
Louisiana Housing Finance Agency



BUDGET & FINANCE

Rene Landry, CFO

October 13, 2010

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MEMORANDUM

To: Chairman: Mayson Foster
Commissioner Michael Airhart
Commissioner John N. Kennedy
Commissioner Neal Miller
Commissioner Guy T. Williams

From: Rene Landry, CFO

Date: October 6, 2010

There will be a Budget & Finance Committee meeting prior to the Board meeting on Wednesday, October 13, 2010, at 9:00 a.m., Committee Room I. A Resolution to Adopt the Procurement Policies and Procedures will be presented, and the Fiscal 2010 Budget Variance report will be discussed.

RL/lb

October 6, 2010

BUDGET & FINANCE COMMITTEE MEETING

Notice is hereby given of a regular meeting of the Budget & Finance Committee to be held on **Wednesday, October 13, 2010 at 9:30 A.M.**, Louisiana Housing Finance Agency, **Committee Room 1**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

AGENDA

1. Call to order, roll call, and introduction of guests.
2. Approval of the Minutes of the August 11, 2010 Budget & Finance Committee.
3. Resolution to **Adopt the LHFA Procurement Policies and Procedures.**
4. Fiscal 2010 Budget Variance report
5. Other Business
6. Adjournment

Milton J. Bailey, President

If you require special services or accommodations, please contact Barry E. Brooks at (225) 763 8773, or via email bbrooks@lhfa.state.la.us

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter executive session, and by this notice, the Agency reserves its right to go into executive session as provided by law.

BUDGET & FINANCE COMMITTEE MEETING
Wednesday, August 11, 2010
2415 Quail Drive
Committee Room II
Baton Rouge, LA 70808
11:00 A.M.

Commissioners Present

Mayson Foster, Chairman
Neal Miller
Alice Washington (for John Kennedy)
Donald Vallee
Katie Anderson
Joseph Scontrino, III
Guy Williams

Commissioners Absent

Michael Airhart

Legal Counsel Present

Terri Ricks
Jessica Guinn
Leslie Strahan
Christine Bratkowski

Staff Present

Rene Landry
Jatis Harrington
Robert McNeese
Alesia Wilkins- Braxton
Charlette Minor
Kip Anderson
Ricky Patterson
Collette Mathis
Timothy Shackelford
Lourie Brown

Others Present

Carliss Knesel, Hancock Bank
Clem LaFleur, CHDO
Buck Landry, Morgan Keegan
Tim Rittenhouse, CSG Advisors
Carl Friend, NELA Economy Alliance

The regular meeting of the Louisiana Housing Finance Agency Budget & Finance Committee was called to order at approximately 11:05 a.m. on Wednesday, August 11, 2010, by Chairman Mayson Foster.

Chairman Foster called for a motion to approve the July 14, 2010 Budget & Finance Committee meeting minutes.

Upon motion by Commissioner Neal Miller and a second by Commissioner Donald Vallee, the minutes of the July 14, 2010 Budget & Finance Committee meeting were unanimously approved.

Chairman Foster called upon Vice President Alesia Wilkins-Braxton to continue the discussion regarding the LHFA Procurement Policies and Procedures. He also reiterated that the meeting was for discussion only and that it would be added in the form of a resolution for approval at the next meeting.

Prior to beginning, Ms. Wilkins-Braxton advised the Committee that the suggested revisions would be addressed in sections. Ms. Wilkins-Braxton and Ms. Terri Ricks, Legal Counsel, pointed out that statutes allow the Agency to operate on self-generated funds and receive state funding. Telecommunications equipment falls under different regulations, and such equipment must be purchased through the state's Office of Telecommunications Management (OTM).

Procurement of Goods and Services is divided into two different areas: General Purchases and Professional Services Contracts. There was extensive discussion related to various levels of purchases and the associated appropriate procurement requirements included in the draft document. Several comments and suggestions were made regarding the RFP process. Other areas of the Procurement Policies and Procedures draft document were reviewed and discussed briefly. It was determined that further research would be performed, with resulting recommendations to be brought before the next meeting of the committee.

Due to time constraints, reference was made to materials included in the Commissioners' binders for schedules related to the continuation of the HOME presentation.

There being no other business to come before the Committee, Chairman Foster motioned for adjournment.

