

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: December 8, 2015



Contra
Costa
County

Subject: Amendment to the Housing Authority's Procurement Policy as required by HUD

RECOMMENDATIONS

ADOPT Resolution No. 5196 approving amendments to HACCC's Procurement Policy for the expenditure of goods and services.

BACKGROUND

The U.S. Office of Management and Budget (OMB) and the Federal award-making agencies (including the U.S. Department of Housing and Urban Development, or HUD) recently updated the procurement requirements for recipients of Federal financial assistance. OMB also made technical corrections to the relevant regulations in the Code of Federal Regulations (CFR) (2 CFR part 200). The purpose of these changes is to streamline the Federal government's guidance on administrative requirements, cost principles, and audit requirements to more effectively focus Federal resources on improving performance and outcomes, while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders. The uniform guidance supersedes, consolidates and streamlines requirements from eight OMB Circulars:

- A-21, *Cost Principles for Educational Institutions*,
- A-87, *Cost Principles for State, Local and Indian Tribal Governments*,

Action of Board On: **12/08/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 8, 2015

Contact:
925-957-8028

Joseph Villarreal, Executive Director

By: , Deputy

cc:

- A-89, *Catalog of Federal Domestic Assistance*,
- A-102, *Grants and Cooperative Agreements With State and Local Governments*,
- A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*,

BACKGROUND (CONT'D)

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- A-122, *Cost Principles for Non-Profit Organizations*,
- A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and
- *The guidance in OMB Circular A-50, Audit Followup*, on Single Audit Act follow-up.

In addition to the consolidation of the OMB Circulars, the new regulations raise existing limits in several areas. The Single Audit threshold is raised from \$500,000 to \$750,000. Along with that change, the questioned cost limit in Single Audits is now raised from \$10,000 to \$25,000. HACCC's policy will reflect the new micro purchase level under federal contracts of \$3,000. This was raised from \$2,000. HACCC's policy also uses the new small purchase level of \$150,000, up from \$100,000.

Non-federal agencies are required to implement the new regulations within two full fiscal years after the effective date of the Uniform Guidance which was December 26, 2014. For HACCC, the deadline is by March 31, 2016. Federal awards made prior to December 26, 2014, will continue to be governed by federal procurement rules in effect under parts 84 or 85 as codified in the 2013 edition of the CFR, or as provided under the terms of the Federal award.

HACCC's proposed procurement policy is attached and is based on the HUD-recommend Policy format located within Appendix No. 1 of the HUD Procurement Handbook 7460.8 REV 2.

FISCAL IMPACT

HUD's new regulations increase the micro purchase level under federal contracts from \$2,000 to \$3,000. The small purchase level under federal contracts is increased from \$100,000 to \$150,000.

CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners elect not to adopt Resolution No. 5196, HACCC would not be in compliance with recently updated HUD requirements concerning the purchasing of services and goods.

CLERK'S ADDENDUM

ATTACHMENTS

Resolution 5196

Procurement Policy