



Red Wing Housing and Redevelopment Authority Equal Opportunity Housing/Equal Opportunity Employment

Our Mission

To provide quality, affordable, sustainable housing and community redevelopment programs utilizing resources that develop public and private partnerships.

Statement of Intent

We gather today in this room as one people to discuss and attend to the matters of Red Wing. Together, as a government body and as community members, we agree to treat everyone with courtesy, dignity, and respect. We will listen to all sides of an issue, encourage participation, support each other, act with honor and accountability, and inspire pride in our community. This we commit as we open this meeting.

Meeting Announcement and Agenda Housing & Redevelopment Authority Board Regular Meeting City Council Chambers, 315 West 4th Street, Red Wing, MN & Virtually Tuesday, June 9, 2026, at 3:30 PM

This meeting will be held in the City Hall Council Chambers and virtually via Webex at the same time. Members of the public can join this meeting either in person at City Hall or virtually. [Join the meeting via Webex](#). To join via telephone, please dial (415) 655-0001. Enter access code 2555 596 3341 and password 2026 when prompted.

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Approval of Agenda**
- 5. Public Comment**

We now invite anyone to share their thoughts on a topic that is not on the agenda. We welcome all opinions and ideas. We appreciate you stating your name at the lectern, and please remember that personal attacks may be ruled out of order. You will have up to three minutes to comment, and we appreciate your time in coming tonight.

6. Consent Agenda (Roll Call Required *)

The Consent Agenda consists of items that often don't require Council discussion. These items are usually routine business, non-controversial, or have been discussed publicly in the past. These items can be approved by the Council all at once unless a Council member acknowledges they would like to comment or have a discussion on any of these items at this meeting. If no Council member has a concern or comment on any of the consent agenda items, the Council will approve them all at the same time.

- 6.A. Motion to Approve May 12, 2026 Regular Meeting Minutes.**
- 6.B. Motion to Approve Bills (Check # 53190 - 53252, totaling \$257,266.91).**
Public Housing: \$82,742.35
Housing Choice Voucher: \$1,655.59

Jordan Tower II: \$116,440.74
Redevelopment: \$31,352.24
Small Cities: \$0.00
TIF:\$75.99
AHTF: \$25,000.00

6.C. Motion to Approve Resolution No. 1472-26 Approving Authorized Bank Signatures

7. Motions & General Business

7.A. Motion to Approve Updated Red Wing HRA Procurement Policy

7.B. Motion to Approve Software Upgrade to PHA-Web

8. Communication Items

8.A. Director's Report

8.B. Finance Report

8.C. Housing Report

8.D. Community Redevelopment Report

8.E. Resident Council Report

8.F. Hope Coalition Liaison Report

8.G. City Council Liaison Report

8.H. Announcements

The next HRA regular Board Meeting will be July 14, 2026, at 3:30 p.m. in the City Council Chambers

9. Adjournment

Accommodations for signing interpreter, Braille, large print, etc. can be made. Call City Hall at 385.3600 seven days prior to the need. Hearing assistance devices are available during meetings.

Red Wing Housing & Redevelopment Authority
HRA Board Regular Meeting
Tuesday, May 12, 2026 at 3:30 PM

Board members present: Board Chair, Jason Jech; Commissioners: Abby Villaran, Kristi Reuter, Liz Magill, Sara Hoffman, Nic Abney and Jackie Luikart.

Others present: Kurt Keena, Executive Director; Jennifer Jacobson, Housing Director; Corrine Kulseth, Finance Director; Dawn Gielau, Finance Administrative Assistant; Beth Snyder, City Council Liaison; and Steve Salveson, CohnReznik.

1. Call to Order

The meeting was called to order at 3:30 p.m. by Board Chair Jech.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken with all members present.

4. Approval of Agenda

A motion to approve the agenda was made by Magill and seconded by Abney. All were in favor. Motion carried.

5. Public Comment

There were no public comments.

6. Consent Agenda (Roll Call Required*)

- A. Motion to Approve April 14, 2026 Regular Meeting Minutes.
- B. Motion to Approve Bills (Checks 53126 - 53189; Totaling \$96,217.39).
 - a. Public Housing: \$32,058.42
 - b. Housing Choice Voucher: \$3,684.85
 - c. Jordan II: \$32,894.12
 - d. Redevelopment: \$22,582.54
 - e. Small Cities: \$3,392.00
 - f. TIF: \$0.00
 - g. BIH \$1,605.46
 - g. AHTF: \$0.00

A motion to accept the Consent Agenda was made Abney and seconded by Magill. Roll call was taken and all board members were in favor. Motion carried.

7. Motions and General Business

- A. Accepting the 2025 Annual Audit
Steve Salveson of CohnReznik presented the Financial Statements of the Red Wing HRA's 2025 Audit. No findings were noted and the Red Wing HRA was in compliance with all requirements. A motion to Accept the 2025 Annual Audit was made by Abney and seconded by Hoffman. All board members were in favor. Motion carried.
- B. Approving Architect and Engineering Services for NOAH - Bluffview Townhomes
The Red Wing HRA was selected for a \$2.4M award from C-S-P from the State. A requirement for funding is to secure a contract with an Architectural and Engineering (A&E) firm. The contract with Finn Daniles Architects is \$147,500, which was included in the budget and approved as an expenditure from Minnesota Housing when we received the funding award.

Funding will come from the Community Stabilization Program and the Bluffview Townhomes reserves.

A motion to Approve Architect and Engineering Services for NOAH - Bluffview Townhomes was made by Abney and seconded by Villaran. All board members were in favor. Motion carried.

C. Election of Vice-Chair

Commissioner Reuter has turned in her resignation and a new Vice-Chair needs to be elected to serve for the remainder of the year. Magill nominated Nic Abney. No other nominations were made.

A motion to elect Nic Abney as Vice Chair was made by Magill and seconded by Luikart. Roll call was taken and all board members were in favor. Motion carried.

8. Communication Items

A. Executive Director Report

Keena said we are watching the State legislative session to see how much, if any, funding is made available for housing activities that we may apply for. The Governor's supplemental budget includes funds for POHP and other programs we have been able to take advantage of in the past. However, we won't know about funding levels until the session ends. Our 2027 CDS request for continued interior improvements at our Hill Street property, in the amount of \$657,000 has been sent to the Senate Appropriations Committee for consideration by Senator Klobuchar. We now wait to see if it is included in the final approved 2027 Federal budget. Keena stated this will be Commissioner Reuter's last meeting as she is stepping back from her responsibilities of the HRA Board. He thanked her for her contributions to our Board and community and said her expertise, insight and dedication to our mission of providing quality affordable housing will be missed. The City is seeking candidates for her replacement on the HRA Board. If interested, contact Kurt Keena or Melissa Hill, City Clerk. Mayor Icco will review the interested candidates and make a recommendation for appointment.

B. Finance Report

Kulseth presented February and March's financials. We are still waiting approval of the ROSS Grant application. The Twin Home Account has been closed and the funds were transferred to RD Reserves in April. Opened a new account at Red Wing Credit Union after closing a CD at Merchants. Open enrollment for staff was held April 30, 2026 for June renewal. The office phone upgrade is scheduled for May 15, 2026. Staff are leaning towards PHA-Web after meeting with two providers for Housing Software renewal.

C. Housing Report

Jacobson presented waitlist, move out and Voucher program numbers ending April 2026. The HRA will have a booth at the Senior Resource Fair, being held at St. Paul's church, 10 a. m to 1 p.m. Friday, May 15, 2026. The Federal Home Loan Bank application was submitted in the amount of \$3M for the Jordan I Rehabilitation Project. The waitlist for the Bring It Home Rental Assistance program opened April 1, 2026 and staff started to pull names from the waitlist the beginning of May to process these vouchers. Regarding the POHP 2024 updates, the abatement consultant is working on completing the testing for both projects. On January 7, 2026 the public housing underwent an NSPIRE inspection, which was the first inspection under the new protocols established by HUD. The score received was a 90. All items cited during the inspection were repaired within the allocated time frame.

All repairs were completed within one week of the inspection and the work orders were submitted to HUD through an online program.

D. Community Development Report

Keena presented Small Cities Program Income Notes Receivable and Cash Reserves. Within the next month or two, we will be disbursing a couple of previously approved loans which will deplete most of our Small Cities Loan program reserves. We have begun the process for the 2027 application funding round. We are waiting for approval and disbursement of our first AHTF draw request of \$75,000 from our \$150,000 State matching grant. The repayment of \$75,000 for a loan, whose project no longer includes housing units, is set for May 15, 2026. Goodhue County Habitat for Humanity held a groundbreaking, on the afternoon of April 29, for a duplex they will construct in Hope Heights. They are also selling the other half of the Twin Home we sold them in early May and we will get our sales proceeds after closing. The City is planning to bring proposed rezoning requests forward for Council consideration in late May or early June and they expect to complete a land feasibility study early this summer. Once both have been completed Keena said he will work to schedule a workshop for us to discuss where, how, and by whom, more affordable housing might be able to be developed in Red Wing.

E. Resident Council Report

Luikart said they held a Cinco de Mayo party on May 5, and they will be having Hager Heights chicken brought in this coming month.

F. Hope Coalition Report

Villaran stated there was nothing to report as no meeting was held.

G. City Council Liaison Report

Snyder explained the City Council passed an ordinance that approved definitions around emergency housing, transition housing, community center, community services and small scale food production. The Planning Commission will meet on May 19th to discuss zoning and hopefully make it easier for developers to do all types of Multi-Family housing of all types in Red Wing. The City will be going through a Paid Benefits study with results coming later this summer.

H. Announcements

The next HRA Board Meeting will be on June 9, 2026 at 3:30 p.m. in the City Council Chambers

9. Adjourn

The meeting was adjourned at 4:28 p.m. by Board Chair Jason Jech

Respectfully Submitted By,
Dawn Gielau

Board Chair

Red Wing Housing & Redevelopment Authority

Checks Written Report

May 1, 2026 thru May 31, 2026

Payment Date	Payment Number	Payment Amount	Payee Name
5/7/2026	1978	\$50.00	NICHOLAS ABNEY
5/7/2026	1979	\$175.00	KARLA ALBERTZ
5/7/2026	1980	\$204.55	CINTAS CORPORATION
5/7/2026	1981	\$296.60	ESI HOSTED SERVICES
5/7/2026	1982	\$255.00	FILEVISION USA
5/7/2026	1983	\$200.00	AMY HARRIS
5/7/2026	1984	\$378.21	INNOVATIVE OFFICE SOLUTIONS LLC
5/7/2026	1985	\$50.00	JASON JECH
5/7/2026	1986	\$542.89	MAIDS IN MINNESOTA
5/7/2026	1987	\$23,480.15	MINNESOTA HOUSING FINANCE AGENCY
5/7/2026	1988	\$211.50	MRI SOFTWARE LLC
5/7/2026	1989	\$301.66	THEIPGUYS NET LLC ONENET GLOBAL
5/7/2026	1990	\$200.00	BARRY PREBLE
5/7/2026	1991	\$50.00	KRISTI REUTER
5/7/2026	1992	\$200.00	LINDA ROWAN
5/7/2026	1993	\$85.00	SMITH HEATING INC
5/7/2026	1994	\$50.00	ABBY VILLARAN
5/14/2026	1995	\$204.55	CINTAS CORPORATION
5/14/2026	1996	\$450.00	CSC SERVICEWORKS INC
5/14/2026	1997	\$45.00	GOT SHARPS LLC
5/14/2026	1998	\$174.74	INNOVATIVE OFFICE SOLUTIONS LLC
5/14/2026	1999	\$307.95	THEIPGUYS NET LLC ONENET GLOBAL
5/21/2026	2000	\$493.70	ADAMS PEST CONTROL INC.
5/21/2026	2001	\$690.00	ADVANCED BUSINESS SYSTEMS INC
5/27/2026	2002	\$173.20	ADAMS PEST CONTROL INC.
5/27/2026	2003	\$14.99	CARASOFT TECHNOLOGY CORPORATION
5/27/2026	2004	\$204.55	CINTAS CORPORATION
5/27/2026	2005	\$23,480.15	MINNESOTA HOUSING FINANCE AGENCY
5/27/2026	2006	\$50.00	KRISTI REUTER
5/7/2026	53190	\$15.00	PATRICIA COLLINS
5/7/2026	53191	\$6,281.66	FINN DANIELS ARCHITECTS
5/7/2026	53192	\$200.00	CANDIS FLECK
5/7/2026	53193	\$140.00	GOODHUE COUNTY SHERIFFS DEPARTMENT
5/7/2026	53194	\$3,455.00	HAWKINS ASH CPAS LLP
5/7/2026	53195	\$450.00	P HANSON MARKETING INC
5/7/2026	53196	\$3,207.58	HD SUPPLY FACILITIES MAINTENANCE
5/7/2026	53197	\$50.00	SARA HOFFMAN
5/7/2026	53198	\$1,158.56	JAYTECH INC
5/7/2026	53199	\$460.00	LANDRUM DOBBINS LLC
5/7/2026	53200	\$50.00	JACKIE LUIKART
5/7/2026	53201	\$500.00	JACKIE LUIKART
5/7/2026	53202	\$50.00	ELIZABETH MAGILL

