

The BOARD of DIRECTORS
Of the
City of Douglas Community Housing Corporation

will meet

Thursday, October 22, 2020 at 9:00 a.m.

At the
Rancho La Perilla Apartments
Community Room
1201 E. Fairway Drive
Douglas AZ

PURSUANT TO THE AMERICANS WITH DISABILITIES ACT (ADA), THE CITY OF DOUGLAS DOES NOT, BY REASON OF A DISABILITY, EXCLUDE FROM PARTICIPATION IN OR DENY BENEFITS OF SERVICES, PROGRAMS OR ACTIVITIES OR DISCRIMINATE AGAINST ANY QUALIFIED PERSON WITH A DISABILITY. INQUIRIES REGARDING COMPLIANCE WITH ADA PROVISIONS, ACCESSIBILITY OR ACCOMMODATION CAN BE DIRECTED TO ALMA ANDRADE WITHIN 72 HOURS AT (520) 417-7302, FAX (520) 364-7507, 425 10TH STREET, DOUGLAS, ARIZONA 85607.

AGENDA

Board of Directors Regular Meeting
City of Douglas Community Housing Corporation

Thursday, October 22, 2020 at 9:00 a.m.

Rancho La Perilla Apartments
Community Room
1201 E. Fairway Drive
Douglas, AZ 85607

1. Call to Order.
2. Roll Call.
3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.
4. Accept resignations from Warren D. Hargis due to professional commitments causing an inability to attend and conduct swearing in of new Members: Ms. Denise Machado, and Ms. Desiree Rice.
5. Discussion Decision on approval of minutes for the meetings of February 13 and April 23, 2020. No meeting was held on October 24, **2019** due to a lack of quorum.
6. Management Report and presentation of current Financial Reports for CHC and Facility to include May, June, July, August and September 2020 end of the month balance sheets, rent rolls and 12-month trailing(s), and any related facility or property condition valuation, loan or tax matter.
7. Standing Report from management regarding ongoing marketing efforts and general results of these efforts for the CHC and Facility, to include possible Discussion/Decision on any related marketing concept.
8. Discussion/Decision on approval of a CHC Procurement Policy pursuant to the new financing requirements.
9. Discussion/Decision to consider and possibly approve one of the various project estimates for the Clubhouse Vinyl Plank flooring at the Rancho La Perilla Apartment facility.
10. Scheduling and/or confirmation of next Meeting date(s), and suggestions for future agenda items.
11. Adjournment

Posted on Thursday, October 15, 2020 @ 5:00 p.m. by:

Alma Andrade, Acting City Clerk

Minutes
Board of Directors Regular Meeting
City of Douglas Community Housing Corporation

Thursday, February 13, 2020 at 9:30 a.m.

Rancho La Perilla Apartments
Community Room
1201 E. Fairway Drive
Douglas, AZ 85607

1. Call to Order.

After a multi-month delay due to a lack of quorum and management company illness, Rancho La Perilla Board members held their quarterly meeting on Thursday, February 13, 2020 in the community room at Rancho La Perilla Apartments, 1201 East Fairway Drive, and the meeting was called to order at 9:31 a.m.

2. Roll Call.

Board Members present were Vicky Merritt, Michael Gutierrez, Debra Wendt and David Hargis. FW management team members present were Frank Moro and Ana Salazar, City Staffer Juan Pablo Flores, City Attorney was present.

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.

(NONE)

4. Accept resignations from Michael Gutierrez do to professional commitments causing an inability to attend and conduct swearing in of new Member Debra Wendt and possible election of Board officers.

The swearing in of new Member Debra Wendt was performed by City Attorney, Juan P. Flores Esq., and all went according to standard protocol. Vicky Merritt made a motion to accept the noted member's resignation. The motion was seconded by Debra Wendt, and after little to no discussion, the motion was approved unanimously. Some background as to the facility and the board officer positions was presented. Vicky Merritt made a motion to move the nominations forward and then the motion was seconded by Debra Wendt After unanimous approvals, Board Members Vicky Merritt, Debra Wendt and David Hargis are now appointed as new President, Treasurer and Secretary Board officers, respectively.

5. Discussion/Decision on Approval of Minutes for the August 8, 2019 Board Meeting.

David Hargis made a motion to and it was seconded by Vicky Merritt (with Debra Wendt abstaining from voting) to approve the minutes from the 8/8/2019 meeting, and after little to no discussion, the motion was approved unanimously.

