



419 Cherry St., Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

**Agenda
Lansing Housing Commission
September 24, 2014**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of August 27, 2014
4. Action Items.
 - a) Resolution No.1210-Approval Resident Write-Offs August 1, 2014 to August 31, 2014
 - b) Resolution No. 1211 - Approval Budget Amendment 2015-01
 - c) Resolution No. 1212 - Capitalization Policy
 - d) Resolution No. 1213 - Procurement Policy
 - e) Resolution No. 1214 – Approval of Executive Director’s Performance Appraisal
5. Informational Items
 - a. Financial Reports
 - i. 2013 Audit Update Ramiro Salazar
 - ii. COCC Ramiro Salazar
 - iii. Low Income Public Housing
 - iv. Housing Choice Voucher
 - b. Housing Choice Voucher Report – Deb Baker
 - c. Asset Management Report – Rhonda Pagel
 - i. Mt. Vernon & Scattered Sites AMPs 102 Kendra Schmidtman
 - ii. Hildebrandt AMP 103 Rhonda Pagel
 - iii. LaRoy Froh AMP 111 Lisa Parsons
 - iv. South Washington AMP 112 Janell McLeod
 - d. Modernization Report Dona Davenport
6. Executive Director’s Comments.
7. President’s Comments.
8. Public Comment – limit 3 minutes per person.
9. Other Business.
10. Adjournment





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**Minutes of the August 27, 2014
Lansing Housing Commission Meeting**

PRESENT AT ROLL CALL: Commissioners Baltimore, Beverly, Frens, Joyce and Koppelman-Helvey

GUESTS:

STAFF:	Patricia Baines-Lake (by phone)	Rhonda Pagel	Lisa Parsons
	Andrea Wade	Melissa Witt	Edward Forrest
	Ramiro Salazar	Kris Whipple	Janell McLeod

Commissioner Baltimore called the meeting to order promptly at 5:30 p.m. Ms. Baines-Lake Commission Secretary attended by phone and called the roll.

Commissioner Beverly moved and Commissioner Joyce 2nd a motion to approve the minutes of the May 28, 2014 Board Meeting. **The Motion was approved by all members present.**

Commissioner Frens moved and Commissioner Beverly 2nd a motion to approve Resolution No. 1205-Approval Resident Write-Offs May 1, 2014 to May 31, 2014. **The Motion was approved unanimously.**

Commissioner Frens moved and Commissioner Joyce 2nd a motion to approve Resolution No. 1206-Approval Resident Write-Offs June 1, 2014 to June 30, 2014. **The Motion was approved unanimously.**

Commissioner Frens moved and Commissioner Beverly 2nd a motion to approve Resolution No. 1207-Approval Resident Write-Offs July 1, 2014 to July 31, 2014. **The Motion was approved unanimously.**

Commissioner Frens moved and Commissioner Joyce 2nd a motion to approve Resolution No. 1208-Approval to Submit 2014 SEMAP Certification. **The Motion was approved unanimously.**

Commissioner Beverly moved and Commissioner Frens 2nd a motion to approve Resolution No. 1209-Approval of Accounts payable Internal Accounting Control Policy **The Motion was approved unanimously.**



Written Informational Reports were provided as follows:

Financial Reports		Ramiro Salazar
Asset Management		Patricia Baines-Lake
Housing Choice Voucher Report		Patricia Baines-Lake
Modernization Report		Patricia Baines-Lake
Mt. Vernon	AMP 104	Kendra Schmidtman
Hildebrandt	AMP 103	Rhonda Pagel
LaRoy Froh	AMP 111	Lisa Parsons
South Washington	AMP 112	Janell McLeod

President Baltimore thanked Edward Forrest for a job well done during the absence of the Executive Director. He also indicated several entities have expressed an interest in purchasing the Oliver Tower building.

There being no other business, Vice-Chairperson Frens adjourned the meeting at 6:50 p. m.



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September 24, 2014

**Lansing Housing Commission
419 Cherry St.
Lansing, Michigan 48933**

HONORABLE MEMBERS IN SESSION:

SUBJECT:

Approval of Lansing Housing Commission's Account Receivable Write-Off's for August 2014 - Resolution No. 1210

RECOMMENDATION:

Staff recommends adoption of Resolution No.1210 which authorizes the finance division to write off accounts receivable on closed-out resident accounts as of the end of August 2014.

