



CHA

CHICAGO HOUSING
AUTHORITY

PROCUREMENT POLICY

Responsible CHA Department(s): Procurement and Contracts		Policy No. 201.1
Effective Date: July 18, 2023	Approved on July 18, 2023 by CHA Board of Commissioners Resolution No. 2023CHA18	
This policy supersedes the Procurement Policy (March 2020), MWBDE Policy (February 1995), Section 3 (April 2015), Minimum Wage Policy (November 2017) and Debarment Policy (June 2018). Revises the Procurement Policy (November 2022)		

I. Purpose

This Procurement Policy (Policy) is established for the Chicago Housing Authority (CHA) in compliance with all applicable laws and regulations including the United States Department of Housing and Urban Development's (HUD). This Policy meets the self-certification requirements of 2 CFR 200.325 (c) (2). CHA's annual procurement goals and objectives are developed, implemented and monitored through an authority-wide annual procurement plan, with the intent of maximizing economic value to CHA as a whole in order to serve the long-term interest of its residents and community.

In its procurement of its good and services, CHA seeks relationships with vendors who share our values for inclusive and equitable contracting opportunities. CHA strives to be fair, transparent, and practical, and works to optimize the use of public funds through purchasing decisions. Specific procurement processes and procedures are outlined in CHA's Procurement and Compliance Procedures Manual. This Policy will:

1. Provide for the fair and equitable treatment of all persons or firms involved in procurement by CHA and be in line with CHA diversity goals; and
2. Assure that supplies, services, and construction are procured efficiently, effectively and at the best prices available to CHA; and
3. Promote competition in contracting; and
4. Provide safeguards for maintaining a procurement system of quality and integrity; and
5. Assure that CHA's procurement actions are in full compliance with applicable Federal laws and standards, HUD regulations and state and local laws.
6. Promote efficient use of public funds through a variety of procurement methods.
7. Promote access to CHA's use of funds to diverse businesses and individuals.

II. General Provisions

A. Definitions. [Reserved]

B. Authority.

Subject to the requirements of the Bylaws of the Board of Commissioners, the Board delegates authority to execute contracts and modifications for procurements to the CEO or designee provided such contract and modification totals together do not exceed the individual line-item totals in the approved budget.

C. Procurement Information Access.

CHA shall create, collect, analyze, store, and maintain all procurement documentation in conformance with applicable laws and regulations where applicable. Documentation of all solicitations and responses shall become public record upon action by the Board or in accordance with applicable laws. Specific information pertaining to procurement documentation activities are identified in CHA's Procurement and Compliance Procedures Manual. These procedures shall reflect applicable state and local law and conform to applicable Federal standards as described in 2 CFR 200.

III. Procurement Methods

CHA's purchasing procedures are designed to provide flexibility in purchasing. CHA's competitive procurement activities are designed to be fair, transparent, and conducted in a manner that does not place unreasonable requirements on firms to do business with CHA.

- A. Purchases under the micro-purchase threshold then in effect (\$10,000 as of the date of this policy) may be awarded without soliciting competitive price or rate quotations if the price is considered to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.
- B. CHA small purchase procedures shall be used for the acquisition of day-to-day goods, services, supplies or other property which have a projected cost not less than the micro-purchase threshold then in effect but does not exceed the simplified acquisition threshold. (\$250,000 as of the date of this policy).
- C. Purchases may not be broken up into smaller amounts to meet the Small Purchase Threshold.
- D. Formal solicitation procedures are required for all purchases greater than Simplified Acquisition Threshold then in effect (\$250,000 as of the date of this policy) shall be solicited and advertised to maximize participation.
- E. CHA may have more than one vendor for the same product.
- F. Cooperative Procurement/Intergovernmental Agreements (Piggybacks) shall be conducted whenever economically justifiable in the best interest of CHA.
- G. Non-Competitive purchases may be awarded if one or more of the following apply:
 - 1. The aggregate dollar amount of the property or services does not exceed the micro-purchase threshold.
 - 2. The item as such in nature is available only from a single source.
 - 3. Public exigency or emergency for the requirement will not permit a delay resulting from a competitive solicitation.
 - 4. The Federal awarding agency (HUD) or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity.
 - 5. After solicitation of multiple sources, competition is determined inadequate.
 - 6. CHA may use the alternative procurement process as provided in 24 CFR 963 to fulfill CHA procurement requirements, if feasible, to utilize a Resident Owned Business (ROB).

