHA Finance Department, when necessary, to ensure there is sufficient funding. Review invoices received in a timely manner to ensure that:
 - The charges are consistent with the terms of the contract.
 - The goods and services invoiced have been received consistent with the requirements of the contract.
 - There is a sufficient amount of money available for payment
 - The invoices are paid within 30 days of receipt, or within the terms of the contract.
- l) Assist Director of Procurement and Contracts with contractor negotiations to obtain the best prices and protection of the PHA's financial interests.
- m) Conduct a Cost Analysis or for every contract or contract modification.
- n) Monitor all contract expiration dates. Request a contract modification or new solicitation prior to the expiration date.

4. Finance Department

The Finance Department and Procurement and Contract Department shall work in partnership to assist other departments in formulating the Annual Procurement Plan. The Finance Department shall assist all departments in managing their annual budget,

reviewing contracts and modifications to ensure that sufficient funds exist. In addition, the Finance Department shall review and approve all payment terms and fee schedules.

The Finance Department shall ensure that payments made on all contracts are consistent with the applicable contract terms and made in accordance with the PHA Procurement Policy, as well as ensure that all payables made toward open purchase orders and contracts are correctly applied to the appropriate purchase order or contract for proper management and reporting.

1.5 Approval of Policies

1. Adoption by Board of Commissioners

The Sample Procurement Policy shall be adopted by the PHA's Governing Body. Substantive policy changes will be amended via Board approval.

2. Self-Certification of Policies to HUD

2 CFR §200.324, authorizes a housing authority to self-certify its procurement policy to HUD. Such self-certification does not limit HUD's right to survey the procurement policy.

PHA's may certify that its own procurement policy is in compliance with 2 CFR §200.317 and all applicable laws and regulations. The PHA's Governing Body must approve the policy.

3. Interpretation of Policies

In the event of an ambiguity, contradiction, or unforeseen situation not addressed clearly or directly in these Policies, the CEO/ED, either directly or through the Director of Procurement and Contracts shall use his/her best professional judgment in making a decision that will best protect the interests of the PHA, and ensure the PHA's compliance with applicable statutory and regulatory requirements.

4. Policy Modifications

At a minimum, the PHA's Procurement Policy should be reviewed and updated on an annual basis. The review should be concurrent with the PHA's annual review of its procurement authority. Substantive policy changes that occur throughout the year must be incorporated into the Procurement Policy. Those changes must be presented to the PHA's Governing Body, and shall be incorporated into the appropriate section(s) of the policy. Policy changes should be made by the Director of Procurement and Contracts and tracked on the Procurement and Contacts Department Log as an Amendment to the Procurement Policy.

1.6 Public Access to Procurement Information

Procurement information shall be a matter of public record to the extent provided for in La. R.S. 44:1 et. seq., and will be made available upon request to the Legal Department. A copy charge may be assessed in the amount determined by the number of pages requested.

Section 2 – Procurement Authority

2.1 Responsibilities

Procurement Authority refers to the delegation of responsibility to various PHA employees to recommend, commit, and expend the PHA financial resources up to a particular dollar limit, for a cost center, site, or business unit over which the employee has jurisdiction and control.

Procurement Authority includes the following responsibilities:

- a) To make project and programmatic decisions.
- b) To recommend entering into a contract, recommend executing a contract modification, or approving a Purchase Request.
- c) To approve payment expenditures on the Direct Payments list (items not subject to competition) See Section 1.2 – Scope for a detailed list of approved Direct Payments.
- d) To read and review applicable documents for accuracy and appropriateness.
- e) To coordinate actions with other PHA employees and outside parties as appropriate.
- f) To work with the Finance Department to ensure that adequate funds have been allocated and are available for the proposed expenditure.
- g) To perform a cost or price analysis in connection with every procurement action in accordance with 2CFR §200.323.
- h) To act diligently in placing a priority on protecting the PHA's financial and other interests.
- i) To comply with the PHA's procurement policy including requirements related to ethical behavior
- j) To ensure, in conjunction with the Finance Department, that internal controls are followed so that contractors are paid in a timely manner for receipt of satisfactory goods/services in the contracted amount; approved payments shall be consistent with the terms and conditions outlined in the contract (purchase order); and funds are available for payment.
- k) To avoid acquisition of unnecessary or duplicative items, seek to enter into intergovernmental or inter-entity agreements to procure or use common goods and services, as outlined in 2 CFR §200.317.

2.2 Signature Authority

The CEO/ED or designee, and the Director of Procurement and Contracts shall have the authority to approve and sign all documents up to dollar thresholds contained in this policy.

2.3 Procurement Thresholds and Contract Authority

The Housing Authority procurement thresholds and approval authority shall be pursuant to 2 CFR §200, and are as follows:

EXAMPLE OF AGENCY PROCUREMENT THRESHOLD AND CONTRACT AUTHORITY:

| Procurement Method | Authorized Expenditures | Authorized Approver |
|--|--------------------------------|---------------------------------------|
| IFB, RFP, RFQ | \$150,000 + | Board of Commissioners |
| Small Purchase | \$10,000 - \$149,999 | Contracting Officer |
| Small Purchase | \$3,001 - \$9,999 | Director of Procurement and Contracts |
| Micro-Purchase | \$0 - \$3,000 | Director of Procurement and Contracts |
| Micro-Purchase (Only Construction Services subject to the Davis Bacon Act, as outlined in 2 CFR §200.320) | \$2,000 | Director of Procurement and Contracts |

1. Delegation to the Director of Procurement and Contracts

In order to facilitate efficient procurement activities, the Board of Commissioners authorizes the CEO/ED to delegate Procurement Authority to the Director of Procurement and Contracts in accordance with the limits outlined in the table above.