CONTACT PERSON:

Ramiro Salazar
Financial Manager
(517) 853.3066

SUMMARY:

This Resolution authorizes the finance division to write off **\$14,455.75** (the full amount of resident balances on accounts closed as of **August 31, 2014**). The previous three month's write-off balances were:

- **July 2014 - \$12,905.00**
- **June 2014 - \$15,857.50**
- **May 2014 - \$15,110.25**

BACKGROUND:

It is an industry practice to write off resident receivables which are deemed uncollectable. The uncollected account balances for residents that moved out of LHC's portfolio as of **August 31, 2014 total \$14,455.75**. This figure was computed by taking the Aged Receivables for all residents less the Aged Receivables for Active residents. A breakdown of accounts receivable categories relating to this write-off amount appears in Schedule (A). As required by our policy this report is updated and presented to you monthly for your approval.

FINANCIAL CONSIDERATION:

Writing off these receivables is an acknowledgement LHC's maximum exposure is **\$14,455.75** for outstanding rent and other charges due from residents who moved out of an LHC property as of **August 31, 2014**. All accounts receivable are sent to a collection agency that pursues restitution. The collection agency is paid a portion of the amount recovered. As such, the financial impact may be less than the amount written off.

POLICY CONSIDERATIONS:

This action is consistent with LHC's write off policy.

Respectfully Submitted,



Patricia Baines-Lake, Secretary to the Board
Lansing Housing Commission





419 Cherry Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

Resolution No. 1210

Adopted by the Lansing Housing Commission

September 24, 2014

BE IT RESOLVED BY THE LANSING HOUSING COMMISSION:

The Lansing Housing Commission is authorized to immediately write off **\$14,455.75** of resident account receivables as of August 31, 2014. Patricia Baines-Lake, in her capacity as Executive Director, or her designee is authorized to administer this resolution.


Chair

Yeas 4

Nays 0

Abstentions 0

Attest

Secretary

For Clerks Use Only

Resolution No: 1210
Date Adopted: 09/24/2014



Schedule A - Resolution 1210
August 2014 TAR Write-off Amounts

AMP	Amount	Monthly Rent	Rent	Retro Rent	Late Charge	Legal Charge	NSF Fee	Security Deposit	Maintenance
South Washington	\$ 1,407.00	\$ 62.00	\$ 1,307.00		\$ 100.00				
LaRoy Froh	\$ 1,942.00	\$ 373.00	\$ 1,056.00						\$ 886.00
LaRoy Froh	\$ 2,159.00	\$ 23.00	\$ 116.00		\$ 125.00	\$ 293.00			\$ 1,625.00
LaRoy Froh	\$ 366.00	\$ 341.00	\$ 341.00		\$ 25.00				
Hildebrandt	\$ 2,483.00	\$ 196.00	\$ 1,340.00	\$ 620.00	\$ 100.00				\$ 423.00
South Washington	\$ 1,592.00	\$ 94.00	\$ 676.00		\$ 192.00				\$ 724.00
LaRoy Froh	\$ 2,078.00	\$ 479.00	\$ 1,270.00						\$ 808.00
Hildebrandt	\$ 908.75	\$ 240.00	\$ 318.75		\$ 91.00	\$ 147.00			\$ 352.00
LaRoy Froh	\$ 1,520.00	\$ 513.00	\$ 1,520.00						
	\$ 14,455.75		\$ 7,944.75	\$ 620.00	\$ 633.00	\$ 440.00	\$ -	\$ -	\$ 4,818.00
Percent of Total Owed			55%	4%	4%	3%	0%	0%	33%



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September 24, 2014

**Lansing Housing Commission
419 Cherry St.
Lansing, Michigan 48933**

HONORABLE MEMBERS IN SESSION:

SUBJECT:

Approval of Lansing Housing Commission's Amendment 2015-01 of the FY2015 Operating Budget - Resolution No. 1211

RECOMMENDATION:

Staff recommends adoption of Resolution No.1211 which authorizes the Lansing Housing Commission to implement Budget Amendment 2015-01 to the FY2015 Operating Budget which is currently in effect.

CONTACT PERSON:

Ramiro Salazar
Financial Manager
(517) 853.3066

SUMMARY:

This Resolution authorizes Lansing Housing Commission to implement Operating Budget Amendment 2015-01 effective immediately. The amendment aids in the update and correction of particular budget line items in the Expense section of the Low Income Public Housing Operating Budget.