When there is an emergency or public exigency, the CEO is authorized to approve the use of noncompetitive procurement procedures only when the anticipated costs associated with such procurement does not exceed \$1,000,000.

When there is an emergency or public exigency where the anticipated costs to remediate such emergency or public exigency exceeds \$1,000,000, the CEO must seek immediate Board approval prior to proceeding.

As promptly as possible following such action, the CEO must certify to the Board that the applicable conditions for a noncompetitive procurement apply. Provided that the certification is sufficient with respect to this policy, the Board may ratify the non- competitive procurement action taken.

IV. Commitment to Diversity in Contracting

A. Minority, Women, and Disadvantaged Business Enterprises.

CHA will make every feasible effort to ensure small businesses, MBEs, WBEs, DBEs are included in and have the opportunity to participate in contracts awarded by CHA as defined by regulations developed by the Secretary of the Department of Housing and Urban Development (HUD).

B. Section 3.

All CHA procurement activities shall be conducted in accordance with Section 3 of the HUD Act of 1968 (12 U.S. Code § 1701u) as amended by Section 915 of the Housing and Community Development Act of 1992 and as amended in 24 CFR Part 75 to “ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, be directed toward low and very low-income persons, particularly those who are recipients of government assistance for housing and to business concerns which provide economic opportunities to low-and very low-income persons.”

C. Section 3 Sub-contracting.

CHA will make every feasible effort to ensure that in addition to meeting Section 3 labor hour goals that contractors also subcontract to Section 3 business concerns, where applicable. If sub-contracting is not feasible, other economic opportunities may be permitted.

V. Davis Bacon

Construction contracts in excess of \$2,000 awarded by CHA shall comply with the Davis-Bacon Act, as amended. Awarded contracts will include a provision for compliance with the Davis-Bacon Act as supplemented by Department of Labor regulations.

VI. Other Wage Requirements

Unless expressly preempted by Federal wage determinations (either Davis-Bacon or HUD-Determined Wage Rates), all Contracts shall comply with state and local minimum wage laws regulations where applicable. Awarded contracts will also include a provision for compliance with the state and local minimum wage laws regulations where applicable.

VII. Procurement of Recovered Materials

Procurement of recovered material shall be conducted in accordance with applicable laws and regulations. The HUD regulation requires certain non-Federal entities to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid

waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

VIII. Contract Awards & Contract Modification Approval

Contract awards shall be made in accordance with applicable laws and regulations. Awards will only be issued to responsible bidders/proposers (i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity). Further, all contracts authorized under this Section are required to be reviewed by CHA for conformance to this Policy, the Procurement and Compliance Procedures Manual and applicable law. This review may be incorporated into the annual audit report for CHA.

IX. Contract Administration

- A. Refers to all activity subsequent to awarding a contract to ensure it is performed successfully and CHA receives the supplies or services contracted.
- B. No contracts shall be awarded to debarred, suspended, or ineligible contractors as declared by HUD, CHA or Federal, state and local entities.
- C. It is CHA's policy to resolve contractual issues informally at CHA level without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the CHA level.
- D. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protests against the award of the contract must be received within 10 calendar days after a contract award, or the protest will not be considered.
- E. All bid protests shall be in writing and submitted to CHA's Contracting Officer or authorized designee who shall issue a written decision as to final disposition of the protest in accordance with the protest procedures set forth in the Procurement and Compliance Procedures Manual. CHA's Contracting Officer or authorized designee may, with discretion, suspend the protested procurement pending the resolution of the protest.

