

PROCUREMENT POLICY

The Housing Authority of the City of Pueblo (HACP) and its Board of Directors has adopted policies and procedures for purchasing items for the HACP. The process and procedures must be in compliance with rules and regulations of the Housing and Urban Development (HUD) and all other state and local requirements.

PURCHASING METHODS

Petty Cash Purchases

Purchases under \$50 may be handled through the use of a petty cash account. Purchases of this nature that exceed \$50 must have prior supervisor approval. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g., one month. For all Petty Cash Accounts, the HACP shall ensure that security is maintained, and only authorized individuals have access to the account. These accounts should be reconciled and replenished periodically.

Micro Purchase Procedures

Micro Purchase threshold includes procurement of goods through petty cash, purchase cards (p-cards) and reimbursement of expenses within the micro-purchase threshold (up to \$3,000, or \$2,000 in the case of acquisitions for construction subject to Davis Bacon). Only one quote is required provided the quote 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.

Small Purchase Procedures- R. F. O. Request for Quote

For any amounts above the Petty Cash and Micro Purchase ceiling, but not exceeding \$150,000, (Colorado Procurement Code defines small purchases as less than \$150,000) the HACP may use small purchase procedures. Under small purchase procedures, the HACP shall obtain a reasonable number of quotes (preferably three). To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to the HACP. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The HACP shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to:

- (1) permit use of the small purchase procedures or
- (2) avoid any requirements that apply to purchases that exceed the Micro Purchase threshold.

Small Purchases over \$3,000 to \$150,000: For small purchases in excess of \$3,000 but not exceeding \$150,000 (or \$2,000 in the case of acquisitions for construction subject to Davis Bacon), no less than three (3) offerors shall be solicited to submit price quotations, which may be obtained orally, by telephone, or in writing. All quotes above \$5,000 are required to be in written form. Purchase Orders are required for goods, services and contracts greater than \$3,000 that are not "sealed bid" contracts.

Request For Quotes – R.F.Q.

Service and construction projects costing between \$25,000 and \$100,000 may be purchased using the Request for Quote process. Under RFQ bids, the HACP publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the RFQ, is the lowest in price per R §24-103-201 & R §24-103-204 of Colorado Procurement . All RFQs may have quotes received from Vendors either by hand, mail, telephone, facsimile, or email. Each bid is to be labeled with the Vendor's name, address, RFQ # and will be stamped upon receipt.

Sealed Bids-I. F. B. Invitation for Bid

Sealed bidding shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the HACP publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$100,000.

A. Conditions for Using Sealed Bids.

HACP shall use the sealed bid method if the following conditions are present:

- (1) a complete, adequate, and realistic statement of work, specification, or purchase description is available;
- (2) two or more responsible bidders are willing and able to compete effectively for the work;
- (3) the contract can be awarded based on a firm fixed price; and
- (4) the selection of the successful bidder can be made principally on the lowest price.

Competitive Proposals-R. F. P. Request for Proposal

Unlike sealed bidding, the competitive proposal method permits:

- (1) consideration of technical factors other than price;
- (2) discussion with offerors concerning offers submitted;
- (3) negotiation of contract price or estimated cost and other contract terms and conditions;
- (4) revision of proposals before the final contractor selection;
- (5) and the withdrawal of an offer at any time up until the point of award.

Award is normally made based on the proposal that represents the best overall value to the HACP, considering price and other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely the lowest price.