5/7/2026	53203	\$106.71	MARCO TECHNOLOGIES LLC
5/7/2026	53204	\$748.21	MENARDS RED WING
5/7/2026	53205	\$658.00	NAN MCKAY & ASSOCIATES INC
5/7/2026	53206	\$800.00	OROURKE MEDIA GROUP
5/7/2026	53207	\$200.00	STEPHEN JOHN PRINGLE
5/7/2026	53208	\$484.40	PYE-BARKER FIRE & SAFETY, LLC
5/7/2026	53209	\$374.19	QUADIENT LEASING USA INC
5/7/2026	53210	\$183.43	To the Estate of Jeremiah Sullivan
5/7/2026	53211	\$28.00	Travis Calamari
5/7/2026	53212	\$574.58	Marilyn Books
5/7/2026	53213	\$8.28	RUNNINGS FARM & FLEET
5/7/2026	53214	\$241.00	RED WING PLUMBING & HEATING
5/7/2026	53215	\$10.00	Melinda Spohn
5/7/2026	53216	\$1,747.70	STARTECH COMPUTING INC
5/7/2026	53217	\$41.25	VICKIS FOOT AND NAIL CARE PLLC
5/7/2026	53218	\$120.00	ROBERT WEDRICKAS
5/7/2026	53219	\$76.86	XCEL ENERGY
5/14/2026	53220	\$0.00	Void / CITY OF RED WING WATER & SEWER
5/14/2026	53221	\$0.00	Void / CITY OF RED WING WATER & SEWER
5/14/2026	53222	\$15,229.11	CITY OF RED WING WATER & SEWER
5/14/2026	53223	\$838.29	CULLIGAN WATER CONDITIONING
5/14/2026	53224	\$5,045.73	CUMMINS N POWER
5/14/2026	53225	\$1,480.05	CUSTOM ALARM
5/14/2026	53226	\$2,901.00	DIRECT TV
5/14/2026	53227	\$382.00	GOODHUE COUNTY RECORDER
5/14/2026	53228	\$47,228.25	GOODHUE COUNTY RECORDER
5/14/2026	53229	\$42,267.01	GOODHUE COUNTY RECORDER
5/14/2026	53230	\$11,885.60	GOODHUE COUNTY RECORDER
5/14/2026	53231	\$25,000.00	GOODHUE COUNTY HABITAT FOR HUMANITY
5/14/2026	53232	\$382.95	HIAWATHA BROADBAND
5/14/2026	53233	\$138.79	HD SUPPLY FACILITIES MAINTENANCE
5/14/2026	53234	\$500.00	KNIGHT BARRY TITLE UNITED LLC
5/14/2026	53235	\$188.59	MENARDS RED WING
5/14/2026	53236	\$743.00	RED WING PLUMBING & HEATING
5/14/2026	53237	\$1,453.00	SCHUMACHER ELEVATOR COMPANY
5/14/2026	53238	\$1,316.25	STARTECH COMPUTING INC
5/14/2026	53239	\$370.06	CORRINE KULSETH
5/14/2026	53240	\$6,029.16	VISA
5/14/2026	53241	\$98.71	XCEL ENERGY
5/21/2026	53242	\$1,131.62	CITY OF RED WING OTHER UTILITIES
5/21/2026	53243	\$75.00	DUANE EARNEY
5/21/2026	53244	\$31.52	HD SUPPLY FACILITIES MAINTENANCE
5/21/2026	53245	\$118.30	MARCO TECHNOLOGIES LLC
5/21/2026	53246	\$210.81	MENARDS RED WING
5/21/2026	53247	\$3,697.56	MUTUAL OF OMAHA
5/21/2026	53248	\$1,391.50	SCHUMACHER ELEVATOR COMPANY
5/21/2026	53249	\$16.48	XCEL ENERGY

5/27/2026	53250	\$942.23	HD SUPPLY FACILITIES MAINTENANCE
5/27/2026	53251	\$305.83	SARGENTS NURSERY INC
5/27/2026	53252	\$10,428.71	XCEL ENERGY

\$257,266.91



Red Wing Housing & Redevelopment Authority

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Date: June 9, 2026

To: **Red Wing Housing and Redevelopment Authority Board of Commissioners**

From: Corrine Kulseth, Finance Director

Subject: Resolution No. 1472-26 Approving Authorized Bank Signatures

Background

Any time there is a change in Commissioner or Employee position, we are required to update authorized signers with all financial institutions we have accounts with. The Authority's Bylaws authorize the Chairperson, Vice-Chair, and Secretary/Treasurer as the agents to be authorized to exercise signatory powers at our Financial Institutions.

Analysis

At the May 12, 2026 Board meeting of the Red Wing Housing and Redevelopment Authority Board of Commissioners, Kristi Reuter resigned as Commissioner. Since she was elected as Vice-Chair, Commissioners were requested to fill this vacant seat. Nic Abney was elected as the new Vice-Chair for the remainder of 2026.

Kristi Reuter will be removed as signer.

Jason Jech, Board Chair; Abby Villaran, Secretary/Treasurer; Kurt Keena, Executive Director; Corrine Kulseth, Finance Director; and Jennifer Jacobson, Housing Director will remain as signers.

Recommendation

Staff recommends to the HRA Board of Commissioners Resolution No. 1472-26 to approve the following signatures for the bank accounts at Associated Bank, N.A, Merchants Bank, Minnesota First, Red Wing Credit Union, and Edward Jones.

Kurt Keena, Executive Director
Corrine Kulseth, Finance Director
Jennifer Jacobson, Housing Director
Jason Jech, Chair
Nic Abney, Vice Chair
Abby Villaran, Secretary/Treasurer

RESOLUTION No. 1472-26

**RESOLUTION TO CHANGE AUTHORIZED SIGNATURES AT OUR
DESIGNATED FINANCIAL INSTITUTIONS**

WHEREAS, Kristi Reuter, Vice-Chair has resigned from the Board; and

WHEREAS, our Financial Institutions require authorized signatures to conduct HRA business;
and

WHEREAS, the normal business practices of operating Red Wing Housing and Redevelopment Authority require the appointment of an Executive Director, Finance Director, Chair, Vice-Chair, Secretary/Treasurer, and Housing Director; and

WHEREAS, the present designated Financial Institutions are Merchants Bank, Associated Bank, Minnesota First, Red Wing Credit Union, and Edward Jones; and

WHEREAS, the Red Wing Housing and Redevelopment Authority Bylaws authorize the Chairperson, Vice-Chairperson, and Secretary-Treasurer as the agents to be authorized to exercise signatory powers at our Financial Institutions; and

WHEREAS, Nic Abney was elected as Vice-Chairperson; and

NOW, THEREFORE BE IT RESOLVED, that the Red Wing Housing and Redevelopment Authority Board of Commissioners to adopt resolution 1472-26 to delete the authorized signature at our Financial Institutions of Kristi Reuter. In addition, approves all authorized signers to represent the Red Wing Housing and Redevelopment Authority of Jason Jech, Abby Villaran, Nic Abney, Kurt Keena, Corrine Kulseth, and Jennifer Jacobson.

Date: June 9, 2026

Jason Jech, Chairperson

Nic Abney, Vice-Chair

Abby Villaran, Secretary/Treasurer



Red Wing Housing & Redevelopment Authority

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June 9, 2026

To: Red Wing HRA Board of Commissioners
From: Jennifer Jacobson, Housing Director
Re: Updated Red Wing HRA Procurement Policy

Background

HUD requires all Public Housing Agencies (PHA) establish and follow a written procurement policy. Generally, the procurement policy delegates responsibility for procurement functions to the Executive Director, with authority to assign all or a portion of that responsibility to positions or individuals based on the organization and staffing of the PHA. A person with authority for procurement activities is referred to as the Contracting Officer.

Some responsibilities of the Contracting Officer are to ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the HRA; promote competition in contracting; and assure that HRA purchasing actions are in full compliance with applicable Federal standards, HUD regulation, State and local laws.

This Procurement Policy complies with the Annual Contributions Contract (ACC) between the HRA and HUD, Federal Regulations at 2CFR 200.317-200.327, the procurement standards of the Procurement Handbook for PHA's, HUD Handbook 7460.8, Rev 3, and applicable State and local laws.

Changes from 2019 Policy

The proposed policy changes its format from the current policy, making it easier to locate information and reference it when going out for bids. The other changes are:

- Addition of the section on Domestic Preferences for Procurements (Buy America Build America, BABA) was added into the Federal Regulations at 2 CFR 200.322.
- HUD published a revised Public Housing Agency Procurement Handbook
- Changes in the threshold limits at both the state and federal levels.

Overview of Thresholds

The thresholds for micro purchases increased from \$10,000 to \$15,000. All the other thresholds stayed the same. Each threshold has different conditions and award guidance in the attached policy.

	2019	2026
Micro Purchases	Up to \$10,000	Up to \$15,000
Small Purchases	\$10,000 - \$175,000	\$15,000- \$175,000
Large Purchases (Sealed Bids)	Over \$175,000	Over \$175,000
Executive Director Approval Limit for Contracts	Up to \$10,000	Up to \$15,000

Recommendation

Staff recommend the HRA Board of Commissioners approve the updated Red Wing HRA Procurement Policy effective June 9, 2026.

RED WING HOUSING AND REDEVELOPMENT AUTHORITY

PROCUREMENT POLICY



Board Approved: June 9, 2026

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1) Introduction

This policy applies to procurement activities that are governed by the following:

- a. The Annual Contributions Contract (ACC) between the U.S. Department of Housing and Urban Development (HUD) and the Red Wing Housing and Redevelopment Authority (the Agency);
- b. The procurement standards of HUD Handbook 7460.8 - Revision 3, Procurement Handbook for Public Housing Agencies;
- c. Policies for Federal Uniform Guidance Procurement Standards at 2 CFR §200.317 - §200.327; and
- d. State laws in Chapters 16C, 469, 471 and 473 of Minnesota Statutes.

Where there are discrepancies in regulations or procedures, the most restrictive shall apply. Where there are discrepancies in dollar amounts, this policy shall apply. Dollar amounts are exclusive of any applicable tax and freight charges.

2) General Provisions

- a. **General.** The Agency establishes this policy to achieve the following goals:
 - i. Provide for a procurement system of quality and integrity;
 - ii. Provide for the fair and equitable treatment of all persons or firms involved with purchasing by the Agency;
 - iii. Assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the Agency;
 - iv. Conduct procurement transactions in a manner that provides full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bid, and/or requests for proposals will be excluded from competing for such procurements even if the contractor, in all other respects, is qualified.
- b. **Application.** This Policy applies to all procurement actions of the Agency, regardless of the source of funds, except as noted under "exclusions" below. However, nothing in this Policy shall prevent the Agency from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with the law.
- c. **Definition of Procurement.** The term "procurement," as used in this Policy, includes the procuring, purchasing, leasing, or renting of:
 - i. Goods, supplies, equipment, and materials;
 - ii. Construction, alteration, repair, maintenance, and demolition;
 - iii. Consultant services and other professional services;
 - iv. Architectural and Engineering (A/E) services;
 - v. Other services.
- d. **Exclusions.** The policy does not govern:
 - i. Purchases using fees earned from Section 9 programs, including management fees, bookkeeping fees and asset management fees all of which are defined as non-program funds under 24 CFR Part 990;
 - ii. Publicly provided or regulated utilities;
 - iii. Insurance purchased through a HUD-approved Association of which the HRA is a member; or
 - iv. Purchases made for property managed but not owned by the Agency.

When both HUD program and non-program funds are used for a project, the work to be accomplished with each set of funds should be separately identified prior to procurement so that appropriate requirements can be applied. If it is not possible to separate the funds, the HUD procurement regulations policies herein shall be applied to the total project.

- e. **Changes in Laws and Regulations.** In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with this policy, automatically supersede this policy.
- f. **Public Access to Procurement Information.** Most procurement information that is not proprietary is a matter of public record. All government data collected, created, maintained, or disseminated by the Agency is public data unless otherwise classified by law. Release of information will be in accordance with the Agency's "Requests For Information - Access Of Government Data Policy."

3) Procurement Authority and Administration

- a. **Authority.** The Board of Commissioners is responsible for ensuring that any procurement policies adopted are appropriate for the Agency. This Policy and any future amendments shall be submitted to the Board of Commissioners for approval.

The Board appoints and delegates procurement authority to the Executive Director in the amount of up to \$15,000. All procurements, other than those listed below, that exceed \$15,000.00 must have approval from the Board of Commissioners prior to the award of the contract. After contract execution, the Board appoints and delegates authority to the Executive Director for approval in the amount up to \$15,000 for any change orders to the original contract amount.

Exceptions: Staff is authorized to make purchases that may total \$15,000 or more without Board approval when they are needed for smooth operation, and:

1. Are made under Joint or Cooperative Purchasing Agreements;
 2. Are for utilities that are publicly owned or publicly regulated;
 3. Are for telephones, cellular phones, computer connections, and automatic response communication lines connected to fire panels, HVAC alarms, sump pumps or elevators; or
 4. Are required due to emergency circumstances provided that the Executive Director reports the expenditure as soon as practically possible to the Board Chair.
- b. **Administration.** The Executive Director is responsible for ensuring that all procurement activities are conducted in accordance with this policy. To this end, the Executive Director shall issue operational procedures to implement this policy and may modify them from time to time. The Executive Director shall also establish a sanctions system for violations of the ethical standards set forth in this policy. All procurement transactions shall be administered by the Contracting Officer, who shall be the Executive Director or other individual the Executive Director has designated in writing.
 - c. **Duties of the Contracting Officer.** The Executive Director or his/her designee shall ensure that:

1. Procurement practices are conducted in full compliance with applicable laws and this policy;
2. There are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), work is inspected before payment, and payment is made promptly for work performed and accepted;
3. Contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction; and are supported by sufficient documentation regarding the history of the procurement, including, as a minimum, the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price; and
4. Complete documentation regarding any purchase, such as proposals, bids, quotations, evaluations, etc., shall be preserved in the Agency files according to Agency procedures and HUD regulations.

4) Ethics in Public Contracting

- a. **General.** Ethical standards extend to the Commissioners, the Contracting Officer, employees of the Agency, and agents of the Authority. Ethical principles require individuals involved in procurement to conduct themselves in a manner to foster confidence in the process and avoid a factual conflict of interest as well as the appearance of a conflict of interest. The statements below comprise the code of conduct governing procurement actions.
- b. **Conflicts of Interest.** No employee, officer, board member, or agent of the Agency shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:
 - i. An employee, officer, board member, or agent involved in making the award;
 - ii. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
 - iii. His/her partner; or
 - iv. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above
- c. **Gratuities, Kickbacks, and Use of Confidential Information.** No officer, employee, board member, or agent of the Agency shall ask for or accept payment, offer of employment, gratuities, favors, or items of more than nominal value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.
- d. **Prohibition against Contingent Fees.** Contractors wanting to do business with the Agency must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.
- e. **Unauthorized Disclosure.** Disclosure of confidential information to any person not authorized by the Contracting Officer is prohibited. Confidential information includes, but is not necessarily limited to: specifications or scopes of work prior to the solicitation, a list

of firms submitting bids or proposals prior to opening or award, the contents of a bid or proposal prior to opening or award, interior cost analysis, evaluation plans, evaluation discussions, and other like information that could affect the competitive process or provide an unfair advantage.

5) Procurement Planning

- a. The Agency will periodically review its record of prior purchases, as well as future needs, to:
 - i. Find patterns of procurement actions that could be performed more efficiently or economically;
 - ii. maximize competition and competitive pricing among contracts and decrease the Agency's procurement costs;
 - iii. Reduce Agency administrative costs;
 - iv. Ensure that supplies and services are obtained without any need for re-procurement; and
 - v. Minimize errors that occur when there is inadequate lead time.
 - vi. Consideration should be given to storage, security, and handling as purchasing decisions are made.