2. Delegation to Department Directors/Asset Managers

The Board of Commissioners also authorizes the CEO/ED to delegate procurement authority to the Department Director/Asset Manager from which the funds will be utilized to make the requested purchases. Procurement authority may be delegated to Department Directors/Asset Managers, which must be reviewed and approved annually. All requested purchases will be compared against the budget by the purchase order or contract approver before the purchase order is executed. It is the responsibility of all PHA Department Directors/Asset Managers to review their budget prior to the approval of purchase requests to ensure funds are available and required purchased do not exceed the approved budget limit. If goods or services are requested and exceed the budget limit, the Department Director shall justify the expenditure and obtain approval.

3. Further Delegation of Procurement Authority

Procurement authority may be further delegated by the CEO/ED in special circumstances as deemed necessary.

4. Non-Competitive Awards

All non-competitive awards (emergency, sole source, proprietary, single response to a solicitation, etc.) shall be via written approval of the CEO/ED.

5. Cancellation of Procurement Authority

The CEO/ED may cancel the Procurement Authority granted to an employee based on a change of job duties, abuse or mismanagement of Procurement Authority by the employee, or other reasons deemed sufficient.

2.4 Segregation of Duties

Segregation of duties is an internal control intended to prevent or decrease the occurrence of unintentional errors or intentional fraud. This action is to ensure no single individual has control over multiple phases of the procurement process. Requisitions and Purchase Orders shall not be approved by the same individual.

2.5 Contract Authority

The CEO/ED shall be and act as the PHA's Contracting Officer, unless the function is formally re-assigned, in writing, by the PHA's Board of Commissioners. All contract terms and conditions are reviewed and approved by the General Counsel prior to signature of the CEO/ED. The General Counsel and the Director of Procurement and Contracts may, as necessary, participate in contract negotiations.

If the PHA needs to execute a contract prior to the next Board of Commissioners' scheduled meeting, the CEO/ED shall contact the President of the Board and provide a summary of the action and the reason for immediate execution of the contract. Once approved by the President, and executed by the CEO/ED, the contract will be presented to the Board of Commissioners' at the next scheduled meeting for ratification.

Section 3 – Ethics in Public Contracting

3.1 General Provision

Ethical contracting standards apply to all PHA employees, the Contracting Officer, the PHA's Board of Commissioners, officials and agents of the authority, and contractors with whom the PHA does business, pursuant to HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, dated 2/2007, as amended from time to time.

1. Applicable Law & Regulations

PHA employees shall be aware, comply and conduct business in accordance with the following non-exclusive list of laws, regulations, and advice, which are hereby incorporated by reference as part of these Policies and set forth the basis of the PHA's ethical procurement standards:

- a) 2 CFR § 200.317 General Procurement Standards
- b) HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, dated 2/2007, as amended from time to time
- c) Louisiana Public Bid Law, Revised Statute 38:2211, et. seq.

2. Reporting Unethical Behavior & Actions

All PHA employees must report all evidence of fraudulent or unethical behavior to one of the following sources:

- a) Direct Supervisor
- b) CEO/ED
- c) General Counsel
- d) Inspector General, if applicable
- e) Federal Bureau of Investigations (FBI)

PHA management staff shall report reported cases of unethical procurement behavior directly to the CEO/ED, HUD Field Office, and State and local officials.

3. Disciplinary Actions

Breaches of ethical contracting standards may result in disciplinary actions consistent with the PHA Personnel Policy.

3.2 Conflicts of Interest

PHA employees, officers, or agents shall not participate in the selection, award, or administration of a contract if a real or apparent conflict of interest exists. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the PHA entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

However, the PHA may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. These standards of conduct provide for disciplinary actions for violations by the PHA officers, employees, or agents.

1. Contract Selection, Award, Administration

PHA employees shall not participate in the selection, award, or administration of a contract if a conflict of interest (direct or indirect financial interest, personal involvement that may impede objectivity, or other interest), real or apparent, would be involved. Participation shall include, but not be limited to: serving on an evaluation panel to select a firm; reviewing, endorsing, vendor set-up, authoring of purchase orders, or recommending an award or selection; approving or rejecting an award of a contract or Purchase Order.

2. Project Under ACC

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

- a) Any present or former member or officer of the PHA governing body, or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the PHA or the business entity.
- b) Any employee of the PHA who formulated policy or who influences decisions with respect to the project(s), or any member of such individuals' immediate family, who exercises functions or responsibilities with respect to PHA projects.

3. Ownership & Business Interests

PHA employees shall not own or hold an interest in any contract or property or engage in any business, transaction, or professional or personal activity that would:

- a) Be, or appear to be, in conflict with the employee's official duties, or
- b) Secure, or appear to secure, an unwarranted privilege or advantage for the employee, or
- c) Prejudice, or appear to prejudice, the employee's independence of judgment in the exercise of his or her official duties relating to the PHA.

4. Confidential Information

PHA employees shall not knowingly use confidential information for the employee's or another's actual or anticipated personal gain.

3.3 Gratuities, Kickbacks and Use of Confidential Information

All PHA solicitations and contracts shall include prohibitions against receipt of gratuities and kickbacks, pursuant to 2 CFR, Appendix II to Part 200 - Contract Provisions. These rules are designed to protect the integrity of the procurement system and to ensure that contracts are awarded fairly, based on merit, without improper influence.

