

**HANNIBAL HOUSING AUTHORITY
CASH RECEIPTS PROCEDURE AND
PROCUREMENT, CAPITALIZATION, & DISPOSITION POLICY**

CASH RECEIPTS PROCEDURE

All payments made by residents to the HHA shall generate a computerized, pre-numbered receipt. The cashier must enter in the Tenant Accounting System the method of payment and the amount received. The computer system will print out a two-part receipt with the original being given to the resident. Account number, receipt number, and amount received must then be entered into the cash register.

HHA shall not collect money after 3:30 p.m. At the end of the day, the cashier and other associated HHA staff will close out the day's receipts. The tenant accounting system and the cash register are totaled separately and reconciled. Any voids or over rings are recorded thought the day and corrections are made during closing.

As a service to our residents, HHA will accept money orders, personal checks, or cash. Cash only if nothing else is available.

If the daily reconciliation discloses a cash shortage, the Executive Director shall make or request an investigation to be made to determine, if possible, the cause of the shortage. Upon the conclusion of the investigation, the amount of the shortage will be written-off by journal voucher as a debit to account #4590, Other General Expense.

If the daily reconciliation of cash receipts discloses a cash overage and an audit fails to rectify accountability, the amount of overage shall be set aside and used to cover any shortage determined for the remainder of the month. If a claim for refund is not made within a reasonable period (10 working days), the amount of the overage shall be transferred at the end of each month by journal voucher as a credit to account #3690, Other Income.

**HANNIBAL HOUSING AUTHORITY
PROCUREMENT, CAPITALIZATION, & DISPOSITION POLICY**

**SECTION 1
GENERAL PROVISIONS**

A. Purpose:

The purpose of this document is to provide a procurement system of quality and integrity; and assure that Authority purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and Local laws. To the extent possible and in the best interest of the Authority, American-made equipment and products shall be purchased with HUD funds.

B. Application:

This statement of Procurement Policy applies to all contracts for the procurement of supplies, services, and construction entered into by the Authority after the approval of this policy. It shall apply to every expenditure of funds by the Authority for public purchasing, irrespective of the source of funds, including contracts which do not involve an obligation of funds (such as concession contracts); however, nothing in this statement shall prevent the Authority from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law. The term “procurement” as used in this statement includes both contracts and modifications (including change orders) for construction or services, as well as purchase, lease, or rental of supplies and equipment.

C. Public Access:

Procurement information shall be a matter of public record to the extent provided by state law and shall be available to the public as provided by that law.

D. Definitions:

1. Small business – 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 shall be used, unless the authority determines that their used is inappropriate.
2. Minority owner business – A business which is at least 51% owned by one or more minority group members; or, in case the stock of a publicly owned business, on 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 Island Americans, and Hasidic Jewish Americans.

3. Women's Business Enterprise – A business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.
4. Business Concern Located in the Area of the Projects – An individual or firm located within the relevant covered project areas, as determined pursuant to 24 CFR 135.15, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above. A business concern owned in substantial part by persons residing in the area of the project is defined as a business concern which is 51% or more owned by persons residing within the project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of a small business above.

E. Executive Director's Responsibilities:

The contracting officer shall administer all procurement transactions. The contracting officer shall be the Executive Director or any other individual so designated by the Executive Director. Any delegation of contracting authority must be documented in writing. The contracting officer shall ensure that the following occur:

1. Procurement requirements are subject to a planning process to assure efficient and economical purchasing;
2. Contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction, and are supported by sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price; and that contracts and modifications are awarded only by Authority employees designated in writing as contracting officers;
3. For procurement other than small purchases. Public notice is given of each upcoming procurement; an adequate time period is provided for preparation and submission of bids or proposals; and notice of contract awards made is available to the public;
4. Solicitation procedures are conducted in full compliance with Federal standards stated in 24 CFR 85.36, or State and Local laws that are more stringent, provided they are consistent with 24 CFR 85.36;
5. An independent cost estimate is prepared before solicitation issuance and is appropriately safeguarded for each procurement above the small purchase

limitation, and a cost or price analysis is conducted of the responses received for all procurements.