Upon motion by Commissioner Donald Vallee and a second by Commissioner Neal Miller the meeting was adjourned.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by Commissioner _____ and seconded by Commissioner _____:

RESOLUTION

To adopt the Louisiana Housing Finance Agency Procurement Policies and Procedures (attached Exhibit A, entitled “Procurement Policies and Procedures”).

WHEREAS, the Louisiana Housing Finance Agency (the “Agency”), as authorized by the State of Louisiana, may establish its own Procurement Policies and Procedures.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the “Board”), acting as the governing authority of said Agency:

SECTION 1. The Louisiana Housing Finance Agency adopts the Louisiana Housing Finance Agency Procurement Policies and Procedures (attached Exhibit A, entitled “Procurement Policies and Procedures”.)

SECTION 2. The Agency's staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the Louisiana Housing Finance Agency Procurement Policies and Procedures.

SECTION 3. The Agency is hereby authorized, empowered, and directed the ability as may be necessary to create, change, amend, and revise any existing documents and/or commitments to Louisiana Housing Finance Agency Procurement Policies and Procedures the terms of which are to be consistent with the provisions of this resolution.

SECTION 4. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of October, 2010.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), do hereby certify that the foregoing two pages constitutes a true and correct copy of a resolution adopted by said Board on October 13, 2010 providing approval to adopt the Louisiana Housing Finance Agency Procurement Policies and Procedures (attached Exhibit A, entitled "Procurement Policies and Procedures".)

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 13th day of October, 2010.

Secretary

(SEAL)

LOUISIANA HOUSING FINANCE AGENCY

PROCUREMENT POLICIES AND PROCEDURES

DRAFT

JUNE October 2010

I. PURPOSE

The purpose of ~~this~~ [the Louisiana Housing Finance Agency Procurement Policies and Procedures \(Policy\)](#) is to provide for the fair and equitable treatment of all persons or firms involved in purchasing, contracting, acquisition and disposition with the Louisiana Housing Finance Agency (LHFA ~~or Agency~~); to assure that quality goods and services are procured efficiently, effectively, and at the most favorable prices available to LHFA; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that the LHFA purchasing actions are in full compliance with applicable federal and state laws. This Policy also addresses 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~~ [Agency](#). The President shall administer, manage and direct the affairs and business of the ~~agency~~ [Agency](#) subject to the policies, control, and direction of the Commissioners. Pursuant to the authority vested in the Board of Commissioners, the Commissioners adopt this policy which shall be administered by the President according to the terms set forth below.

III. POLICY

All employees of the LHFA shall adhere to established policies and procedures for procurement of goods and services. Adherence to the LHFA adopted ~~procurement policies and procedures~~ [Policy](#) 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 adopted Policy. 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 ~~\$1,000.00~~ [\\$25,000.00](#)

~~No competitive bidding shall be necessary.~~

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 \$1,000.00 and less than \$20,000.00~~

~~At least Three (3) verbal 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.~~

~~3.2. Purchases over \$20,000.00 \$ 25,000.00 and less than \$50,000.00 \$100,000.00~~

At least ~~Three (3)~~ 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 ~~VH IX~~ shall be executed by the President and the Vendor/Contractor.

~~4. Purchases over \$50,000.00 and less than \$100,000.00~~

~~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, and the President.~~

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

~~5.3. Purchases over \$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 ~~VH~~ IX shall be executed by the President and the Vendor/Contractor.

B. Professional Services Contracts

1. Contracts Less less than \$50,000.00 \$5,000.00

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 ~~VH~~ IX shall be executed by the President and the Vendor/Contractor.

2. Contracts Over \$50,000.00 \$5,000.00 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 ~~VH~~ 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 ~~policy~~ Policy.

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~~ Vendor/Contractor. This means the good or service is only sold by a single ~~vendor/contractor~~ 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 exceeding \$5,000.00 shall require prior approval of the Budget and Finance Committee.

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

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.

~~VI.~~VIII. COMPETITIVE BID/REQUEST FOR PROPOSALS PROCEDURE AND CONTENT

A. Procedure

1. Need determined and scope of work defined.

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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 ~~administrative~~ 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. ~~Bidder receiving the highest score is recommended for award. The best qualified bidder shall be recommended for award. The Evaluation Committee shall provide justification, in the event, the committee does not recommend an award for the bidder receiving the highest score.~~
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, ~~by issuing an 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 ~~contractor's~~ [Vendor/Contractor's](#) performance.