The Director of Procurement and Contracts shall report any suspected anticompetitive practices by contractors to the CEO/ED, HUD Field Office, and appropriate State and local officials.

3.4 Contracting with Former PHA Employees

The following shall apply to contracts financed in whole or in part with federal funds:

1. Two Year Prohibition

Within two years after an employee leaves the PHA, the PHA shall not contract with such employee if the employee was responsible for formulating policy or influencing decisions with respect to the project(s) being contracted for.

2. Waiver

For good cause, the Contracting Officer may request in writing a waiver of the two year prohibition requirement from HUD. The written request must include rationale explaining why the waiver is needed.

Section 4 – Procurement Planning

4.1 Annual Procurement Plan

As a part of its budget planning process for each fiscal year, the agency will review its record of prior year purchases, as well as its needs for the next fiscal year. Each Department in coordination with the Procurement Department and the Finance Department shall analyze the departments' budget and program plans, and prepare a preliminary listing of its procurement requirements for the upcoming fiscal year. The Procurement Department shall assist in the review by providing previous contracts to determine budget requirements for the upcoming fiscal year.

The Annual Procurement Plan should serve as a sequencing mechanism to plan procurement activities. The plan should assist in the Procurement Department in preparing a spend analysis, which will serve to utilize volume purchasing through intergovernmental and cooperative purchasing agreements.

Section 5 – Procurement Methods

This chapter describes the criteria for selection of the appropriate procurement method to be employed for each procurement action. The procurement method selected shall be based on the description of the purchase, estimated dollar value of the requirement for the department's budget for that fiscal year.

Competition Requirements/Prohibition against Bid Splitting:

The PHA's Contracting Officer shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into multiple purchases that are less than the applicable threshold (commonly called 'bid splitting' or 'unbundling') merely to permit use of the small purchase procedures or avoid any requirements that apply to purchases that exceed those thresholds.

Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms:

The PHA must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms (if applicable) are provided contracting opportunities. Affirmative steps must include: (1) Place qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assure small and minority businesses, and women's business enterprises are solicited, if they are a potential source; (3) Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation; Establish delivery schedules, if feasible, to encourage participation (5) Use the services and assistance of such organizations; and (6) Require the prime contractor, if subcontracts are to be let, to take the affirmative steps to contract with small and DBE/WBE businesses. The Contracting Officer should in document the reasons for breaking down purchasing requirements and include the documentation in the contract file.

5.1 Small Purchase Procedures (under \$150,000)

Small purchases threshold shall be used for purchases up to \$149,999. Contracts that meet the definition of Public work meaning the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity, as defined in Louisiana Public Bid Law, Revised Statute 38:2211, et. seq., and are less than \$150,000 may be made in accordance with the small purchase procedures.

Purchases shall not be divided so as to make it possible to purchase under this policy, except as may be reasonable and necessary to contract with small and disadvantaged-owned businesses, women business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of the PHA's development sites or other Section 3 owned businesses.

Contracts by local political subdivisions and local governmental entities for purchases of materials and supplies with a value of \$30,000 or more must be advertised and let for contract with the lowest responsible bidder. Purchases of \$10,000 or more, but less than \$30,000 dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

5.1.1 Small Purchases of \$3,000 or Less (Micro-Purchases)

Purchases involving an expenditure of \$3,000 or less may be made after obtaining one price quotation, if the price received is considered reasonable. Contractor catalogs, as well as previous purchases, where applicable, of the same or similar item should be considered in determining price reasonableness. To the extent practicable, such micro-purchases must be distributed equitably among qualified sources and if practical, a quotation shall be solicited from other than the previous source before placing a repeat order.

Micro-Purchase Threshold for Construction Services is \$2,000, and is subject to the Department of Labor Davis-Bacon and/or HUD-Determined Wage Rates), as outlined in 2 CFR §200.320).

5.1.2 Small Purchases between \$3,000 and less than \$10,000

Purchases involving an expenditure of \$3,000 and less than \$10,000 may be solicited by obtaining three telephone or facsimile quotations from qualified sources. Quotations may be solicited orally, by telephone, or in writing. At a minimum, written documentation shall include the company name, phone number and amount of quote. The PO shall act as the contract and confirmation of acceptance offer. The PO shall be part of the purchase file. If quotations lower than the accepted bid are received, the reasons for their rejection shall be recorded in the purchase file.

Before making an award of a PO a cost analysis shall be performed to establish fair and reasonable profit. If only one quote is received a statement of reasonableness in the contract file. The statement must be based on market research, comparison of the proposed price with prices found to be reasonable on previous purchases, contract price lists, catalogs, or a comparison of similar items.

5.1.3 Small Purchases of \$3,000 and Less than \$150,000

Purchases between \$30,000 and less than \$150,000 for professional services or construction services, and materials, equipment and supplies shall be made through a Request for Proposals (RFP) or Request for Quotes (RFQ) process where a solicitation will be issued to a minimum of three contractors.

Purchases for materials, equipment and supplies must be published in the local media outlet of record in accordance with LA Louisiana Public Bid Law, Revised Statute 38:2211, et. seq.

Contracts that exceed \$10,000 shall include termination for cause/convenience by the PHA, the manner by which it will be effected and the basis for settlement.

5.2 Sealed Bidding

The PHA may publicly solicit sealed bids and obtain a firm fixed-price contract (lump sum or unit price) and award to the bidder who submits a bid in accordance with the requirements outlined in the Invitation for Bids, is the lowest responsive bid, and bidder is deemed responsible. Sealed bidding is the preferred method for procuring construction services and supplies, as well as non-complex service contracts in excess of the small purchase threshold.

