



June 19, 2018

Item No. 3

RECOMMENDATION TO ADOPT THE REVISED CHA DEBARMENT POLICY AND PROCEDURES

Presenters: Dionna Brookens, Chief Procurement Officer
James L. Bebley, Chief Legal Officer,

Recommendation

The Chief Executive Officer recommends that the Board of Commissioners of the Chicago Housing Authority (“CHA”) adopt the revised Chicago Housing Authority Debarment Policy and Procedures, which are attached hereto as Attachment A.

Funding

Not Applicable

Background

The Chicago Housing Authority maintains its Debarment Policy and Procedures to effect and enforce standards and practices which protect the Chicago Housing Authority and the integrity of its procurement process, as well as the programs and resources of the CHA, all in an effective and efficient manner which comports with applicable federal, state and local laws and regulations. The current policy was adopted and effective in 1994, and the revised Debarment Policy and Procedures proposed for adoption will update CHA’s procedures to better align with the current state of best practices in the administration and enforcement of debarment and suspension activities.

CHA staff will receive an update and training on the revised Chicago Housing Authority Debarment Policy and Procedures at a subsequent CHA-wide training session.

Significant Updates to the Debarment Policy and Procedures

Beyond updating CHA’s practices to align with current best practices in public sector procurement, the revisions and updates to the Debarment Policy and Procedures reflect two additional goals: (a) streamlining various administrative elements of the Policy to provide the CHA with greater flexibility in managing and administering the formal debarment process; and (b) aligning elements of CHA’s procurement and debarment practices with those of Chicago’s Sister Agencies to leverage greater communication, transparency and management of

debarment activities across Sister Agencies and support the integrity of their respective procurement processes and practices.

The primary substantive changes involve the incremental expansion of the various grounds for the CHA to pursue debarment against firms or persons engaged in misconduct affecting CHA. In addition to the existing grounds for debarment from convictions for misconduct in public and private procurement activities, parties will now be more clearly subject to potential debarment for conduct that violates CHA's practices, procedures and policies, including misconduct related to ethical matters and procurement activities that do not require a judicial conviction or other formal sanction in order for the CHA to pursue debarment against an offending party.

Additionally, the effects of a debarment determination have been expanded to improve enforcement efforts by CHA. As a result of the revisions, a formal debarment determination will specifically extend to a debarred party's affiliates, principals, divisions or other related parties, unless the CHA debarment officer's determination limits its application to specific persons. A debarment proceeding may now also specifically include an affiliate of a responding party, and the revisions provide for notice and opportunity for the affiliate to participate in the debarment proceedings. Similarly, the effects of a debarment determination may extend to parties that are commonly-owned or commonly-controlled with a debarred person or party.

The revisions also encourage parties to engage in corrective actions for any potential activities that give rise to debarment proceedings, which the CHA may take into account as mitigating factors in the debarment process. The CHA may consider affirmative and corrective actions by the party proposed for debarment.

Additionally, while the CHA may pursue debarment activities on broader grounds than the current policy, it can also rely more directly upon debarment and other sanctions imposed by Chicago Sister Agencies to commence its own debarment proceedings under the revised CHA Debarment Policy and Procedures. The revisions also incorporate recommendations from the Mayor's Procurement Reform Task Force, which was comprised of the various local Sister Agencies. The CHA and Chicago Sister Agencies will exchange information regarding their debarment activities.

Respectfully Submitted:

James L. Bebley
Chief Legal Officer

RESOLUTION NO. 2018-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 19, 2018, entitled "RECOMMENDATION TO ADOPT THE REVISED CHA DEBARMENT POLICY AND PROCEDURES" and concurs in the recommendation contained therein;

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners adopts the revised Chicago Housing Authority Debarment Policy and Procedures, effective as of June 19, 2018, which shall replace the previously effective Debarment Policy and Procedures, substantially in the form of Attachment A.

Eugene E. Jones, Jr.
Chief Executive Officer
Chicago Housing Authority