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B. Content

A Request for Proposals shall:

1. Specifically define the task and desired results of project;

2. Identify ~~agency~~Agency liaison personnel and resources available to ~~the the contractor, Vendor/Contractor~~, both in preliminary studies and the actual services;
3. State approximately when the ~~contractor~~ 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 ~~contractors~~ Vendors/Contractors of the criteria, ~~and~~ 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 ~~contractors~~ 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.

VII.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; ~~and~~ 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.

~~VIII.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~~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. ~~Once approved by the President or Vice President, the proposed purchase shall be presented to the Chairman of the Budget and Finance Committee for approval or to the Chairman of the Board in the absence of the Chairman of the Budget and Finance Committee, or the Vice Chairman of the Board in the absence of the Chairman of the Board.~~ All emergency purchases must be preapproved by the President or Vice President and one of the representatives of the Board outlined in this Section. Notice of emergency purchases shall be provided to the Chairman of the Board.

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~~IX.XI.~~ PAYMENT OF INVOICES

All invoices shall be received by the Accounting Department and shall be recorded for tracking purposes. The Accounting Department shall ~~email~~ 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~~ Department Manager and Program Administrator shall approve the invoice and forward it to the Accounting Department for processing and payment.

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~~X.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.

XI.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.

XI.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.

XI.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.

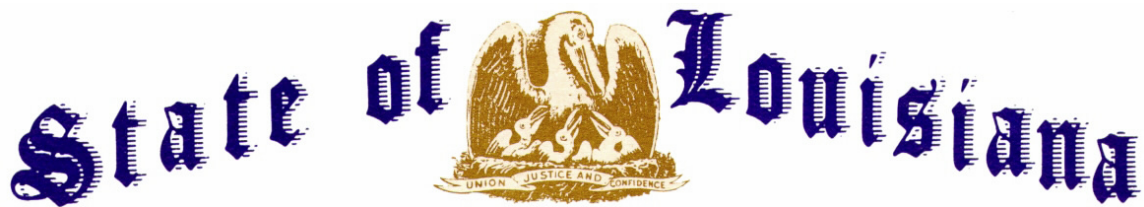
XVI. PROHIBITED CONTRACTS/PROCUREMENTS

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.

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EXECUTIVE DEPARTMENT

Executive Order No. BJ 2010 - 16

SMALL PURCHASE PROCEDURES

WHEREAS, the Louisiana Procurement Code, in R.S. 39:1596, authorizes the governor to establish procedures for the procurement of small purchases with the caveat that "procurement requirements shall not be artificially divided so as to constitute a small purchase under this Section";

WHEREAS, the Louisiana Procurement Code exempts small purchases from the competitive sealed bidding requirements of the Code;

WHEREAS, Louisiana businesses are a driving force in the Louisiana economy;

WHEREAS, Executive Order No. BJ 08-67 signed on August 22, 2008, established the procedure for the procurement of small purchases in accordance with the statutory guidelines of the Louisiana Procurement Code; and

WHEREAS, it is necessary to update Executive Order No. BJ 08-67 through the issuance of a replacement executive order;

NOW THEREFORE, I, BOBBY JINDAL, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: All departments, institutions, boards, commissions, budget units, and agencies of the executive branch of state government, and the officers and employees thereof, (hereafter "agency") shall observe, be guided by, and implement the specific directives on small purchase procedures set forth in this Order. This Order in no way affects or changes the purchasing authority delegated to an agency by the chief procurement officer as defined in R.S. 39:1556(3). No provision of this Order shall be construed as a limitation on the number of quotations to be solicited prior to making a purchase or procurement. Louisiana businesses, especially small and emerging businesses, small entrepreneurships, and veterans or service-connected disabled veteran-owned small entrepreneurships should be utilized to the greatest extent possible when soliciting prices.

