



RESOLUTION NO. 1103

APPROVAL TO REAFFIRM AND AMEND PROCUREMENT POLICY

WHEREAS The Trinidad Housing Authority adopted a comprehensive procurement policy in the early 1970's

WHEREAS Resolution number 854 adopted by BOC on the 9th day of December and Resolution number 922 adopted by the BOC on the 8th of August 2018; attachment A, have amended the tier of purchase.

WHEREAS: the Board of Commissioners are reaffirming and amending Procurement policy as follows:

1. Delegation of authority

The policy formally establishes the executive director as the primary procurement officer, responsible for authorizing most purchases. This provides operational efficiency by allowing the executive director to approve routine spending without needing board sign-off.

2. Clear spending thresholds

The policy defines different levels of purchasing authority based on monetary limits, which may involve additional approvers or a more formal process as the amount increases.

- **Micro-purchases (\$5,000 or less):** The executive director can approve these without additional review, sometimes with the requirement of obtaining quotes from multiple vendors to ensure a fair price.
- **Mid-range purchases (\$5,000–\$100,000):** These may require the executive director's approval along with a second signatory, such as the board chair or treasurer. The policy typically mandates a more competitive process, like gathering multiple written quotes.

- **Major purchases (\$100,000+):** Any expenditure exceeding the top threshold requires a formal vote and approval by the full board of directors. This is crucial for major purchases that were not explicitly included in the annual budget.

3. Formalized procurement procedures

For all purchases, the policy should outline the required steps for the executive director to follow, including:

- **Vendor selection:** A standardized, documented process for selecting vendors based on pre-determined criteria like price, quality, experience, and qualifications.
- **Competitive quotes:** The need to obtain multiple bids, especially for mid- to high-range purchases, to demonstrate that the organization is securing the best value.
- **Documentation:** Clear instructions on the records that must be kept for every purchase, such as quotes, contracts, and justification for vendor selection.
- **Contracting authority:** Specific guidelines on who has the authority to sign different types of contracts.

4. Ethical standards and controls

To prevent conflicts of interest and maintain integrity, the policy must include provisions that prevent employees from accepting inappropriate gifts or favors from vendors. It should also prohibit splitting large purchases into smaller ones to evade the financial limits set by the board.

5. Budget adherence

A well-designed policy ensures the executive director's spending is always aligned with the board-approved annual budget. The policy often requires the director to report any significant budget variances to the board or its finance committee on a quarterly basis.

RESOLVED, the Trinidad Housing Authority Board of Commissioner have reaffirmed and amended the existing policy,

NOW, THEREFORE, BE RESOLVED, by the Board of Trinidad Housing Authority approving the reaffirming and amended Procurement Policy.

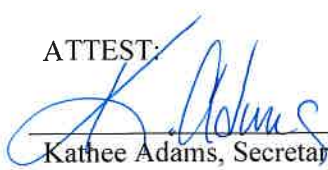
READ AND ADOPTED this 10 Day of September 2025

HOUSING AUTHORITY OF THE CITY OF TRINIDAD



Michael Aragon, Chair

ATTEST:



Kathee Adams, Secretary

CHAPTER 5. SMALL PURCHASE PROCEDURES

5.1 General (24 CFR 85.36(d)(1))

Small purchase procedures are a simplified method for acquiring supplies, materials, and services (including professional and construction) that do not exceed the PHA's small purchase threshold. These procedures are the simplest method of procurement and will be used for the vast majority of a PHA's purchases.

5.2 Small Purchase Dollar Limits

- A. PHAs shall establish a dollar threshold for individual small purchases in their Procurement Policy. The threshold may not exceed the Federal small purchase threshold (currently, \$100,000), or any lower dollar value set by the State or locality having jurisdiction over the PHA. In no case may the PHA adopt a State- or locally-approved threshold that exceeds \$100,000.
- B. PHAs may also establish a separate Micro Purchase threshold of up to \$2,000 per purchase.

5.3 Competition Requirements (24 CFR 85.36(c)(1))

- A. **Purchases Above the Micro Purchase Limit.** The PHA must solicit price quotes from an adequate number of qualified sources (generally defined as not less than three, except in the case of Micro Purchases, below). The PHA's Procurement Policy shall state any specific policy (e.g., requirement for three offers).
- B. **Micro Purchases.** PHAs may award Micro Purchases without soliciting competitive quotations if the Contracting Officer considers the price to be reasonable (e.g., based on recent research, experience, or purchases). To the extent practicable, PHAs shall distribute Micro Purchases equitably among qualified vendors.
- C. **Prohibition Against Bid Splitting.** The Contracting Officer shall not break down requirements aggregating more than the small purchase threshold (or the Micro Purchase threshold) into multiple purchases that are less than the applicable threshold (commonly called 'bid splitting' or "unbundling") merely to permit use of the small purchase procedures or avoid any requirements that apply to purchases that exceed those thresholds. However, larger requirements may be broken into smaller ones to afford small and minority businesses the opportunity to participate in the PHA's procurements. The Contracting Officer should document in the contract file the reasons for breaking down larger requirements into smaller ones.