Specifications

A complete and realistic specification or purchase description shall be adopted and available to bidders. Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. The PHA will endeavor in formulation of specifications, advertisements, etc., to incorporate a clear and accurate description of the technical requirements for product or service to be procured. Such description shall not in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the product to be procured, and when necessary, shall set forth those minimum essential characteristics and standards that it must conform to if it is to satisfy its intended use. The PHA shall identify all requirements that the vendors must fulfill and all other factors to be used in evaluating bids or proposals.

5.2.1 Construction Contracts

The Housing Authority shall procure construction services defined as public works project, in the amount of \$150,000 or greater, in accordance with Louisiana Public Bid Law, Revised Statute 38:2211, et. seq.

5.3 Request for Proposals

5.3.1 Conditions for Use

The competitive proposal method of procurement shall be used for procurements for professional services contracts and services contracts where the PHA determines that the sealed bid method of procurement is inappropriate.

5.3.2 Solicitation

The Request for Proposals (RFP) shall be advertised and published once each week for the two weeks preceding submission due date and time in a newspaper in the locality. In addition, the PHA shall also publish the advertisement on its agency website which is available to the general public. Further, the first advertisement should, where feasible, be at least 25 days prior to the proposal submission due date and time and cannot be made on a Saturday, Sunday, or legal holiday. The Director of Procurement may determine that a lesser period of advertisement is acceptable. Under no circumstance, can the first advertisement be fewer than 15 days prior to the proposal submission due date and time. The advertisement must specify the date, time, and location of the place for receipt of proposals. The advertisement shall also state where the RFP can be obtained by interested parties. Copies of the RFP must be made available on the first day of the advertisement and until 24 hours before the submission due date and time.

5.3.3 Proposal Evaluation

The RFP shall clearly identify the relative importance of price and other evaluation factors including the weight given to each factor. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued, and the proposals shall be evaluated only on the criteria stated in the RFP. All proposals received shall be evaluated by an evaluation committee approved by the CEO/ED.

5.3.4 Receipt of Proposals

Proposals shall be date and time stamped when received in the Department of Procurement and Contracts. Proposals shall be held unopened in a secure place until such time as the established date for receipt of proposals has passed. Since proposals are submitted in confidence and may contain proprietary information (such as trade secrets or other confidential business information regarding the offeror's approach to the work), they are not opened publicly. After the closing date, all proposals received are opened and evaluated in confidence. Proposals and any changes to those proposals are shown only to the PHA personnel authorized by the Contracting Officer as having a legitimate interest in them on the condition that information in the proposals will not be released to anyone who has not been so authorized.

5.3.5 Negotiation

Unless the PHA makes a written determination to make contract award without negotiations, based on initial proposals received, negotiations shall be conducted with all offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors, as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided 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.

Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions (Best and Final Offers) based on negotiations.

5.3.6 Award

After evaluation of each proposal, including revisions (Best and Final Offers), if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to the PHA.

5.4 Request for Qualifications

In the selection of A/E services (and certain development services as allowed in the Federal regulations), the Request for Qualifications (RFQ) based method of selection, where price is not used as an evaluation factor, may be used. Selection shall be made based on the established evaluation factors subject to negotiating a fair and reasonable fee. All other requirements related to the solicitation and handling of proposals shall be the same as Request for Proposals, and shall apply.

5.5 Non-Standard Procurement

Non-Standard Procurements are defined as the PHA’s approved alternative methods to procure goods and/or services outside of standard issuance of purchase orders and contracts. Non-Standard Procurement methods include: Employee Reimbursement, Credit Card(s), Store Credit, Fuel Card(s), and Petty Cash. Use of non-standard procurement methods for personal use is strictly prohibited.

The table below outlines the appropriate and approved uses of each type of non-standard procurement:

| Non-Standard Procurement Method | Authorized Expenditures | Expenditure Limit(s) (per transaction) |
|--|--|---|
| Credit/Purchasing Card(s) | Purchase of low-value supplies and services that cannot practically be purchased under the micro-purchase method for Small Procurements or for approved emergency or expedient procurements. | \$0 – \$7,500 |
| Store Credit | <i>See authorized credit card expenditures described above.</i> | \$0 – \$1,500 |
| Petty Cash | Purchase of low-value supplies and services that cannot be practically purchased under the micro-purchase method for Small Procurements or for approved emergency or expedient procurements. | \$0 – \$75.00 |

5.6 Non-Competitive Procurement

5.6.1 Conditions of Use

Procurements shall be conducted competitively to the maximum extent possible. The PHA may procure noncompetitively only when award of a contract is not feasible using small purchase procedures, sealed bidding, or the competitive proposal method, and one of the following applies (regardless of amount):

- a) The item is available only from a single source, based on a good faith review of available sources;
- b) The public exigency or State of Emergency has been declared;
- c) HUD authorizes the use of non-competitive proposals; or
- d) After solicitation of a number of sources, competition is determined inadequate.

If a proposal is submitted for a non-competitive procurement, the contract shall be evaluated and the technical and cost aspects of the proposal shall be negotiated. Emergency construction services that exceed \$150,000 and meet the definition of Public Works shall be procured pursuant to Louisiana Public Bid Law, Revised Statute 38:2211, et. seq.

