



Legislation Details (With Text)

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Attachments: 1. Procurement side_by_sidecomparison_24cfr_to_2cfr_2015, 2. AAHC Procurement Policy

Date	Ver.	Action By	Action	Result
4/12/2017	1	Housing Commission	Approved by the Commission	Pass

To Approve AAHC Procurement Policy

The Ann Arbor Housing Commission's Purchasing Policy details its policies and procedures for the management of its procurement of goods and services. 24 CFR 85.36 used to regulate procurement using federal funds. However, in December 2014 24 CFR 85.36 was replaced by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200. HUD issued guidance on how to implement the regulations but they are complex and a wholesale revision to the procurement policy is needed to align the AAHC with procurement for both federal funding. I contacted the Housing Agency Procurement Assistance (HAPA) and was provided with a procurement policy template that includes all the new regulations. In addition, attached is a side-by-side comparison of the old and new federal regulations.

The following are key changes to the policy:

- 1) Micropurchase threshold increased from \$2,000 to \$3,000 (1 reasonable quote required if under \$3,000, except for federal construction contracts which is still \$2,000)
- 2) Small Purchase Simplified Acquisition threshold increased from \$100,000 to \$150,000 (reasonable number of quotes required between \$3,000 - \$150,000)
- 3) Sealed public bid increased to \$150,000 (over \$150,000)

Expenditures of non-federal funds do not have to follow federal procurement regulations. Non-federal funds include Voucher Housing Assistance Payments (HAP), Voucher Administrative Fees, tenant rent, City general funds and Continuum of Care administrative fees and rental assistance. This procurement policy includes the requirements for federal and non-federal funds. It is recommended that the AAHC follow similar regulations for non-federal funds when it comes to soliciting bids and competitive quotes with the exception that the micropurchase threshold be increased to \$10,000.

However, non-federal funds do not trigger other federal regulations such as Davis-Bacon and Section 3.

It is recommended that the AAHC board approve this new procurement policy to bring the AAHC into compliance with federal regulatory changes.

Prepared and Approved by Jennifer Hall, Executive Director Ann Arbor Housing Commission

WHEREAS, The Ann Arbor Housing Commission's Procurement Policy must comply with federal regulations for federal funds.

WHEREAS, The attached procurement policy incorporates all of the regulatory changes from the old federal procurement requirements at 24 CFR 85.36, to the new federal procurement requirements at 2 CFR 200;

WHEREAS, The AAHC procurement policy also includes the requirements for non-federal funds such as Voucher Housing Assistance Payments (HAP), Voucher Administrative Fees, tenant rent, City general funds and Continuum of Care administrative fees and rental assistance; and

RESOLVED that the Board of the Ann Arbor Housing Commission approves the attached Procurement Policy to take effect immediately.