5.4 Method of Solicitation

Quotations for small purchases may be obtained in writing (hard copy or email), orally, by fax, via catalogs, by letter, through electronic means, e.g., the Internet, through paid advertisement, or by displaying the solicitation in a public place. The method should be

appropriate to the purchase (e.g., obtaining price quotes by phone for a commercially available supply item). PHAs may establish in their Procurement Policies dollar thresholds or other requirements for the use of written and oral solicitations. Written solicitations are used when it is necessary to provide vendors with detailed information that cannot be conveyed orally (e.g., by phone), or with detailed quotation evaluation information. The Contracting Officer should determine the best method, given the situation.

5.5 Quotation Evaluation (24 CFR 85.36(f))

A. **Price Reasonableness.** Before making an award, the Contracting Officer must determine that the proposed price is fair and reasonable. For most small purchases, price analysis is sufficient to make that determination. In cases where the PHA purchases services or items of a non-commercial nature (e.g., a special training course designed for the PHA's employees), submission of cost details and a cost analysis may be needed (see Chapter 10, section 10.3).

1. **Micro-Purchases.** Price analysis normally consists of comparing the quoted price to prices recently paid for the same or similar items, price lists, or catalog prices. The signature of the Contracting Officer on the Purchase Order or contract signifies the Contracting Officer's determination that the price is reasonable, based on prior purchases of a similar nature or other sources of information.

2. **Other Small Purchases above the Micro Purchase Level.** Generally, price analysis will consist of a comparison of quotations to each other and to other sources of pricing information (e.g., past prices paid, catalog prices, etc.). If only one response is received, the Contracting Officer should include a statement of reasonableness in the contract file. This statement may be based on market research, comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, or advertisements, a comparison with similar items in a related industry, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis. Only in rare cases would the Contracting Officer conduct a cost analysis (a non-commercial type purchase unique to the PHA's needs, such as a training course for PHA accounting personnel).

B. **Other Factors.** If using "price and other factors" to determine award, the Contracting Officer has broad discretion in fashioning suitable evaluation procedures. In these situations, the Contracting Officer should ensure that quotations can be evaluated in an efficient and minimally burdensome fashion. Competitive proposal type procedures (e.g., formal evaluations, determining competitive ranges, conducting detailed negotiations, or requesting best and final offers) should not be used for small purchases. Contracting Officers may use information such as their knowledge of, and previous experience, with the supply or service being purchased, the vendor's past performance for the PHA, or customer surveys to evaluate the quotation.

- C. **Evaluating Contractor Responsibility.** PHAs must make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. For small purchases, where payment is generally made only after full delivery/completion of the job, the Contracting Officer has broad latitude in evaluating contractor responsibility, including the Contractor's personal knowledge of, or past experience with, the vendor. The signature of the Contracting Officer on the Purchase Order or contract signifies the Contracting Officer's determination of responsibility is satisfactory.

D. **Documentation (24 CFR 85.36(b)(9))**

1. **Purchases Above the Micro Purchase Threshold.** Documentation should be kept to a minimum. PHAs should retain information supporting their purchases (paper or electronic) to the minimum extent and duration needed for management review purposes (tracking purchasing activity, etc.). The following illustrate the extent to which quotation information should be recorded:
 - a. Oral solicitations. The contracting office should establish and maintain records of oral price quotations sufficient to reflect clearly the propriety of placing the orders at the price paid with the particular vendor. In most cases, this effort will consist merely of showing the names of the vendors contacted and the prices and other terms and conditions quoted by each.
 - b. Written solicitations. Limit written records of solicitations or offers to notes or abstracts that show prices, delivery, references to printed price lists used, the vendors contacted, and any other pertinent information.
 - c. Special situations. Include additional statements—
 - i. Explaining the absence of competition if only one source is solicited; or
 - ii. Supporting the award decision if other than price-related factors were considered in selecting the vendor.
3. **Micro Purchases.** If competitive quotations are solicited and award is made to other than the low quote, documentation to support the purchase may be limited to identification of the solicited vendors and a brief explanation for the award decision.