6) Procurement Methods

a. Petty Cash

- i. Defined: Any individual procurement for cash not to exceed \$50.
- ii. Condition for Use: Price assessed as reasonable.
- iii. Award: To the identified vendor via cash.
- iv. Other: Cash can be used to reimburse an individual for an expense paid from personal funds as long as the expense is an allowable business expense and is evidenced by a receipt.

b. Micro Purchase

- i. Defined: Any single procurement not exceeding \$15,000
- ii. Condition for Use: One price documentation or quote assessed to be reasonable.
- iii. Award: To the responsive and responsible vendor that has a reasonable cost.
- iv. Other: The quote must be documented in the file. To the greatest extent feasible, micro purchases should be distributed among qualified sources available to provide goods and services to the Agency in a professional and timely manner.

c. Small Purchases

- i. Defined: Any single procurement over the Micro Purchase but not exceeding \$175,000
- ii. Condition for Use: The Agency will solicit documentation, quotes, or bids from at least 3 sources. The method will depend on the purchase threshold. Documentation can be oral or from advertisements, quotes can be faxed, written, or through e-procurement, and bids will be written in response to a request prepared by the Agency.
- iii. Award: Award to the responsible and responsive vendor that provides a qualifying proposal which provides the most value. File documentation is required if the award is not to the vendor that submits the lowest cost to the Agency.

- iv. Other: Prohibition Against Bid-Splitting: The Agency shall not break down requirements aggregating more than the small purchase threshold into several purchases that are less than the applicable threshold merely to permit use of the small purchase procedures.
- d. Competitive Sealed Bids- Invitation for Bids**
- i. Defined: Competitive Sealed Bidding, also known as Invitation for Bids (IFB), shall be used for all contracts that exceed \$175,000. Under IFB's, the Agency publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. IFB's are the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$175,000.
 - ii. Conditions for Use: Contracts shall be awarded based on IFB's if the following conditions are present:
 - 1. A complete, adequate, and realistic statement of work specifications or purchase description is available;
 - 2. Two or more responsible bidders are willing and able to compete effectively for the work;
 - 3. The contract can be awarded based on a firm fixed price, and
 - 4. The selection of the successful bidder can be made principally on the lowest price.
 - iii. Award: Firm fixed price contract to the responsive-responsible bidder based on price.
 - iv. Other: The procedure, including required forms, will be in accordance with operational procedures.
- e. Request for Competitive Proposals (RFP)**
- i. Defined: Procurement method for procuring professional services for an amount that will exceed the small purchase threshold or if the proposal requires consideration of technical factors other than price.
 - ii. Conditions for Use: Requests for Competitive Proposals (RFP), or a Best Value can be used for purchases if there is an adequate method of valuating the proposals and the Agency determines conditions are not appropriate for the use of sealed bidding. Except for A/E services, developer-related services, and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. Only under limited circumstances would construction services be procured by competitive proposals.
 - iii. Award: To the proposal that provides the best value to the Agency. Multiple factors, including price, are considered.
 - iv. Other: The procedure, including required forms, will be in accordance with operational procedures.
- f. Request for Qualification (RFQ)**
- i. Definition: Used for architectural/engineering (A/E), Energy Performance Contracting, and Developer services.
 - ii. Conditions for Use: The Agency shall contract for architectural/engineering (A/E) services using an RFQ by using Qualifications-based Selection (QBS) procedures. The Agency may also use this method, Energy Performance

Contracting and Developer services.

- iii. Award: Based on proposal evaluation using criteria as established in the RFQ document. Under QBS procedures, the Agency first selects the highest-ranked respondent on technical factors and then negotiated price. Price is not used as an evaluation factor under this method.
- iv. Other: The Agency requests technical qualifications statements from prospective firms and then ranks the statements according to their qualifications as related to the project. The Agency then opens negotiations with the top-ranked firm to reach agreement on a fair and reasonable price. If agreement cannot be reached, the Agency terminates negotiations with this firm and proceeds to the next-highest rated firm until a price determined to be fair and reasonable to both parties is obtained. Once negotiations have been terminated with a firm, the Agency may not go back to that firm for additional negotiations - even if the next lower-ranked respondent is higher in price.

g. Noncompetitive Proposals

- i. Definition: Purchasing without competition.
- ii. Conditions for Use: Procurement by noncompetitive proposals (sole- or single-source) may be used only when the award of a contract is not feasible using small purchasing methods, IFB's, cooperative purchasing, or RFP's, and the following applies:
 - 1. The proposal is to establish terms and conditions of service or a charge account for small purchases under \$10,000; or
 - 2. The item is available only from a single source, based on a good-faith review of available sources; or
 - 3. An emergency exists that seriously threatens the public health, welfare or safety, endangers property, or would otherwise cause serious injury to the Agency. Such an emergency may arise from a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction that cannot be met through any other procurement method. The emergency procurement shall be limited to those supplies, services, or construction necessary simply to meet the emergency; or
 - 4. After solicitation of the required number of sources, competition is determined inadequate or no bids are obtained; or HUD approves the purchase.
- iii. Other: Non-Competitive Proposals Contents shall provide the same information as RFP's. The Board of Commissioners must be informed of noncompetitive purchases amounting to \$15,000.00 or more.

h. Cooperative Purchasing/Intergovernmental Agreements

The Agency may enter into state and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use an intergovernmental agreement rather than conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall designate who is authorized to purchase on behalf of the participating parties and specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The Agency may use Federal or State excess and surplus property instead of purchasing new equipment

and property if feasible and if doing so reduces project costs.

Cooperative purchasing contracts have already been competitively bid. The Agency is not required to solicit additional competitive quotations for purchases made under them. The Agency should evaluate the cost and availability of needed items if purchased on the open market, compared with the cost of relying on another governmental unit's contract or facility.

7) Purchase Analysis

Purchase analysis must be performed for every procurement action, including contract modifications. The degree of analysis shall depend on the facts surrounding each procurement activity. The first step in cost or price analysis is to compare the bids, proposals, or quotes with the in-house cost estimate.

- a. **Independent Cost Estimate (ICE).** For all purchases above the micro level, an ICE must be conducted before soliciting bids or proposals to determine the appropriate procurement method and to evaluate the reasonableness of the bids or proposals received. The ICE is confidential and should not be disclosed outside the Agency. Depending on the type and size of the procurement, the ICE may be detailed using available published price lists, insurance estimates, commercial construction cost-estimating publications, known Davis-Bacon wage rates, and pricing history from prior contracts. The ICE should include labor, material expenses, subcontracted items, overhead, profit, and any other costs that may affect a contract.
- b. **Petty Cash** – No formal cost or price analysis is required.
- c. **Micro Purchase.** No formal cost or price analysis is required. The invoice shall serve as the Contracting Officer's analysis that the purchase was reasonable.
- d. **Small Purchase.** A comparison of offers is sufficient to determine reasonableness, and no further analysis is needed. If there are not two or more offers to compare, the Contracting Officer shall document price reasonableness by other means, including prior purchases, catalog prices, advertising prices, comparisons to ICE, professional knowledge, or other bases deemed reliable.
- e. **Sealed Bids.** A comparison of bids is sufficient to determine reasonableness. If there are not two or more bids to compare, the bid will be compared to the ICE. If the bid is substantially more than the ICE, the Contracting Officer will conduct a price analysis consistent with federal guidelines.
- f. **Competitive Proposals.** A comparison of proposals is sufficient to determine reasonableness. If there are not two or more proposals to compare or the proposal pricing cannot be easily compared, the proposal cost will be compared to the ICE. If the proposal cost exceeds the ICE, the Contracting Officer will conduct a cost analysis in accordance with federal guidelines.
- g. **Noncompetitive Proposals.** The proposal will be compared to the ICE. If the proposal cost exceeds the ICE, the Contracting Officer will conduct a cost analysis in accordance with federal guidelines.
- h. **Other:** A cost analysis will be performed for all contract modifications if the modification cost is \$15,000 or more and will be performed for any contract termination settlement proposed unless the price is based on a catalog or market price, or the price is set by law or regulation.

8) Solicitation and Advertising

a. Method of Solicitation.

- i. **Petty Cash and Micro Purchases.** The HRA may contact only one source if the price is considered reasonable.
- ii. **Small Purchases.** Quotes may be solicited in writing, orally, through fax, E-Procurement, or by any other reasonable method.
- iii. **Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. The HRA must use one or more of the following solicitation methods, provided that the method employed provides for meaningful competition.
 - a. Advertising in newspapers or other print media of local or general circulation.
 - b. Advertising in various trade journals or publications (for construction).
 - c. E-Procurement. The HRA may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must comply with 24 CFR 85.36, State and local requirements, and the HRA's procurement policy.

b. **Time Frame for Advertisement.** For purchases of more than \$175,000, the public notice should run at least once each week for two consecutive weeks. Bids shall not be opened less than seven (7) days after the date of the last publication.

c. **Requirements of Advertisement.** Notices/advertisements should state, at a minimum, the place, date, and time that the bids or proposals are due, a contact that can provide a copy of, and information about, the solicitation, and a brief description of the needed items(s).

d. **Time Period for Submission of Bids.** A minimum of 30 days shall generally be provided for the preparation and submission of sealed bids and 15 days for competitive proposals. However, the Executive Director may allow for a shorter period under extraordinary circumstances.

e. Cancellation of Solicitations.

- i. An IFB, RFP, or other solicitation may be canceled before bids/offers are due if:
 - o The supplies, services, or construction is no longer required;
 - o The funds are no longer available;
 - o Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
 - o Other similar reasons.
- ii. A solicitation may be canceled, and all bids or proposals that have already been received may be rejected if:
 - o The supplies or services (including construction) are no longer required;
 - o Ambiguous or otherwise inadequate specifications were part of the solicitation;
 - o All factors of significance to the HRA were not considered;
 - o Prices exceed available funds, and it would not be appropriate to adjust quantities to come within available funds.
 - o There is reason to believe that bids or proposals may not have been independently determined in open competition, may have been collusive, or may have been submitted in bad faith; or
 - o For good cause of a similar nature when it is in the best interest of the HRA.

- iii. The reasons for cancellation shall be documented in the procurement file, and the reasons for cancellation and/or rejection shall be provided upon request.
 - iv. A notice of cancellation shall be sent to all bidders/offers solicited and, if appropriate, shall explain that they will have an opportunity to compete in any re-solicitation or future procurement of similar items.
 - v. If all otherwise acceptable bids received in response to an IFB are at unreasonable prices, an analysis should be conducted to see if there is a problem in either the specifications or the HRA's cost estimate. If both are determined adequate and if only one bid is received and the price is unreasonable, the Contracting Officer may cancel the solicitation and either
 - o Re-solicit using an RFP; or
 - o Complete the procurement by using the competitive proposal method. The Contracting Officer must determine, in writing, that such action is appropriate, must inform all bidders of the HRA's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
 - vi. If problems are found with the specifications, the HRA should cancel the solicitation, revise the specifications and re-solicit using an IFB.
- f. **Credit (or Purchasing) Cards.** Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional quotes, provided the price is considered reasonable. However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card. When using credit cards, the HRA shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards)

9) Bonding Requirements

- a. **General.** The standards in this section apply to construction contracts exceeding \$175,000. There are no bonding requirements for small purchases or for competitive proposals (i.e., Professional Services). The Agency may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.
- b. **Bid Bonds.** Bid bonds are required for construction contracts that exceed \$175,000. A bid guarantee from each bidder shall be at least 5% of the bid amount. The bid guarantee must consist of a firm commitment, such as a bid bond, certified check, or other negotiable instrument accompanying a bid, as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

This protects the Agency if the bidder refuses to contract or fails to provide a performance/payment bond, and serves as assurance of the bidder's financial responsibility.
- c. **Performance and Payment Bonds.** A Performance and Payment bond is required from contractors for construction contracts exceeding \$175,000, in the amount of 100% of the contract price. A Performance Bond secures fulfillment of all the contractor's obligations under such a contract. A Payment Bond assures payment, as required by law, to all persons supplying labor and materials in the execution of the work provided for in the

contract, including subcontractors.

All bonds or securities in lieu of bonds shall be stored in a secure place.

10) **Contracts**

- a. **Contract Types.** Most types of contracts which are appropriate to the procurement and which will promote the best interests of the Agency may be used. Contract types that are allowable are outlined in the operational procedures. Cost-plus-a-percentage-of-cost and percentage-of-construction-cost methods are prohibited.
- b. **Contract Provisions.**
 - i. Contract will include clauses and provisions necessary to define the rights and responsibilities of the contractor and the Agency. The Agency shall ensure that each contract executed by the Agency contains the required contract clauses detailed within 2 CFR §200.327 - Appendix II;
 - ii. All contracts which are federally funded shall include clauses required by federal statutes or regulations;
 - iii. Contracts must also include required State Statute clauses;
 - iv. A ceiling price that the contractor exceeds at its own risk;
 - v. Two years is the maximum term of the original contract, annual renewals up to the five-year maximum term for goods, general services, professional or technical services, and building construction
 - vi. Contracts, other than energy performance contracts, with terms, plus extensions, that exceed a total of five years are viewed as restrictive of competition and in violation of 24 CFR 85.36 (c). The HUD Field Office may approve contracts in excess of five years if it determines there are no practical alternative. Energy performance contracts may be for a period not to exceed 20 years in accordance with 24 CFR Part 990 and PIH Notice 2006-06.;
 - vii. All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the Agency; and
 - viii. Contracts for more than \$175,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate.
- c. **Options:** Options for additional quantities or performance periods may be included in contracts, provided that:
 - i. The option is contained in the solicitation;
 - ii. The option is a unilateral right of the Agency;
 - iii. The contract states a limit on the additional quantities and the overall term of the contract;
 - iv. The options are evaluated as part of the initial competition;
 - v. The contract states the period within which the options may be exercised;
 - vi. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
 - vii. The options may be exercised only if determined to be more advantageous to the HRA than conducting a new procurement.
- d. **Required Forms.** Varies based on procurement method and are defined in the operational procedures.
- e. **Contract Approval - Signature.** The approving party would sign the contracts or

- provide the Authorization to Proceed.
- f. **Recording and Distribution.** All contracts will be numbered. The originating Department will maintain a copy of the contract and be responsible for monitoring expiration and/or renewal dates. Contract Administrators will provide contracts as required to support contract payments.
 - g. **HUD Approval.** Certain contracting actions require HUD approval prior to proceeding. Such actions are outlined in the operational procedures. Staff responsible for the contract will be the staff responsible for submitting the request to HUD.