BACKGROUND:

It is an industry practice to amend operating budgets when certain budget line item deficiencies are identified or if significant expenditure/revenue forecasts are clarified during the fiscal year. There are two factors relating to this budget amendment that fall under both conditions:

- Health Plan costs for Fiscal Year 2015 have been clarified.
- Expense amounts relating to staff salaries and benefits and maintenance contracts were amended to more accurately portray the true costs expected in FY2015

In addition to the above, the budgeted amount for Payment in Lieu of Taxes has been reduced by \$42,000. This excess amount will not be redistributed amongst expenditure

line items, and it will be reflected in the budgeted amount of excess revenue over the expenses for LIPH in FY 2015. LHC continues to strive towards increasing the reserves generated by positive fund balances in the LIPH program.

Please see Attachment A for a specific breakdown of the amended expenditure line items relating to this Budget Amendment.

FINANCIAL CONSIDERATION:

Implementing this Amendment will properly redistribute funds between specified budgeted expenditures. It will also result in the increase of budgeted excess over revenue of \$42,000.00 in the LIPH Program.

POLICY CONSIDERATIONS:

There are no policy considerations

Respectfully Submitted, _____


Patricia Baines-Lake, Secretary to the Board
Lansing Housing Commission





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Resolution No. 1211

Adopted by the Lansing Housing Commission

September 24, 2014

BE IT RESOLVED BY THE LANSING HOUSING COMMISSION:

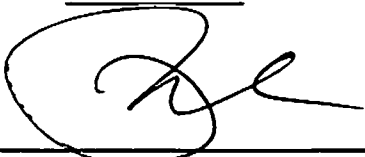
The Lansing Housing Commission is authorized to implement Budget Amendment 2015-01. Patricia Baines-Lake, in her capacity as Executive Director, or her designee is authorized to administer this resolution.


Chair

Yeas 4

Nays 0

Abstentions 0

Attest 
Secretary

For Clerks Use Only

Resolution No: 1211
Date Adopted: 09/24/2014



Lansing Housing Commission
Low Income Public Housing
Operating Budget 2015
Budget Amendment 2015-01

Low Income Public Housing		Consolidated	New Balance	Difference
FDS		FY2015		
70300	Net Tenant Rental Revenue	\$ 1,337,000.00	\$ 1,337,000.00	
70400	Tenant Revenue - Other	\$ 128,000.00	\$ 128,000.00	
70600	HUD PHA Operating Grants	\$ 3,160,000.00	\$ 3,160,000.00	
71400	Fraud Recovery	\$ 4,900.00	\$ 4,900.00	
71500	Other Revenue	\$ 12,000.00	\$ 12,000.00	
70600	Capital Fund 1406	\$ 258,482.00	\$ 258,482.00	
		\$ 4,900,382.00	\$ 4,900,382.00	
91100	Administrative Salaries	\$ 405,000.00	\$ 372,164.00	\$ (32,836.00)
91200	Auditing Fees	\$ 13,500.00	\$ 13,500.00	
91300	Management Fee	\$ 438,858.00	\$ 438,858.00	
91310	Book-keeping Fee	\$ 71,101.00	\$ 71,101.00	
91500	Employee Benefit contributions - Administrative	\$ 151,400.00	\$ 135,919.00	\$ (15,481.00)
91600	Office Expenses	\$ 30,000.00	\$ 30,000.00	
91700	Legal Expense	\$ 47,000.00	\$ 47,000.00	
91800	Travel	\$ 2,700.00	\$ 2,700.00	
		\$ 63,400.00	\$ 63,400.00	
92400	Tenant Services - Other	\$ 25,500.00	\$ 25,500.00	
93100	Water	\$ 349,000.00	\$ 349,000.00	
93200	Electricity	\$ 261,501.00	\$ 261,501.00	
93300	Gas	\$ 319,000.00	\$ 319,000.00	
93800	Recycling	\$ 88,000.00	\$ 88,000.00	
94100	Ordinary Maintenance and Operations - Labor	\$ 662,000.00	\$ 491,646.00	\$ (170,354.00)
94200	Ordinary Maintenance and Operations - Materials and Other	\$ 256,000.00	\$ 256,000.00	
94300	Ordinary Maintenance and Operations Contracts	\$ 816,480.00	\$ 1,041,994.00	\$ 225,514.00
94500	Employee Benefit Contributions - Ordinary Maintenance	\$ 297,900.00	\$ 291,057.00	\$ (6,843.00)
95200	Protective Services - Other Contract Costs	\$ 41,400.00	\$ 41,400.00	
96110	Property Insurance	\$ 122,000.00	\$ 122,000.00	
96120	Liability Insurance	\$ 65,000.00	\$ 65,000.00	
96130	Workmen's Compensation	\$ 25,000.00	\$ 25,000.00	
96140	All Other Insurance	\$ 56,000.00	\$ 56,000.00	
	Other General Expenses	\$ 111,000.00	\$ 111,000.00	
	Compensated Absences	\$ 35,000.00	\$ 35,000.00	
96300	Payments in Lieu of Taxes	\$ 79,000.00	\$ 37,000.00	\$ (42,000.00)
97100	Extraordinary Maintenance	\$ -	\$ -	
		\$ 55,000.00	\$ 55,000.00	
		\$ 4,887,740.00	\$ 4,845,740.00	\$ (42,000.00)
	Excess (Deficiency) of Revenue over Expenses	\$ 12,642.00	\$ 54,642.00	\$ 42,000.00