SECTION 2: Unless the context clearly indicates otherwise, the words and terms used in this Order shall be defined as follows:

- A. "Small purchases" means (1) any procurement not exceeding twenty-five thousand dollars (\$25,000), or (2) any procurement of those items listed in Section 5 of this Order, regardless of price, except as noted in Paragraphs 5(A)(14), 5(A)(24), 5(A)(26), and 5(A)(30) which are exempt from the competitive sealed bidding requirements of the Louisiana Procurement Code;
- B. "Certified small and emerging business" means a business certified as a small and emerging business by the Division of Small and Emerging Business Development, Department of Economic Development, in accordance with the Provisions of the Small and Emerging Business Development Program, R.S. 51:941, *et seq.*, and included on the most

recent list of certified small and emerging businesses issued by the Division of Certified Small and Emerging Business Development;

- C. “Small Entrepreneurship” means a business certified as a small entrepreneurship by the Department of Economic Development, in accordance with the provisions of the Louisiana Initiative for Small Entrepreneurships (Hudson Initiative), R.S. 39:2006;
- D. “Veteran and Service-Connected disabled Veteran-Owned Small Entrepreneurship” means a business certified as a veteran and service-connected disabled veteran-owned small entrepreneurship by the Department of Economic Development, in accordance with the provisions of the Louisiana Initiative for Veteran and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (The Veteran Initiative), R.S. 39:2176; and
- E. “Louisiana authorized dealer” means a company that satisfies the requirements of a resident business as defined in R.S. 39:1591(6), and is authorized by the manufacturer to sell and/or provide service for their products.

SECTION 3: The following items are not subject to the procedures set forth in this Order:

- A. Those items covered by an existing state contract; and
- B. Public works contracts which exceed five thousand dollars (\$5,000) and are governed by the provisions of R.S. 38:2241.

SECTION 4: Except as otherwise provided in this Order, all small purchases shall be made in accordance with the following minimum procedures:

- A. No competitive process is required for purchases not exceeding five thousand dollars (\$5,000) per single purchase transaction.
- B. Price quotations shall be solicited from three (3) or more bona fide, qualified vendors for purchases exceeding five thousand dollars (\$5,000) but not exceeding fifteen thousand dollars (\$15,000).
 - 1. Quotations may be made by telephone, facsimile, or other means and shall be awarded on the basis of the lowest responsive quotation. Whenever possible, at least one (1) of the bona fide, qualified vendors shall be a certified small and emerging business, a small entrepreneurship, or a veteran or service-connected disabled veteran-owned small entrepreneurship. Agency files shall document and list all solicited vendors and each vendor’s contact person, summarize quotations received, indicate the successful vendor and state the reason why any lower quotation was rejected. Agency files should also contain written confirmation of the quotation from the successful vendor.
 - 2. When the price is determined to be reasonable, the requirement to solicit three (3) quotations may be waived when making purchases from a small and emerging business, a small entrepreneurship, or a veteran or service-connected disabled veteran-owned small entrepreneurship that is currently certified by the Louisiana Department of Economic Development,. Reasonable is a best value determination based on price, delivery, service, and/or any other related factors. This determination is to be maintained in the file.
 - 3. Soliciting three (3) quotations may be waived when purchasing from a business registered with the Secretary of State as domiciled in Louisiana. A business analysis must determine

that in-state prices are equal or better than two other current price comparisons. Comparisons may include, but are not limited to, state contract prices, General Services Administration (GSA) prices, or similar resources. Comparison documents are to be maintained in the file.

- C. Price quotations shall be solicited from five (5) or more bona fide, qualified vendors for purchases exceeding fifteen thousand (\$15,000) but not exceeding twenty-five thousand dollars (\$25,000).
 - 1. Quotations may be made by facsimile or written means and shall be awarded on the basis of the lowest responsive price quotation received. Whenever possible, at least two (2) of the bona fide, qualified vendors shall be certified small and emerging businesses, small entrepreneurships, or veteran or service-connected disabled veteran-owned small entrepreneurships. Agency files shall document and list all solicited vendors and each vendor's response, summarize quotations received, indicate the awarded quotation, and state the reason why any lower quotation was rejected.
 - 2. The requirement to solicit certified small and emerging businesses, small entrepreneurships, or veteran or service-connected disabled veteran-owned small entrepreneurships is waived for those agencies that post on LaPAC, Louisiana's internet based system for posting vendor opportunities and award information.
 - 3. A minimum of three (3) working days shall be allowed for receipt of quotations.
 - 4. All written or facsimile solicitations shall include the closing date, time, and all pertinent competitive specifications, including quantities, units of measure, packaging, delivery requirements, ship-to location, terms and conditions, and other information sufficient for a supplier to make an acceptable quotation. Precautionary measures shall be taken to safeguard the confidentiality of vendor responses prior to the closing time for receipt of quotations. No quotation shall be evaluated using criteria not disclosed in the solicitation.