11) Contractor Qualifications and Duties

- a. **Contractor Responsibility:** The HRA shall only award a contract to contractors that have been determined to be 'responsible'. A responsible bidder/offeror must:
 - i. Have adequate financial resources to perform the contract, or the ability to obtain them;
 - ii. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;
 - iii. Have a satisfactory performance record;
 - iv. Have a satisfactory record of integrity and business ethics;
 - v. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;
 - vi. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them;
 - vii. Be qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP; and
 - viii. Not be listed on the Excluded Parties List.

If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the official contract file, and the prospective contractor shall be advised of the reasons for the determination.

- b. **Qualifications.** The Agency may require a Statement of Qualifications requesting a bidder's financial resources, work experience, and equipment available for the work contemplated. The Agency shall have the right to determine the ability of a bidder to perform the work and reserve the right to reject any bid where any available evidence or information does not satisfy the Agency that the bidder is qualified to properly carry out the terms of the specifications.
- c. **Suspension and Debarment.** Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined to be ineligible by HUD or by other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary to protect housing authorities in their business dealings. Prior to issuance of a contract, Agency staff shall conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration System for Award Management (SAM) and place within the applicable contract file a printed copy of the results of each such search.
- d. **Vendor Lists.** All interested businesses shall be given the opportunity to be included on vendor mailing lists but must request inclusion in writing and update their request at least annually. Vendor mailing lists will be used as appropriate and applicable for the

purchase of supplies, services, and construction. Procurement Officers may supplement the vendor lists as needed to ensure sufficient competition.

12) Contract Administration

- a. **General.** The Agency will establish and maintain a system of contract administration based on good management concepts and federal standards to ensure that contractors perform in accordance with their contracts. All contracts will have an assigned staff person as Contract Manager.
- b. **Contract Records and Files.** These shall include, but not be limited to:
 - i. Rationale for the method of procurement;
 - ii. Selection of contract type;
 - iii. Contractor selection or rejection;
 - iv. The basis for the contract price; and
 - v. The information listed on the Agency's Checklist of Required Contract Documents.
- c. **Labor Standards.** The Agency is responsible for the enforcement of Federal Labor standards in contracts.
- d. **Prevailing Wage Rate.** Wages prevailing in the locality, as adopted by the HUD Field Office, shall be the minimum paid for miscellaneous service and maintenance work. Pre-apprentices, apprentices, or trainees may be compensated at less than the prevailing wage rate for their craft or classification, provided that they are registered in a job training program for which they have received prior approval from the HUD Field Office.
- e. **Davis-Bacon Act Wages.** The Agency must pre-plan construction procurements and obtain the required wage determination for all construction work expected to amount to \$2,000 and over from the Department of Labor website at www.wdol.gov in advance of a solicitation following HUD Handbook 1344.1 Rev. 2 - Federal Labor Standards Requirements in Housing and Urban Development Programs. (Form 5370-EZ applies). The wage rate determination shall be included in all solicitations. The contract manager is responsible for all required reports. No payment for a contract will be authorized unless required wage reports have been received and reviewed for accuracy.
- f. **Contract Work Hours and Safety Standards Act.** The provisions of this Act are applicable where the amount of the prime contract exceeds \$175,000. This requires contractors and subcontractors on covered contracts to pay laborers and mechanics employed in the performance of the contracts one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. This Act also prohibits unsanitary, hazardous, or dangerous working conditions on federal and federally financed and assisted construction projects. Reference HUD Handbook 1344.1 Rev. 2. for details.
- g. **Section 3 Regulations.** Procurement will follow the Agency's Section 3 Plan. Under this plan, the Agency will award contracts to the qualified contractors and vendors who create employment and business opportunities for public housing program participants and other qualified low-income persons. Reference to Section 3 employment regulations must be included in all contracts that involve on-site labor.
- h. **Insurance Requirements.** All contracts shall have language detailing the minimum insurance requirements. The information about the requirements may be included as a separate Appendix to the contract (see Requirements form in Appendix I) or by using the General Conditions HUD form 5370, 5370-C or 5370EZ with additional language

in the contract conditions detailing the hold-harmless clause requirement and requirement for all certificates to include the Agency as an additional insured for liability insurance. The certificate shall provide 30 days written notice to the Agency of any change or cancellation prior to expiration. No work shall commence under any contract until the Certificate of Insurance is received from the contractor and all requirements have been met. The contract manager shall maintain a record of insurance coverage and verify that coverage remains in effect at all times during the contract period.

- i. **Pre-Construction Conference and Notice to Proceed.** Prior to the commencement of construction contracts, the HRA should conduct a pre-construction conference discussing all construction and contract administration-related issues. Minutes of such meeting shall be recorded and kept as part of the contract file. A Notice to Proceed stating the starting and completion dates and related information shall be issued.
- j. **Monitoring and Inspections.** The Agency shall meet with its architect and contractor for all construction projects on a regular basis to discuss progress, problems, or deficiencies noted during inspections, reporting requirements or construction schedules. A written record shall be maintained of the meetings.
- k. **Contract Modifications.** All modifications shall be in writing as a supplemental agreement, mutually agreed to by both parties, with signatures of the contracting officer and the contractor. If the modification is pursuant to the Changes Clause of HUD 5370 or an administrative modification (i.e. change in address), the modification can be signed only by the Agency contracting officer. All modifications shall include a detailed description of the change and price changes. Changes are to be within the contract's general scope and be necessary to complete the original scope of work.
- l. **Unsatisfactory Work, Disputes and Protests.** The Agency shall notify a contractor of any unsatisfactory performance. All disputes and protests must be resolved by the Agency. HUD will not intervene unless Federal Laws or Regulations are violated. The Contract administrator shall keep on-going records through the process.
- m. **Warranties.** All construction work shall have a warranty period of at least 365 calendar days from the date of final acceptance of the work. The Agency will perform warranty inspections during the warranty period and promptly notify contractor in writing to remedy any defects.
- n. **Contractor Performance Evaluation.** At the close of a contract, a Performance Evaluation Form shall be completed and included in the file. This record shall include documentation regarding timeliness of delivery/completion, quality of work, compliance with the terms and conditions of contract requirements, and compliance with HRA's Section 3 and affirmative action directives.
- o. **Closing the File.** At the close of all contracts, the final contract checklist should be completed to verify all required documentation is on file. The file may be scanned onto an electronic storage device.

13) **Payment Processing**

Payments for goods or services purchased are scheduled according to the date of the vendor's invoice within thirty days from the date of the acceptance of work and compliance with contract conditions. Invoices must be submitted to Accounts Payable by the 10th of the month to be paid by the 31st of the same month. Presentation of release of all claims against the

Agency arising by virtue of a contract shall be obtained before final payment.

State Statute 471.425, Subd.4a, requires prime contractors to pay any subcontractor within 10 days after receipt of payment from the Agency with penalties assessed if violations occur. Before any final payment for construction contracts can be distributed, an IC134, State of MN Withholding Affidavit for Contractors must be received by the Agency.

14) **Record Retention**

The Agency shall maintain records of all transactions, procurements, and contracts in accordance with Federal, State, and local regulations. In particular, projects subject to the HUD-determined wage rates must be maintained for three years from the completion of work. The Agency will keep records containing information demonstrating compliance with the rates (refer to HUD - Labor Relations Letter LR2004-01).

- a. **Required Records.** The Agency must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:
 - i. Rationale for the method of procurement (if not self-evident);
 - ii. Rationale of contract pricing arrangement (also if not self-evident);
 - iii. Reason for accepting or rejecting the bids or offers;
 - iv. Basis for the contract price (as prescribed in this handbook);
 - v. Copy of the contract documents awarded or issued and signed by the Contracting Officer;
 - vi. Basis for contract modifications; and
 - vii. Related contract administration actions.
- b. **Level of Documentation.** The level of documentation should be commensurate with the value of the procurement.
- c. **Retention Period.** All records of quotations in purchasing a product shall be kept on file for a period of at least one year after their receipt. All purchasing records shall be kept on file a minimum of three years from the date of the last expenditure. This three-year requirement is also applicable to contractor records. If any claims or litigation are involved, the records shall be retained until all matters are resolved.

15) **Bid Protest Policy**

- a. **General.** The Agency will seek to resolve all contractual issues in as informal a manner as possible to avoid the need for litigation. An actual or prospective contractor may protest the solicitation or award of an Agency procurement only for a serious violation of the standards of the Agency procurement policy and operational procedures.
- b. **Informal Appeals Procedure.** An informal appeal will apply to contracts of \$175,000 or less. The bidder/contractor may request to meet with the appropriate Contract Officer. The Contract Officer will document the meeting and issue a determination.
- c. **Formal Appeals Procedure.** A formal appeals procedure will be used for solicitations/contracts of more than \$175,000.

To use the Formal Appeals Procedure, complainants must file a written protest with the Contracting Officer who will be the Executive Director of the HRA unless otherwise notified. The protest should include the following information:

- i. Name, address, and phone number of the protester;

- ii. Identification of the procurement, including solicitation or contract number;
- iii. Reason for the protest;
- iv. Supporting exhibits, evidence, or documents to substantiate any arguments; and
- v. Form of relief requested.

The protest must be submitted to the Agency within 10 days of the action that prompted the protest. The Agency will issue a decision on the protest as expeditiously as possible after receiving all relevant information. The Agency may suspend the procurement if the facts presented in the protest warrant such action. This step will be taken only if the evidence is clear and convincing that an impropriety exists and no other means of resolving the matter is available.

If a protest is granted, the solicitation or proposed award should be canceled or revised to comply with the protest decision. If the contract has already been awarded, the contract may be terminated for convenience and re-awarded to the next eligible offeror, or the procurement may be re-solicited, whichever is in the best interest of the Agency. The Agency may let the award stand and pay the successful protestor's bid and proposal costs, along with the costs of filing and pursuing the protest.

If the protest is not granted, the Contracting Officer shall issue a written decision explaining the denial of the protest. In the written decision, the Agency will explain any appeal rights available to the protester. Appeals may include mediation, arbitration, or informal settlement conferences, which will be considered before resorting to the judicial process.

16) Contract Terminations

- a. **Termination Notices.** The Contracting Officer shall terminate contracts for convenience or default only by a written notice to the contractor. The notice shall be sent by certified mail with a return receipt requested. The notice shall state, at a minimum, the following:
 - i. The contract is being terminated for default or for the convenience of the HRA under the cited contract clause authorizing the termination, whether the contract is terminated in whole or in part (for partial terminations, identify the specific items being terminated);
 - ii. If terminated for default, the acts or omissions constituting the default, the Contracting Officer's determination that failure to perform is not excusable, the HRA's rights to charge excess costs of re-procurement to the contractor, and the contractor's appeal rights;
 - iii. The effective date of termination;
 - iv. The contractor's right to proceed under the non-terminated portion of the contract;
 - v. Any special instructions; and
 - vi. Copies of the notice should be sent to the contractor's surety, if any, and any assignee.

- b. **Termination for Convenience.** Contracts may be terminated for convenience when the HRA no longer needs or desires the supplies or services under contract or can no longer fund the procurement.
- c. **Settlement.** Settlement of contracts terminated for convenience may be settled through negotiations or by a unilateral determination of the Contracting Officer. The contractor should submit a settlement proposal promptly to the Contracting Officer for any amounts claimed as a result of the termination. Whenever possible, the Contracting Officer should negotiate a fair and prompt settlement with the contractor and should settle by determination only when mutual agreement cannot be reached.
- d. **Compensation.** A settlement should compensate the contractor fairly for work performed, for other costs incurred under the contract, and for preparations made for the terminated portions of the contract, including a reasonable allowance for profit. However, no profit shall be allowed on settlement expenses. In addition, the Contracting Officer shall not allow profit if it appears that the contractor would have incurred a loss had the entire contract been completed. Fair compensation is a matter of judgment and cannot be measured exactly. The Contracting Officer should use prudent business judgment in the settlement process, as opposed to strict accounting principles. The parties may agree to a total amount to be paid to the contractor without agreeing on individual cost items or profit.
- e. **Termination for Default.** A contract may be terminated for default because of the contractor's actual or anticipated failure to perform its contractual obligations. Under a termination for default, the HRA is not liable for the contractor's costs on undelivered work and may be entitled to the repayment of progress payments. If the contractor fails to make progress so as to endanger performance of the contract, the Contracting Officer should issue a written notice to the contractor (generally called a "Cure Notice") specifying the failure and providing a period of 10 days (or longer period if needed) in which to "cure" the failure. After the 10 days, the Contracting Officer may issue a notice of termination for default, unless the failure to perform has been cured.
- f. **Notice.** If the contractor has failed to perform work within the required time and a termination for default appears appropriate, the Contracting Officer should, if practicable, notify the contractor in writing of the possibility of the termination. This notice shall call the contractor's attention to the contractual liabilities if the contract is terminated for default, and request the contractor to "show cause" why the contract should not be terminated. If the response to this "show cause" notice is inadequate or insufficient, action is taken in response to it; the contract should then be terminated for default.
- g. **Alternatives to Termination.** Alternatives to termination for default include the following (at the HRA's discretion):
 - i. Allow alternative dispute resolution (arbitration or mediation) as agreed to by both parties;
 - ii. Allow the contractor or the surety to continue performance of the contract under a revised delivery schedule (in exchange for a reduced price or other consideration);
 - iii. Permit the contractor to continue performance of the contract by means of a subcontract or other business arrangement with an acceptable third party provided the rights of the HRA are adequately protected; or,
 - iv. If the contractor is not liable to the HRA for damages, execute a no-cost termination settlement agreement.

- h. **Repurchase.** When the supplies, services, or construction activities are still required after termination, the Contracting Officer should seek to contract for the same or similar items as soon as possible. The Contracting Officer may use any appropriate contracting method for the procurement (sealed bids or competitive or noncompetitive proposals, as appropriate), provided competition is solicited to the maximum extent practicable to secure the lowest price obtainable under the circumstances in order to mitigate damages.