6. Management Report and presentation of current Financial Reports for CHC and Facility.

There was extensive financial back-up presented as part of the meeting documentation included the balance sheet, the rent roll, vacancies and 'loss-to-lease'. The income 12 statement which is the 12-month trailing statement showing income and expenses for that period. Frank Moro talked about the loan/grant with the State going away in May 2020, as they are forgivable due to it having fulfilled its commitment as low-income housing. Operating Cash Reserves were reported at \$57,470 (not net cash flow as part of those funds are replacement reserves for the asphalt project in March) and Security Deposits are currently at \$24,670 and money in on deposit to cover those. The Reserve Replacement concept was explained and the asphalt parking lot project was explained as being part of that. Basically, representing a snap shot in kind of a trend analysis with a fiscal year ending in December 2019 and includes the last 12 months trailing, Frank Moro reported about financial concepts of the property per the documentation, explained loss to lease concept and how it has been going down. Due to the high debt on the property, occupancy at the facility has to be at around 92% to break even financially. The facility is doing better (due to great marketing initiatives for the entity) with effective gross income showing increases. Frank Moro went over expenses and Net Operating Income (NOI), and also explained the mortgage insurance, and how this combination plays into the overall income and expenses, Then Mr. Moro noted that capital expenditures totaled during the trailing periods at \$41,223 and explained effective net cash flow and capital expenses just before Ana went into reporting on the current occupancy figures of 95-98% and 2 units are reserved under the State trust fund for income qualified at medium income as well as the overall property conditions. Rental figures were discussed with brief management commentary on possible future rent increases in standard apartments and TDY units.

7. Standing Report from management regarding ongoing marketing efforts and general results of these efforts for the CHC and Facility, to include possible Discussion/Decision on any related marketing concept, to include bill board on "A" Avenue and HWY 80.

Marketing is reported to be going well and plans were revealed by FW for refurbishing the bill board in the vicinity of "A" Avenue and HWY 80.

8. Scheduling and/or confirmation of next Meeting date(s), and suggestions for future agenda items.

Board looked at and informally approved April 2, July 9 and October 1 2020 as tentative meeting dates as well as a January 7, 2021 meeting. Future agenda items were to hopefully have new board members approved, and any other items that Board would come up should kindly be sent to Mr. Flores or the Board President for processing.

9. Adjournment

A motion was made by Debra Wendt to adjourn the meeting, and the motion was seconded by David Hargis, and the motion was approved unanimously with the group adjourning at 10:16 a.m.

Prepared by Juan P. Flores
Douglas City Attorney

MINUTES

Board of Directors Regular Meeting
City of Douglas Community Housing Corporation

Thursday, April 23, 2020 at 9:30 a.m.

Rancho La Perilla Apartments
Community Room
1201 E. Fairway Drive
Douglas, AZ 85607

1. Call to Order.

Due to the continued Covid-19 pandemic, and after delays occasioned by complicated meeting scheduling logistics, the Rancho La Perilla Board members held their quarterly meeting via teleconference (virtual) means on Thursday, April 23, 2020 with the community room at Rancho La Perilla Apartments being considered the home base for meeting purposes, at 1201 East Fairway Drive, and the meeting was called to order at 9:45 a.m.

2. Roll Call.

Board Members present were Vicky Merritt, Michael Gutierrez, Debra Wendt and David Hargis. Additionally, those virtually present were Frank Cassidy from Walker Dunlap, FW management team members present were Frank Moro, Stacy and Ana Salazar. City Staffer Juan Pablo Flores, City Attorney was also present.

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.

(NONE)

4. Management Report and presentation of current Financial Reports for CHC and Facility.

The group first dealt with item #7 below, and then returned to this item #4. The financial statement was examined by Frank More noting that the revenues are up to record levels as to the net operating income for the property. Now looking at revenues, the effective income in March was \$58,238, expenses were \$32,445, debt service was at \$22,913, leaving about \$9K in net operating income. Frank Moro explained the CHC currently has \$66,747 in replacement reserves after paying about \$50K for the asphalt job, as the bid initially came in at \$45K. In total, the CHC has about \$35K in excess cash that has not been allocated to any project, and we can talk about programming a project for the facility once part of the cash is allocated to payment on arrearages for the loan from the City for utilities and deficit loan. Mr. Flores recommended dealing with any facility projects (like the clubhouse flooring or City loan payments) at a future face-to-face board meeting.