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September 24, 2014

**Lansing Housing Commission
419 Cherry St.
Lansing, Michigan 48933**

HONORABLE MEMBERS IN SESSION:

SUBJECT:

Approval of LHC's Capitalization Policy- Resolution No. 1212

RECOMMENDATION:

Staff recommends adoption of Resolution No.1212, which authorizes Patricia Baines-Lake, acting in her capacity as Executive Director, to implement the Capitalization Policy.

CONTACT PERSON:

Patricia Baines-Lake
Executive Director
(517) 372.7996

SUMMARY:

Approval of this resolution provides direction on the implementation of the Capitalization Policy for the Lansing Housing Commission ("LHC").

BACKGROUND:

LHC staff worked with Emerge Accounting, (Fee Accountant) to develop a Capitalization Policy which is compliant with HUD requirements and best practices. As a result of this collaboration the attached policy positions LHC to capitalize equipment, buildings and its physical plant(s) in a manner that is most advantageous to bottom line. In addition the policy provides direction to staff on how to record, validate, identify and inventory capitalized items.

This policy sets forth the Board's compliance expectations and provides guidance on implementation.

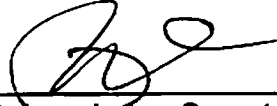
FINANCIAL CONSIDERATION:

There are not financial considerations.

POLICY CONSIDERATIONS:

One of the major governance responsibilities of the Board is to set policy for LHC. Approval of this policy is consistent with the Board's responsibility to exercise that governance responsibility.

Respectfully Submitted, _____



Patricia Baines-Lake, Secretary to the Board
Lansing Housing Commission





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Resolution No. 1212

Adopted by the Lansing Housing Commission

August 27, 2014

BE IT RESOLVED BY THE LANSING HOUSING COMMISSION:


The Lansing Housing Commission is authorized to implement the attached Capitalization Policy. Patricia Baines-Lake, in her capacity as Executive Director, or her designee is authorized to administer this resolution.


Chair

Yeas 4

Nays 0

Abstentions 0

Attest 
Secretary

For Clerks Use Only

Resolution No: 1212
Date Adopted: 09/24/2014





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**Lansing Housing Commission
Policy No. 2012**

Capitalization Policy and Valuation of Property and Equipment

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- VII. Capital Assets Defined
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- X. Expenditures – Capitalization vs Expense
- XI. Existence of Capital Assets
- XII. Valuation of Property

**Lansing Housing Commission
Capitalization Policy and Valuation of Property and Equipment**

I. Policy Statement

The Lansing Housing Commission capitalizes property and equipment which in general, has a useful life of more than one year and unit value of \$2,500.00 or more. The evaluation of property or equipment, whether purchased or constructed, is based on cost. The cost is determined by the cash distributed, by the fair market value of any asset given in exchange, or by the present value of any liability incurred. If property or equipment is acquired by gift, the valuation is the fair market value at the date of receipt of the gift, if determinable. Otherwise, an appraised value is used.

II. Scope

This policy applies to all fixed assets purchased by the Lansing Housing Commission regardless of the source of funds. Accurate records shall be maintained of the cost and accumulated depreciation of property, physical plant, and equipment. The acquisition of capital assets should be organized to ensure that no unauthorized acquisitions have been made and that records of each acquisition are accurate, complete, and recorded in the appropriate period.

III. Initiation of Requisitions for Plant, Property, and Equipment

- a. Requisitions for Fixed asset additions should be initiated by the user divisions/departments and provided for in either their operating budgets or capital budget depending on the source of funds that will be used for the acquisition.
- b. Capital purchases in excess of \$100,000.00 shall be approved by the Board of Commissioners, during the budget process or by the Board approved budget revisions.
- c. Capital purchases under \$100,000.00 shall be approved by the Contracting Officer or delegate.
- d. Approved capital purchases, shall be made by Purchase order or Check Request and approved by the Initiating Division/Department Manager and the Executive Director.