17) Assistance to Small and Other Businesses

- a. **Required Efforts.** Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the Agency's jurisdiction are used when possible. Such efforts shall include, but shall not be limited to:
 - i. Including such firms, when qualified, on solicitation mailing lists;
 - ii. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
 - v. As appropriate, using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
 - vi. Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR §135 (so-called Section 3 businesses); and
 - vii. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.
- b. **Goals.** Shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in Agency prime contracts and subcontracting opportunities.
- c. **Definitions.**
 - i. **Small Business:** A business that is independently owned, not dominant in its field of operation, and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR §121 should be used to determine business size.
 - ii. **Minority-Owned Business:** A business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

- iii. **Women's Business Enterprise:** A business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.
- iv. **Section 3 Business Concern:** Defined under 24 CFR §135.
- v. **Labor Surplus Area Business:** A business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR §654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.



Red Wing Housing & Redevelopment Authority

428 West Fifth Street
Wing, MN 55066
DD/TTY 7-1-1

Telephone (651) 388-7571
FAX (651) 385-0551
www.redwinghra.org

June 9, 2026

To: Red Wing HRA Board of Commissioners

From: Corrine Kulseth, Finance Director

Re: Motion to Approve Housing Software Upgrade to PHA-Web

Background:

In late 2009, the HRA converted to HAB, Inc as our housing software provider. In 2017, MRI Software acquired HAB. Discussions were made about a software upgrade at this time, but several years passed before their new product PHAPro was launched. Our current version of HAB receives the necessary upgrades required to stay compliant, but will not receive software upgrades for ease and convenience.

Analysis:

Several factors are included in the research and search of a new housing software provider. Knowing our current provider of HAB will soon be phased out and we will need to use the new MRI platform was the key factor. Desiring a “one-stop shop” platform that includes housing services, document retention, and financial services; including AP management in one program. Most software providers have moved to a Cloud-based platform instead of maintaining information stored on servers.

The other key factor is we are needing to upgrade our servers within this current year. Currently, we have three (3) servers to maintain all of our programs. In 2019, the cost for the three servers was \$23,200. We anticipate the upgrade to be \$25,000-\$35,000. If we upgrade to a new Cloud-based housing software, that cost is drastically reduced as we would only need one server instead of three.

Senior staff as well as Housing and Voucher Managers attended several demo presentations with MRI as well as PHA-Web. Reviewing both housing services as well as financial management. All staff were impressed with the ease of use, clean format, all-encompassing program provided by PHA-Web.

Budget:

Enclosed is the Contract for PHA-Web. Annual subscription amount is \$10,950. This includes the PHA-Web software license, document imaging, website portals for applicants, tenants and landlords, and support for all systems. This is comparable to what we currently pay with HAB annually. Signing the contract places us on a waitlist with PHA-Web for a conversion date planned for sometime early spring 2027.

There is a one-time conversion and training fee of \$14,800. This includes creating a customized database with point-in-time information of existing applicants, tenants, and landlords, and



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general ledger information for financial management. Training for staff will be hosted virtually and will happen pre conversion.

There are additional fees if we elect to have history retained as well. Staff feel that maintaining some history will be beneficial in the long run. There are options to retain one, three, five and ten years of history. We are electing to retain three years of history for tenant account information, landlord payments, and vendor payments. This cost will be an additional \$1,694.

Cost Savings:

The HRA will see some future cost savings as a result of this conversion. We will no longer need to purchase the three servers like intended, but only one slightly larger server. This could save us \$10,000-\$15,000.

We will no longer need the FileVision (document retention) software which has an annual fee of \$4,400, or the FileVision version of our AP software which has monthly payment amounts of \$255 (\$3,060 annually).

Recommendation:

Staff recommends to the HRA Board of Commissioners to enter into a contract with PHA-Web for housing software for the agency, with a conversion date planned for early 2027, and authorizing the Executive Director to sign all necessary documents.

Contract for Computer Software, Maintenance, Training and Support Services

This Software as a Service Agreement (“Agreement”) is entered into as of **June 1, 2026** (“Effective Date”), by and between: **The Red Wing Housing and Redevelopment Authority**, an agency organized and existing under the laws of the State of **Minnesota**, with its principal offices located at **428 West Fifth Street, Red Wing, MN 55066** (“PHA” or “Client”); and **Management Computer Services, Inc.**, a Florida corporation, with its principal place of business at **P.O. Box 523, Sparta, WI 54656** (“MCS” or “Provider”).

PHA and MCS may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

- a. **MCS** is the owner of certain proprietary, web-based Internet software designed for use by public housing authorities, commonly known as PHA-Web (“PHA-Web Software” or “Software”).
- b. **PHA** desires to obtain a limited, non-exclusive, non-transferable license to access and use the PHA-Web Software (the “Software”) for its internal business purposes, and MCS is willing to provide such access and license on the terms and conditions set forth herein.
- c. **PHA** also desires to purchase certain software maintenance, hosting, training, and support services in connection with the Software (collectively, the “Services”), and MCS is willing to provide such Services under the terms and conditions of this Agreement.
- d. **The Parties** acknowledge and agree that the Software is provided on a software-as-a-service (“SaaS”) basis, is hosted and maintained by MCS or its third-party service providers, and is not delivered to PHA as installed or downloadable software.
- e. **PHA** represents that it has the legal authority to enter into this Agreement and that execution of this Agreement has been duly authorized in accordance with applicable laws, regulations, and procurement requirements.
- f. **The Parties** desire to set forth their respective rights and obligations regarding PHA’s access to and use of the Software and Services in accordance with the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

ITEM 1. CONTRACT DOCUMENTS. The following attachments are incorporated into and made a part of this Agreement:

Attachment A: Payment and Fee Schedule

Attachment B: Cost Summary of Annual Software Fees, One-Time Fees, and Optional Services

ITEM 2. DEFINITIONS:

- a. **Software** means, collectively, the proprietary, web-based software owned by MCS or licensed to MCS and made available to PHA on a software-as-a-service basis, including all Enhancements, Error Corrections, Updates, and New Software provided by MCS. Software includes all associated documentation, user manuals, training materials, interfaces, and related copyrights,

trademarks, trade secrets, and other intellectual property rights, but excludes any Third-Party Software except as expressly stated herein.

- b. **Enhancement** means any modification, improvement, or addition to the Software that materially changes or improves the utility, efficiency, functional capability, performance, or application of the Software, and that does not constitute solely an Error Correction.
- c. **Error Correction** means (i) any modification or addition that, when made or added to the Software, brings the Software into material conformity with its published specifications, or (ii) a workaround, procedure, or routine that, when used in the regular operation of the Software, avoids the practical adverse effect of a material nonconformity.
- d. **New Software** means new modules, components, functions, or reports developed by MCS and added to the Software that materially expand functionality and are not classified as Enhancements or Error Corrections.
- e. **Update** means any Error Correction, Enhancement, or New Software made generally available by MCS to its similarly situated customers during the Term.
- f. **Services** means the hosting, maintenance, support, training, implementation, and related services provided by MCS in connection with the Software, as described in this Agreement or any applicable order form.
- g. **Authorized Users** means PHA employees, contractors, or agents who are authorized by PHA to access and use the Software solely for PHA's internal business purposes and in accordance with this Agreement.
- h. **Term** means the period during which this Agreement is in effect, beginning on the Effective Date and continuing until terminated by either PHA or MCS in accordance with the termination provisions of this Agreement.
 - a. **Subscription Period** means the annual billing period for the Software and Services, which may occur during the Term.
- i. **Documentation** means MCS-provided user guides, technical manuals, help files, and online resources describing the use and operation of the Software.
- j. **Confidential Information** means any non-public information disclosed by either Party that is designated as confidential or that reasonably should be understood to be confidential, including but not limited to software, system architecture, data, pricing, and security information.
- k. **PHA Data** means all data, information, and content submitted, uploaded, or transmitted to the Software by or on behalf of PHA or its Authorized Users.

ITEM 3. LICENSE TO USE SOFTWARE: Any and all right, title, and interest in and to the Software, as defined in Item 2, including all intellectual property rights therein, are and shall remain the sole and exclusive property of MCS or its licensors. No rights are granted to PHA except as expressly set forth in this Agreement.

- a. **Grant of License.** Subject to the terms and conditions of this Agreement, MCS grants PHA a limited, non-exclusive, non-transferable, non-sublicensable right, during the Term, to access and

use the PHA-Web Software and Services solely for PHA's internal business purposes and solely to store, display, copy, and process PHA Data in the ordinary course of PHA's operations. PHA shall not, and shall not permit any third party to: (i) sublicense, sell, lease, distribute, or otherwise make the Software or Services available to any third party; (ii) use the Services in a service bureau, application service provider, or software-as-a-service capacity for the benefit of third parties; (iii) permit access to the Software by any person other than Authorized Users; or (iv) use the Software or Services to process or generate reports or analysis for third-party data not owned or lawfully controlled by PHA.

PHA is solely for the accuracy, quality, integrity, legality, and means of acquisition of all PHA Data.

- b. Termination of License.** Upon termination of this Agreement for any reason, including expiration or termination due to default (subject to any applicable cure period), all rights granted to PHA under this Item 3 shall immediately terminate, and PHA shall cease all access to and use of the Software and Services.
- c. Source Code.** The rights granted under this Agreement do not include access to or use of the Software's source code. PHA has no right to receive, access, or use source code for any purpose under any circumstances.
- d. Ownership of Modifications.** MCS shall own all right, title, and interest, including all intellectual property rights, in and to any improvements, enhancements, modifications, derivative works, or other changes to the Software or Services, whether developed by MCS, PHA, or jointly by the Parties, including any such changes developed at the request of PHA.

PHA hereby irrevocably assigns to MCS any rights it may have in such modifications.

- e. Ownership and Use of Client/PHA Data.** PHA retains exclusive ownership of all right, title, and interest in and to the PHA Data. Nothing in this Agreement transfers ownership of PHA Data to MCS. PHA grants MCS and its subcontractors a non-exclusive, limited right to access, host, process, transmit, and otherwise use PHA Data solely as necessary to provide the Software and Services, comply with legal obligations, and enforce this Agreement. PHA represents and warrants that it has obtained all rights, consents, and authorizations necessary to permit such use of PHA Data by MCS.

ITEM 4. SOFTWARE MAINTENANCE: During the Term of this Agreement, and subject to PHA's payment of applicable fees, MCS shall provide software maintenance for the Software as set forth below.

- a. Error Corrections.** If the Software is found to contain material errors that adversely affect its operation, MCS shall use commercially reasonable efforts to provide Error Corrections. Error Corrections may be provided in the form of temporary fixes, workarounds, patches, or revised programming and operating instructions, as determined by MCS in its reasonable discretion.
- b. Enhancements.** MCS will provide Enhancements as follows:
 - (i) Regulatory and Mandated Changes.** MCS shall use commercially reasonable efforts to modify the Software to comply with generally applicable mandated changes required by the U.S. Department of Housing and Urban Development ("HUD"), the State in which PHA is located, and/or the U.S. Department of the Treasury or Internal Revenue Service, to the extent such changes apply generally to public housing authorities.

Certain mandated changes, including those requiring substantial redevelopment, new modules, or significant changes in scope, may be deemed New Software and may be

offered by MCS for an additional fee.

- b. General Enhancements.** MCS may, in its sole discretion, develop and implement modifications, enhancements, or improvements to the Software that are suggested by MCS personnel or requested by Software users, provided such Enhancements are made generally available to MCS's similarly situated clients.
- a. Exclusions.** Software maintenance does not include:
 - (i)** Support for issues caused by PHA's misuse of the Software;
 - (ii)** Issues arising from third-party systems, hardware, or software not provided by MCS;
 - (iii)** Custom modifications requested solely by PHA; or
 - (iv)** Services outside MCS's published support hours, unless otherwise agreed in writing.
- b. No Guarantee of Future Functionality.** MCS does not warrant that any specific enhancement, modification, or feature will be developed or included in the Software unless expressly agreed to in writing.
- c. Delivery Method.** Error Corrections and Enhancements may be delivered through scheduled updates, patches, or releases, and may be implemented without prior notice provided such updates do not materially degrade the Software's functionality.

ITEM 5. TRAINING AND SUPPORT SERVICES: During the Term of this Agreement, MCS shall provide PHA with training and support services for the Software, as described below, subject to payment of applicable fees.

- a. Online Training Services.** MCS shall provide online Software training to PHA staff designated by PHA and assigned to job duties within the individual software components. MCS reserves the right to review such staff assignments with the PHA Executive Director to ensure effective use of MCS training resources. Online training shall include, without limitation: (i) Software administration, navigation, menu use, interpretation of error messages, corrective actions, and creation, maintenance, and inquiry of databases; (ii) Practical exercises, including database building by operators. PHA remains solely responsible for the accuracy, completeness, and legality of its databases; (iii) Operation of individual software components, staff demonstrations, and instruction.
 - (i) Exclusions/Extra Contractual Services.** Extra-contractual services are not included in the Software license, maintenance, training, or support fees under this Agreement and shall be provided only upon mutual agreement and billed separately. Extra-contractual services include, without limitation:
 1. Website design, development, hosting, maintenance, or support services;
 2. Public and Indian Housing Information Center ("PIC") submission services or other data submission services to HUD or any third party;
 3. Training requested outside of the initial implementation or standard training offerings;
 4. Special data conversions, migrations, imports, setups, or configurations requested outside of the initial implementation;
 5. Creation of custom reports, dashboards, queries, or other custom development, which may require additional fees;

6. Development, implementation, or installation of New Software, modules, or major functionality not generally available to all MCS clients;
7. Custom programming, integrations, or interfaces with third-party systems;
8. Any services requiring significant customization, redevelopment, or manual intervention beyond standard support.

- b. Online Support Services.** MCS shall provide online support services via the internet, email, and/or telephone. Such support shall consist of consultation regarding all services described in Item 5a. Support hours of operation shall be those set forth in MCS's Support Manager or successor support platform, as updated from time to time, and shall generally exclude weekends and company holidays. Emergency support outside of standard support hours may be made available by arrangement and shall be considered an extra-contractual service.
- c. On-site Training Services.** At the request of the PHA, MCS shall provide on-site training and support services as described in Items 5a and 5b. PHA shall reimburse MCS for all reasonable and necessary out-of-pocket travel and living expenses, including but not limited to: airfare, lodging, meals, and transportation, as well as any travel time reasonably incurred by MCS personnel.
- d. Contractual and Extra-Contractual Services.** Performance of services as described in 5a, 5b, and 5c will be considered as either Contractual or Extra-contractual.
- (i) Contractual Services.** Contractual services will be billed to the PHA on an annual basis.
 - (ii) Extra Contractual Services.** Extra-contractual services will be billed to the PHA under separate invoice or statement at the MCS standard hourly rate then in effect.
- e. Cooperation of PHA.** PHA shall promptly notify MCS of any errors, issues, or problems with the Software and, if requested by MCS, provide the data, operating conditions, and other information necessary for MCS to reproduce or investigate the error. Failure to provide such information shall relieve MCS of its obligation to perform under this Item 5.

