



Louisiana Housing Finance Agency

MEMORANDUM

TO: LHFA Employees

FROM: Alesia Y. Wilkins-Braxton, Vice President

DATE: November 29, 2010

RE: LHFA Procurement Standards

I. PURPOSE

The purpose of this memorandum is to outline the Procurement Standards (Standards) that all Louisiana Housing Finance Agency (LHFA or Agency) employees must comply with. These Standards will provide for the fair and equitable treatment of all persons or firms involved in purchasing, contracting, acquisition and disposition with the Agency; will assure that quality goods and services are procured efficiently, effectively, and at the most favorable prices available to LHFA; will promote competition in contracting; will provide safeguards for maintaining a procurement system of quality and integrity; and will assure that the LHFA purchasing actions are in full compliance with applicable federal and state laws. These Standards also address disposition of LHFA assets and property.

II. AUTHORITY

The LHFA was created by the Louisiana Housing Finance Act in 1980 as a public body corporate and politic, political subdivision, and instrumentality of the state, allocated to the Louisiana Department of Treasury. (R.S. 40:600.1 et seq.) The Agency is governed by a Board of Commissioners who elects or appoints a President who shall be the chief executive officer of the Agency. The President shall administer, manage and direct the affairs and business of the Agency subject to the policies, control, and direction of the Commissioners. Pursuant to the authority vested in the President, the President directs that these Standards shall be followed by all Agency staff.

III. POLICY

All employees of the LHFA shall adhere to established Standards for procurement of goods and services. Adherence to the LHFA adopted Procurement Standards will ensure that public purchases and contracts are open, fair, and at the best value to the public. The process or procedure to be followed by LHFA employees shall be dependent upon the type and amount of the proposed procurement as outlined below.

The LHFA Internal Audit Department shall periodically review compliance with the LHFA Procurement Standards. The Internal Audit Department shall provide a report to the Audit Committee and the Budget and Finance Committee subsequent to any such review.

IV. PROCUREMENT OF GOODS AND SERVICES

LHFA purchases are subject to authorization and quote/bid requirements as follows:

A. General Purchases

1. Purchases up to \$25,000.00

The directives and procedures set forth in Executive Order No. BJ 2010-16 or any subsequent executive order released regarding Small Purchases shall be implemented and complied with in full.

Purchase Request/Purchase Order must be completed and receive proper approval of the appropriate Manager, Program Administrator, the Budget Manager, and the President.

2. Purchases over \$25,000.00 and less than \$100,000.00

At least five (5) written quotes must be obtained and documented. A minimum of three working days from the date of the quote request shall be allowed for the receipt of written quotations.

Purchase Request/Purchase Order must be completed and receive proper approval of the appropriate Manager, Program Administrator, the Budget Manager, and the President.

A Contract containing the provisions outlined in Section IX shall be executed by the President and the Vendor/Contractor.

3. Purchases \$100,000.00 and over

Competitive Bid/Request for Proposals must be completed.

Purchase Request/Purchase Order must be completed and receive proper approval of the appropriate Manager, Program Administrator, the Budget Manager, the President, and the LHFA Board of Commissioners after having been heard by the Budget and Finance Committee.

A Contract containing the provisions outlined in Section IX shall be executed by the President and the Vendor/Contractor.

B. Professional Services Contracts

1. Contracts less than \$10,000.00

At least three (3) written quotes must be obtained and documented.

Purchase Request/Purchase Order must be completed and receive proper approval of the appropriate Manager, Program Administrator, the Budget Manager, and the President.

A Contract containing the provisions outlined in Section IX shall be executed by the President and the Vendor/Contractor.

2. Contracts \$10,000.00 and over

Competitive Bid/Request for Proposals must be completed.

Purchase Request/Purchase Order must be completed and receive proper approval of the appropriate Manager, Program Administrator, the Budget Manager, the President, and the LHFA Board of Commissioners after having been heard by the Budget and Finance Committee.

A Contract containing the provisions outlined in Section IX shall be executed by the President and the Vendor/Contractor.

C. Requirements

Prior to the procurement of any good or service, a needs assessment must be completed which documents the estimated cost of the good or service to be procured and the benefit to be derived by the Agency from the good or service. Such needs assessment shall be submitted to the proper approving authority as outlined in this Section.

The needs assessment shall be documented on a form developed by the Accounting Department.