Ana Salazar then reported occupancy at the facility is currently at 100% with no vacancies and much demand anticipated into the near future. The Asphalt project is set for May 1, the deficiencies with the State have been cured, that included sand in the playgrounds and several uneven sidewalks. Mr. Flores noted for the benefit of Ms. Wendt that the financials will be easier to review once we move to in-person meetings is brought about and then Mr. Hargis asked about the status of rent deferment requests due to Covid-19 and received response in the negative.

5. Standing Report from management regarding ongoing marketing efforts and general results of these efforts for the CHC and Facility, to include possible Discussion/Decision on any related marketing concept, to include bill board on "A" Avenue and HWY 80.

Marketing is reported to be going well due to the high occupancy and Board then moved to the plans as revealed by FW for refurbishing the billboard in the vicinity of “A” Avenue and HWY 80 as a final rendition of the graphics have been revealed. Mr. Flores noted the MPC Golf has not made a commitment toward contributing financially to billboard project full cost at \$2297. Frank Moro explained he is providing a significant cost savings as the sign is for FW and it is being combined with other local projects on one trip for the sign company. A motion was made by David Hargis to proceed with the project, and the motion was seconded by Debra Wendt, and the motion was approved unanimously.

6. Discussion/Decision on possible rate hikes for the Rancho La Perilla Apartment facility.

As to the 80 units representing the entire CHC inventory, Ms. Wendt inquired about the nature of the TDY units of which there are 7 of these units and it was explained that these are fully contained executive units that include everything like utilities, furniture, cable and maid service with rent for these units at \$1,300 for a 1-bdr unit and \$1,542 for a 2-bdr unit and that these are currently all rented out. Ana Salazar talked of board possibly raising the base rents by \$25 to \$627.08 for a 1-bdr and \$740.16 for a 2-bdr unit and that this could cause tenants to exit as this has been related to her by long-term tenants. Month-to-month rates were discussed and how the state income qualifying program would be concluded at the end of May 2020. Any potential increases would go into effect at lease end or the following month for the month-to-month tenants, and that rent increases last occurred a year ago for the 1-bdr units and Ms. Wendt noted that annual increases are standard costs and just part of doing business. FW (Frank) explained the timing and the lax economy was not conducive in recent past for rent increase considerations. Mr. Flores gave a couple of ideas on areas to consider for rent increases and FW (Frank) as management noted rent should be sustainable to cover its net operating expenses without straining the property or gouge the market and the suggested a \$15-25 increase over the next 12 months and explained how historically due to the prior high debt on the property, occupancy at the facility had to be at around 95% for the facility to break even financially. After some discussion the board sentiment was likely to wait a few months. Then after a FW recommendation, there was unanimity in Board direction given to administratively raise rents for the base rent for the executive accommodations/TDY units by \$25 per month as well as to the month-to-month fee rates with a 30-day notice to be given to the affected units (increases would be effective June 1, 2020). Flooring estimates for clubhouse will be discussed in the near future.

7. Discussion/Decision on preliminary approval to modify/refinance the CHC’s loan currently held by Walker & Dunlop, LLC in the original principal amount of \$4,601,000.00, secured by a mortgage on the Rancho La Perilla Apartments, in order to reduce the existing interest rate, monthly principal and interest payment, and prepayment restrictions; and that Vicky Merritt, as President, is hereby authorized and directed to execute and deliver the following documentation on behalf of the CHC:

CHC to consider the approval of the following formal documents:

A.	THE ENGAGEMENT LETTER TO START THE INTEREST RATE REDUCTION LOAN MODIFICATION
B.	INCUMBENCY CERTIFICATE
C.	BORROWER’S NO CHANGE CERTIFICATE OF CITY OF DOUGLAS COMMUNITY HOUSING CORPORATION
D.	CORPORATE RESOLUTION
E.	MORTGAGE MODIFICATION
F.	NOTE MODIFICATION
G.	BORROWER’S ATTORNEY OPINION
H.	RANCHO LA PERILLA FINANCIAL STATEMENT CERTIFICATION
I.	RANCHO LA PERILLA RENT ROLL CERTIFICATION

Preliminary information was provided by Frank Moro noting CHC management is looking at refinancing the entity's real estate holdings by way of a rate modification down to a range of between 2.95 to 3%. The refinance is being accomplished at no cost, other than legal fees (if any there may be). There is no refund being triggered and no depletion of the Replacement Reserve account is being set in motion. Frank Cassidy, representing the mortgage lenders, spoke next and confirmed the representations made by Frank Moro (FW Management), and explained that this is basically an interest rate loan modification of the current note currently at 4.05% yearly interest rate, and in essence it is not a conventional refinance in the true sense of the word. Mr. Cassidy explained that it is anticipated the refinance will translate into a \$35K annual savings and \$1.2 million savings over the life of the loan, and that after full documentation submittal, he anticipates HUD approval to be received within the next 30 days. There was further explanation given on the documentation presented to the Board as items A through I, on the document list for this agenda item makes up the majority of the loan documentation. It is anticipated that after the preliminary approval, then a rate lock is sought and that closing on the loan would then be anticipated the first week of June 2020.