PHA is responsible for procuring, installing, maintaining, and supporting all hardware, telephone lines, communications interfaces, Internet services, and other equipment necessary to operate the Software. MCS shall not be responsible for delays or failures caused by events or circumstances beyond its reasonable control, including but not limited to network outages, hardware failure, or PHA's failure to provide required access.

ITEM 6. TERM; TERMINATION: The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect unless and until terminated in accordance with this Item 6 (the "Term"). This Agreement is intended to be of indefinite duration and shall automatically continue from year to year without the need for renewal or re-execution by either Party.

Either PHA or MCS may terminate this Agreement for any reason upon one hundred eighty (180) days' prior written notice to the other Party; provided, however, that any such termination shall be effective as of the first day of the calendar month immediately following the expiration of the 180-day notice period.

Notwithstanding the foregoing, the Software and related maintenance, training, and support services shall be provided and billed on an annual subscription basis (the "Subscription Period"), based on the calendar year or such other annual billing cycle as established by MCS. Subscription fees may be adjusted or increased by MCS at its sole discretion upon written notice to PHA, provided that any such adjustment shall apply prospectively to future Subscription Periods and not to fees already paid or invoiced, subject to certain exclusions such as the addition of new user licenses.

MCS may terminate this Agreement immediately upon written notice in the event of a default by PHA, subject to any applicable cure period, as provided in Item 14.

ITEM 7. FEES AND EXPENSES: In consideration of the Software and Services provided under this Agreement, PHA agrees to pay MCS the fees and expenses set forth below, as invoiced by MCS and in accordance with the applicable Payment and Fee Schedule attached hereto as Attachment A.

- a. **License to Use Software.** For the right to access and use the PHA-Web Software as provided under Item 3, PHA shall pay MCS an annual subscription fee. Subscription fees shall be billed annually in advance (or as otherwise specified in Attachment A) and are payable in accordance with the invoice terms set forth therein.
- b. **Software Maintenance and Contractual Services.** For software maintenance services described in Item 4 and contractual training and support services described in Item 5, PHA shall pay MCS an annual per-user fee, based on the number of Authorized Users. Per-user fees shall be billed and payable as invoiced in accordance with Attachment A.

MCS reserves the right to adjust per-user fees based on changes to the number of Authorized Users during the applicable Subscription Period.

- c. **Extra-Contractual Services.** For extra-contractual services, including but not limited to training, support, custom development, data conversions, website services, or other services outside the scope of contractual services described in Item 5, PHA shall pay MCS at MCS's then-current standard hourly rate(s) or at such other rates as may be agreed to in writing. Extra-contractual services shall be billed separately and payable upon receipt of invoice unless otherwise stated.
- d. **Travel and Out-of-Pocket/Other Charges.** PHA shall reimburse MCS for all reasonable out-of-pocket travel and living expenses incurred by MCS personnel in connection with approved on-site services, including but not limited to airfare, lodging, meals, mileage, and car rental expenses. Such expenses shall be invoiced separately or included with applicable service invoices.
- e. **Taxes.** Fees and charges under this Agreement do not include applicable sales, use, excise, or similar taxes. PHA shall be solely responsible for payment of any such taxes imposed by a governmental authority, excluding taxes based on MCS's net income.
- f. **Adjustment to Fees.** MCS may, at its sole discretion, adjust or increase the fees and charges under this Agreement by providing PHA with at least thirty (30) days' prior written notice. Any such adjustments shall apply prospectively to future Subscription Periods and shall not affect fees already invoiced or paid.

Notwithstanding the foregoing, adjustments to extra-contractual fees for professional services or services rendered outside the scope of the Subscription (including, but not limited to, data conversions, special projects, or other non-standard services) may be implemented with less than thirty (30) days' notice where such adjustments are necessitated by extenuating circumstances or unforeseen conditions beyond MCS's reasonable control.

Such circumstances may include, by way of example and not limitation, the unavailability of data, delays in data delivery, or the provision of incomplete, inaccurate, or improperly formatted data that materially increases the complexity, effort, or time required to perform the services. Any such adjustments shall apply only to the applicable services and shall be communicated to PHA as promptly as practicable.

- g. No Offset; Payment Without Deduction.** All fees and charges payable by PHA under this Agreement shall be paid without offset, deduction, counterclaim, or withholding of any kind, whether arising from any alleged breach, dispute, or claim against MCS, except as expressly required by applicable law. Any disputes regarding fees or performance shall be addressed in accordance with this Agreement and shall not relieve PHA of its obligation to timely pay all undisputed amounts when due.

ITEM 8. RIGHT OF JOINDER; ADDITIONAL SERVICES/PURCHASES BY OTHER PUBLIC AGENCIES: MCS acknowledges that other public housing authorities or eligible public agencies ("Participating Agencies") may request to procure Software or Services from MCS by referencing this Agreement, commonly referred to as "piggy-backing" or cooperative purchasing.

- a. Terms of Piggy-Backing.** Any Software or Services provided to a Participating Agency pursuant to this Item 8 shall be governed by a separate written agreement between MCS and such Participating Agency. Pricing offered to Participating Agencies may be based on the pricing structure set forth in this Agreement; however, pricing, scope, and terms shall be subject to MCS's then-current offerings and mutual agreement between MCS and the Participating Agency.
- b. Case-by-Case Approval.** MCS retains the sole and absolute discretion to approve or decline any request for piggy-backing on a case-by-case basis, and nothing in this Agreement shall obligate MCS to extend the Software or Services to any other agency.
- c. No Third-Party Beneficiaries; Limitation of Liability.** This Agreement is solely between PHA and MCS and is not intended to create any rights, remedies, or obligations for any third party. MCS shall have no liability or responsibility whatsoever for the acts, omissions, claims, or obligations of any Participating Agency. Each Participating Agency shall be solely responsible for its own contract, use of the Software or Services, and compliance with applicable laws.

ITEM 9. CLIENT DELAY LOSS; IMPLEMENTATION RESCHEDULING: If PHA delays, postpones, or reschedules a scheduled implementation date after such date has been mutually agreed upon and reserved by MCS, PHA acknowledges that such delay may result in lost implementation capacity and lost revenue opportunities for MCS.

Accordingly, if PHA reschedules implementation with less than thirty (30) days' written notice prior to the scheduled implementation start date, MCS shall assess a Client Delay Loss Fee equal to ten percent (10%) of the total annual PHA-Web Licensing and Software Support Subscription Fee. Such fee shall be invoiced by MCS and paid by PHA within thirty (30) days of the invoice date.

The Client Delay Loss Fee is intended to represent a reasonable estimate of MCS's anticipated damages arising

from short-notice rescheduling, including lost implementation opportunities, staffing commitments, and scheduling inefficiencies, and is not a penalty. The Client Delay Loss Fee is in addition to all other fees payable under this Agreement.

Following any rescheduling, implementation shall be placed back into MCS's implementation queue and rescheduled based on MCS's availability at that time, with no guarantee of a specific start date. Payment of the Client Delay Loss Fee does not guarantee priority rescheduling and does not obligate MCS to reserve future implementation capacity until a new implementation date is confirmed in writing.

If delays caused by PHA extend beyond thirty (30) days from the originally scheduled implementation date, or if multiple rescheduling requests occur, MCS reserves the right to assess additional rescheduling fees, require re-commitment to a new implementation timeline, or modify the scope, pricing, or delivery schedule of implementation services.

ITEM 10. ADMINISTRATIVE COST RECOVERY; NON-PAYMENT REMEDIES: If any undisputed fees or expenses are not paid within thirty (30) days after the due date, MCS may assess a reasonable administrative cost recovery charge to offset additional billing, account management, and operational costs incurred as a result of such delayed payment, to the extent permitted by applicable law.

In addition, MCS reserves the right to suspend access to the Software for non-payment of undisputed amounts. If access is suspended and subsequently restored, MCS may assess a reactivation or account reinstatement fee at its then-current rates.

The foregoing remedies are in addition to, and not in lieu of, any other rights or remedies available to MCS under this Agreement.

ITEM 11. LIMITED PERFORMANCE WARRANTY: MCS warrants that it shall perform the Services under this Agreement in a professional and workmanlike manner, consistent with generally accepted industry standards. MCS's sole obligation and PHA's exclusive remedy for any breach of this warranty shall be the correction of errors in accordance with the software maintenance provisions set forth in Item 4 of this Agreement.

EXCEPT FOR THE LIMITED WARRANTY EXPRESSLY SET FORTH IN THIS ITEM 11, THE SOFTWARE AND SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE." THIS LIMITED WARRANTY IS THE ONLY WARRANTY MADE BY MCS UNDER THIS AGREEMENT. MCS MAKES NO OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. WITHOUT LIMITING THE FOREGOING, MCS DOES NOT WARRANT THAT: (i) THE SOFTWARE OR SERVICES WILL MEET PHA'S REQUIREMENTS OR EXPECTATIONS; (ii) THE SOFTWARE OR SERVICES WILL OPERATE UNINTERRUPTED, TIMELY, SECURELY, OR ERROR-FREE; (iii) ALL DEFECTS OR ERRORS CAN OR WILL BE CORRECTED; OR (iv) THE RESULTS OBTAINED FROM USE OF THE SOFTWARE OR SERVICES WILL BE ACCURATE, COMPLETE, RELIABLE, OR CURRENT. PHA ACKNOWLEDGES THAT USE OF THE SOFTWARE AND SERVICES IS AT PHA'S SOLE RISK AND THAT NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A GUARANTEE OF REGULATORY COMPLIANCE OR AS LEGAL ADVICE.

ITEM 12. LIMITATION OF LIABILITY: The Parties acknowledge and agree that the following limitations of liability are an essential basis of the bargain between the Parties and shall apply to the maximum extent permitted by applicable law.

- a. **Liability Cap.** To the maximum extent permitted by applicable law, the aggregate liability of MCS to PHA for any and all claims, damages, losses, costs, expenses, or causes of action arising out of or relating to this Agreement, whether based in contract, tort (including negligence), strict liability, or otherwise, shall

not exceed the total amount of fees actually paid by PHA to MCS under Items 7(a) and 7(b) during the twelve (12) months immediately preceding the event giving rise to the claim.

- b. Exclusion of Certain Damages.** In no event shall MCS be liable for any indirect, incidental, consequential, special, exemplary, or punitive damages, including but not limited to damages for loss of data, loss of use, loss of revenue, loss of profits, or business interruption, even if MCS has been advised of the possibility of such damages. The foregoing exclusions and limitations shall apply regardless of the form of action and regardless of whether any remedy fails of its essential purpose.
- c. PHA Conduct and Compliance.** PHA acknowledges and agrees that MCS shall not be liable for any damages, claims, losses, costs, fees, or expenses arising out of or relating to: (i) PHA's failure to comply with the terms of this Agreement; (ii) PHA's failure to follow MCS's documented recommendations, instructions, or guidelines; or (iii) misuse of the Software or Services by PHA or its Authorized Users.
- d. Third-Party Acts; Cyber Events.** MCS shall not be liable for any damages, losses, claims, or expenses arising from or related to acts or omissions of third parties, including but not limited to cyberattacks, cyberterrorism, hacking, malware, ransomware, fraud, or unauthorized access, except to the extent caused by MCS's gross negligence or willful misconduct.

The Parties acknowledge that the fees paid under this Agreement reflect the allocation of risk set forth herein and that MCS would not enter into this Agreement without these limitations.

ITEM 13. CONFIDENTIALITY: The Parties acknowledge that, in connection with this Agreement, MCS may disclose certain confidential, proprietary, and trade secret information to PHA, and that the protection of such information is essential to MCS's business and to the purposes of this Agreement. PHA also acknowledges that unauthorized disclosure or use would cause irreparable harm to MCS.

- a. Definition of Confidential Information.** For purposes of this Agreement, "Confidential Information" means all non-public, proprietary, or confidential information of MCS, whether disclosed orally, visually, electronically, or in writing, including without limitation: the Software; computer programs and applications; source code and object code; system architecture; data structures; file layouts; forms; designs; technology; operational descriptions; methodologies; know-how; demonstration files; documentation; user manuals; training materials; and all information relating to the maintenance, support, and operation of the Software and Services. Confidential Information does not include information that PHA can demonstrate: (i) was lawfully known to PHA prior to disclosure by MCS; (ii) becomes publicly available through no fault of PHA; or (iii) is rightfully received by PHA from a third party without breach of any confidentiality obligation.
- b. Nature of Confidential Information.** PHA acknowledges that the Confidential Information constitutes valuable proprietary and trade secret information of MCS, developed or acquired at significant time and expense, is not generally known to the public, and is subject to reasonable efforts by MCS to maintain its confidentiality. Unauthorized disclosure or use of the Confidential Information could cause substantial harm to MCS.
- c. Confidentiality Obligations.** PHA agrees to: (i) hold the Confidential Information in strict confidence; (ii) use the Confidential Information solely for purposes of performing under this Agreement; (iii) not disclose the Confidential Information to any third party except to PHA employees or agents who have a legitimate business need to know and who are bound by confidentiality obligations at least as restrictive as those set forth herein; and (iv) take all reasonable measures to protect the Confidential Information from unauthorized access, disclosure, or use. PHA shall be responsible for any breach of this Item 13 by its employees, contractors, or agents.

- d. **Required Disclosure; Public Records.** Notwithstanding the foregoing, PHA may disclose Confidential Information to the extent required by law, regulation, court order, or applicable public records or freedom-of-information statute, provided that, to the extent legally permitted, PHA gives MCS prompt written notice of such requirement and cooperates with MCS in seeking confidential treatment or protective measures.
- e. **Survival.** The obligations set forth in this Item 13 shall survive termination or expiration of this Agreement for so long as the information remains confidential or proprietary.
- f. **Injunctive Relief.** PHA acknowledges that any breach of this Item 13 may cause irreparable harm to MCS for which monetary damages would be inadequate. Accordingly, MCS shall be entitled to seek injunctive or equitable relief, in addition to any other remedies available at law or in equity, without the necessity of posting bond. Attorney's fees and costs shall be governed by the applicable attorney's fees provision of this Agreement.