IV. Receipt and Identification of Capital Assets

- a. All property, physical plant and equipment items shall be identified upon receipt by the use of a pre-numbered tag.
- b. In addition:
 - i. The tag should be permanently affixed in a readily visible area.
 - ii. The property number on the tag should be recorded in the detailed fixed asset ledger.

V. Review of Purchase Price Variances

- a. For each capital item purchased, a comparison shall be made of the actual versus budgeted cost.
- b. Differences between budgeted and actual cost shall be explained by the initiating division/department director or purchasing officer and approved by the Executive Director.
- c. In addition, variances in excess of plus or minus 10 percent shall be explained to the Board of Commissioners.

VI. Maintenance of Detailed Fixed-Assets Ledgers

- a. Detailed fixed asset ledgers that are accurate and complete shall be maintained for the following classifications.
 - I. Land
 - II. Buildings
 - III. Building Improvements
 - IV. Furniture and Fixings - Dwellings
 - V. Furniture and Fixings – (COCC)
 - VI. Equipment - Dwellings
 - VII. Equipment – COCC
- b. The date of purchase, the asset's tag number, the cost, the location, and source of funding for the asset shall be recorded in the detailed fixed asset ledger.

VII. Capital Assets Defines

- a. Assets costing \$2,500.00 or more and that have useful lives of greater than one year shall be considered depreciable assets.
- b. Capital assets shall be carried in the accounting records at the original net acquisition cost. Less separate accounts for accumulated depreciation or depletion. Non-depreciable capital assets (e.g., land) shall be carried in the records at the original cost.
- c. Purchased items of property, physical plant, and equipment that meet the capitalization requirements are to be capitalized at the invoice price plus all charges incurred to prepare the assets for operation.
- d. Cost of acquisition or construction includes not only the contract or invoice price but also such cost as preliminary engineering studies and surveys. Legal fees to establish title, installation cost, sales tax, freight, labor, and material used in construction or installation.
- e. Cash discounts taken will be recorded as a reduction to the cost.

VIII. Postings and Reconciliation to General Ledgers

- a. Asset additions, disposals, and period depreciation shall be posted to the detailed ledger regularly.

- b. On a periodic basis, the detailed fixed asset ledger should be reconciled with the general ledger or asset cost and accumulated depreciation
- c. Any differences disclosed by the reconciliation should be investigated and resolved. The result of the reconciliation shall be reviewed and approved by finance before any adjustments to the account are recorded, such a review shall be evidenced by signature.

IX. Capitalization of Expenditures While Building

- a. Expenditures made by LHC while building a capital asset shall be capitalized.
- b. Expenditures such as those for materials, labor, engineering, supervision, employee salaries and expenses, legal expenses, insurances, and interest shall be capitalized as construction – in – progress until the project is completed and placed in service no depreciation should be taken on construction – in – progress.
- c. Periodically during construction, a comparison should be made between, projected and actual expenses incurred. Appropriate approvals should be obtained if cost will exceed budgets.

X. Expenditures-Capitalization vs Expense

- a. Repair expenses should be distinguished from expenditures for improvements, additions, renovations, alterations, and replacements.
- b. Expenditures are repair expenses if they do not materially add to the value of the property and do not materially prolong the life of the property.

Examples of repair expenses are:

- i. Replacing loose or damaged roof tiles.
- ii. Replacing broken glass.
- iii. Painting and decorating a common area.
- iv. Resurfacing a parking lot.
- v. Making temporary repairs to last less than one year.
- vi. Making minor repairs to fully depreciate assets.

- c. Repair costs that increase the value of property, prolong its life, or adapt it to new or different use are capital expenditures. If the life of the asset has been significantly extended, the remaining original cost and the repair cost should be depreciated over the new life.

Examples of repair expenditures that are capital expenditures are:

- i. Replacing floors.
- ii. Replacing a roof, thereby substantially prolonging its life.
- iii. Reconditioning machinery, thereby extending its life.
- iv. Replacing an auto's or trucks engine.
- v. Installing a new heating system.
- vi. Major renovations to the interior of a building, thereby prolonging its life.

- vii. Major renovations to the exterior of a building, thereby prolonging its life.
- d. Other expenditures that may be capitalized:
 - i. Land improvements that depreciate over time (e.g., parking lots)
 - ii. Structural changes or alterations to LHC owned buildings, which become part of a building and increase its life or value.
 - iii. Significant improvements to property leased by the company
 - iv. improvements that add value to the leasehold (e.g., permanent office partitions)

XI. Existence of Capital Assets

- a. LHC shall conduct a physical count of all capital assets at least once every three years to ensure that all recorded assets exist and are in use for operations.
- b. An employee who is not responsible for the custody or record keeping of the assets, should conduct an actual count.
- c. The inventory of the assets on hand should be compared to the detailed ledger. Differences should be reviewed and approved, by the executive director or designee, before account adjustments are recorded. A signature should evidence such review.
- d. Significant differences should be explained to the Board of Commissioners.