6. Contract award is made to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the bidder whose proposal offers the greatest value to the Authority, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals); unsuccessful firms are notified within ten days, or other time period required by state or local law after contract award;
7. Work is inspected before payment, and payment is made promptly for contract work performed and accepted; and
8. The Authority complies with applicable HUD review requirements, and any local procedures supplementing this statement.

F. Contractor Responsibilities:

Procurements shall be conducted only with responsible contractors, i.e. those who have the technical and financial competence to perform and who have a satisfactory record of integrity. The Authority shall review each proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the list of Parties Excluded from Federal Procurement and Non-Procurement Programs published by the U.S. General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other Authorities), and financial and technical resources. Contracts shall not be awarded to debarred, suspended, or ineligible contractors.

G. Qualified Bidder Lists:

Interested businesses shall be given an opportunity to be included on qualified bidder's lists. Any pre-qualified lists of persons, firms, or products that are used in the procurement of supplies and services shall be kept current and shall include enough qualified sources to ensure competition. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists or potential contractors shall include, but not be limited to, such pre-qualified suppliers.

H. Competitive Specifications:

The Authority shall seek full and open competition in all of its procurement transactions. All specifications shall be drafted so as to promote overall economy for the purpose intended to encourage competition in satisfying the Authority's needs. Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional 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.

I. Limitations on Competition:

The following specification limitations shall be avoided:

1. Geographic Restrictions not mandated or encouraged by applicable Federal law (except for architect or engineer contracts, which may include geographic location as a selection factor if adequate competition is available);
2. Unnecessary bonding or experience requirements;
3. Brand name specifications (unless a written determination is made that only the identified item will satisfy the Authority's needs);
4. Brand name or equal specifications (unless they 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 scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of the Authority's computer needs and then allowing that consultant to compete for the subsequent contract for the computers).

J. Cooperative Purchasing:

The Authority may enter into State and Local intergovernmental agreements to purchase or use common goods and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental 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. Authorities are encouraged to use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

**SECTION 2
PROCUREMENT METHODS**

A. Small Purchase Procedures:

1. General – Any contract not exceeding \$100,000.00 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided in an effort to keep purchases from exceeding the small purchase limit and requiring additional procurement procedure be followed.
2. Petty Cash Purchases – Small purchases under \$250.00 may be processed through the use of a petty cash account. The contracting officer shall ensure that:
 - a. The account is established in an amount sufficient to cover small purchases made during a reasonable period of time (e.g. one week)
 - b. Security is maintained and only authorized individuals have access to the account;
 - c. The account is periodically reconciled and replenished by submission of a voucher to the Authority’s finance officer; and
 - d. The account is periodically audited by the finance officer or designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated voucher.
3. Small Purchases of \$1,000.00 or Less – For small purchases below \$1,000.00 or the dollar limit established in #4 below. Only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.
4. Small Purchases Over \$1,000.00 – For small purchases in excess of \$1,000.00 or a higher amount up to 10% of the dollar limit in #1, part a above but not exceeding \$100,000.00, no less than three offers shall be solicited to submit price quotations, which may be obtained orally, by telephone, or in writing, as allowed by State or Local laws. Award shall be made to the bidder providing the lowest acceptable quotation, unless justified in writing based on price and other specific factors, such as for architect/engineer contracts. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the bidders and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record (unless otherwise provided in State or Local law)

B. Sealed Bidding:

1. Conditions for Use – Contracts shall be awarded on competitive sealed bidding if the following conditions are present:
 - a. A complete, adequate, and realistic specification or purchase description is available;
 - b. Two or more responsible bidders are willing and able to compete effectively for the work;
 - c. The procurement lends itself to a firm fixed price contract; and
 - d. The selection of the bidder can be made principally on the basis of price.

