



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Consent
9.1

September 25, 1990



Housing Authority and
Redevelopment Agency of the
City of Sacramento
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment to Procurement Policy

SUMMARY

The attached resolution amends the existing Agency Procurement Policy by increasing the limit of \$20,000 to \$25,000 for awards authorized by the Executive Director for purchase orders and contracts for services, supplies, materials and equipment.

BACKGROUND/FINANCIAL DATA

On July 2, 1982 the Housing Authorities and Redevelopment Agencies of the City/County of Sacramento approved the establishment of the Agency Procurement Policy and on July 5, 1985, an amendment of the policy limit from \$10,000 to \$20,000 was approved by resolution.

The proposed policy amendment increases the dollar amount for the procurement of commodities and services from \$20,000 to \$25,000. This revises the current procurement policy to be consistent with 1) the HUD standards applicable to Public Housing Authority procurement requirements under 24 CFR Part 85.36 and 2) the Executive Director's signature authority level which is the same as that of the City Manager. As a matter of policy, staff has been required to prepare reports to the Commission whenever the proposed expenditure was in excess of the signature authority limit of the Executive Director and procurement policy restrictions.

The proposed amendment will enable the Executive Director to award purchase orders and contracts for services, supplies, materials and equipment up to \$25,000 when the following conditions exist:

1. Formal competitive bidding procedures have been utilized.
2. Sufficient funding is available in the approved Agency budget.
3. Award is made to the lowest, responsive and responsible bidder(s).

9-25-90
All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority and
Redevelopment Agency of the
City of Sacramento
September 25, 1990
Page 2

With the above conditional requirements, the Agency should continue to receive competitive bids which should impose no financial adverse impact to the Agency.

The \$25,000 level has been proposed to be consistent with the HUD administrative guidelines for public housing authorities and the authority level of the Executive Director 1) in making appropriation transfers from contingency reserves funds and between organizational units and 2) in entering into agreements for consultants and professional services.

ENVIRONMENTAL REVIEW

CEQA: Not a project per Guideline's Section 15378 (b)(3).

NEPA: Not applicable - not a federal undertaking.

MBE/WBE EFFORTS

The Agency's MBE/WBE policy requirements will be included in all procurement documents. To be considered responsive and responsible, bidders must comply with policy requirements.

POLICY IMPLICATION

The resolution will increase the Executive Director's signature authority from \$20,000 to \$25,000 for purchase orders and purchase agreements. The action proposed in this report is consistent with previously approved policy.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of September 17, 1990, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Diepenbrock, Pernell, Simon, Strong, Williams,
NOES: Yew, Simpson
None
ABSENT: Moose, Wooley
NOT PRESENT TO VOTE: Wiggins

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority and
Redevelopment Agency of the
City of Sacramento
September 25, 1990
Page 3

RECOMMENDATION

The staff recommends adoption of the attached resolution which increases the signature authority of the Executive Director from \$20,000 to \$25,000 for purchase orders and contracts for services, supplies, materials and equipment required in the operation of the Agency and for which funding is contained within the approved Agency budget.

Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:



For: WALTER J. SLIPE, CITY MANAGER

September 25, 1990
All Districts

Contact person: Nancy Fong, 641-8087
Assistant Director of Administration,
General Services

F:\LCG\STAFF\CYPOLICY

RESOLUTION NO. 90-024

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AMENDMENT TO PROCUREMENT POLICY

WHEREAS, on July 6, 1982, the Housing Authority of the City of Sacramento established a procurement policy by Resolution No. 82-029, which was subsequently amended by Resolution No. 85-026; and

WHEREAS, the Agency wishes to amend that policy to be consistent with HUD standards applicable to public housing authority procurement requirements under 24 CFR Part 85.36.

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is hereby authorized to award purchase orders and contracts for services, supplies, materials and equipment up to \$25,000 when the following conditions exist:

- A. Formal competitive bidding procedures have been utilized;
- B. Sufficient funding is available;
- C. Award is made to the lowest, responsive and responsible bidder or bidders.

