



Jim Haining <jhaining@gmail.com>

## Important Potential Major Changes to Housing Agency Procurement Standards

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Housing Agency Procurement Assistance

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Greetings,

I am sending this correspondence as a public service. I strongly encourage you to please read the full text of this message and proceed in a cautious and prudent manner before you revise your procurement policies, procedures, and/or practices. Basically, it is my strong opinion that housing agencies need to receive further official guidance from HUD before proceeding.

Many of you are aware that this morning there was a Federal Register published that has a potential major affect as to how housing agencies are required to conduct procurement activities (see the immediate following link):

<http://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf>

At first glance, it appears that housing agencies will no longer follow the requirements of 24 CFR Part 85 and instead follow the requirements of 2 CFR Part 200 (see the immediate following link):

[eCFR — Code of Federal Regulations](#)

I heard from a number of housing agencies Friday morning pertaining to this issue. Some stated to me that this means that we no longer have to do competitive solicitations; Independent Cost Estimates (ICEs); Cost Price Analysis (CPAs); that the HUD Procurement Handbook 7460.8 REV 2 is now obsolete and does not apply. I have done a cursory review of the published Federal Register and 2 CFR 200 and have found nothing in there that definitively states such. In fact, I believe that the basic procurement principles that we have been following will still apply (though there may be some revisions issued that may give some relief). For instance, one good revision is I was previously aware that the Micro Threshold would be increasing to \$3,000 and the Small Threshold (a/k/a the Simplified Acquisition Threshold) would be increasing to \$150,000--the above Federal Register notice and the language within 2 CFR 200 confirms this--we just have to wait for guidance from HUD as to how to implement this revisions.

If HUD addresses this issue as they have done so in the past, then I expect that they will soon (hopefully, very soon) issue a Notice that will explain our obligations pertaining to this issue. Accordingly, I strongly recommend to all housing agencies that we wait for that clarification before taking any action. I have been told by several sources that it was their understanding that HUD will be issuing such a Notice on or about December 26, 2014 (this is not guaranteed, just what I have been told and feel that it is most probably accurate).

Please do not hesitate to contact me by return e-mail if you have any questions or concerns with what I have written within this Notice. I hope that this Notice is helpful.

Regards,

**Michael S. Gifford, C.P.M., CPSD**

*Housing Agency Procurement Assistance*

I have a consulting practice providing procurement- and contracts-related mentoring, training, and technical assistance to housing agencies. I help housing agencies conduct procurement and contracts in a HUD-compliant and "best practice" manner. [Click here](#) to see my full resume. Please do not hesitate to contact me if you have any questions or concerns pertaining to procurement and contracts (initial answering of questions is "no charge"). As I am either on-the-road or on the phone a lot, an initial contact by e-mail is best; please be sure to include your return telephone number (office/cellular) so that I can call you back.

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