Sealed bidding is the preferred method for construction procurement. For modernization projects, sealed bidding shall be used for all construction and equipment contracts exceeding the small purchase limitation. For professional service contracts, sealed bidding should not be used.

2. Solicitation and Receipt of Bids – An invitation for bids shall be issued including specifications and all contractual term and conditions applicable to the procurement, including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the invitation for bids. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time stamped but not opened and shall be stored in a secure place unit bid opening. A bidder may withdrawal its bid at any time prior to bid opening.
3. Bid Opening and Award – Bids shall be opened publicly, an abstract of bids shall be recorded, and the bids shall be available for public inspection. If equal low bids are received from responsible bidders, drawing lots or similar random method shall make award, unless otherwise provided in State or Local law and stated in the invitation for bids. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost and price analysis verifies the reasonableness of the price.
4. Mistakes in Bids:
 - a. Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show clear and convincing evidence that a mistake of 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 withdrawal 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.

- b. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the contracting officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Authority or fair competition shall be permitted.

5. Bonds – In addition to the other requirements of this statement, the following requirements apply:

- a. For construction contracts exceeding \$100,000.00, other than those specified in part e, section 1), part a) below, contractors shall be required to submit the following, unless otherwise required by State or Local law or regulations:

- 1) A bid guarantee from each bidder equivalent to 5% of the bid price;
- 2) A performance bond for 100% of the contract price;
- 3) A payment bond for 100% of the contract price.

- b. In the case of construction of conventional development projects funded pursuant to the U.S. Housing Act of 1937, the contractor shall be required to submit the following, unless otherwise required by State or Local laws or regulations:

- 1) A bid guarantee for each bidder equivalent to 5% of the bid and price; and
- 2) One of the following:
 - a) A performance and payment bond for 100% of the contract price; or
 - b) A 20% cash escrow; or
 - c) A 25% irrevocable letter of credit.

- c. In the case of construction under the Comprehensive Improvement and Assistance Program (CIAP) funded pursuant to the U.S. Housing Act of 1937, for any contract over \$100,000.00, the contractor shall be required

to submit the following, unless otherwise required by State or Local laws or regulations:

- 1) A bid guarantee from each bidder equivalent to the bid price;
- 2) One of the following:
 - a) A performance and payment bond for 100% of the contract price;
 - b) Separate performance and payment bonds, each for 50% or more of the contract price;
 - c) A 20% cash escrow;
 - d) A 25% irrevocable letter of credit.

C. Competitive Bids:

1. Conditions for Use – Competitive proposals (including turn key proposals for development) may be used if there is an adequate method of evaluating technical proposals and where the Authority determines that conditions are not appropriate for the use of sealed bids. An adequate number of qualified sources shall be solicited (normally, at least 3).
2. Solicitation – The request for proposals (RFP) shall clearly identify the relative importance of price and other evaluation factors and sub factors, including the weight given to each technical factor and sub factor. 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 bidders, the identity of the bidders, and the contents of their proposals. The proposals shall be evaluated only on the criteria in the request for proposals.
3. Negotiations – Unless there is no need for negotiations with any of the bidders, negotiations shall be conducted with bidders 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 bidders 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 to advise bidders of the deficiencies on both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No bidder shall be provided any information about any other bidders proposal, and no bidder shall be assisted in bringing its proposal up to the level of any other proposal. Bidders 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 based on negotiations.

4. Award – After evaluation of proposal revisions, if any, the contract shall be awarded to the responsible firm whose qualifications, price, and other factors considered, are the most advantageous to the Authority.
5. Architect/Engineer Services - Architect/Engineer services in the excess of the small purchase limitation (or less if required by State or Local law) may be obtained by either the competitive proposals method or qualifications-based selection procedures, unless State law mandates the specific method. Sealed bidding, however shall not be used to obtain Architect/Engineer services. Under qualifications-based selection procedures, competitor's qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications-based selection procedures shall not be used to purchase other types of services even though Architect/Engineer firms are potential sources.