5.6.2 Requirements for Emergency Procurements

An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the PHA, 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 is limited to those supplies, services, or construction necessary simply to meet the emergency;

When contract action is taken pursuant to telephone or other oral offers, a written confirmation of the accepted offer shall be obtained and made a part of the contract file. In addition, whenever contract action is taken, a record shall be established which shall contain, at a minimum, the following information with respect to each offer:

- a) A description of the work to be performed;
- b) The name and address of each offeror quoting, and the performance time and terms of each offer;
- c) If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded and made a part of the contract file. Such records shall be retained in accordance with all applicable laws, regulations, and the PHA policies.

5.7 Cooperative Purchasing

Procurement purchases may be fulfilled through existing State and/or General Services Administration (GSA) contracts and other inter-governmental agency purchasing agreements to avoid duplicative purchases and encourage shared goods and services between agencies.

The PHA's procurement files must contain a reference to the State or GSA contract number.

Section 6 –Contractor Management

6.1 Contractor Registration

Each PHA shall provide a method to register with the PHA as a Contractor/Vendor for those interested in doing business with the PHA.

6.2 Contractor Setup

Contractors shall register via the preferred method of the PHA.

PHA's may use a Contractor Setup Form which must be completed for all purchase orders and/or contracts awarded. The form must be reviewed and approved using a system of checks and balances (Departmental), e.g. requesting Department Director, CFO/ED and Director of Procurement and Contracts prior entering the contractor information into the Financial Database. The Procurement Department shall enter and maintain the Contractor/Vendor information in a financial data system.

To ensure the integrity of this process, PHA employees with access to authorize payments (Accounts Payables - Finance Department) may not also be authorized to create, modify, or delete a contractor, which is a function of the Procurement Department.

6.3 Contractor Maintenance

At a minimum, PHA's should review its Contractor Registration and Setup Database on an annual basis to ensure contractor information is current. Contractors/Vendors active within the last 24 months should be maintained, in a database, by the Procurement Department.

The Procurement Department, in conjunction with the Finance Department shall annually review and update Contractor/Vendor information

Section 7 –Contracts

7.1 Eligibility to Contract with the PHA

Determination of Contract Responsibility and Debarment Status Review

The Procurement Department shall perform due diligence verifications prior to award of any contract exceeding the threshold of \$10,000 and document contractor responsibility. Consideration will be given to such matters as contractor integrity, business judgment, compliance with public policy, record of past performance, and financial and technical resources and any other factors which could be reasonably related to being relevant to successful performance of the contract.

In addition, the Procurement Department shall ensure, prior to award of a contract that the proposed business has not been debarred, or otherwise declared ineligible for award, by an applicable regulatory agency. The following non-exclusive sources shall be reviewed when required.

- a) U.S. General Services Administration's "List of parties Excluded from Federal Procurement and Non-procurement Programs"

- b) U.S. Department of Housing and Urban Development's "Limited Denial of Participation" List
- c) Office of State Purchasing (OSP) Quasi Agencies Notification List
- d) State of Louisiana Secretary of State

7.1.2 Contractor Exclusion

This section applies to exclusion of a sole proprietor or any bidding entity if any individual partner, incorporator, director, manager, officer, organizer, or member who has at least 10% ownership in the bidding entity, for consideration for award of contracts, in accordance with LA R.S. 38:2227 for the following crimes:

1. A conviction of or plea of guilty or no contest to the following state crimes or equivalent federal crimes shall permanently bar any person or the bidding entity from bidding on public projects.
 - (a) Public bribery
 - (b) Corrupt Influencing
 - (c) Extortion
 - (d) Money laundering

2. A conviction of or plea of guilty or no contest to the following state crimes or equivalent federal crimes shall bar any person for the bidding entity from bidding entity from bidding on public projects for a period of five years from the date of conviction or from the date of the entrance of the plea of guilty or no contest.
 - (a) Theft
 - (b) Identity theft
 - (d) False accounting
 - (e) Issuing worthless checks
 - (f) Bank fraud
 - (g) Forgery
 - (h) Contractors: Misapplication of payments
 - (i) Malfeasance in office

The five-year prohibition shall apply only if the crime was committed during the solicitation or execution of a contract or bid awarded pursuant to the provisions of LA R.S. Title 38, Chapter 10 – Public Contracts.

The PHA shall not be required to perform criminal background checks on contractors, vendors or subcontractors. Each bidder shall be required to attest that he has not been convicted of, or has not entered a plea of guilty to nolo contendere to any of the crimes or equivalent crimes listed in the preceding paragraph. It shall be the responsibility of any person, company, or entity making an allegation of false attestation to present prima facie proof to the PHA supporting their claim. If evidence is submitted substantiating that a false attestation has been made and the project must be re-advertised or the contract cancelled, the awarded entity making the false attestation shall be responsible to the PHA for the costs of rebidding, additional costs due to increased costs of bids and any and all delay costs due to the rebid or cancellation of the contract.

Should the PHA uncover information about a bidding entity that would be cause for debarment, suspension, exclusion, or determination of ineligibility for award of a contract, it shall report and submit supporting documentation to the applicable regulatory agency.

7.1.3 Notice of Proposed Disqualification

The following sections shall only apply to procurements done in accordance with Louisiana Public Bid Law as promulgated in R.S. 38:2211, et. seq.

In the event that a bidder is determined to be ineligible to contract with the PHA due to exclusion or the PHA's determination that a bidder is not responsible, the PHA shall send the bidder a formal written notice that the PHA is proposing disqualification of the bidder from completing the contract. This notice must be sent prior to award of a contract.