Mr. Flores then explained in general terms each document and how these will be the basis for the closing documents and briefly explained the perceived benefit to the CHC from his point of view. Ms. Merritt asked if the refinance would change the maturity date of the loan, and Mr. Cassidy responded that it would not change the maturity date.

A motion was then made by Debra Wendt to approve the loan refinance and the accompanying documentation, and the motion was seconded by David Hargis, with no major discussion the motion was approved unanimously. Board then turned their attention back to item #4.

8. Scheduling and/or confirmation of next Meeting date(s), and suggestions for future agenda items.

Board looked at and informally approved July 9 as the tentative next meeting date. Future agenda items were to hopefully have new board members approved, and any other items that Board would come up should kindly be sent to Mr. Flores or the Board President for processing.

9. Adjournment

A motion was made by Debra Wendt to adjourn the meeting, and the motion was seconded by David Hargis, and the motion was approved unanimously with the group adjourning at 10:31 a.m.

Prepared by Juan P. Flores
Douglas City Attorney

PROCUREMENT PROCEDURES

Douglas Community Housing Corporation

September 5, 2020

POLICY

In order to maintain fair business procurement and ethical standards the following procedure is to be followed

PROCEDURE

Conduct and Competition:

No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Douglas Community Housing Corporation shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. Failure to comply with the above will result in disciplinary sanctions up to and including termination of employment.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid or offer to be evaluated by the Douglas Community Housing Corporation and all bids or offers may be rejected when it is in the company's interest to do so. Items over \$5000 require at least 3 separate prices, when available or practical. The Douglas Community Housing Corporation provides its Property Management Company, within the purview of its Management Agreement, the authority to pay all normal reoccurring expenses to be incurred as set forth in an approved budget and any item within Agent's authority not to exceed \$500.00, unless such expense is specifically authorized by the Corporation, approved through the Corporation's adoption of the operating budget, or is incurred under circumstances as Agent shall reasonable deem an emergency. The Douglas Community Housing Corporation will make every effort to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.

Procurement Policy

Purpose: To ensure continued accountability, it is critical that the procurement function is carried out within a clearly defined and transparent framework. The purpose of this policy is to set out a framework within which the agency can: 1) Maximize efficiency of procurement and distribution; 2) Standardize procurement processes by providing certainty to employees of their obligations; 3) Negotiate with suppliers in an open and transparent manner; 4) Maximize good pricing options and 5) Ensure maximum value in the procurement of goods and services. Expenditures will be made consistent with organizational policy and procedure to safeguard the use of agency funds.

Scope: These guidelines ensure competitive pricing for all goods and services purchased by the organization and a pre-approval process for making all expenditures. The intent of these procedures is to ensure all efforts have been made to secure the best price; that the decision making process for making that purchase is documented; and that appropriate approvals for making expenditures are in place.

Procedures:

- A. Estimates, purchase orders, check requests and invoices and other accompanying documentation will be the primary element for documenting purchases.
- B. Accounting staff shall have broad parameters in reviewing proposed expenditures including requesting more information, requiring additional price quotes and making procurement process recommendations to the CEO.
- C. These procedures apply to all expenditures made on behalf of the Douglas Community Housing Corporation unless noted otherwise.

Submitting Receipts and Packing Slips

- a. Receipts and invoices for all purchases will be submitted to the Accounting Department within three business days of the purchase or delivery. The receipt must clearly note the purchase order number and the name of the

- employee making the purchase.
- b. Packing slips for goods received shall be submitted to the Accounting Department within three business days of receipt. The packing slip must clearly note the purchase order number and the name of the employee receiving the delivery and that all items ordered were sent. This information may be clarified in writing on the back of the slip or on an attachment.
 - c. Finance staff shall attach all purchase related paperwork, including invoices, receipts and packing slips to the purchase order when processing payments.