D. Non-Competitive Proposals:

1. Conditions for Use – Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals, and one of the following applies;
 - b. The items is available only from a single source, based on a good faith review of available sources;
 - c. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the authority, as may arise by reason or 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 other procurement method, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency;
 - d. HUD authorizes the use of noncompetitive proposals;
 - e. After solicitation of a number of sources, competition is determined inadequate.
2. Justification – Each procurement based on non-competitive proposals shall be supported by a written justification for using such procedures.

3. Price Reasonableness – The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis as described in Number 5, part a below.

E. Cost and Price Analysis:

1. General – Some form of cost or price analysis shall be performed for all procurement actions, including contract modifications, using the procedures described in HUD Handbook 2210.18. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts surrounding each procurement.
2. Submission of Cost or Pricing Information – If the procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary to the Authority (e.g. when contracting for professional, consulting, or Architect/Engineer services) the bidder shall be required to submit:
 - a. A breakdown showing projected costs and profit;
 - b. Commercial pricing and sales information sufficient to enable the authority to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public.
 - c. Documentation showing that the offered price is set by law or regulation.
3. Cost Analysis – Cost analysis shall be performed if a bidder/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted:
 - a. A cost analysis shall be performed of the individual cost elements;
 - b. The Authority shall have a right to audit the contractor's books and records pertinent to such costs;
 - c. Profit shall be analyzed separately.

Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, subpart 31.2 of the Federal Acquisition regulations, 48 CFR Chapter 1). In establishing profit, the authority shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.

F. Cancellation of Solicitations:

An invitation for bids, request for proposals, or other solicitation may be canceled before offers are due if: the authority no longer requires the supplies, services, or construction; the Authority can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or similar reasons. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any bidder solicited.

SECTION 3
TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

A. Contract Types:

Any type of contract which is appropriate to the procurement and which will promote the best interests of the Authority may be used, provided that the cost plus the percentage of cost and percentage of construction cost methods are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless:

1. If is likely to be less costly or it is impractical to satisfy the Authority's needs otherwise;
2. The proposed contractors accounting system is adequate to allow costs in accordance with applicable cost principals (for commercial firms, see HUD handbook 2210.18); and
3. The contractor is paid only allowable costs.

A time and material contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at his own risk.

B. Options:

Options for additional quantities or performance periods may be included in contracts, provided that:

1. The option is contained in the solicitation;
2. The option is a unilateral right of the Authority;
3. The contract states a limit on the additional quantities and the overall term of the contract;
4. The options are evaluated as part of the initial competition;
5. The contract states the period within which the options may be exercised;
6. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
7. The options may be exercised only if determined to be more advantageous to the Authority than conduction a new procurement.

C. Contract Clauses:

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i), such as the following:

1. Termination for convenience;
2. Termination for default;
3. Equal Employment Opportunity;
4. Anti-Kickback Act;
5. Davis-Bacon Act;
6. Contract Work Hours and Safety Standards;
7. Reporting Requirements;
8. Patent Rights;
9. Rights in Data;
10. Examination of Records by Comptroller General and retention of records for three years after closeout;
11. Clean Air and Water;
12. Energy Efficiency Standards;
13. Bid Protests and Contract Claims;
14. Value Engineering; and
15. Payment of Funds to Influence Federal Transactions.

D. Contract Provision:

In addition to the provisions defining a sound and complete procurement contract, Housing Authority funds shall include the following contract provisions or conditions in all procurement contracts and subcontracts as required by the provision, Federal law, or the grantor agency.