The notice shall state specific reasons for the proposed disqualification. The notice shall also inform the bidder of its right to an informal hearing at which time the bidder will be afforded the opportunity to refute the reasons for the proposed disqualification. The due process hearing shall be scheduled within five (5) business days from the date of the notice. A copy of the notice shall be sent to the bidder by fax, email, regular mail, and by certified mail return receipt requested.

7.1.4 Due Process Hearing

An informal hearing shall be held with the bidder proposed for disqualification and the PHA official(s) to give the bidder an opportunity to respond to the charges against the bidder. This hearing does not include the right to call witnesses or cross-examine the persons who initiated the charge(s) of irresponsibility and/or exclusion.

Within five (5) business days after the hearing, but prior to awarding the contract, the PHA shall give the bidder formal written notice of the agency's decision. If the PHA upholds its decision to disqualify the bidder for the contract, the decision notice shall list the specific reasons upon which the disqualification is based. A copy of the due process hearing decision notice shall sent to the bidder by fax, email, regular mail, and by certified mail return receipt requested.

The PHA shall preserve the records including any written notices, communications, supporting documentation, informal due process hearing decisions, and any other records in connection with a disqualification for at least 1 year from the date of final decision.

7.2 Employment Training and Contracting Policy

Section 3 Policy Statement

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701, et seq.) (the "Act") requires all PHA's to ensure that employment and other economic and business opportunities generated by financial assistance from the Department of Housing and Urban Development ("HUD"), are directed to public housing residents and other low income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low and very low income persons.

PHA's , in accordance with applicable laws and regulations, must establish employment and training requirements that contractors and subcontractors are expected to meet in order to comply with Section 3 requirements. The PHA's Section 3 requirement is thirty percent (30%) of any new hires for the term of the contract shall be Section 3 eligible workers, and 10% (construction) or 3% (non- construction) of the value of the contract shall be awarded to Section 3 eligible Businesses. It is the contractor's responsibility to implement progressive efforts to attain Section 3 compliance. Failure to attain Section 3 compliance in accordance with their contract will subject them to penalties including, but not limited to withholding payments.

DBE/WBE Policy Statement

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and as promulgated in 24 CFR Part 85, the PHA hereby modifies the numerical requirements relative to contracting with Disadvantaged Business Enterprises (DBEs) and Woman Business Enterprises (WBEs) and reaffirms its commitment of ensuring that all contractors and any tier subcontractors that are awarded a contract of \$100,000 or greater for work generated through the expenditure of HUD funding shall take all necessary and reasonable steps to provide Disadvantaged Business Enterprises (DBEs) and Woman Business Enterprises (WBEs) with the maximum opportunity to participate in the performance of contracts awarded by the PHA.

The DBE requirement is 20% of the value of the contract will be awarded to DBEs and 5% of the value of the contract will be awarded to WBEs.

Summary of Requirements

| Requirements | Section 3 Hiring | Section 3 Training & Internship | DBE Contracting | WBE Contracting | Section 3 Contracting |
|--------------|------------------|--|----------------------------------|---------------------------------|---|
| | 30% of new hires | Paid Training and Internship Spots as listed in Chart on Page 17 | 20% of the value of the contract | 5% of the value of the contract | 10% of the value of construction contracts 3% of the value of non-construction contracts |

These requirements apply to all prime and subcontractors where the value of the contract with the PHA is \$100,000 or greater.

7.3 Ensuring Reasonable Cost

7.3.1 Purpose and Definitions

As a public agency accountable to both public and governmental funding agencies, the PHA is committed to ensuring that the costs paid for obtaining necessary goods and services are reasonable and that the PHA's interests are adequately protected.

Definitions:

Independent Cost Estimate - An estimate of the anticipated costs of a contract or contract modification, prepared by PHA staff or an independent entity, that assists the PHA in evaluating costs submitted by a contractor

Price Analysis - A written review and evaluation of competitive prices received by the PHA to determine whether the proposed price of a Contractor is reasonable when compared with prices provided by others in the market. A Price Analysis should be performed for all small procurements under \$150,000, when price is the only selection criterion used for selecting a vendor.

Cost Analysis - A written review and evaluation of contractor proposed costs for a contract or contract modification. A Cost Analysis is required whenever price is not used as the only selection criterion for award of a contract.

Thresholds for Application of Reasonable Cost Assurance

1. Non-Federally Funded Contracts Threshold

The requirements for written Independent Cost Estimates, Cost Analysis, or Price Analysis on non-federally funded contracts shall only apply if the estimated or actual dollar amount of the contract or contract modification equals or exceeds \$150,000. However, PHA staff should exercise prudent and conservative judgment when evaluating cost reasonableness of an expenditure of less than \$150,000.

2. Federally Funded Contracts Threshold

All purchases over \$3,000 shall require written Independent Cost Estimates, Cost Analysis, or Price Analysis on federally funded contracts. However, PHA staff should exercise prudent and conservative judgment when evaluating cost reasonableness of an expenditure of less than \$150,000.

3. Direct Payments

Transactions defined on the Direct Payments, based on the nature of the transactions, are exempt from the requirements of conducting Independent Cost Estimates, Cost Analysis, or Price Analysis.

7.4 Criminal Background Checks in Employment Screening

PHA's are committed to offering employment opportunities to qualified applicants with criminal convictions on PHA funded projects.

No applicant for employment should be automatically barred from employment on a PHA funded project because of his/her criminal background. Instead, any criminal conviction must be evaluated in its full context, including a consideration of the nature and gravity of the conviction, the amount of time elapsed since the conviction, and the nature of the job sought, among other factors, unless Louisiana or federal law specifically prohibits hiring a person with that particular kind of work.

