



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-08-28 (2)

**Date:** August 28, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Changes to THA Procurement Policy

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*This resolution would authorize Tacoma Housing Authority (THA) to make changes in our Procurement Policy that include:*

- *Increasing the Micro Purchase threshold from \$3,000 to \$10,000*
- *Increasing the Simplified Acquisition threshold from \$150,000 to \$250,000*
- *Increasing the Small Works Roster Threshold from \$150,000 for federally funded projects to \$250,000*
- *Increasing the Small Works Roster Threshold from \$300,000 for non-federally funded projects to \$350,000*
- *Increasing the limited works roster threshold from \$35,000 to \$50,000*
- *Adding a requirement for Contractors to have Public Works Training*

*These changes align with recent changes in federal and state procurement rules governing PHAs.*

### **Background**

#### **Increasing the Micro-Purchase Threshold; Increasing the Simplified Acquisition Threshold**

Office of Management and Budget (OMB) Memorandum-18-18 applies to all Federal agencies, including PHA's that award grants or cooperative agreements. It implements changes to:

- the micro-purchase threshold; and
- the simplified acquisition threshold.

This micro-purchase threshold refers to purchases of supplies or services using simplified acquisition procedures, not to exceed an established amount pursuant to the Office of Management and Budget (OMB). The Micro-purchase threshold increases from \$3,000 to \$10,000.

The Simplified Acquisition Threshold refers to the dollar amount below which a non-federal entity may purchase property or services using small purchase methods. The Simplified acquisition threshold increases from \$150,000 to \$250,000 for all recipients. **(Attachment A)**

- **Increasing the Small Works Roster Threshold from \$150,000 for federally funded projects to \$250,000**
- **Increasing the Small Works Roster Threshold from \$300,000 for non-federally funded projects to \$350,000**
- **Increasing the limited works roster threshold from \$35,000 to \$50,000**

In addition, ESSB 5418 passed the Washington State Legislature on April 16, 2019. The bill raised several thresholds that include increasing the Small Works roster threshold from \$150,000 to \$250,000 for federally funded projects and from \$300,000 to \$350,000 for non-federally funded projects. The Limited Works roster is increased from \$35,000 to \$50,000.

ESSB 5418 also requires THA to provide copies of bids received within two days of a competitive bid opening, when requested by a bidder. An Award cannot occur until at least two full business days after such documents have been provided.

#### **Required Public Works Training**

July 1, 2019 is the effective date for an addition to responsible bidder criteria under RCW 39.04.350. As of this date, awarding agencies must verify that a bidder has received training on prevailing wage and public works requirements; or that the bidder is exempt from this training because they have completed three or more public works projects and have had a valid Washington business license for three or more years.

#### **Recommendation**

Authorize THA's Executive Director to update THA's Procurement Policy to align with these changes in state and federal rules.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-08-28 (2) (Changes to Procurement Policy)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

**WHEREAS**, THA's Procurement Policy has a Micro-Purchase Threshold of \$3,000 and a Simplified Acquisition Threshold of \$150,000, a Small Works Threshold of \$150,000 for federally funded projects and \$300,000 for non-federally funded projects and a Limited Works Threshold of \$35,000 and addresses responsible bidder criteria; and

**WHEREAS**, Office of Management and Budget issued a Memorandum implementing Statutory changes to the Micro-Purchase and the Simplified Acquisition Thresholds; and

**WHEREAS**, RCW 39.04.350 requires additional to responsible bidder criteria; and

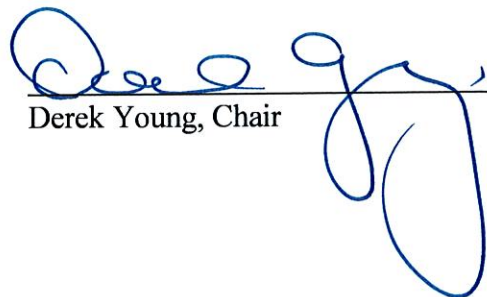
**WHEREAS**, The Washington State Legislature passed Bill ESSB 5418 increasing thresholds to the Small Works Roster and the Limited Works Roster; and

**WHEREAS**, Guidance from the U.S. Department of Housing and Urban Development permits all grant recipients to use these higher thresholds; now, therefore, be it

***Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:***

THA's Executive Director is authorized to update appropriate documents to update THA's Procurement Policy with a Micro-Threshold of \$10,000; the Simplified Acquisition Threshold to \$250,000; the Small Works Roster to \$250,000 for federally funded projects and to \$350,000 for non-federally funded projects; and the Limited Public Works to \$50,000; and to include the updated requirements to the bidder responsibility criteria.

**Approved: August 28, 2019**

  
Derek Young, Chair



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
FINANCIAL MANAGEMENT

June 20, 2018

M-18-18

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS AND HEADS OF SMALL EXECUTIVE  
AGENCIES

FROM:

Tim Soltis

Deputy Controller, Office of Federal Financial Management

SUBJECT:

Implementing Statutory Changes to the Micro-Purchase and the Simplified  
Acquisition Thresholds for Financial Assistance

In accordance with recent statutory changes set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018, this memorandum raises the threshold for micro-purchases under Federal financial assistance awards to \$10,000, and raises the threshold for simplified acquisitions to \$250,000 for all recipients. Further, it implements an approval process for certain institutions that want to request micro-purchase thresholds higher than \$10,000. Agencies are required to implement these changes in the terms and conditions of their awards, and recipients of existing Federal financial assistance awards may implement them in their internal controls.