XIII. Valuation of Property

Capitalization and Valuation of Property and Equipment

Property Accounting requires the inventory control and capitalization of appropriate expenditures for each of the following major asset classes.

Moveable Equipment (personal property)

Equipment

- Equipment groups

Real Property

- Buildings (including fixtures)
- Construction - in – process
- Improvements to land other than buildings
- Land

Leasehold Improvements

In the event it becomes applicable, improvements such as buildings and other structures, walkways, and permanently installed equipment located on property leased to LHC shall be capitalized. Leasehold improvements shall be included under any major asset category except land and construction - in – process.

Permanent improvements to leased assets are those items which cannot be removed without causing substantial damage to the leased asset from which the leasehold improvement is removed. Assets which are merely located on leased property, rather

than permanently installed, are recorded using the appropriate inventory tags with a location reference, and shall be listed as inventory accordingly in the General Ledger.

Moveable Equipment (Personal Property)

Moveable equipment for and controlled by individual pieces of equipment.

All tangible personal property is, in general, considered moveable equipment if it has a useful life expectancy of one year or more and a unit value of \$2,500.00 or more. This includes additions or enhancements that increase the useful life or productivity of the equipment. An item of personal property is considered equipment if it meets the criteria:

- a. Has a useful life expectancy of one year or more. Articles that are excluded as equipment are those which by their nature have a useful life of less than one year, show a material change or appreciable depreciation upon the first usage.
- b. Has unit value of \$2,500.00 or more.
- c. Is complete in itself. Articles, which lose their identity or become part of something else, are excluded as individual items of equipment. They may, however, be an enhancement and thus change the value of an existing piece of equipment.
- d. Is not part of a group of equipment (see "Equipment Group" in this section).
- e. Is not permanently attached to the building or grounds of any LHC facilities as a fixture improvement.

Acquisition Valuation

Constructed - Valued at the total of all identifiable direct costs. Direct costs are to include labor, drawings, blueprints, component parts, materials, and supplies consumed in construction.

Gift – Valued at fair market value at the date of acquisition. The fair market value is usually determined by appraisals performed by outside experts, by a LHC employee or affiliate with expert knowledge about the asset(s), or by values established by courts for assets received from the estate of a donor.

Installation Cost – When material in amounts, the cost of installation, initial inspection, testing, and similar expenses are included in the acquisition valuation.

Purchased – Valued at the net amount paid (invoice prices less all discounts). Freight should also be included if shown on the invoice, or if readily available on related freight bills. Trade-in allowances are not deducted in determining the asset value. Finance charges are not included. ✓

Disposal Valuation

Removal of Equipment – The value of equipment removed from inventory is the unit value carried on the account record less depreciation.

Equipment Groups

There are only two groups recognized:

1. Vehicles, (For Office or Maintenance Use)
2. Non-dwelling Equipment Furniture

Maintenance Tools – Includes equipment and tools individually valued over \$2,500.00

Real Property

Buildings and Fixtures

Buildings - are permanent structures to house persons and/or personal property. The cost of building includes the cost of the structure itself plus the cost of all permanent equipment, components, and fixtures necessary for the intended use of the structure. Buildings are accounted for and controlled by individual building structures.

Fixtures - are all permanently attached equipment, components, machinery, and other furnishings that cannot be removed without cutting into walls, ceilings, floors, or otherwise damaging the buildings or the items being removed. All fixtures are included in the valuation of the building. No attempt is made to identify those components which are known to have a service life less than the building, such as air conditioning systems, heating systems, plumbing systems, electrical wiring, lighting fixtures, elevator systems, cabinets shelving, etc.

Fixtures are considered movable equipment if they can be removed from the building without the need for costly or extensive repairs or alterations to make the space useable for other purposes.

Improvements and Additions – An improvement or addition is the adding of something to the asset structurally, such as a fixture or a component that did not exist previously. When there is an improvement or addition of an asset, the increased value of the asset is capitalized.

Increase in Valuation – The value added for additions is the cost determined in the same way as for new acquisitions or construction. The value of the asset is reduced by the value of any component or structure removed when the value of the removed portion is significant. If the value of the old structure or component cannot be determined, an estimated fair market value is determined, and asset's valuation adjusted accordingly.