Section 8 –Procurement Processes

8.1 Purchase Requests (Requisition)

The Procurement Department shall not initiate unilateral action(s) to procure goods or services without a purchase request. All purchase requests must be authorized by the director of the requesting department, the Finance Department, and may require the authorization of the CEO/ED, prior to any action by the Procurement Department.

It is the responsibility of the director of the requesting department to name and approve the employees in their department who initiate purchase requests.

8.2 Contract Approval Process

8.2.1 Purchase Orders and Contracts

It is the responsibility of the Procurement Department to approve purchase orders on behalf of the agency.

Only the PHA's Contracting Officer/Executive Director is authorized to execute contracts on behalf agency. The Contracting Officer may designate a PHA staff member with signature authority, as deemed necessary.

The PHA contracting authority rests solely with its CEO/ED. Contracts that exceed \$150,000 must be approved by the CEO/ED and the PHA's Board of Commissioners.

8.3 Receipt of Goods and Services

This policy defines the manner in which goods and services are received and the quality, amount, and price of the goods and services are in accordance with the Contract/PO. Each Department should designate a staff member to receive invoices for goods and services

Department Directors shall verify each invoice and submit any required supporting documentation to the finance department for payment.

Section 9 –Contracting Processes

9.1 Types of Contracts

1. Blanket Purchase Order

Blanket Purchase Orders may be used to procure materials, supplies, or services required on a continual basis. A Blanket Purchase Order is a contract for goods or services over a defined period of time at a pre-determined price. Funds are encumbered each fiscal year according to the departments' budgetary requirements.

2. Purchase Order (PO)/Contracts

PO is a Contract agreement between one or more persons (individuals, businesses, organizations or government agencies) to provide the agency with supplies or services.

PO's shall include the following essential pieces of information: contractor name, address, purchase order identification number; description of goods and/or services ordered to be delivered; the requestor name and location; delivery instructions; billing information; the unit and/or total fixed cost of the goods and/or services; the terms and conditions; and a required delivery date.

A written contract must be executed for goods and services exceeding \$30,000, and for all construction services contracts that exceed \$2,000.

9.2 Mandatory Contract Requirements

1. Construction Contracts

Construction contracts greater than \$2,000 but not more than \$150,000, the PHA shall incorporate General Contract Conditions, pursuant to HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, dated 2/2007, as amended from time to time and Louisiana Public Bid Law Revised Statute 38:2211, et. seq.

The PHA may choose to use form HUD-5370 in lieu of the HUD-5370-EZ if the former is more appropriate given the nature of the work.

For all construction contracts greater than \$150,000, the PHA shall incorporate the clauses contained in form HUD-5370, General Conditions of the Contract for Construction and the applicable Davis-Bacon wage decision.

2. Non-Construction Contracts

For all non-construction contracts of \$150,000 or more the PHA must incorporate the clauses contained in Section I of form HUD-5370-C, General Conditions of Non-Construction Contracts.

3. Maintenance Contracts

For all maintenance contracts greater than \$3,000 less than \$150,000, the PHA must incorporate the clauses contained in HUD-5370-C, General Conditions for Non-Construction Contracts, and the applicable HUD wage decision.

For all maintenance contracts of \$150,000 or more (including non-routine maintenance work), must incorporate the clauses contained in Sections I and II of form HUD-5370-C, General Conditions for Non-Construction Contracts.

PHA's must provide hard-copies of any referenced clauses, forms, and/or wage decisions upon request.

Contractors shall maintain records relating to the contract for a period of at least three years after final payment has been received and all matters pertaining to the contract are closed. If any claims or litigation are involved, the records shall be retained until all issues are satisfactorily resolved or three years has passed, whichever is the latter.

9.2.2 Required Contract Clauses

Contracts awarded shall include, at a minimum, all clauses, terms, and conditions required by 2 CFR §200.326.

The PHA's Legal Department/Counsel shall review and approve all draft contracts before transmittal and execution by the Contractor and the PHA's Contracting Officer. Any Contractor feedback on the terms and conditions should be vetted through Legal Counsel before a contract is updated or executed.

9.2.3 Federal Labor Standards and Wage Rates

The following federal labor standards and wage rates apply:

1. Construction

All laborers and mechanics (including apprentices and other workers trained by the PHA, Resident Management Corporations (RMC's), or other HUD contractors, HUD's "Step-Up" or similarly approved training initiatives) involved in construction contracts in excess of \$2,000 must be paid wages in accordance with Federal labor standards issued pursuant to the Davis-Bacon Act by the Department of Labor (DOL). In addition, the overtime requirements of the Contract Work Hours and Safety Standards Act are applicable to construction contracts in excess of \$150,000. For record keeping, PHA's shall retain all payroll reports and statements of compliance for three years from the date of contract completion and acceptance by the Authority, or from the date of resolution of any standards issues outstanding at contract completion.

2. Maintenance

All maintenance laborers and mechanics employed under contracts in excess of \$2,000 for the operation of public housing must be paid no less than prevailing wages determined or adopted by HUD. In addition, the overtime requirements of the contract Work Hours and Safety Standards Act are applicable to maintenance contracts in excess of \$100,000. For record keeping, the PHA shall retain all compliance monitoring records, including employee interview records, for three years from the date of contract completion and acceptance by the PHA, or from the date of resolution of any labor standards issues outstanding at contract completion. Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

9.3 Contract Negotiations

The PHA's Legal Counsel, as well as its Contracting Officer, may negotiate price and other terms of purchases when appropriate. The PHA may not alter or negotiate changes to mandatory contract clauses. All contract negotiations should be vetted through the PHA's Legal Counsel by the Procurement Department. All communications to and from the Contractor during the period of contract negotiations should be documented in the procurement file.

