

PURCHASING POLICY:

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

Every purchase, rental or lease of services, supplies, materials, equipment, construction, alteration, repair, maintenance, or demolition of PHA property shall be in accordance with this policy. The purpose of this policy is to assure that purchases are made in a fair and impartial manner and that the PHA will obtain quality workmanship, materials, supplies, and services that best meet PHA needs in the most cost effective manner possible. Best efforts shall be made to meet PHA goals regarding contracting with business enterprises owned by members of HUD-defined minority groups, women and persons with disabilities (MBE's, WBE's and DBE's). To the greatest extent feasible, the PHA will also award contracts to qualified contractors and vendors that create employment and business opportunities for participants in PHA housing programs and other qualified low- and very low-income persons, and that otherwise comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

All PHA purchasing shall be in accordance with **2 CFR Sec. 200.317-200.326**, Federal, State, and HUD regulations, and approved PHA purchasing procedures. Where there are discrepancies in regulations or procedures, the more restrictive shall apply. Where there are discrepancies in dollar amounts, this policy shall apply. Dollar amounts indicated are exclusive of any applicable sales tax and freight charges.

A Price Analysis shall be conducted on all fixed price purchases, and a Cost Analysis shall be conducted on all negotiated purchases. Additionally, the forms HUD-5369, 5369-A, 5369-B, 5369, 5370, 5370-C, and 51915-A, which contain all HUD-required clauses and certifications for contracts of more than \$100,000.00, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by the PHA.

For Single Purpose Contract, those which are awarded for services to be performed by a single trade, such as plumbing or carpet laying, a minimum of 51% of the labor is required to be performed by the Contractor's own personnel. This requirement is intended to prevent the award of contracts to "construction managers" or "brokers." This requirement must be specifically stated in all applicable bid documents.

I. PURCHASING METHODS

A. Small Purchases:

1. Charge Accounts:
Purchases for amounts up to \$4,999.99 may be made utilizing PHA charge accounts. Charge accounts shall be established using the non-competitive proposal method of purchasing, and shall have a maximum cumulative amount of **\$99,999.99** per fiscal year. Terms and conditions of each charge account must be approved by the Contracting Officer.
2. Purchase Order:
 - a) Purchases up to **\$1,999.99 when Davis Bacon Wage Determination is used, or up to \$2,999.99 for all other supplies and services**, may be made by purchase order, without competition, if the price is considered reasonable and purchases are distributed among qualified sources.

- b) Purchases in amounts between \$2,000.00 and \$14,999.99 when Davis Bacon Wage Determination is used; and amounts between \$3,000.00 and \$14,999.99 for all other supplies and services, may be made by purchase order, following informal documented solicitation of a minimum of three competitive oral or written quotations.
- c) Purchases in amounts between \$15,000.00 and \$99,999.99 may be made by purchase order, following informal documented solicitation of a minimum of three competitive written quotations responding to written requirements provided to each bidder.

B. Competitive Sealed Bids:

- 1. Purchases in amounts up to \$99,999.99 may be made by sealed bid.
- 2. Purchases in amounts of \$100,000.00 or more must be made by sealed bid.
- 3. All requests for sealed bids for amounts of \$100,000.00 or more must be publicly advertised, opened, read and recorded, all in accordance with PHA and HUD procedures. The PHA reserves the right to reject any or all bids or to re-advertise.
- 4. Purchases may be made, (and PHA receipt of sealed bid is not required) under Joint or Cooperative Purchasing Agreements where other Minnesota public bodies have received sealed bids to establish the purchasing terms. (See II. Purchasing Approval)

C. Competitive Proposals:

The competitive proposal method of purchasing shall be used under any of the following circumstances:

- 1. To purchase the services of consultants including architect, engineer, testing, real estate, computer, training, design, surveying, title, legal, summons, banking, etc.
- 2. for equipment leasing.
- 3. When the use of sealed bids is inappropriate.