1. Contracts other than small purchases shall contain provisions or conditions that will allow for administrative, contractual, or legal remedies in instances where

contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

2. All contracts in excess of \$10,000.00 shall contain suitable provisions for termination by the Housing Authority including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
3. All contracts awarded in excess of \$10,000.00 by the Housing Authority and their contractors or sub grantees shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
4. All contracts and sub grants for construction or repair shall include a provision for compliance with the Copeland "Anti-kickback" Act (18 USC 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). This act provides that each contractor or sub grantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, or to give any part of the compensation to which he is otherwise entitled. The Housing Authority shall report all suspected or reported violations to the grantor agency.
5. When required by the Federal grant program legislation, all construction contracts in excess of \$2,000.00 awarded by the Housing Authority and sub grantees shall include a provision for compliance with the Davis-Bacon Act (40 USC 276(a) to a7) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under this act contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less often than once a week. The Housing Authority shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of wage determination. The Housing Authority shall report all suspected or reported violations to the grantor agency.
6. Where applicable, all contracts awarded by the Housing Authority and sub grantees in excess of \$2,000.00 for construction contracts and in excess of \$2,500.00 for other contracts which involve for compliance with Section 103 and 107 of the Contract Work Hours and Safety standards Act (40 USC 327-330) as supplemented by the Department of Labor regulations (29 CFR, Part 5). Under Section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or

workweek is compensated is permissible provided that the worker is compensated at a rate of pay for all hours worked in excess of 8 hours in a calendar day or 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7. The contract shall include notice of grantor agency requirements and regulations pertaining to reporting and patent rights under any contract involving research, developmental, experimental, or demonstration work with respect to any discovery or invention which arises or is developed in the course of or under such contract, and of grantor agency requirements and regulations pertaining to copyrights and rights in data.
8. All negotiated contracts (except those awarded by small purchase procedures) awarded by the Housing Authority shall include a provision to other effect that the Housing Authority, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly related to that specific contract, for the purpose of making audit, examination, excerpts, and transcriptions.

The Housing Authority shall require contractors to maintain all required records for three years after the Housing Authority makes final payments and all other pending matters are closed.

9. Contracts, sub contracts, and sub grants of amounts in excess of \$1,000.00 shall contain a provision that requires compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)). Section 508 of the Clean Water Act (33 USC 1368, Executive Order 11738, and Environmental Protection Agency regulations (40 CFR, Part 15), which prohibit the use (under non-exempt Federal contracts, grants, or loans) of facilities included on the EPA list of Violating Facilities. The provision shall require reporting of violations to the grantor agency and the USEPA Assistant Administrator for Enforcement (EN-329).
10. Contracts shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

E. Preparation and Conducting Negotiations:

1. In preparing for negotiations always remember that both parties to the negotiations are equals. Both parties, the Housing Authority and the bidder, have something to offer, and in return something to receive.
2. Carefully analyze the subject of negotiations and thoroughly understand its scope and limitations.
3. Obtain a basic understanding of authorizing documents.
4. Study in depth the implementation or regulations and policies affecting the procurement.
5. Identify amount of resources and the available data.
6. Review work scope for clarity and specifics.
7. Outline in writing issues needed to be resolved.
8. Limit negotiation discussions to resolvable issues, some items cannot be negotiated due to law or regulation.
9. Limit issues to the negotiation subject at hand, do not attempt to negotiate in generalities.
10. Obtain a list of concerns and issues from negotiating contract officer.
11. Obtain copies of applicable legislation. Identify and obtain laws, regulations, and policies covering the Authority to be used for the procurement.
12. If options are available (i.e. Buy Indian vs 93-638) review advantages of each procurement Authority and determine your choice.
13. Make sure you have been given all of the procurement options.

F. General Provisions and Special Provisions:

1. General Provisions are the required clauses for a contract with the appropriate agency commonly called “Boiler Plate”.
2. Special Provisions are added agreed upon clauses covering specific items of concern to a specific contract/grant. Either party of the negotiations may initiate these. All types of clauses are subject to negotiation.