X. Procurement Code of Conduct

The Code of Standards established in CHA Ethics Policy shall apply to all CHA procurement staff. CHA procurement staff is prohibited from the solicitation or acceptance of gratuities, favors or anything of monetary value from contractors, potential contractors, or other parties. There is a zero tolerance in the Procurement Department and no gifts of any value can be accepted. The allowance of an unsolicited gift of \$50 or less referenced in the overall CHA Ethics Policy does not apply to the procurement staff.

XI. Use of Non-Federal Funds/Design-Build Policy

F. General Requirements for Non-Federal Public Funds.

Funds obtained from public sources other than HUD shall use the procurement standards applicable to those funds, provided that such standards are consistent with the minimum requirements of this Policy, subject to the exceptions specified in the references below.

G. Design-Build Method of Procurement for RAD Properties, Post Conversion.

CHA may utilize the design-build method of procurement for properties owned by entities other than CHA that have been converted to rental assistance contracts under HUD's Rental Assistance Demonstration Program ("RAD") if it is shown to be in CHA's best interest for that particular project.

Accordingly, the CEO or her designee is hereby authorized to utilize and to establish procedures for the design-build method of procurement for RAD properties and other non-federally funded projects. Such procedures shall conform to all applicable laws, rules and regulations. Design-build procurement transactions shall be exempt from the following

provisions of this policy: Section III ("Procurement Methods").

XII. Private Funding.

Procurement transactions funded exclusively by private sources, such as foundations, shall meet the procurement standards applicable to the grant and specified in the grant agreement with CHA, and shall be exempt from the following provisions of this policy: Section III ("Procurement Methods").

XIII. Debarment

Debarment is a remedial measure designed to protect the integrity of CHA's procurement practices and the public's confidence in CHA's fiscal responsibility. It is not intended to be punitive. CHA shall have the discretion to remove and exclude from participation in its procurement transactions and activities anyone who is debarred or who appears on any suspended, excluded, or debarred list issued by any agency of any Federal, State or local government.

A. Debarment from other government agencies

CHA imposes automatic debarment if the debarment by any other government agency is for cause, including, but not limited to, fraud, embezzlement, bribery, theft, deception, misrepresentation, indictment, felony conviction, and the violation or attempted violation of federal, state, or local statutes.

B. Debarment from CHA

CHA reserves the right to proceed with its own Debarment process for reasons including but not limited to, contract performance, fraud, embezzlement, bribery, theft, deception, misrepresentation, indictment, felony conviction, failing to defend, indemnify, or hold CHA harmless pursuant to a contractual obligation after having received a request to do so. assisting or facilitating another Person in any of the acts or omissions set forth in this section. and the violation or attempted violation of federal, state, or local statutes.

Debarment may occur for violations of the terms of a CHA or other public or private policy, rule, procedure, agreement or transaction of such a serious nature that, if CHA were to transact business with the contractor, it would affect the integrity of CHA programs, policies or activities.

. The causes of debarment set forth in this section are not intended to be an exhaustive list of the acts or omissions for which a Person may be debarred; grounds other than those enumerated in this section may be a basis for Debarment.

Debarment may lead to exclusion from any and all procurement transactions for goods or services with CHA for a period of at least one (1) year commensurate with the seriousness of the debarment conduct up to and including permanent debarment, if circumstances warrant.

Accordingly, the CEO or her designee is hereby authorized to utilize and establish procedures incorporating standards of debarment and the hearing process. Such procedures shall conform to all applicable Federal, state, and local laws, rules, and regulations.

References:

HUD Procurement Regulation - 2 CFR 200.318-327

Illinois Housing Authority Act, 310 ILCS 10/1 *et seq.* & 310 ILCS 10/8.2

Davis-Bacon Act (40 U.S.C.3141–3144, and 3146–3148)

Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”)

Environmental Protection Agency (EPA) at 40 CFR part 247

Section 3 Rule, 24 CFR part 75

The RAD Program (Pub. L. 122-55 (November 18, 2011))

Policy History:

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