ITEM 14. DEFAULT; SUSPENSION; TERMINATION FOR CAUSE: For purposes of this Agreement, "default" means the occurrence of any of the following:

- a. **Payment Default.** Failure by PHA to pay any undisputed fees, charges, or amounts due under this Agreement when due.
- b. **Non-Payment Default.** Failure by PHA to perform or comply with any other material obligation under this Agreement, including without limitation PHA's confidentiality obligations under Item 13.
- c. **Notice and Cure.** Except as otherwise expressly permitted herein, in the event of a Default, MCS shall provide PHA with written notice describing the nature of the Default and allowing PHA an opportunity to cure as follows:
 - a. **Payment Defaults:** thirty (30) days from the date of invoice;
 - b. **Non-Payment Defaults:** thirty (30) days from the date of notice, or such longer period as may be reasonably necessary if the Default is not capable of cure within thirty (30) days, provided PHA is diligently pursuing cure.
- d. **Suspension of Services.** If PHA fails to cure a Default within the applicable cure period, MCS may, in addition to any other available remedies, suspend PHA's access to the Software and/or Services, in whole or in part, until such Default is cured. Suspension shall not relieve PHA of its obligation to pay all fees due under this Agreement.
- e. **Termination for Cause.** If a Default remains uncured following suspension, MCS may terminate this Agreement for cause upon written notice to PHA. Upon termination: (i) All licenses and rights granted to PHA under Item 3 shall immediately terminate; (ii) PHA shall immediately cease all access to and use of the Software and Services; and (iii) PHA shall remain responsible for all fees and charges accrued through the effective date of termination. Termination for cause shall be without refund of any fees paid or payable for the then-current Subscription Period. MCS may terminate immediately for non-payment if suspension continues for more than sixty (60) days.
- f. **Data and Materials Upon Termination.** Following termination, MCS shall have no obligation to continue providing access to the Software. PHA Data shall be handled in accordance with the

data return or retention provisions of this Agreement, if any. All Confidential Information of MCS shall remain subject to the confidentiality obligations set forth herein.

ITEM 15. NOTICES: All notices, requests, consents, approvals, and other communications required or permitted under this Agreement shall be in writing and shall be deemed duly given: (i) upon delivery, if delivered personally; (ii) three (3) business days after deposit in the United States mail, if sent by registered or certified mail, return receipt requested; or (iii) one (1) business day after transmission, if sent by electronic mail, provided that the sending party receives confirmation of successful transmission. Notices shall be sent to the respective parties at the addresses set forth below, or to such other address or electronic mail address as a party may designate by written notice in accordance with this Item 15. Notices provided by electronic mail shall be deemed received only if no automated or manual notice of delivery failure is received by the sending party.

ITEM 16. APPLICABLE LAW: This Agreement and all claims arising out of or relating to this Agreement or the Software or Services provided hereunder shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, without regard to its conflict-of-laws principles.

ITEM 17. BINDING EFFECT; SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives, and permitted assigns, subject to the assignment provisions of this Agreement.

ITEM 18. AMENDMENTS; WAIVERS: Except as expressly provided in this Agreement, this Agreement may be amended or modified only by a written document executed by authorized representatives of both Parties.

Notwithstanding the foregoing, MCS may, upon written notice to PHA, modify or update from time to time any non-material terms of this Agreement, including without limitation policies, procedures, support terms, documentation, service descriptions, and operational requirements, provided that such modifications do not materially reduce PHA's rights or materially increase PHA's obligations under this Agreement. Any such modifications shall apply prospectively only.

If PHA objects to any such modification, PHA's sole and exclusive remedy shall be to terminate this Agreement in accordance with Item 6, prior to the effective date of the modification. Continued use of the Software after the effective date of the modification shall constitute acceptance of such modification.

No waiver of any right or provision under this Agreement shall be effective unless set forth in a written waiver signed by the Party against whom the waiver is asserted. Any waiver shall apply only to the specific instance for which it is given and shall not constitute a waiver of any other or future breach.

The failure or delay of either Party to enforce any provision of this Agreement shall not be deemed a waiver of such provision. No course of dealing, course of performance, usage of trade, or other regular practice shall be used to modify, interpret, supplement, or alter the terms of this Agreement.

ITEM 19. ENTIRE AGREEMENT: This Agreement, together with any attachments, exhibits, schedules, or order forms expressly incorporated herein by reference (including Attachment A), constitutes the entire and exclusive agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous proposals, requests for proposals, negotiations, representations, or agreements, whether oral or written, relating to such subject matter.

ITEM 20. AUTHORITY TO SIGN: Each Party represents and warrants that it has the full right, power, and authority to enter into this Agreement and to perform its obligations hereunder. The individual executing this Agreement on behalf of each Party represents and warrants that he or she is duly authorized to execute and deliver this Agreement and to bind such Party to its terms and conditions.

ITEM 21. COUNTERPARTS; ELECTRONIC SIGNATURES: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement. Signatures transmitted electronically or by PDF shall be deemed original signatures and shall be fully binding and enforceable.

ITEM 22. INDEMNIFICATION: The Parties acknowledge and agree that the following indemnification obligations are an essential part of the allocation of risk under this Agreement.

- a. Indemnification by PHA.** PHA shall indemnify, defend, and hold harmless Management Computer Services, Inc. (“MCS”) and its shareholders, successors, assigns, directors, officers, employees, agents, and subcontractors (collectively, the “Indemnified Parties”) from and against any and all third-party claims, demands, actions, suits, damages, losses, liabilities, costs, and expenses (including reasonable attorneys’ fees and court costs) arising out of or relating to: (i) Any unauthorized or improper use of the Software or Services by PHA or its employees, officers, agents, contractors, or Authorized Users; (ii) Any breach of this Agreement by PHA, including without limitation any breach of license restrictions or confidentiality obligations; (iii) PHA’s installation, use, or distribution of any software, data, or materials supplied or directed by PHA for which PHA lacks proper authorization or rights; (iv) Any third-party software, systems, data, or services used by or on behalf of PHA, including any defects, failures, or security issues associated therewith; or (v) Any violation of applicable laws or regulations by PHA in connection with its use of the Software or Services.
- b. Indemnification Procedures.** MCS shall promptly notify PHA in writing of any claim for which indemnification is sought under this Item 22; provided, however, that failure to provide prompt notice shall not relieve PHA of its indemnification obligations except to the extent PHA is materially prejudiced thereby. PHA shall have the right to control the defense and settlement of any such claim, provided that PHA shall not settle any claim in a manner that imposes liability or obligations on MCS without MCS’s prior written consent, which shall not be unreasonably withheld. MCS may participate in the defense of any claim at its own expense with counsel of its choosing.
- c. Exclusions.** PHA shall have no obligation to indemnify MCS to the extent a claim arises solely from MCS’s gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

ITEM 23. CYBERSECURITY; ALLOCATION OF RISK; INDEMNIFICATION: The Parties acknowledge that cybersecurity threats, data breaches, and other cyber incidents are an inherent risk of operating networked systems and that responsibility for managing such risks must be reasonably allocated between the Parties.

- a. No Cybersecurity Guarantee.** PHA acknowledges and agrees that MCS does not guarantee that the Software, Services, or any systems used in connection therewith will be free from cybersecurity incidents, including but not limited to data breaches, unauthorized access, malware, ransomware, or cyberattacks.
- b. Allocation of Cybersecurity Risk.** Except to the extent caused by MCS’s gross negligence or willful misconduct, MCS shall not be liable for any claims, damages, losses, costs, expenses, or liabilities arising out of or relating to: (i) Any cybersecurity incident, data breach, or

unauthorized access involving PHA Data; (ii) Breaches of PHA's internal systems, networks, devices, credentials, or user access controls; (iii) Cyber incidents affecting third-party vendors, hosting providers, internet service providers, or other third parties not under MCS's direct control; (iv) Loss of data, business interruption, loss of revenue, cyber extortion, fraud, or payment of ransom demands; or (v) Any fines, penalties, assessments, or regulatory actions arising from such incidents.

- c. **Indemnification for Cybersecurity Claims.** PHA shall defend, indemnify, and hold harmless MCS and its officers, directors, employees, and agents from and against any third-party claims, demands, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to a cybersecurity incident involving PHA Data or PHA systems, except to the extent caused by MCS's gross negligence or willful misconduct.
- d. **Assistance Following a Cybersecurity Incident.** In the event of a cybersecurity incident affecting the Software or Services, MCS shall use commercially reasonable efforts to assist PHA with containment, investigation, and remediation efforts, provided that such assistance shall not be construed as an admission of fault or liability and shall not expand MCS's obligations beyond those expressly set forth in this Agreement. PHA acknowledges that responsibility for notification obligations, remediation costs, regulatory compliance, third-party claims, and resulting damages shall remain with PHA, except as expressly provided herein.
- e. **Responsibility for Own Acts.** Each Party shall be responsible for its own acts and omissions and those of its officers, employees, agents, contractors, and Authorized Users, to the extent permitted by applicable law. Nothing in this Agreement shall be construed to require PHA to indemnify MCS to the extent such indemnification is prohibited by applicable law, nor shall anything herein be deemed a waiver of any governmental immunity, statutory limitation of liability, or other legal protection available to PHA.
- f. **Survival.** The provisions of this Item 23 shall survive termination or expiration of this Agreement.

ITEM 24. SEVERABILITY: If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, such provision shall be enforced to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement shall remain in full force and effect. If any such invalid or unenforceable provision may be modified or limited so as to be valid and enforceable, the Parties agree that such provision shall be deemed modified and enforced in a manner that most closely reflects the original intent of the Parties, while remaining valid under applicable law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year written above.

Red Wing Housing and Redevelopment Authority

Signature

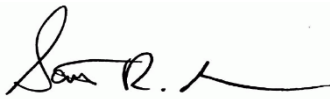
Printed Name

Title

Email Address for Notices

2nd Email Address for Notices

Management Computer Services, Inc.



**Scott Gleason, President
Management Computer Services, Inc.
PO Box 523
Sparta, WI 54656-0523**

Attachment A
Red Wing Housing and Redevelopment Authority
Payment and Fee Schedule
June 1, 2026

This Attachment A forms part of, and is incorporated into, the Software as a Service Agreement between **The Red Wing Housing and Redevelopment Authority** (“PHA” or “Client”) and **Management Computer Services, Inc.** (“MCS” or “Provider”).

ITEM 7. FEES AND EXPENSES: In consideration of the Software and Services to be provided under the Agreement, PHA agrees to pay MCS the following fees and expenses.

- a. **License to Use Software.** For the right to access and use the PHA-Web Software as provided under Item 3 of the Agreement, PHA shall pay MCS an annual subscription fee, as invoiced by MCS.
- b. **Software Maintenance and Contractual Services.** For software maintenance services provided under Item 4 and contractual training and support services provided under Item 5 of the Agreement, PHA shall pay MCS an annual subscription fee, based on the number of Authorized Users.
 - a. A User is defined as any individual who is granted access credentials to use the Software.
 - b. User access credentials are individual and may not be shared.
 - c. The annual subscription fee shall be aggregated and billed annually in advance, unless otherwise determined by MCS.
 - d. Adjustments resulting from increases or decreases in the number of Authorized Users during a Subscription Period may be invoiced monthly or annually, at MCS’s discretion.
- c. **Extra-Contractual Services.** For extra-contractual services, including but not limited to training, custom development, data conversions, or other services outside the scope of contractual services, PHA shall pay MCS at MCS’s then-current flat hourly rates, which are not based on the number of Users or headcount for the services being provided. Extra-contractual services shall be invoiced as incurred and payable upon receipt of invoice unless otherwise stated.
- d. **Travel and Out-of-Pocket/Other Expenses.** PHA shall reimburse MCS for all reasonable out-of-pocket travel and living expenses incurred by MCS personnel in connection with approved on-site services, including but not limited to airfare, lodging, meals, mileage, and car rental expenses. Such expenses shall be invoiced as incurred.
- e. **Taxes.** All fees and charges set forth herein are exclusive of applicable sales, use, excise, or similar taxes. PHA shall be solely responsible for payment of any such taxes imposed by a governmental authority, excluding taxes based on MCS’s net income.

INVOICING: Fees for Items (a) and (b) shall be invoiced annually in advance, unless otherwise specified by MCS. Adjustments to per-user fees resulting from changes in the number of Users may be invoiced monthly or annually, as determined by MCS. Fees for Items (c) and (d) shall be invoiced monthly on an as-incurred basis. All invoices shall be payable in accordance with the payment terms set forth in the Agreement.



Cost Summary

Attachment B

Red Wing Housing and Redevelopment Authority

June 1, 2026



Recurring Annual Fees

PHA-Web Software License

Included

This license provides twelve (12) RWHRA users with concurrent access to all core PHA-Web components.

Document Imaging

Included

Document Imaging provides the ability to go paperless by storing scanned documents on PHA-Web servers. Images of scanned documents, PDF and other types of file formats are attached to tenants, vendors, applicants and the housing authority within PHA-Web software.

Website Portals

Included

Website portals allow you and your agency to create a custom-tailored experience for your applicants, tenants and landlords. A hosted website is a pre-requisite to being able to utilize any Website Portals.

PHA-Web Annual Licensing and Software Support Subscription Fee

\$ 10,950.00

This is the total PHA-Web Software Maintenance and Support Service fee for a one-year subscription. This figure will be pro-rated for the first year in which the original conversion and implementation occurs.

Database Setup and Conversion Fees

Database Setup

\$ 3,000.00

This is a one-time fee for creating a customized database.

Data Conversion

\$ 4,250.00

This price includes converting waiting lists, 50058 certification files and landlord, tenant, vendor and general ledger balances.

Total Database Setup and Conversion Fees

\$ 7,250.00

Training and Implementation Fees

Online Training and Implementation

\$ 7,600.00

This cost provides the online training and implementation required to use PHA-Web software.

All prices may be subject to an annual increase at the end of the calendar year. Pricing assumes timely access to complete and properly formatted data; additional or revised fees may apply with limited or no advance notice if unforeseen conditions, data issues, or scope changes materially increase the effort required to perform the services.

PHA-Web Options

*** Please indicate the optional features desired by initialing next to the feature on the line provided. ***

Web Site Design and Hosting - Basic Website _____

- Website Design Fee (onetime fee for up to a 10-page website) \$ 3,500.00
A basic website package may contain up to ten pages and is hosted on MCS servers. MCS consults with housing authorities on page design and layout, color combinations, logos and page content. Page content is provided by the housing authority and inserted into the site by MCS. Examples of websites created by PHA-Web can be found at <http://pha-websites.com/examples.aspx>.
- Additional Pages - Optional (per page) _____ \$ 50.00
Additional pages are available if a larger web page is required; in most cases, ten pages are sufficient.
- Website Hosting (recurring fee, billed annually) \$ 720.00
The hosting fee includes hosting the website on MCS servers as well as minor website maintenance such as changing names, addresses or content from a word document. More extensive changes are evaluated on a case-by-case basis.