SECTION 5:

Except as provided in subsection A(14), A(24), A(26), or A(30) of this section, the following items are considered small purchases regardless of price and may be procured in the following manner:

- A. No competitive process is required for the following items:
 - 1. Repair parts for equipment obtained from a Louisiana authorized dealer shall be used if available. This provision does not apply to the stocking of parts;
 - 2. Equipment repairs obtained from a Louisiana authorized dealer shall be used if available;
 - 3. Vehicle repairs not covered by a competitive state contract or the state fleet maintenance repair contract obtained from a Louisiana authorized dealer shall be used if available;
 - 4. Vehicle body repairs covered by insurance recovery and in accordance with insurance requirements;
 - 5. Livestock purchased at public auction;

6. Purchasing or selling transactions between state budget units and other governmental agencies;
7. Publications and/or copyrighted materials purchased directly from the publisher or copyright holder;
8. Publications and/or copyrighted materials purchased by libraries or text rental stores from either subscription services or wholesale dealers which distribute for publishers and/or copyright holders;
9. Public utilities and services provided by local governments;
10. Prosthetic devices, implantable devices, and devices for physical restoration which are not covered by a competitive state contract;
11. Educational training and related resources (except equipment) used to enhance the performance of state employees and good standing of state agencies, including memberships in and accreditations by professional societies and organizations, except for customized training which is covered under R.S. 39:1481, *et seq.*;
12. Purchases for clients of blind and vocational rehabilitation programs not covered by competitive state contract which are federally funded at a rate of at least 78.7%, regulated by Title 34, Parts 361, 365, 370, and 395 of the Code of Federal Regulations, and in accordance with OMB Circular A-102;
13. Materials, supplies, exhibitor fees, and exhibit booths for conferences, seminars, and workshops, or similar events (business, educational, promotional, cultural, etc.) for participation in promotional activities which enhance economic development or further the department's mission, duties and/or functions, with the approval of the department secretary, or agency equivalent, if not covered by competitive state contract;
14. Wire, related equipment, time and material charges to accomplish repairs, adds, moves, and/or changes to telecommunications systems not exceeding two thousand five hundred dollars (\$2,500);
15. Working class animals trained to perform special tasks, including, but not limited to, narcotics detection, bomb detection, arson investigation, and rescue techniques;
16. Food, materials, and supplies for teaching and training where the purchasing, preparing, and serving of food are part of the regularly prescribed course;
17. Shipping charges and associated overseas screening and broker fees between international and domestic origins and destinations;
18. Parcel services, including but not limited to Federal Express, United Parcel Service, Airborne Express, and Express Mail;
19. Renewal of termite service contracts;
20. Purchase of supplies, operating services, or equipment for Louisiana Rehabilitation Services, Traumatic Head and Spinal Cord Injury Trust Fund Program. Although competitive bidding is not required under this paragraph, whenever

practicable, three (3) quotations from bona fide, qualified vendors should be obtained. Whenever possible, at least one (1) of the bona fide, qualified vendors shall be a certified small and emerging business, a small entrepreneurship, or a veteran or service-connected disabled veteran-owned small entrepreneurship;

21. Purchasing of clothing at retail necessary to individualize clients at state developmental centers in compliance with Federal Regulations for ICF/MR facilities;
22. Health insurance for the managers of Randolph-Sheppard programs, as defined by 20 U.S.C. § 107, *et seq.*, and paid from income generated by unmanned vending locations;
23. Purchases made to resell as part of a merchandising program with the written approval on file from the secretary of the department, or agency equivalent, when it is not practical or feasible to obtain competitive price quotations;
24. Commercial Internet service not exceeding one thousand five hundred dollars (\$1,500) per subscription per year;
25. Advertising, where permitted by law and after the head of an agency or designee certifies that specific media is required to reach targeted audiences;
26. Scientific and laboratory supplies and equipment when procured by colleges and universities for laboratory or scientific research not to exceed twenty-five thousand dollars (\$25,000) per transaction;
27. Publication of articles, manuscripts, etc. in professional scientific, research, or educational journals/media, and/or the purchase of reprints;
28. Livestock sperm and ova;
29. Royalties and license fees for use rights to intellectual property, such as, but not limited to: patents, trademarks, service marks, copyrights, music, artistic works, trade secrets, industrial designs, domain names, etc.;
30. Equipment moves by the original equipment manufacturer or authorized dealer to ensure equipment operation to original equipment manufacturer specifications, calibration, warranty, etc. not to exceed twenty-five thousand dollars (\$25,000) per transaction;
31. Mailing list rentals or purchases; and
32. Art Exhibition rentals and/or loan agreements and associated costs of curatorial fees, transportation, and installation.