APPROVED
 25 1990
 SACRAMENTO HOUSING AUTHORITY
 CITY OF SACRAMENTO

ATTEST:

SECRETARY

SHARE\RESO\PLCYHACY

CHAIR

APPROVED
~~SEP 25 1990~~
 SACRAMENTO REDEVELOPMENT AGENCY
 CITY OF SACRAMENTO

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 90-085

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AMENDMENT TO PROCUREMENT POLICY

WHEREAS, on July 6, 1982, the Redevelopment Agency of the City of Sacramento established a procurement policy by Resolution No. 82-047, which was subsequently amended by Resolution No. 85-056; and

WHEREAS, the Agency wishes to amend that policy to be consistent with HUD standards applicable to public housing authority procurement requirements under 24 CFR Part 85.36.

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is hereby authorized to award purchase orders and contracts for services, supplies, materials and equipment up to \$25,000 when the following conditions exist:

- A. Formal competitive bidding procedures have been utilized;
- B. Sufficient funding is available;
- C. Award is made to the lowest responsive and responsible bidder or bidders.

ATTEST:

SECRETARY

SHARE\RESO\PLCYRACY

CHAIR



FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

POLICY AND PROCEDURE INSTRUCTIONS

SUBJECT: AGENCY PROCUREMENT POLICY EFFECTIVE DATE: 09/25/90

SUPERSEDED: 07/06/82

TO: DIRECTORS, ASSISTANT DIRECTORS AND PROGRAM MANAGERS

FROM: ROBERT E. SMITH, EXECUTIVE DIRECTOR

APPROVED _____ APPROVED 09/25/90

PAGE 1 OF 2

The purpose of the Procurement Policy is to establish guidelines consistent with federal, state and local rules and regulations for the procurement of services, supplies, materials and equipment required in the operation of the Agency.

The Executive Director or his/her designated representative shall at all times attempt to obtain the best available price for all items purchased under the provisions of this policy. The Executive Director or his/her designated representative is hereby authorized to purchase supplies, materials and equipment, and to award purchasing contracts for services or for repairs, maintenance and replacements, provided that the purchases are included in the adopted Agency Budget and made in the following manner:

1. For purchase orders and purchasing contracts between \$1,000 and \$5,000, a quotation process submitted without the formality of all bidding requirements shall be used. Where feasible, at least three quotations shall be obtained, including Minority Business Enterprise (MBE) or Women Business Enterprise (WBE) firms when possible. Award shall be made to the bidder submitting the most advantageous quotation to the Agency.
2. For purchase orders and purchasing contracts in between \$5,000 and \$25,000, a formal bidding procedure shall be used unless otherwise approved by the Executive Director or his/her designated representative. Formal bidding requires soliciting written bids which shall be advertised on the Agency "Bid Line" and by mailing notices or by using other methods which enable the Agency to obtain the best available price. Agency M/WBE policy requirements shall be included in all applicable formal bids.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

AGENCY PROCUREMENT POLICY

PAGE 2 OF 2

3. The Sacramento Housing and Redevelopment Commission shall be authorized to award purchase orders and purchasing contracts in excess of \$25,000.

Exceptions to the competitive bidding requirements shall be as follows:

1. Purchases between \$1,000 and \$5,000:
 - a. When an immediate and existing emergency exists, as authorized in writing by the Assistant Director (or higher level) of the requisitioning organization.
 - b. When limitations on the source of supply, necessary restrictions in specifications, necessary standardization, quality considerations, or other valid reasons for waiving competition appear and are documented in writing.
2. Purchases between \$5,000 and \$25,000:
 - a. When an immediate and existing emergency exists, as authorized in writing by the Executive Director or his/her designated representative.
 - b. When limitations on the source of supply, necessary restrictions in specifications, necessary standardization, quality considerations, or other valid reasons for waiving competition appear and are documented in writing.
3. Purchases in excess of \$25,000 shall be reviewed by the Sacramento Housing and Redevelopment Commission. For emergency purchases, the Sacramento Housing and Redevelopment Commission shall be informed of the emergency situation and corrective action taken as soon after the emergency as possible.

A file shall be maintained of all exceptions to the competitive bidding process with supporting documentation.

A Purchasing Procedure Manual, which sets forth the rules and regulations including Agency M/WBE policy, and which is consistent with this Procurement Policy, may be prepared by the Executive Director or his/her designated representative. When the Manual has been approved by the Executive Director, it shall have the same force and effect as the provisions of this policy.

F:\LCG\DOCS\POLICY