Acquisition Valuation

Construction – When buildings are constructed, all identifiable direct costs are included in the valuation. Direct costs include all labor, material, and professional services to construct the building, together with insurance, interest, and other cost incurred during the period of construction to put the building into its intended use. If the building is constructed by LHC's own labor force, the cost includes all appropriate labor cost as well.

Purchase or Donated – When buildings are purchased or acquired by gift the valuation method is the same as for land.

Construction – in – Process

The cost of buildings or other fixed assets (capital projects) that are under construction at a balance sheet date are included on the balance sheet as "construction – in – process." Construction – in – process represents a temporary capitalization of labor, materials and equipment of a construction project.

When the constructed asset is put into use, cost in construction – in – Process account are classified to one or more of the other major assets categories and corresponding reductions must be made to the construction – in – process account.

Depreciation is not calculated for assets under construction.

Accountability – Construction is accounted for by project and, when completed, costs are transferred to either buildings and/or improvements as applicable.

Valuation – the cost included in construction – in – process are the total project – to – date expenditures together with the related accounts payable, insurance premiums, interest and other related costs.

Improvements to Land other than Buildings

To prepare land for its intended use, additional acquisition cost may be encountered. These include roads, bridges, drainage systems, tunnels, power lines, walks, sanitation systems, sidewalks, paving, fences, curbs, approaches, landscaping, and similar item. All improvements are an integral part of the land and are necessary to prepare the land for its use. Improvements to land, other than buildings, are accounted for individually or as a single group or class within an entity. Improvements are valued at cost, at fair market value, or at an appraisal value as the situation may require.

Land – Land is defined as non-expendable, real property. It is ground to which LHC holds the title. Land is accounted for and controlled by tracts or parcels which are identified by their legal descriptions.

Acquisition Valuation

Assets Acquired Together - When land, buildings and improvements are acquired together the total cost is allocated among the individual assets on the basis of fair market value or appraisal.

Cost of Demolished Buildings – The decision to demolish a building at the time of site acquisition results in an assignment of the building's value and demolition cost to the cost of the land. This decision is based on the intended use of the acquired building. Any decision to demolish a building after site acquisition; results in the cost of demolition being assigned to the cost of new construction and the building being written off. If no new construction is intended, the demolition cost involved should be expensed.

Eminent Domain – Land acquired by eminent domain is valued at the amount of the award made to the landholders by the court. Other costs are the same as for purchased land.

Gift – When land is acquired by gift, the land cost is the fair market value at the time of acquisition. The fair market value is usually determined by appraisals performed by outside experts; by LHC employees with expert knowledge about the assets, or by values established by courts for assets received from the estate of a donor. The costs are the same as for purchased land.

Purchased – When land is purchased, the valuation includes the price of the land itself, any cost incurred in its acquisition, and any cost necessary to prepare the land for its intended use. This cost includes such items as legal, title, and brokers' fees; filing; clearing; and grading. Improvements such as streets, sidewalks, fences, etc..., are included in the cost of improvements to land other than buildings.

Repairs, Maintenance, Remodeling, and Replacements

Repairs, maintenance, remodeling, and replacements are normally expensed and not capitalized.

Repairs and Maintenance - Repairs and maintenance are activities performed to obtain the expected service life of an asset. Repairs put an asset back into normal or expected operating condition. Maintenance keeps an asset in normal or expected operating condition on a regular basis.

Remodeling – Remodeling may increase the usefulness of an asset. If remodeling results in a significant increase in the usefulness or service life, the requirements shown in the "Buildings and Fixtures" or "Improvements to Land Other than Buildings," sections are used.

Replacements – The initial cost of fixtures and component parts of an asset are capitalized when acquired. Such fixtures and component parts may have a useful life that is less than the asset. When these fixtures and component parts are replaced, they are expensed. If the replacement results in a significant increase in the usefulness and service life of the asset, the "Buildings and Fixtures" or "Improvements to Land Other than Buildings," section is followed.



419 Cherry Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

September 24, 2014

**Lansing Housing Commission
419 Cherry St.
Lansing, Michigan 48933**

HONORABLE MEMBERS IN SESSION:

SUBJECT:

Approval of LHC's Revised Procurement Policy- Resolution No. 1213

RECOMMENDATION:

Staff recommends adoption of Resolution No.1213, which authorizes Patricia Baines-Lake, acting in her capacity as Executive Director, to implement the attached Revised Procurement Policy.