- B. For the following items, telephone or facsimile price quotations shall be solicited, where feasible, to at least three (3) bona fide, qualified vendors. Whenever possible, at least one (1) of the bona fide, qualified vendors shall be a certified small and emerging business, a small entrepreneurship, or a veteran or service-connected disabled veteran-owned small entrepreneurship.
1. Farm products including, but not limited to, fresh vegetables, milk, eggs, fish, or other perishable foods, when it is determined that market conditions are unstable and the competitive sealed bidding process is not conducive for obtaining the lowest prices.
 2. Food, materials, and supplies needed for:
 - a. Operation of boats and/or facilities in isolated localities where only limited outlets of such supplies are available; and/or
 - b. Juvenile detention homes and rehabilitation facilities/homes where the number of inmates, students, or clients is unstable and unpredictable.
 3. Convention and meeting facilities, provided that any associated food or lodging must be in accordance with Policy & Procedure Memorandum No. 49 – General Travel Regulations.
 4. Gasoline and fuel purchases not covered by competitive state contract.
 5. Equipment for blind operated facilities not covered by competitive state contract.
 6. Feed commodities, including but not limited to soybean meal, cottonseed meal, and oats.
 7. FAA PMA approved aircraft parts and/or repairs, inspections, and modifications performed by an FAA-certified mechanic and/or at an FAA certified repair station in accordance with FAA requirements with approval by the head of the agency or head of the Office of Aircraft Services, Division of Administration.
 8. Air and bus charters in accordance with PPM 49, including group travel that does not qualify for commercial rates available to individual travelers.

SECTION 6: In the absence of a good faith business basis, no purchase or procurement shall be artificially divided within a cost center, or its equivalent, to avoid the competitive process or the solicitation of competitive sealed bids .

SECTION 7: All departments, commissions, boards, offices, entities, agencies, and officers of the state of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate in the implementation of this Order .

SECTION 8: Executive Order No. BJ 08-67 is superceded by this Order .

SECTION 9: This Order is effective upon signature and shall continue in effect until amended, modified, terminated, or rescinded by the governor, or terminated by operation of law .



IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the City of Baton Rouge, on this 27th day of August, 2010.

/S/Bobby Jindal _____
GOVERNOR OF LOUISIANA

ATTEST BY
THE GOVERNOR

/S/Jay Dardenne _____
SECRETARY OF STATE

MEMORANDUM

TO: Budget and Finance Committee
FROM: Alesia Y. Wilkins-Braxton
DATE: September 30, 2010
RE: Revisions to LHFA Procurement Policy

The Louisiana Housing Finance Agency Procurement Policies and Procedures (Policy) has been revised as requested by members of the Budget and Finance Committee during the August committee meeting. In addition to the requested revisions, the Policy has been revised to include the requirements of Executive Order No. BJ 2010-16 which outlines procurement procedures to be followed when making small purchases (purchases up to \$25,000.00). The revisions are outlined below for your convenience:

Section III. POLICY – Added provision that requires the Internal Audit Department, subsequent to a review of LHFA Procurement Policy compliance, to report to the Audit Committee.

Section IV. PROCUREMENT OF GOODS AND SERVICES – Deleted provisions outlining procedures to be followed for purchases up to \$25,000.00. Added provision requiring the directives and procedures set forth in Executive Order No. BJ 2010-16 for purchases of said amount to be implemented and complied with in full. Changed number of written quotes required for purchases over \$25,000.00 and less than \$100,000.00 from 3 to 5.

Section V. SOLE SOURCE PURCHASE – Deleted provision that required approval of the Budget and Finance Committee of sole source purchases exceeding \$5,000.00.