Single Quote

- a. All purchase order requests for individual or cumulative expenditures of less than \$5,000 that are non Re-occurring and beyond the scope of the approved budget, must be accompanied by a written quote for each item to be purchased. The quote may be a photocopy from a catalogue or website or, may be on a detailed, dated, signed Quote Form indicating the item to be purchased, the vendor and the unit price. If shipping or other sundry costs are to be charged, they must be included with the quote.

Multiple Quotes

- a. All purchase order requests for individual or cumulative expenditures of more than \$5,000 shall be accompanied by three written quotes for each item to be purchased, or fewer quotes in the event there are a limited number of qualified vendors serving the Douglas market.
- b. Whenever possible, the quote should originate from the proposed vendor and be signed and dated as appropriate. For example, a vendor installing a new air conditioning system must provide a quote on their stationary describing all work, materials and warranties to be provided. If circumstances make this type of quote impractical, a photocopy from a catalogue or website with a detailed note from staff may be accepted.
- c. The CEO or assignee, may determine that alternative acceptable sources of pricing can be utilized if applicable. As an example, if a vendor is a single source, approved vendor under the State's Procurement system, a formalized bid may not be necessary in specific circumstances.

Formal Bids

All purchase order requests for individual or annual cumulative expenditures of more than \$50,000 shall be accompanied by all appropriate bid documentation, a detailed description of the work, a breakdown of costs including overhead and taxes and be accompanied by a formal bid request generated by the Douglas Community Housing Corporation staff or their management company. All procurements by bid shall be approved by the Douglas Community Housing Corporation CEO.

Formal bidding process shall include the following:

- a. Written description of services/materials sought, terms and conditions of the procurement (e.g. submission dates, location and requirements) to be distributed to interested bidders.
- b. Bids may be solicited in a public forum (e.g. newspaper) and/or may be requested of specific firms
- c. Formal evaluation process must be identified in the bid document
- d. Bid Review Team must be appointed and must conduct an evaluation of submitted bids.
- e. The Bid Review Team must generate a formal memorandum to the CEO outlining the bid process, submissions, evaluation and recommendation of the committee.
- f. The CEO will make all final decisions on bid awards

Lowest Reasonable and Responsible Price Quotes and Bids

- a. All expenditures priced through quotes or bids shall be awarded to the lowest reasonable and responsible bidder. Reasonable and responsible consideration may be based on agency experience with the vendor, documented reference checks, proposed timeline and price and completion of bid request or quote.
- b. If an expenditure is to be awarded to a bidder not providing the lowest price, a detailed memo explaining the factors considered in making this request, signed by the CEO, must be submitted with the purchase order / check request for consideration.

Request for Proposals (RFP) or Bids

- a. For services where experience, accreditation or other skill-based knowledge is a critical factor, proposals may be sought and projects may be awarded based on factors such as qualifications rather than cost.
- b. Formal bidding process shall include the following;
 - Written description of services/materials sought, terms and conditions of the procurement (e.g. submission dates, location and requirements) to be distributed to interested bidders.
 - Proposals may be solicited in a public forum (e.g. newspaper) and/or may be requested of specific firms.
 - Formal evaluation process must be identified in the bid document
 - A Proposal Review Team may be appointed to conduct an evaluation of submitted bids.
 - The Proposal Review Team must generate a formal memorandum to the CEO outlining the bid process, submissions, evaluation and recommendation of the committee.
 - The final decision on proposal awards will be made by a majority vote of the Board of Directors.

Construction Contracts

The Douglas Community Housing Corporation will identify qualified architects and negotiate the fee for services. The qualification of the Architect include current licensing, insurance and bonding, and experience designing affordable housing projects using federal funds. This process will also seek an architect with experience designing housing projects that serve special needs populations.

The Architect will develop drawings, schematics and construction documents that comply with all applicable codes (federal, state and local), including ADA and Section 504, and in compliance with the Institute of Civil Engineers ICE Conditions of Contract, or the NEC Engineering and Construction Contract. Upon the Douglas Community Housing Corporation approval, the Architect will prepare the Request for Proposals which will include complete construction drawings, technical or service specifications and other pertinent contract documents needed to appropriately and completely describe the work to be performed. Compliance with Davis Bacon and Section 3 may apply. (These documents become a part of the construction contract awarded to the selected Contractor.) Upon approval of client, the architect will release the construction documents for publicly solicited bids, or to a selected list of qualified general contractors. The RFP may be transmitted by mail or FAX to interested contractors, or will be available for review through a commonly used local plan service providing construction documents for contractors in Southern Arizona.