Purchases may not be broken into multiple purchases or contracts/projects to avoid compliance with the LHFA Standards.

Verbal quotes must be documented by a properly completed verbal quote log. Verbal quote logs may be obtained from the Agency Procurement Clerk. In addition, all vendors submitting verbal quotes shall be asked to provide written quotes within 10 days of providing a verbal quote and such written quotes shall note the timeframe that the verbal quote shall be honored. The Agency may elect to develop an approved list of vendors from the verbal and written quotes received to be used for future purchases.

V. SOLE SOURCE PURCHASE

A sole source purchase is permissible only if a good or service is available from a single Vendor/Contractor. This means the good or service is only sold by a single Vendor/Contractor. Written documentation shall be maintained by the Agency evidencing that the good or service is available from a single Vendor/Contractor.

Sole source purchases shall be subject to all applicable procurement policies and procedures outlined in Section IV.

VI. PURCHASES BY STATE CONTRACT

If a competitive statewide contract exists and the amount of the proposed procurement is above the minimum order requirement, the Agency can procure through the state contract without going through the competitive bid process. However, purchases via statewide contract shall be approved in accordance with the applicable provisions of Section IV.

VII. FEDERALLY FUNDED PURCHASES

Purchases made with federal funds shall be procured in the manner prescribed by the federal laws, rules, and regulations applicable to the particular funding source.

VIII. COMPETITIVE BID/REQUEST FOR PROPOSALS PROCEDURE AND CONTENT

A. Procedure

1. Need determined and scope of work defined.
2. Evaluation Committee established and committee members are advised of their responsibilities, the need for confidentiality, and requirement for adhering to the Request for Proposals (RFP) calendar of events.
3. RFP mailed to prospective proposers, advertised, and posted to LHFA website.
4. Pre-proposal conference is held, if required.
5. Written inquiries received from potential proposers and the Agency provides a written response to all potential proposers.
6. Deadline for submitting Proposals. Proposals opened at the established date, time and location.
7. Proposals reviewed to determine if proposals were submitted properly and meet minimum mandatory requirements set forth in the RFP.
8. Evaluation documents/proposals are submitted to the Evaluation Committee with instructions regarding the evaluation process.
9. Evaluation Committee members individually evaluate proposals and then convene to discuss proposals.

10. The best qualified bidder shall be recommended for award.
11. The Evaluation Committee submits a written recommendation for award to the proper authority, in keeping with Section IV above. Recommendation must include: 1) Methodology for Evaluation; 2) Evaluation Point Assignment; and 3) Strengths and/or Significant Weaknesses or Non-Compliances to RFP for each proposal reviewed.
12. Once recommendation is approved by the proper authority, in keeping with Section IV above as applicable, all proposers are notified, in writing, regarding the results of the recommendation for award. An "Intent to Award" letter will be issued to the apparent successful proposer. A notice is also sent to all unsuccessful proposers.
13. Agency negotiates and develops a written contract, in accordance with the terms of the RFP and in compliance with state and federal law, with the successful proposer.
14. Proof of Insurance and Performance Bond and/or fidelity is received, if applicable.
15. Contract is signed by Vendor/Contractor and Agency.
16. Agency monitors and evaluates the Vendor/Contractor's performance.

B. Content

A Request for Proposals shall:

1. Specifically define the task and desired results of project;
2. Identify Agency liaison personnel and resources available to the Vendor/Contractor, both in preliminary studies and the actual services;
3. State approximately when the Vendor/Contractor can begin the work, plus an estimate of the time necessary to accomplish the work, if applicable;
4. Specify applicable procedures concerning billing, documentation requirements, progress reports, and final reports, if applicable;
5. Specify that a minimum of two (2) copies of the proposal be submitted;
6. Inform the potential Vendors/Contractors of the criteria, the selection methodology, and the weight which will be applied to each significant evaluation criteria to be used in evaluating the proposal's responsiveness to the RFP; and
7. Require potential Vendors/Contractors to include the following information in their proposals:
 - a. A description of the firm's qualifications to include a specific list of personnel to be used in the services and their qualifications. A résumé will be required on each of the key personnel;
 - b. A list of the agencies with names and contact persons, for whom similar work has been done;
 - c. If applicable, the length of time needed for the services, broken down by phases, if phasing is necessary;
 - d. The proposed methodology for accomplishing the services with a precise statement of what the Agency will receive as an end product of the services;

- e. An itemized cost statement showing various classes of man-hours at appropriate rate, delineated by phases, if phasing is used, and an itemized listing of all other expenses or fees that are expected to be paid by the Agency and a complete breakdown of consultant overhead rate, if applicable; and
- f. A detailed budget or other cost breakdown as may be required by the Agency and/or the federal government, if applicable.