G. Contract Administration:

A contract administration system designed to insure that contractors perform in accordance with their contracts shall be maintained. The system shall include procedures for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters.

**SECTION 4
APPEALS AND REMEDIES**

A. General:

It is the Authority's policy to resolve all contractual issues informally at the Authority level without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the Authority's level. When appropriate, the Authority may consider the use of informal discussions between parties by individuals who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the Authority to review a complaint or protest.

B. Bid Protests:

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Statement. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten calendar days after contract award, or the protest will not be considered. All Bid Protests shall be in writing, submitted to the Contracting Officer of designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

C. Contract Claims:

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee 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 a higher level in the Authority, such as the Executive Director or a designated Board member, of a Procurement Appeals Board.

SECTION 5 PURCHASING PROCEDURES

A. Requesting Department's Responsibilities:

In order to obtain the objective of a smooth flow of administration in the purchasing procedure, all concerned must understand their responsibilities in communicating their needs. The requesting department has certain responsibilities that are important in order to obtain the services needed or items of supply:

1. To allow sufficient lead-time for an order to be processed in advance of needs;
2. To prepare clear and concise specifications for items needed or services to be rendered;
3. To make certain that funds are available for the purchase of required items;
4. To make certain items or services to be procured are within the approved budget or prior approval is received in writing from the contracting agency;
5. To inspect materials when received and store them in a manner which will preserve their useful function.

B. Requisition:

Requisitions will be completed and submitted to the Finance Department with appropriate cost estimates, identification of source of goods and funds for payment. Upon receipt of the required levels of approval the Executive Director will determine whether the item will require formal or informal procedures.

C. Partial Shipments:

When a partial shipment is received, it will be noted by the receiving staff person on the receiving report by entering "partial shipment" on the report. This copy will be forwarded to finance for payment only on items received.

D. Defective or Damaged Goods:

Defective or damaged goods or material received shall be treated as a separate item. If the item is damaged, do not accept the merchandise. The carrier is liable for the delivery of goods free from damage. Slight damage to merchandise may be acceptable. A notice containing information necessary for adjustment must be forwarded to the carrier's office. The receiving report shall be noted and initialized by the receiving staff person. The documents are then forwarded to finance for possible adjustment of the invoice and payment thereof.

E. Proper Documentation:

No expenditure transaction will be approved for payment unless receipt of the goods or materials is documented by a completed receiving report and an original Vendor's invoice.

When goods are delivered, the receiving staff person will note the items received on the invoice or receiving report, and forward it to the Finance Department. The Finance Staff will verify that the purchase order price agrees with the vendor's invoice, that extensions and arithmetic calculations on the invoice are correct and proceed to make payment.

SECTION 6
CONSULTANTS AND CONTRACTORS

A. Purpose:

This section deals with the proper method of hiring expertise and professional assistance. These policies apply to persons or firms with whom the Housing Authority might contact.

B. Selection and Qualifications Criteria:

The Housing Authority may contract for services of technicians and consultants to perform professional services during peak workloads, continuing advice on program and organizational direction and for other specialized and technical services in areas where the Housing Authority does not have current expertise under employ.

The Housing Authority shall not without the prior written approval of HUD enter into, execute, or approve any agreement or contract for personal, management, legal, or other services with any person or firm:

1. Where the initial term of the agreement or contract (including renewal) is in excess of two years;
2. Where the amount of the agreement or contract is in excess of the amount included for such purpose in the HUD approved development cost budget, or operating budget or an amount specified from time to time by HUD, as the case may be; or
3. Where the agreement or contract is for legal or other services in connection with litigation.

C. Consultant Solicitation:

While public bidding is not required in the selection of a consultant, it shall be the policy of Hannibal Housing Authority that the Executive Director shall solicit from local, state, or national units or professional organizations or firms, the names of member firms or individuals competent to submit proposals on the required work program needs. Such a request may accompany the file on any consultant under contract to perform the work program task.