Section VIII. COMPETITIVE BID/REQUEST FOR PROPOSALS PROCEDURE AND CONTENT – Deleted the provision that required the Evaluation Committee to provide justification, in the event, the committee does not recommend an award for the bidder receiving the highest score.

Section X. EMERGENCY PURCHASES – Deleted requirement that emergency purchases be approved by the at least two of the following individuals, in addition to the President or Vice President: Chairman of the Board, Vice Chairman of the Board, Chairman of the Budget and Finance Committee.

Section XI. PAYMENT OF INVOICES – Changed provision requiring the Accounting Department to email invoices to departments to allow delivery by other methods.

**LOUISIANA HOUSING FINANCE AGENCY
OPERATING ACTUALS AND BUDGET FOR FY 2010**

	Per FY 09/10 Financial Statements	Adjustments For Comparability To Operating Budget	Adjusted Financial Statement Amounts	Per FY 09/10 Budget	Variance Under/(Over) Budget
Operating Revenue					
MRB Program issuer fees	1,794,488		1,794,488	1,473,756	(320,732)
Low Income Housing Tax Credit Program Fees	1,388,645		1,388,645	1,154,490	(234,155)
Compliance and Application Fees (Single Family)	166,950		166,950	103,725	(63,225)
Mortgage Loan Interest Income	87,726		87,726	105,384	17,658
Federal Program Administrative Fees	7,816,293		7,816,293	8,199,341	383,048
Investment Income	3,641,276	(894,595) 1	2,746,681	2,553,367	(193,314)
Other Income	55,708		55,708	25,000	(30,708)
HUD Disposition Income		684,772 2	684,772	1,058,643	373,871
LA Housing Trust Fund		376,789 3	376,789	375,000	(1,789)
Total Operating Revenue	14,951,086	166,966	15,118,052	15,048,706	(69,346)
Operating Expenses					
Personnel Services	9,724,842	(886,771) 4	8,838,071	9,282,008	443,937
Supplies	173,522	(70,638) 5	102,884	183,800	80,916
Travel	299,127	14,008 6	313,135	562,500	249,365
Operating Services	1,164,392	(219,421) 7	944,971	1,183,382	238,411
Professional Services	1,793,607	114,577 8	1,908,184	3,061,245	1,153,061
Interest Expense	243,020		243,020	267,203	24,183
Depreciation	396,196	(396,196) 9	-	-	0
Total Operating Expenses	13,794,706	(1,444,441)	12,350,265	14,540,138	2,189,873
Operating Income	1,156,380	1,611,407	2,767,787	508,568	(2,259,219)
Capital Expenditures	249,406		249,406 10	328,476	79,070

¹ To remove from the audited financials amounts for unrealized fair market value investment gains of 620,475, housing trust fund interest of 56,482, petroleum violation interest of 3,727, and 202 interest of 213,911.

² The financial statements include the changes in net assets for the HUD Disposition properties in the non-operating revenues section. This is to include the operating income before depreciation, per the audited financial statements for each property.

³ In that the entire allocation was recognized as revenue upon receipt for fiscal year 2008, the 376,789 related to this line item has been previously recorded as revenue.

⁴

To remove the accrued and unfunded OPEB amount. GASB 45 requires that this be included as an accrual, and it is calculated for each participating agency annually by an actuary for OGB.

⁵

The financial statements group computer software and hardware into supplies, when these were budgeted in operating services. A corresponding amount is added to operating services.

⁶ The financial statements group educational expenses with operating services. This classifies these expenses to travel and training, where they are budgeted.

⁷ The financial statements include computer software and hardware in supplies at 70,638, when they were budgeted in operating services. The financial statements also include trustee fees of 36,925 in professional services that are budgeted in operating services. Thus, they are added here. The financial statements include educational expenses of 14,008, advertising expenses of 151,502, and 202 elderly expenses of 161,474 in operating services. These are removed here, since the educational expenses are budgeted for in travel and training, the advertising expenses are budgeted for in professional services, and the 202 expenses are non-budgeted non-operating expenses.

⁸ To add the advertising expense to and remove the trustee fees from professional services referred to in note 7.

⁹ Depreciation is a non-cash item, and thus is not included in the operating budget.

¹⁰ Financial Statement amount is per Note 9 for current year additions to Equipment and Building.