Under the competitive proposal method of purchasing:

- a) Solicitation of multiple proposals is not required for purchases of up to \$1,999.99 when Davis Bacon Wage Determination is used, or up to \$2,999.99 for all other supplies and services.
- b) Informal documented solicitation of a minimum of three written proposals is required for purchases between \$2,000.00 and \$99,999.99 when Davis Bacon Wage Determination is used; and amounts between \$3,000.00 and \$14,999.99 for all other supplies and services.
- c) Public issuance of a request for proposals is required for purchases of \$100,000.00 or more.
- d) Proposals must be evaluated on the basis of factors identified in the request for proposals. Proposals for consulting services may be evaluated on the basis of related experience, ability to provide timely service, professional qualifications, past performance, proposer's status as a Minority- and/or Women-Owned Business Enterprise (MBE or WBE), or a business owned by a Person with a Disability (DBE), other affirmative action efforts, Section 3 efforts and cost. Additional evaluating factors may be added as needed, depending on the purchase being made.

D. Non-Competitive Proposals:

The non-competitive proposal method of purchasing may be used under any of the following circumstances:

1. If an emergency exists which permits no delay.
2. If only one source of supply is available.
3. If inadequate response is received to a competitive solicitation.
4. If HUD approves the use of non-competitive proposals.
5. If equipment repair is required and the cost of taking apart and reassembling the equipment is a significant part of the cost of repair.
6. In order to establish the terms and conditions of a credit or charge account for small purchases.

Under the non-competitive proposal method of purchasing:

- a) Written justification must be provided for purchases between \$2,000.00 and \$99,999.99 when Davis Bacon Wage Determination is used; \$3,000.00 and \$99,999.99 for all other supplies and services, and must be approved in writing by the Contracting Officer.
- b) Emergency purchases of \$50,000.00 or more require the approval of the Executive Director.
- c) The PHA Board must be informed of purchases of \$15,000.00 or more.

E. Prohibited Contract Types

In accordance with 2 CFR Sec. 200.323(d), the use of the following types of contracts is prohibited:

1. Cost-plus-percentage-of-cost.
2. Cost-plus-percentage-of-construction-cost.

II. PURCHASING APPROVAL:

All purchases of \$100,000.00 or more require the approval of the PHA Board of Commissioners except as stated below. All purchases of less than \$100,000.00 require the approval of the Executive Director or the Contracting Officer or other staff as designated by the Executive Director.

Staff is authorized to make the following types of purchases that may total \$100,000.00 or more annually, without Board approval when they are essential to PHA operations:

- A. Purchases made under Joint or Cooperative Purchasing Agreements where other Minnesota public bodies have received sealed bids to establish the purchasing terms. Staff shall report annually to the Board on the total amount expended under each such contract, if \$100,000.00 or more;
- B. Utilities, including fuel oil;
- C. Telephones, cellular phones, computer connections, and automatic-response communication lines connected to nurse's call stations, fire command stations and elevators.
- D. Postage

The PHA Board of Commissioners must be informed of changes or amendments to contracts that (cumulatively) result in an addition of \$100,000.00 or more, or 25% or more of the original contract

amount (whichever is less). Changes or amendments to contracts that result in an addition of \$100,000.00 or more for any single work item require PHA Board approval.

III. CONTRACT ADMINISTRATION:

The PHA 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.

IV. RECORD RETENTION:

Complete documentation regarding any purchase, such as proposals, bids, quotations, evaluations, etc., shall be preserved in the Agency files according to PHA procedures and HUD regulations. The PHA shall retain all significant and material documentation and records concerning all procurements for a period of three years after final payment and all matters pertaining to the contact are closed. If any claims or litigation are involved, the records shall be retained until all issues are satisfactorily resolved.

V. ETHICS IN PUBLIC CONTRACTING

The PHA's Board of Commissioners has approved separate Policies on Conflicts of Interest for Commissioners and Staff, which include the Agency's policies on ethics in contracting and procurement. Those policies are incorporated into this Purchasing Policy by reference.

VI. PURCHASING PROCEDURES:

The Executive Director or designee is authorized to issue rules and directives in the form of Purchasing Procedures as may be deemed necessary to implement this policy.

VII. PROCUREMENT/CONTRACT PROTEST PROCEDURES:

It is PHA 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.

The Executive Director or designee is authorized to issue procedures for protesting procurement and contracting disputes.

Approved by the PHA Board of Commissioners January 19, 1994.

Revisions approved:

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