HOUSING AUTHORITY
of the County of Los Angeles
Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

September 8, 2009

ADOPTED
BOARD OF COMMISSIONERS
HOUSING AUTHORITY

1-H SEPTEMBER 8, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Commissioners:

APPROVE EXECUTIVE DIRECTOR $100,000 SIGNATURE AUTHORITY FOR EXECUTING CONTRACTS (ALL DISTRICTS) (3 VOTE)

SUBJECT

The Executive Director of the Community Development Commission of the County of Los Angeles (Commission) and Housing Authority of the County of Los Angeles (Housing Authority) requests authorization to increase his signature authority for the execution of contracts from $49,999 to $100,000.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Authorize the Executive Director, or his designee, to execute, administer, implement and if necessary terminate contracts with maximum compensation of up to $100,000 per contract year without Board approval.

2. Find that this action is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY:

3. Authorize the Executive Director, or his designee, to execute, administer, implement and if necessary terminate contracts with maximum compensation of up to $100,000 per contract year without Board approval.

4. Find that this action is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1982, the Commission and Housing Authority have functioned as stand-alone agencies that maintain their own financial systems (budget, accounts payable and payroll), information technology systems, and human resources department. The Commission and the Housing Authority have also conducted their procurement and contracting activities independently and outside of the County Internal Services Department's (ISD) procurement structure. In recent years, the Commission and Housing Authority have taken steps to refine their procurement processes in a manner that resembles ISD procurement and contracting practices.

The Commission and the Housing Authority share the same administration and the same policies and procedures for procurement and contracting. These policies and procedures conform to U.S. Department of Housing and Urban Development (HUD) regulations because the majority of Commission and Housing Authority activities are funded by HUD. In July 2009, the HUD Office of Inspector General performed an audit and determined that the Commission and Housing Authority were in full compliance with procurement and contracting policy requirements. The Commission and Housing Authority policies also mirror County procurement and contracting policies to the greatest extent possible, except when in conflict with HUD policy.

Pursuant to California state statute, the Purchasing Agent of the County of Los Angeles has been granted the authority to execute contracts for up to $100,000 without Board approval. The dollar threshold for Board approval of Commission and Housing Authority contracts was set at $49,999 in 1982 and has not increased since. However, your Board has approved an increased threshold of $100,000 for Community Business Revitalization construction contracts and American Recovery and Reinvestment Act projects.

FISCAL IMPACT/FINANCING

This action will have no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As a HUD grantee, the Commission and Housing Authority must comply with procurement and contracting regulations and guidelines as set forth in 24 Code of Federal Regulations 85.36, referred to as the "Common Rule," and HUD Handbook 7460.8 REV 2. The HUD simplified acquisition threshold for small purchases is currently set at $100,000. Raising the Executive Director's signature authority for executing contracts that do not exceed $100,000 in a contract year would be consistent with HUD regulations and guidelines.

ENVIRONMENTAL DOCUMENTATION

This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Raising the minimum dollar threshold for Board approval to $100,000 will promote greater efficiency in the small purchase contracting process, provide consistency with HUD procurement and contracting requirements, and reduce the time delays associated with obtaining Housing Commission and Board approval for smaller contracts.

Respectfully submitted,

SEAN ROGAN
Executive Director