



Legislation Details (With Text)

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Title: To Approve a Procurement Policy for Non-Federal Funds and Non-Public AAHC Affiliated Entities

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Attachments: 1. Procurement Policy - for non federal funds and affiliated AAHC entities proposed 7.21.21.pdf

Date	Ver.	Action By	Action	Result
7/21/2021	1	Housing Commission	Approved by the Commission	Pass

To Approve a Procurement Policy for Non-Federal Funds and Non-Public AAHC Affiliated Entities

The Ann Arbor Housing Commission's Purchasing Policy details its policies and procedures for the management of its procurement of goods and services. As a public entity that utilizes federal funds, the AAHC must comply with federal, state and local laws related to public entities and federal funds. As the AAHC redevelops its properties and develops new properties, a greater percentage of its funding is not federal funding and is not required to follow federal procurement regulations.

Non-federal funds include Voucher Housing Assistance Payments (HAP), Voucher Administrative Fees, tenant rent, City general funds and other local funds. The AAHC is currently following the same procurement regulations whether the funds are federal or not, which is causing additional bureaucratic requirements, inefficiencies and delays. Attached is a proposed procurement policy that removes most federal requirements from non-federal funds, which includes most procurement activities by AAHC non-public non-profit entities (Ann Arbor Affordable Housing Corporation and Ann Arbor Housing Development Corporation) as well as general and limited partnerships related to Low-Income Housing Tax Credit funded properties.

The AAHC is the ground lessor and property manager of its properties, but all invoices are paid by and contracts are signed with the limited partnership (Swift Lane LDHA, LP, West Arbor LDHA, LP, Maple Tower Ann Arbor LDHA, LP, and River Run Ann Arbor LDHA, LP) for those properties.

The most significant changes to the new and additional procurement policy compared to the current AAHC procurement policy is that:

- 1) Petty cash increased from \$50 to \$100

- 2) Micro-purchase (1 reasonable quote) is \$75,000 instead of \$10,000. This change significantly impacts the AAHC's ability to procure construction/renovation/trades contracts because there is a dearth of contractors available in the marketplace and it is difficult to find 3 contractors willing to bid on projects, especially small projects.
- 3) Small Purchase Simplified Acquisition (Attempt to get 3 reasonable quotes) will be required between \$75,000 - \$250,000 instead \$10,000 - \$250,000.
- 4) Sealed bid will still be required if over \$250,000.
- 5) Federal tracking and reporting requirements will not be required but can be followed at the discretion of the entities.
- 6) Projects with both federal and non-federal funds will still be separated if it is reasonably possible to do so and if not, then federal procurement regulations will be followed.
- 7) Public processes and disclosures are not required for non-federal funds. The Freedom of Information Act does not apply to non-federal funds utilized by entities that are not public bodies. The information can be made public at the discretion of these entities.
- 8) The policy includes an informal grievance process instead of both an informal and formal grievance policy as required by federal procurement regulations.
- 9) The policy includes the goal of contracting with women and minority businesses but removed federal section 3 requirements.

It is recommended that the AAHC adopt the attached new and second procurement policy specifically for non-federal funds and for non-public affiliated non-profit and other legal entities.

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

WHEREAS, The Ann Arbor Housing Commission's Procurement Policy must include policies to comply with federal regulations for federal funds; and

WHEREAS, The AAHC procurement policy currently also applies federal procurement requirements to non-federal funds such as Voucher Housing Assistance Payments (HAP), Voucher Administrative Fees, tenant rent, City general funds and other non-federal funds; and

WHEREAS, Federal procurement requirements adds additional burdens and difficulties when procuring construction/renovation/trades contracts in particular due to the lack of qualified contractors willing to bid on small contracts; and

RESOLVED That the Board of the Ann Arbor Housing Commission approves a new second Procurement Policy specifically for non-federal funds and for non-public affiliated entities to take effect July 21, 2021.

