

**Additional Information for the Resolution Approving
an increase of \$300,000 to the purchase order with Nan McKay**

Item #6 before the Board regarding Nan McKay is an amendment to an existing contract. The amendment brings the total to an amount over \$250,000 that requires approval by the Board of Commissioners.

HACM first entered into a purchase order with Nan McKay in 2022 and was for an amount of \$50,000. The contract was originally for services that included but was not limited to, performing services as an Independent Entity (IE) that could provide rent reasonableness determinations for HACM-owned project-based voucher developments, both for RAD/PBVs and for PBVs.

At the time, the three largest nationwide vendors in the recertifications market were Nan McKay, Quadel, and CVR. HUD had contracted with CVR to provide technical assistance to HACM at the time, so they could not have a contract with HACM. HACM requested and reviewed a quote from Nan McKay which was reasonable and due to the fact that time was of the essence to engage services as soon as possible, HACM requested an exemption for a single source contract. HUD had approved the selection of Nan McKay as an Independent Entity .

In late 2022, it was highly recommended by HUD that HACM begin to subcontract more duties related to rent assistance to outside contractors that had national experience, and we determined that HACM should subcontract some of the recertification and/or new admissions processing to a contractor to better enable staff to catch up on late recertifications. Since HACM already had a contract with Nan McKay that included the possibility of additional services, it was possible to amend the PO to add these additional services and ultimately, the total of the Purchase order was increased to \$250,000 to include these services.

At this time, the amount of funding in the purchase order is fully spent and HACM needs to amend it to add additional money to the purchase order to pay for ongoing services. That is the reason for the need for an additional amount added to the purchase order of \$300,000, making the total contract an amount not to exceed \$550,000.