D. Consultant Contracts:

All consultants must meet all state and federal requirements, if any, for the performance of their consulting duties:

1. A contract with an individual in which he agrees for a monetary consideration to render technical, professional, administrative, supervisory, or other personal services.
2. After the approval proposal by the Executive Director has been received a P.O. will be issued by the finance department.

SECTION 7
ETHICS IN PUBLIC CONTRACTING

A. General:

The PHA shall adhere to the following code of conduct, consistent with applicable State or local law.

B. Conflict of Interest:

1. Classes of Affected People:

Neither the Housing Authority, nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement affecting the Public Housing or Section 8 programs in which any of the following classes of people has an interest or will receive proceeds, direct or indirect, during his/her tenure or for one year thereafter:

- a. Any present or former member or officer of the Board of Directors of the Authority, or any partner or member of the immediate family of these individuals. There shall be excepted from this prohibition any present or former tenant Board member who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policy making position with the resident corporation, the Housing Authority, or a business entity.
- b. Any employee of the Housing Authority who formulates policy or who influences decisions with respect to a project or purchase, or any member of the employee's immediate family, or the employee's partner.
- c. Any public official, member of the governing body of the locality in which any public housing community is situated, any Washington County Commissioner or State or local legislator, and any other public official of such locality or localities who exercises any functions or responsibilities with respect to Washington County Public Housing or Section 8 Programs.
- d. No member or delegate to the Congress of the United States or individual appointed to oversee a territory or possession of the United States.
- e. Immediate family members of affected classes, who are also prohibited from contracting or receiving proceeds of contracting include the spouse, mother, father, sister, brother, child, uncle, aunt, nephew, niece, husband, wife, any in-law or half or step relative, and any cousin to the fourth degree.

2. Additional Provisions:

- a. Any member of affected classes of persons must disclose the member's interest or prospective interest to the Housing Authority and HUD.
- b. The requirements of prohibition may be waived by HUD for good cause, if permitted under State or local law. No person for whom a waiver is requested may exercise responsibilities or functions with respect to the contract to which the waiver pertains.
- c. The provisions of prohibition shall not apply to the General Depository Agreement entered into with an institution regulated by a Federal agency, or to a utility service for which rates are fixed or controlled by a State or local agency.
- d. These prohibitions are not intended to keep a tenant of the Housing Authority from serving on the Board of Directors.

C. Gratuities, Kickbacks, and Use of Confidential Information:

PHA officers, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

D. Prohibition Against Contingent Fees:

Contractors shall not retain a person to solicit or secure a PHA contract for a commission percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

SECTION 8 PROCUREMENT OF SPACE

When it becomes necessary to procure space, it will be documented by means of a rental or lease agreement that sets out the following documentation:

1. A description of the space to be leased;
2. Purpose for which it is to be used;
3. Period of lease/rental;
4. Options to renew;
5. Utilities, insurance, and other services to be furnished by the lessor;
6. Rate of rental/lease;
7. Method and time of payment thereof;
8. Other conditions required of the lessor or lessee;
9. Signature of both parties, and witnesses.

The cost of the space will be measured in dollars per square foot per year, which will be according to prevailing rental rates for like space in the surrounding communities.

**SECTION 9
CAPATALIZATION OF PROPERTY**

The Housing Authority adopts the following capitalization policy for the purpose of determining, distinguishing, and recording materials and non-expendable equipment and personal property purchased or acquired in connection with the development, management, and maintenance or public housing developments owned or operated by this Authority.

A. Capital Expenditures:

Consist of any equipment and/or other personal property with an initial cost or value of five thousand dollars (\$5,000) or more and the anticipated life or useful value of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and/or property and charged as a capital expense.

