

RESOLUTION NO _____

**APPROVAL OF PROCUREMENT AND
EXPENDITURE THRESHOLD REVISIONS**

Item No. 5F

WHEREAS; the Commonwealth of Kentucky has increased the threshold at which a sealed bid (Request for Proposals, Invitation for Bid, Request for Qualifications) is required from \$30,000 to \$40,000; and

WHEREAS; the Commonwealth of Kentucky's threshold remains lower (more restrictive) than the HUD threshold; and

WHEREAS; the Authority historically has adopted the lower (more restrictive) Procurement threshold requirements (HUD vs State) to ensure compliance with both the HUD and State Procurement requirements; and

WHEREAS; it is the Authority's desire to adopt the State's Procurement threshold requirement and also increase the Authority's expenditure approval thresholds to accommodate the Procurement threshold revision.

NOW, THEREFORE BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS; that the Authority's sealed bid (Request for Proposals, Invitation for Bid, Request for Qualifications) threshold is increased from \$30,000 to \$40,000 to coincide with the Commonwealth of Kentucky's threshold requirement.

BE IT FURTHER RESOLVED; that the Authority's expenditure approval threshold is also increased and all respective procurement and expenditures revisions will be made to the Authority's Procurement Policy document accordingly.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF PROCUREMENT AND EXPENDITURE THRESHOLD REVISIONS

Item No. 5F

I. STATEMENT OF FACTS:

The Commonwealth of Kentucky has increased the threshold at which a sealed bid (Request for Proposals, Invitation for Bid, Request for Qualifications) must be issued from \$30,000 to \$40,000.

Even at the increased amount, the Commonwealth of Kentucky's threshold remains lower (more restrictive) than the HUD threshold.

Historically, LMHA has adopted the stricter threshold requirement between the Commonwealth of Kentucky and HUD. In this regard, we have noted below a comparative summary of the current procurement thresholds for LMHA, the Commonwealth of Kentucky, and HUD which indicates the stricter threshold requirement is with the Commonwealth of Kentucky's standards.

<u>PROCUREMENT TYPE</u>	<u>LMHA CURRENT THRESHOLD</u>	<u>KENTUCKY THRESHOLD</u>	<u>HUD THRESHOLD</u>
Micro Purchases- Only one quote required	\$10,000	\$10,000	\$10,000
Small Purchases- Three quotes required	\$10,001-\$30,000	\$10,001-\$40,000	\$10,001-\$250,000
Sealed Bid/RFP	Over \$30,000	Over \$40,000	Over \$250,000

LMHA is considering adopting the new Kentucky sealed bid threshold, increasing this threshold from over \$30,000 to over \$40,000.

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I. STATEMENT OF FACTS (cont'd):

Historically, the LMHA Board expenditure approval threshold has been congruent with the procurement threshold for Sealed Bid procurements. In this regard, LMHA is also considering increasing the expenditure approval threshold requirement for the LMHA Board of Commissioners from the current over \$30,000 to the proposed over \$40,000 limit, in addition to other increases for LMHA Staff expenditure approval thresholds. Noted below are all the current LMHA Staff and Board expenditure thresholds and the proposed revisions to each:

	<u>CURRENT</u>	<u>PROPOSED</u>
Property Managers and Supervisors	\$ 3,000	\$ 3,000
Property Managers and Supervisors (with approval from Department Director)	\$ 5,000	\$ 5,000
Directors and Assistant Directors	\$10,000	\$10,000
Deputy Executive Director	\$20,000	\$30,000
Executive Director	\$30,000	\$40,000
LMHA Board of Commissioners	Over \$30,000	Over \$40,000

The pertinent changes will also be made to the Authority's Procurement Policy subsequent to the approval by the Authority's Board of Commissioners.

II. ALTERNATIVES:

- A. Approve the proposed increases to the Authority's Procurement and Expenditure thresholds.
- B. Approve a modified iteration of the proposed Procurement and Expenditure thresholds.
- C. Do not approve any revisions to the Authority's Procurement and Expenditure thresholds.

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III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- The proposed revisions to the Authority's Procurement and Expenditure thresholds will allow the Authority's Procurement threshold to be congruent with the Commonwealth of Kentucky's Procurement thresholds.
- The proposed revisions to the Procurement and Expenditure thresholds will provide greater flexibility and expediency for LMHA Staff for the purchase of goods and services within the delivery of service to LMHA's residents.

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