9.4 Contract Modifications

Modifications to a contract to reflect any change shall be executed in the form of an Amendment. The change shall be executed as follows:

- a) Unilateral modification is a modification that is signed only by the Contracting Officer, such as a change in pursuant to HUD General Contract Conditions for Construction and/or Non-Construction Contracts.
- b) Bilateral modification such as a supplemental agreement in which both parties mutually agree on contract changes that is signed by both the Contracting Officer and the contractor.
- c) Contract amendments, where an option year period is exercised and the total dollar amount of the contract (including the initial contract year) exceeds \$150,000, must be approved by the PHA's Board of Commissioners.

Contract Amendments shall be processed and maintained in the Procurement Department contract file.

9.4.1 Construction Contract Modifications

Contract modifications to construction contracts may consist of additions, deletions or other revisions to the project, at the discretion of the PHA, adjusted as appropriate. Change shall not modify the work within the scope of the contract.

9.5 Contract Administration

The Contract administration phase of the contracting process begins immediately following the completion of contract award. Contract administration refers to the oversight of activities related to the performance of the contract by the Contractor. It is the responsibility of each department to monitor the contract and contractor performance.

It is the responsibility to verifying and document Contractor performance to ensure deliverables received are in accordance with the contract terms and conditions.

9.6 Contract Monitor

The PHA's Contracting Officer will assign an employee with the department for which the contract is utilized to serve as the Contract Monitor ("CM") for the project through the Contracting Officer Designee Letter. The Contracting Officer Designee Letter is signed at the time of contract execution. The Department CM serves as the representative of the Department and provides collaboration, coordination, cooperation, and communication with the Procurement Department.

During the contract administration phase, the Contract Monitor is the point of contact between the PHA and the Contractor.

The primary purpose of contract monitoring is to ensure the Contractor is in compliance with contract terms and conditions. Effective monitoring can result in early identification of issues to improve contract performance. All monitoring efforts should be documented including; Observations, disputes and final outcome(s). A complete record of all monitoring activities should be maintained.

9.7 Contractor Performance Evaluation

The PHA may develop and implement a performance evaluation system to evaluate the performance of contractors, consultants, and/or vendors doing business with the PHA. Ratings on previous contracts from such a performance evaluation program may be used in evaluating when a business is responsible and capable of performing proposed work, and may also provide a mechanism for debarring businesses from contracting with the PHA.

Section 10 –Disputes, Protests and Appeals

The PHA shall attempt to resolve all procurement-related (solicitation, award, and contractual) disputes, protests, and appeals internally without outside review by either HUD or the judicial system.

10.1 Filing Deadlines

The following deadlines for filing protests with the PHA shall apply:

1. Solicitations

Any protest against a solicitation issued by the PHA must be received by the Procurement Department at least 10 days before the bid or proposal submittal deadline, or it will not be considered.

2. Awards

a) Any protest against the award of a contract or purchase order based on a formal method of procurement, where the solicitation is advertised, must be received by the Procurement Department within three business days after notice of contract award, or the protest will not be considered.

3. Decisions

a) The PHA shall issue a written decision to any properly filed protest within 15 business days of receipt.

10.2 Form and Manner of Filing Protests and Decision Appeals

Appeals to protest decisions must be in writing, signed, and explain the basis of the protest, or the appeal will not be considered. All appeals should be served in person, or by certified to the Contracting Officer

10.3 Reservation of Rights

A filing, review, or decision of a protest pursuant to this procedure shall not enjoin or prevent the PHA from the exercise of any of its rights or remedies, nor act as a waiver of such rights and remedies. This reservation of rights includes, but is not limited to the PHA's exercise of rights in contract, law and equity to give notice to a contractor to proceed with work, enter into or cancel a contract, add, delete, or modify contract specifications, withdraw or reissue specifications, or charge, fine or assess liquidated or contract damages, even in the event that such an action may be the subject of a procurement protest.

10.4 Exhaustion of Remedies

A person or business entity who has filed a timely notice of procurement protest, received a decision, filed a timely notice of appeal, and received a decision regarding said appeal, shall be deemed to have exhausted administrative remedies with the PHA.

10.5 Contractual Claims and Disputes

The PHA is responsible for the handling and resolution of all contractual claims and disputes according to the requirements and procedures outlined in each contract. Consistent with HUD regulations, violations of law will be referred (by the PHA) to the local, State, or Federal authority having proper jurisdiction.

Contract claims may occur after the contract has been executed and may be pursued by the PHA or the contractor. Disputes may arise regarding breach of contract, mistake, misrepresentation, other cause for contract modifications, or other disputes as described in the contract documents, such as unforeseen conditions. Forms HUD-5370, 5370-C, 5370-EZ, describe types of disputes and how claims will be processed by the PHA.

In the event a claim against the PHA is filed, the PHA will make every effort to resolve the claim(s) informally and expeditiously to avoid time losses or expensive delays. However, if the dispute cannot be resolved by mutual agreement, the following steps must be taken:

- a) The contractor must submit the claim to HANO's Director of Procurement and Contracts Department in writing within the timeframe specified in the contract documents.
- b) The claim must identify the nature and scope of the claim, including extra costs or time sought by the contractor.

END