B. Materials and Inventory:

Consist of any equipment and/or personal property with an initial cost or value of less than five thousand (\$5,000.00) or its useful life is less than one (1) year regardless of cost, the same shall be treated and recorded as materials or inventor and charged to maintenance, administration, or tenant service expense.

C. Designation and Determination:

The Executive Director, of the Executive Director's designee, is authorized and directed to determine whether each piece of equipment of other personal property that is acquired or held by housing in connection with the development, management, and maintenance of the properties owned and operated by the Housing Authority, shall be classified as material or non-expendable, as defined in the previous sections. The Executive Director is further directed to ensure that the determination is documented in the appropriate records of the Housing Authority and retained for the information and guidance of its personnel and for audit purposes.

SECTION 10 DISPOSITION OF PROPERTY

Personal property belonging to the Housing Authority of the City of Hannibal shall not be sold or exchanged for less than fair value. Any personal property belonging to the Housing Authority that is no longer needed for Housing Authority operations shall be declared excess. Any such excess property valued at five hundred (\$500.00) or more, which is not being sold to a public body for a public use or to a non-profit organization for low-income housing related purposes (e.g. a resident organization), shall be sold at public sale.

Sales of excess personal property shall be conducted in the following manner:

1. The Executive Director shall declare personal property that is worn out, obsolete, or surplus to the needs of the Housing Authority excess. All such declarations shall be documented in writing. A survey to identify such property shall be conducted at least once a year following the inventory.
2. If the estimated market value of the personal property offered for sale is less than one thousand dollars (\$1,000.00) the Executive Director may negotiate a sale in the open market after such informal inquiry, as he or she considers necessary to ensure a fair return to the Housing Authority. The sale shall be documented by an appropriate bill of sale.
3. For sales of excess property valued between one thousand dollars (\$1,000.00) and ten thousand dollars (\$10,000.00), the Executive Director shall solicit informal bids orally, by telephone, or in writing form all known prospective purchasers and a tabulation of all such bids received shall be prepared and retained as part of the permanent record. The sale shall be documented by an appropriate bill of sale.
4. For sales of excess property valued at more than ten thousand (\$10,000.00), a contract of sale shall be awarded only after advertising for formal bids. The advertisement shall be posted at least fifteen (15) days prior to award for the sale contract and shall be published in newspapers or circular letters to all prospective purchasers. In addition, notices shall be posted in public places. Bids shall be opened publicly at the time and place specified in the advertisement. A tabulation of all bids received shall be prepared and filed with the contract as part of the permanent record. The award shall be made to the highest bidder as to price.
5. Notwithstanding the above, the sale or donation of personal property to a public body for public use or a non-profit organization for low-income housing related purposes may be negotiated as its fair value subject to approval by the Board of Commissioners. The transfer shall be documented by an appropriate bill of sale.

Personal property shall not be destroyed, abandoned, or donated without prior approval of the board of Commissioners. The Executive Director shall make every effort to dispose of excess personal property as outlined above. However, if the property has no scrap or salvage value and a purchaser cannot be found, the Executive Director shall [prepare a statement detailing the

prospective bidders solicited and all other efforts made to sell the property, together with recommendations as to the manner of disposition. This statement shall be referred to the Board of Commissioners for its approval. A copy of the Board's approval, together with the complete documentation in support of destruction, abandonment, or donation, shall be retained as a part of the permanent record.

**SECTION 11
ADDENDUMS TO THE
CASH RECEIPTS PROCEDURE AND
PROCUREMENT, CAPITALIZATION, & DISPOSITION POLICY**

Resolution No. 266

Whereas, the Housing Authority of the City of Hannibal finds it necessary to increase the simplified acquisition threshold from \$25,000.00 to \$100,000.00.

Therefore, be it resolved that all purchases up to but not exceeding \$100,000.00 will be handled as set forth in the approved procurement policy for small purchases in accordance with the final rule published in the Federal Register Wednesday, April 19, 1995.

Resolution will take effect immediately.

Dated this 9th day of July 1997.