IX. CONTRACT PROVISIONS/CLAUSES

Each contract entered into by the Agency shall contain at a minimum: a description of the work to be performed and objectives to be met; amount and time of payments to be made; description of reports or other deliverables to be received, when applicable; date of reports or other deliverables to be received, when applicable; responsibility for payment of taxes, when applicable; circumstances under which the contract can be terminated either with or without cause, as required; remedies for default, as required; a statement giving the legislative auditor and/or federal auditors the authority to audit records of the individual(s) or firm(s); and a date upon which the contract is to begin and upon which the contract will terminate.

When a contract is to include travel and other reimbursable expenses, the contract shall contain language that the travel and other related reimbursable expenses shall constitute part of the total maximum payable under the contract or that no more than a certain sum of the total maximum amount payable under the contract shall be paid or received as reimbursement for travel and other related reimbursable expenses.

Contracts funded fully or partially by federal funds shall meet all applicable federal standards and shall contain all necessary clauses required by federal statutes, rules, and/or regulations.

X. EMERGENCY PURCHASES

An emergency situation creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason that may be proclaimed by the Governor. The existence of such emergency creates an immediate and serious need that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of the Agency, the preservation or protection of property, or the health or safety of a person.

Purchases of specific materials, supplies, equipment, goods, and services may be made in the open market without competitive bidding for immediate delivery to meet emergencies arising from unforeseen causes. Once an emergency is determined by the Agency, information must be prepared giving details of the emergency, justification, and cost of the proposed purchase which shall be presented to the President or Vice President for approval. All emergency purchases must be preapproved by the President or Vice President. Notice of emergency purchases shall be provided to the Chairman of the Board.

XI. PAYMENT OF INVOICES

All invoices shall be received by the Accounting Department and shall be recorded for tracking purposes. The Accounting Department shall deliver the invoice to the department responsible for procuring the good or service. Such department shall review the invoice for accuracy and ensure that the items to be paid for were received. Upon such determination, the Department Manager and Program Administrator shall approve the invoice and forward it to the Accounting Department for processing and payment.

XII. TRAVEL EXPENSES

All expense payments or reimbursements for travel and related expenses must meet the requirements set forth in the LHFA Travel Policy, which establishes policies and procedures related to obtaining travel authorization, advance travel funds, and expenditure reimbursement for travel and related expenses. Refer to the LHFA Travel Policy for details.

XIII. PURCHASING CARDS

Purchasing cards/credit cards may be issued to Agency employees with the approval of the Chief Fiscal Officer and the President. The cards are to be used solely for LHFA authorized purchases.

XIV. BUDGET ADJUSTMENTS

Each department's authorizing staff must ensure that purchases are initiated only when departmental appropriations are sufficient to cover the anticipated costs. Expenditures that exceed departmental appropriations require the approval of the Chief Fiscal Officer and the President on a Budget Adjustment Request Form.

XV. PROPERTY DISPOSAL

When equipment or other property is no longer required for its originally intended use, has reached the end of its lifecycle, or otherwise is no longer useful or required, it is considered surplus to the Agency. The Accounting Department has the responsibility to dispose of surplus equipment and property in the best interest of the Agency and in a manner that is consistent with state policies and procedures.

XVI. PROHIBITED CONTRACTS/PROCUREMENTS

The Agency shall not expend any funds or award contracts to any consultant, contractor, vendor, or other service provider when such individual or firm is currently under suspension or debarment by a federal agency. LHFA is responsible for verifying via certification from a potential consultant, contractor, vendor, or service provider that it, and each tier of its sub-recipients, is not on the List of Parties Excluded from Federal Procurement or Non-Procurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension", as set forth at 24 CFR part 24.

The Agency shall not expend any funds or award contracts to any consultant, contractor, vendor, or other service provider when such individual or firm is currently under suspension or debarment by the state in accordance with the provisions of R.S. 39:1672.

In addition, the Agency is authorized to prohibit awards or procurement with individuals convicted of certain felony crimes in accordance with the provisions of Act 864 of the 2010 Regular Legislative Session.