**Background**

This memorandum applies to all Federal agencies, as defined at 5 U.S.C. § 551(1), that award grants or cooperative agreements. It implements changes to the micro-purchase and simplified acquisition thresholds for financial assistance under the NDAA for Fiscal Year (FY) 2017 and FY2018. The micro-purchase threshold refers to purchases of supplies or services using simplified acquisition procedures, not to exceed an established amount pursuant to the Office of Management and Budget (OMB) Governmentwide Guidance for Grants and Agreements ("Uniform Guidance") at 2 C.F.R. § 200.67 (Micro-purchase). The simplified acquisition threshold refers to purchases of property or services using small purchase methods not to exceed an established amount pursuant to 2 C.F.R. § 200.88 (Simplified acquisition threshold). For Federal financial assistance awards, these purchases are acquired for use by a Federal program. The NDAA for FY2017 increased the micro-purchase threshold from \$3,500 to \$10,000 for institutions of higher education, or related or affiliated nonprofit entities, nonprofit research organizations or independent research institutes (41 U.S.C. § 1908). The NDAA for FY2018 increases the micro-purchase threshold to \$10,000 for all recipients and also increases the simplified acquisition threshold from \$100,000 to \$250,000 for all recipients.

**Implementing the NDAA for FY2017**

Section 217(b) of the NDAA for FY2017 raises the micro-purchase threshold to \$10,000 for procurements under grants and cooperative agreements for institutions of higher education, or related or affiliated nonprofit entities, nonprofit research organizations or independent research institutes.<sup>1</sup>

<sup>1</sup> Pub. L. No. 114-328 (codified at 41 U.S.C. § 1902(a)(2)).

The NDAA for FY2017 also establishes an interim uniform process by which these recipients can request and Federal agencies can approve requests to apply a higher micro-purchase threshold. Specifically, the 2017 NDAA allows a threshold above \$10,000 if approved by the head of the relevant executive agency. For purposes of this approval, the institution's cognizant Federal agency for indirect cost rates will be the relevant executive agency as defined in 2 C.F.R. § 200.19 (Cognizant agency for indirect costs). To receive a higher threshold, the institution must either have "clean single audit findings" (i.e., in accordance with 2 C.F.R. § 200.520 - Criteria for a low-risk auditee), have an acceptable internal institutional risk assessment, or the higher threshold must be consistent with State law for public institutions.

Agencies should reflect this change through policy or terms and conditions in awards for those institutions. The effective date for this change was when the NDAA for FY2017 was signed into law on December 23, 2016. OMB intends to revise the Uniform Guidance to conform with the law.<sup>2</sup>

### **Process for Requesting a Higher Threshold Under the NDAA for FY2017**

Requests for approval should be submitted to the institution's cognizant Federal agency for indirect cost rates; however, institutions should contact the agency before sending the request to determine the correct point of contact. The cognizant Federal agency will assign review of the request to the appropriate office within the agency to determine whether to approve, and will maintain records and justification of all approvals. The request should include the threshold level being requested and the justification(s) for it based on the criteria above per Section 217(b) of the NDAA for FY2017.

### **Implementing the NDAA for FY2018**

This memorandum also implements provisions of the NDAA for FY 2018, Pub. L. No. 115-91, which became law on December 12, 2017. Specifically, section 806 raised the micro-purchase threshold from \$3,500 to \$10,000, and section 805 raised the simplified acquisition threshold from \$100,000 to \$250,000. Pursuant to 2 C.F.R. § 200.67 (Micro-purchase) and 2 C.F.R. § 200.88 (Simplified acquisition threshold), these higher thresholds are not effective until implemented in the Federal Acquisition Regulation (FAR) at 48 C.F.R. Subpart 2.1 (Definitions).<sup>3</sup>

In order to allow maximum flexibility for grant recipients in light of the changes to the NDAA for FY2018, OMB is granting an exception allowing recipients to use the higher threshold of \$10,000 for micro-purchases and \$250,000 for simplified acquisitions in advance of revisions to the FAR at 48 C.F.R. Subpart 2.1 and the Uniform Guidance. Pursuant to 2 C.F.R. § 200.102 (Exceptions), OMB may allow exceptions to the Uniform Guidance when exceptions are not prohibited by statute. The exception takes effect upon the date of issuance of this memo. Agencies should apply this exception to all recipients. Recipients should document any change based on this exception in accordance with 2 C.F.R. § 200.318 (General procurement standards).

If you have any questions regarding this memorandum, please contact Mary Tutman at [Mary.E.Tutman@omb.eop.gov](mailto:Mary.E.Tutman@omb.eop.gov) or Gil Tran at [Hai\\_M.\\_Tran@omb.eop.gov](mailto:Hai_M._Tran@omb.eop.gov).

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<sup>2</sup> The American Innovation and Competitiveness Act, Pub. L. No. 114-329, § 207(b) (2017) states that the Uniform Guidance shall be revised to conform with the requirements concerning the micro-purchase threshold.

<sup>3</sup> Codified at 41 U.S.C. § 1902(f).