Domain Name Registration

MCS can register new domain names for the time periods listed below as well as renew or transfer existing names (\$100.00 transfer fee). Domain names may incorporate a housing authority name. Example: lastname@housingauthority.org. Domain names prices are listed below are an estimate and can change at any time.

- | | |
|-----------------------------------|-----------|
| <input type="radio"/> One Year | \$ 61.00 |
| <input type="radio"/> Two Years | \$ 122.00 |
| <input type="radio"/> Three Years | \$ 187.00 |
| <input type="radio"/> Five Years | \$ 312.00 |

Hosting and design billing starts 90 days from the date this contract is signed and returned. Partially finished websites are given a "Coming Soon" page until the website is complete. MCS will notify prior to domain name expiration. Unless you instruct us otherwise, we will automatically renew your domain for an additional year at the current price to ensure there's no disruption in service.

PHA-Web PIC Submissions _____

MCS's PIC Submission Services is a paid monthly service that allows PHA's to save time and increase their reporting percentage by outsourcing the responsibility of their PIC submissions to MCS, which are submitted on a monthly basis as part of our four-part, comprehensive service, highlighted below:

- **Monthly PIC Submission** *MCS will create and send a monthly PIC submission on behalf of your agency.*
- **PIC Submission Results** *Once the PIC file has been sent and accepted by HUD, MCS will email you a copy of the submission results.*
- **Corrections** *MCS will provide assistance on all corrections, if requested by the PHA.*
- **Corrections Submission** *Once all corrections have been made, MCS will re-submit the corrected forms to PIC.*

Please note: All agencies using PHA-Web also have the ability to self-transmit from the software to PIC at no additional cost.

MCS PIC Submission Pricing

\$ 150.00/mo.

Historical Data Conversion:

Historical Tenant Account Info Conversion

Convert past tenant-related financial data, such as billed charges and payments.

<input type="radio"/> One Year	\$ 285.00
<input type="radio"/> Three Years	\$ 704.00
<input type="radio"/> Five Years	\$ 1,124.00
<input type="radio"/> Ten Years	\$ 2,173.00
<input type="radio"/> N/A	

Historical Landlord Payments Conversion

Convert past payment records made to landlords.

<input type="radio"/> One Year	\$ 215.00
<input type="radio"/> Three Years	\$ 495.00
<input type="radio"/> Five Years	\$ 774.00
<input type="radio"/> Ten Years	\$ 1,474.00
<input type="radio"/> N/A	

Historical Vendor Payments Conversion

Convert past payment transactions made to vendors.

<input type="radio"/> One Year	\$ 215.00
<input type="radio"/> Three Years	\$ 495.00
<input type="radio"/> Five Years	\$ 774.00
<input type="radio"/> Ten Years	\$ 1,474.00
<input type="radio"/> N/A	

Historical Data Conversion Disclaimer:

MCS (through its PHA-Web platform) will use commercially reasonable efforts to convert historical documents and data for the number of years requested by the Agency, as specified in the applicable agreement or order. The Agency acknowledges that, due to software limitations, data format constraints, data quality issues, access restrictions, or other circumstances beyond MCS's control (including the inability to obtain or access historical source data), complete conversion of all requested historical data may not be feasible. If MCS is able to convert only a portion of the requested historical data, the Agency shall be billed a pro-rated fee based on the number of years or scope of data successfully converted. If MCS determines, in its reasonable discretion, that the historical data cannot be converted at all, no conversion fee shall be charged for such data. MCS does not warrant or guarantee the completeness, accuracy, or usability of converted historical data and shall have no liability for errors, omissions, or limitations resulting from the condition, availability, or structure of the source data.



Red Wing Housing & Redevelopment Authority

428 West Fifth Street
Wing, MN 55066
DD/TTY 7-1-1

Telephone (651) 388-7571
FAX (651) 385-0551
www.redwinghra.org

June 9, 2026

To: Red Wing HRA Board of Commissioners

From: Kurt Keena, Executive Director

Re: Executive Director's Report

Federal, State & Local Funding

The 2026 State legislature has appropriated \$17.5 million for POHP, which is the program we have used to make capital improvements to our public housing properties. We will likely be an applicant for the funds once MHFA issues the RFP at some point in the future.

We finally received our first payment of \$75,000 from MHFA as part of our LHTF matching grant. We will now be requesting the remaining \$75,000 of the grant. These funds are put in our local AHTF and are required to be used on affordable housing activities.

We have been awarded a \$250,990 ROSS grant from HUD for a three-year period. This grant will cover the cost of the Service Coordinator position for our Public Housing Program. We had been holding that position open while we waited to hear on our grant application. We will now proceed to fill the position. The timing will coincide nicely with the start of our big POHP project in our public housing properties. Thanks to Jennifer and Corrine for their work on writing the grant application.

Technology Upgrades

We have completed the switch to a new phone system for the agency. This switch will ultimately mean that we will be able to reduce the number of servers that we need to maintain and will result in cost savings in the future.

We have completed the selection process for a new housing programs software vendor. Staff took part in several demonstrations by various vendors and we have determined that PHA Web will be the best fit for our needs and variety of programs. The actual conversion and switch will take place in early to mid-2027 due to lead times to get on their calendar for conversion. Converting to the new software will also result in a reduced need for server capacity as it is cloud based. Approving the contract was an earlier action item on this agenda.

Follow-Up on HUD Inspection Letter

Chair Jech and I are taking part in a virtual meeting on June 3rd with Minneapolis HUD staff regarding the letter they sent pertaining to our recent physical inspection. We will have more details regarding the meeting to share with you at our meeting.



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June 9, 2026

To: Red Wing HRA Board of Commissioners

From: Corrine Kulseth, Finance Director

Re: Finance Report

Reserves Adjusted

Program	March 2026	April 2026
Public Housing	\$109,848	\$199,967
Housing Choice Vouchers (FSS and restricted included)	\$37,885	\$21,078
Redevelopment	\$807,447	\$771,935
AHTF	\$383,002	\$383,195
Bridges	\$0	\$0
Small Cities Program	\$166,510	\$173,618
Jordan Tower II	\$1,769,985	\$1,806,086
Total	\$3,274,677	\$3,355,880

Operating Budget Update

Category	YTD 2026 (April)	Budgeted	Variance
Revenues	\$1,423,010	\$1,848,071	-23%
Expenses	\$1,442,853	\$1,821,546	-21%
Net Income	-\$19,843		

Notes to Financial Statements

- Public Housing – Deposit from CFP funds for \$101,000 for operating expenses

Other Business

- ROSS Grant - awarded a renewal of \$250,992 for 3 years
- New insurance for staff started June 1
- Planning stages have begun for MN NAHRO Fall Conference at Treasure Island. Red Wing HRA is host agency.

Committee Reports

No Finance Committee meeting in June

RED WING HRA RESERVE ACCOUNTS
April 30, 2026 Month End

Program	Fund Account	31-Mar-2026	30-Apr-2026	30-Apr-2025
Jordan Tower I & Family Units	Unrestricted - CDs	\$ 331	331	45,542
	Unrestricted	\$ 67,657	161,116	399,692
	Restricted - Sec Dep	\$ 41,760	42,160	49,423
	Total	\$ 109,748	203,607	494,657
	Due to/from Redevelopment	-100.00	3,640.00	180.00
Sec 8 Voucher	Unrestricted Cash	\$ 9,033	-2,809	-635
	FSS Escrow	\$ 0	0	0
	HAP Reserve Acct	\$ 25,695	19,366	57,568
	Total	\$ 34,728	16,557	56,933
	Due to/from Redevelopment	-3,157.43	-4,520.67	0.00
Redevelopment	MURL Investments	\$ 0	0	118,201
	Transitional Housing	\$ 0	0	0
	Bluff View	\$ 108,543	109,943	93,143
	Twin Homes	\$ 12,368	0	12,368
	Hill Street	\$ 16,969	16,471	10,472
	Restricted - Sec Dep	\$ 12,659	9,667	11,461
	Restricted - CDG	\$ 0	0	31,000
	ILSP	\$ 0	0	833
	Unrestricted	\$ 628,182	603,716	447,507
	Total	\$ 778,721	739,797	724,985
Bridges	Unrestricted	31,983	33,019	20,334
	Front Funded HAP	\$ 0	0	0
	Total	\$ 31,983	33,019	20,334
	Due to/from Redevelopment	31,983.00	33,019.00	31,872.39
AHTF	Unrestricted AHTF	\$ 383,002	383,195	311,057
	Program Income	0	0	0
	Total	\$ 383,002	383,195	311,057
	Due to/from Redevelopment	0.00	0.00	0.00
Small Cities	Small Cities Program	\$ 166,510	173,618	462,389
	Program Income	0	0	0
	Total	\$ 166,510	173,618	462,389
	Due to/from Redevelopment	0.00	0.00	0.00
Jordan II Tower	Unrestricted	\$ 1,728,571	1,765,100	1,474,255
	Restricted - Sec Dep	\$ 41,414	40,986	39,538
	City Bond Debt Escrow	\$ 0	0	0
	Total	\$ 1,769,985	1,806,086	1,513,793
	Due to/from Redevelopment	0.00	0.00	0.00
Total Cash Reserves		3,274,677	3,355,880	3,584,149

Financial Institution	Funds	Funds	Funds
Associated Bank	2,860,557	2,847,901	2,797,431
Edward D Jones	26,058	26,058	108,660
First Minnesota	173,044	173,044	154,380
Merchant's Bank	215,019	308,878	523,678
	\$3,274,678	\$3,355,880	\$3,584,149



Red Wing Housing & Redevelopment Authority

428 West Fifth Street
Wing, MN 55066
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www.redwinghra.org

June 9, 2026

To: Red Wing HRA Board of Directors
From: Jennifer Jacobson, Housing Director
Re: Housing Board Report for the month ending May 2026

HRA Owned Properties

	Jordan Tower I	Jordan Tower II	Family Public Housing Units	Market Rate Units (13)
Waiting List Numbers	48	82	29	n/a
Move-outs	0	0	0	0
Move-ins/Offline*	20*	1	0	0
Lease Terminations or Evictions this month	0	0	0	0
Occupancy Rate	100%*	96%	98%	100%

Voucher Programs

Housing Choice Voucher

Waiting List Numbers	388	Monthly HAP Received	\$106,175
Allocated Vouchers	169	Monthly HAP Paid	\$101,463
Funded Vouchers	110	HAP Reserves	\$64,713
Leased Vouchers	126	Per Unit Cost	\$805
Utilization Rate for Vouchers	115%	Utilization Rate for Monthly Funding	95%
Move-ins	1	Shopping (includes PO)	15
Move-outs	3	Processing Applications	1

Bridges Rental Assistance

Grant Years	2025-2027	Total Grant Awarded	\$368,280
Awarded Vouchers	16	Available Balance	\$200,728
Vouchers Leased	14	Grant Months remaining	13
Utilization of Vouchers	88%	Grant Funds Utilization	54%
Move-ins	0	Shopping	2
Move-outs	0	Processing Applications	6



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Bring It Home Rental Assistance

Grant Years	2025-2027	Total Grant Awarded	\$413,156
Waiting List Numbers	24	Available Balance	\$413,156
Awarded Vouchers	19	Grant Months remaining	17
Vouchers Leased	0	Grant Funds Utilization	0%
Utilization of Vouchers	0%	Shopping	1
Move-ins	0	Processing Applications	9
Move-outs	0		

Program/Project Updates

- Bring It Home Vouchers (BIH)
 - The first voucher has been issued. There are numerous other applicants who are close to being invited to a briefing and receiving vouchers.
 - Staff are still working through the information and regulations at each step of the process. The next step under review is the reporting and monitoring requirements.
- Jordan Tower II -Monitoring and Occupancy Review (MOR) & Other Funding Review
 - Minnesota Housing staff visited the HRA on June 3, 2026. There was a physical inspection of the property, a review of management processes, and a file review of 11 resident files.
- POHP 2024 Updates
 - Jordan Tower I
 - Contractor- Project One Construction
Staff is working on the required paperwork from them for the due diligence with MN Housing. The contract between the HRA and Project One is being processed for signatures.
 - Abatement-The bid solicitation ad was published to solicit an abatement contractor. The mandatory pre-bid walkthrough is on June 18, 2026, and the bid opening is on July 2, 2026.
 - Scattered Sites
 - Additional Funds Request- Once the HRA has the bid amounts for the abatement contractor, staff will inform MN Housing so that MN Housing can bring the funding modification request to its board.
 - Abatement-The bid solicitation ad was published to solicit an abatement contractor. The mandatory pre-bid walkthrough is on June 9, 2026, and the bid opening is on June 23, 2026.



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June 9, 2026

To: Red Wing HRA Board of Commissioners

From: Kurt Keena, Executive Director

Re: Community Redevelopment Report

Small Cities Program Income Notes Receivable and Cash Reserves

Category	April 2026
Notes Receivable	\$1,533,122
Forgivable	\$616,628
Reserves	\$173,618

Small Cities Loan Servicing and Activities

We still have one approved loan to close and disburse in the next month and one potential pending loan application, which if approved, would deplete most of our program reserves. We have begun the process for the 2027 application funding round. The application will include both a commercial rehab portion as well as a multi-family rehab component.

Affordable Housing Trust Fund Activities and Reserves

We received disbursement of our first draw request for \$75,000 from our \$150,000 State matching grant. Repayment of a loan whose project no longer includes housing units is scheduled for the end of May or early June. The amount of the repayment will be \$75,000. No applications are pending at this time. April 2026 reserves for the AHTF are \$383,195.

Housing & Redevelopment Related Update

The City brought proposed rezoning requests forward for Council consideration at their May 26th meeting. The Council tabled action on the items until their June 8th meeting. If ultimately approved, the requests will increase the number of sites zoned for multi-family housing in the City. Whether any of the sites can be utilized to create affordable multi-family units remains to be determined.

The City also expects to complete a land feasibility study in the next month or so which will help them understand where it may be feasible for the City to expand and/or utilize existing land for various uses.

Once both of those items have been completed I will work to schedule a workshop for us to discuss where, how, and by whom, more affordable housing might be able to be developed in Red Wing.