5.6 **Petty Cash Purchases**

- A. **General.** Petty cash funds are to be used for very small, one time purchases. If utilized, petty cash funds should be established in the PHA's Procurement Policy and should be sufficient to cover very small purchases over a reasonable period (for instance, one month).
- B. **Petty Cash Policy.** A Petty Cash Policy must (1) be in compliance with **24 CFR 85.36**, including the small purchase method, (2) establish the overall amount of the fund, (3) establish the maximum amount for each purchase, and (4) either establish

the appointment of one or more individuals as Petty Cash Administrators or the procedures for appointing such individuals.

5.7 Purchasing Cards

- A. **General.** Purchasing cards (including debit or credit cards) are a payment method and not necessarily a method of procurement, as defined in this handbook. Purchasing cards can be helpful in reducing transaction costs. Purchasing card usage, however, should follow the rules for all other small purchases. For example, the Contracting Officer may use a purchasing card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a purchasing card.
- B. **Card Management/Internal Controls.** When using purchasing cards, PHAs should adopt reasonable safeguards and procedures to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards). PHAs should also make sure that they have guidelines for selecting merchants/vendors, tracking purchases, and card payment/settlement procedures.

5.8 Bonding Requirements

There are no requirements for bid, payment, or performance bonds for small purchases.

5.9 Purchase Orders

- A. **General.** Most purchases under the small purchase method will be done via a Purchase Order sent or given to the contractor to initiate delivery of the item(s) or performance of the service(s). The issuance of a Purchase Order by the PHA and its acceptance by the contractor (either through performance or signature on the purchase order) constitute a contract. It is crucial, therefore, that the Purchase Order clearly specify the item(s) or service(s) being purchased and the terms and conditions of the purchase.
- B. **Form.** Purchase Orders are usually issued on a standard PHA form. While HUD does not prescribe any specific form, the Purchase Order will generally contain information regarding scope of work/service to be provided, price, delivery, method of payment, inspection, and acceptance. However, additional terms and conditions may be added depending on the nature and complexity of the work requested. Mandatory provisions are listed below in paragraph 5.10. PHAs should make sure that they include all necessary contract clauses in their Purchase Orders or in their Request for Quotes, providing the latter are referenced, and made part of, the Purchase Order.

5.10 Standardized Forms/Mandatory Contract Clauses

- A. **General.** Except in the case of bid specifications and contracts for construction or maintenance work in excess of \$2,000 (see paragraphs B and C, below), small purchases, including purchase orders, are subject only to the mandatory clauses contained in Table 5.1.

PHAs may be further bound by certain State or local requirements (See Chapter 13). Other than these Federal, State or locally-mandated provisions, PHAs should include language with any small purchase that is necessary and appropriate, consistent with good business practice.

In addition to Table 5.1, HUD has developed forms which contain the contract clauses required for small purchases related to construction and maintenance work. The use of the Table and these forms are described in the paragraphs below.

- B. **Mandatory Requirements for Construction Contracts greater than \$2,000 but not more than \$100,000**. PHAs must incorporate the clauses contained in form HUD-5370-EZ, General Conditions for Small Construction/Development Contracts, and the applicable Davis-Bacon wage decision. Form HUD-5370-EZ has been designed for small construction jobs. PHAs may use form HUD-5370 in lieu of the HUD-5370-EZ if the former is more appropriate given the nature of the work.
- C. **Mandatory Requirements for Maintenance Contracts (including nonroutine maintenance work) greater than \$2,000 but not more than \$100,000**. PHAs must incorporate the clauses contained in Table 5.1; Section II of form HUD-5370-C, General Conditions for Non-Construction Contracts, and the applicable HUD wage decision.
- D. **Acceptable Methods of Incorporation**. PHAs may utilize any one or any combination of the following methods to incorporate mandatory clauses and applicable wage decisions into bid specifications and contracts. PHAs may:
1. Attach the Table 5.1, HUD form(s), and/or wage decisions, as printed;
 2. Incorporate the clauses/text of the applicable HUD form and wage decision into other documents (e.g., into the PHA's own forms) that are bound/attached to the contract (and bid specifications, if applicable) or incorporated by reference (see paragraph 3, below).
 3. Incorporate the clauses or HUD forms and/or any applicable Davis-Bacon or HUD wage decision by reference. The reference must be specific as to the exact clauses or form(s) that are incorporated, and where the clauses or forms(s) may be accessed or obtained (e.g., HUDClips, PHA web site). A Davis-Bacon wage decision may be incorporated by reference to www.wdol.gov and to the specific number, modification number, and date of the wage decision. HUD maintenance wage decisions are not available at HUD's web site; however, a PHA may post any applicable HUD wage decision to its own web site and reference that site. PHAs must provide hard-copies of any referenced clauses, forms, and/or wage decisions on request.