The Douglas Community Housing Corporation supports and encourages the use of Minority and Women-Owned Businesses and businesses that hire disabled persons, and will promote adherence to Section 3 requirements. The RFP will allow a specified time for bidders to inspect the work, determine costs and compile a written response. The RFP may instruct bidders to provide a Base Bid and bids for alternate work items.

Contractors are required to submit firm written bids. The bid is required to be inclusive of all costs, including subcontractor costs for specific trade work. The bid is required to include the general contractor's fee and overhead costs. A detailed cost breakdown is required to be submitted with the bid to allow for cost comparison. All other documents requested in the RFP, including evidence of bonding and insurance, must be received by the Architect prior to award of the Contractor Agreement.

Cost and qualifications are the primary basis for the selection of the contractor. Prior to recommending a contractor be awarded the bid, research is conducted to ensure the contractor is not on HUD's list of de-barred contractors, that there are no unresolved complaints filed with the AZ Registrar of Contractors, and the contractor can comply with insurance and bonding requirements. The CEO and Architect reviews the bid results and qualifications of the contractor and, by majority vote of the Board, makes the final determination to award the contract. The Architect prepares the Construction Contract and assists the Douglas Community Housing Corporation in executing the completed contract. Upon signature by all parties, the Notice to Proceed will be issued.

The Subcontractor/Contractor Agreement, along with a recommendation of award or Notice to Proceed will be prepared by the Project Manager for signing by the CEO as the authorized signatory. Upon signature by all parties, the Notice to Proceed will be sent. Copies of the Agreements will be retained in the appropriate project or program file and in financial records. Once the contract is completed, a notarized lien release is required to be provided by the subcontractor/contractor at the time they receive payment for services for which a mechanic's lien could be recorded.

Exemptions to Procurement Guidelines

- a. Utilities connections, including fees and repeating billings, mileage, debt servicing and permits are exempt from procurement guidelines pertaining to competitive pricing.

- b. Mortgages and Rent paid on a repeating schedule are exempt from procurement guidelines pertaining to competitive pricing and the FRC review process.
- c. Insurance and health benefits must be procured at least one time every three years and may be secured through a multi- year contract.
- d. Emergencies
 - i. When the expenditure and the situation makes a purchase order request impractical and submit it to accounting with all back-up documentation.
 - ii. This documentation will serve as back-up material for payment of the expenditure.
 - iii. Staff will submit emergency expenditure documentation to the Finance Manager prior to disbursement.
- e. In specific and rare cases where the Douglas Community Housing Corporation staff have been working with a consultant, vendor or contractor and it would not be cost effective nor time efficient to go out to bid an exception may be considered by the CEO provided that all of the following have been documented:
 - i. Third party reviews of costs for reasonableness are documented
 - ii. If federal or governmental funds are involved, the funding sources have been notified and approve
 - iii. Time is of the essence
 - iv. the Douglas Community Housing Corporation Board approval is documented

Sole Source

- a. Purchases where no competition can be found (e.g. only one source exists) may be designated as a sole source and an expenditure approved.
- b. A memorandum from the originator describing the purchase and documenting efforts to solicit multiple prices shall be submitted for approval.
- c. A detailed description of the work, a breakdown of costs including overhead and taxes must be generated by originator of the request (Douglas Community Housing Corporation staff).

Suspension or Debarment by a Federal Entity or by the Douglas Community Housing Corporation

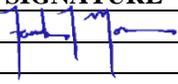
Purpose: Federal guidelines (FAR 9.405-2 and FAR 52.209-6) and the Douglas Community Housing Corporation prohibit subcontracting to an organization or an individual who is debarred, suspended, or proposed for debarment.

Scope: All staff will follow this procedure.

Procedure:

- A. Any transactions for any amount proposed with a federally debarred, suspended or proposed for debarment entity or individual will not be approved.
- B. It is the responsibility of the originating staff person to assure that this compliance requirement has been met. A list of such entities can be located at: Excluded Parties List System.
- C. In addition, the Douglas Community Housing Corporation may prohibit the use of certain vendors if past experience, legal action, or other factors warrant an exclusion. This list shall be maintained by the Douglas Community Housing Corporation's property management company.

Approved by legal. Being Ratified by Board of Directors next meeting.

REVIEWED/APPROVED	SIGNATURE	TITLE	DATE
Frank T. Moro		Managing Agent	9/10/20