CONTACT PERSON:

Patricia Baines-Lake
Executive Director
517.372.7996

SUMMARY:

Approval of this resolution provides direction on the implementation of Lansing Housing Commission's ("LHC's") revised Procurement Policy.

BACKGROUND:

LHC staff worked with Emerge Accounting, (Fee Accountant) to revise its Procurement Policy to ensure it was updated so as to represent current best practices and compliant with HUD requirements. As a result of this collaboration the attached policy achieves this goal.

Staff received extensive procurement training in August 2013 which is consistent with the changes in this revised Procurement Policy. As such, staff is immediately prepared to implement this policy.

FINANCIAL CONSIDERATION:

There are not financial considerations.

POLICY CONSIDERATIONS:

One of the major governance responsibilities of the Board is to set policy for LHC. Staff compliments the Board's governance responsibility by periodically reviewing and updating policies for review and approval by the Board. Approval of this policy is consistent with the Board's responsibility to exercise that governance responsibility.



Respectfully Submitted,

Patricia Baines-Lake, Secretary to the Board
Lansing Housing Commission





419 Cherry Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

Resolution No. 1213

Adopted by the Lansing Housing Commission

September 24, 2014

BE IT RESOLVED BY THE LANSING HOUSING COMMISSION:


The Lansing Housing Commission is authorized to implement the attached Revised Procurement Policy. Patricia Baines-Lake, in her capacity as Executive Director, or her designee is authorized to administer this resolution.


Chair

Yeas 4

Nays 0

Abstentions 0

Attest 
Secretary

For Clerks Use Only

Resolution No: 1213
Date Adopted: 09/24/2014



419 Cherry St. Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

**Lansing Housing Commission
Policy No. 2010-6
Procurement Policy**

Overview

This Procurement Policy complies with the Annual Contributions Contract ("ACC") between Lansing Housing Commission ("LHC") and the U. S. Department of Housing and Urban Development ("HUD"), Federal Regulations (**24 CFR 85.36**), the procurement standards of the Procurement Handbook for Public Housing Agencies, HUD Handbook 7460.8, Rev2, and applicable State and Local laws.

General Provisions

The LHC shall:

- provide procurement system of quality and integrity;
- provide fair and equitable treatment of all persons or firms involved in purchasing by LHC;
- ensure supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to LHC;
- promote competition in contracting; and
- ensure purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.

Application

This Procurement Policy applies to all procurement actions of LHC, regardless of the source of funds, except as noted under "exclusions," below. However, nothing in this Policy shall prevent the LHC from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law.

When both HUD and non-Federal grant funds are used for a project, the work accomplished with the funds should be separately identified prior to procurement so that appropriate requirements can be applied, if necessary. If it is not possible to separate the funds, HUD procurement regulations shall be applied to the total project. If funds and work can be separated and work can be completed under separate contracts, then regulations applicable to the source of funding may be followed.

Definition

The term "procurement," as used in this Policy, includes the procuring, purchasing, leasing, or renting of:

1. Goods, supplies, equipment, and materials,

2. Construction and maintenance; consultant services.
3. Architectural and Engineering ("A/E") services,
4. Social Services and
5. Other Services.

Exclusions

This policy does not govern administrative fees earned under the Housing Choice Voucher ("HCV") program, the award of vouchers under the HCV program, the execution of Housing Assistance Payment contracts under that program, or non-program income, e.g. fee-for-service revenue under (24 CFR Part 990). These excluded areas are subject to applicable State and local requirements.

Changes in Law and Regulations

In the event an applicable law and/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 these Policies, automatically supersede these policies.

HUD and Board Approval of Procurement Actions

LHC Board of Commissioners' approval, by resolution, is required for all procurement actions above \$100,000.00. The Executive Director or designee must receive Board approval of each contract or contract modification that increases the value of the contract amount by ten per cent (10%) or more. HUD approval is also required for contract modifications, if 10% or more; or for changes in the scope of work. Further, LHC's Board of Commissioners' approval is required for all contract previously approved by the Board when a contract modification extends the contract term of the contract for forty-five (45) or more calendar days.

Although extending the contract after it has expired is discouraged as a poor business practice, on the rare occasions this action is deemed in the best interest of LHC a written explanation of the reason the contract was not timely extended shall be submitted to the Contracting Officer. A contract terminated by LHC for cause or convenience may only be renewed or extended with the approval of the Board of Commissioners.

Delegation of Contracting Authority

The LHC Board of Commissioners' has designated the Executive Director as LHC's Contracting Officer. The Executive Director is responsible for ensuring that LHC's procurement actions comply with this Policy. The Executive Director may delegate all or some procurement authority as is necessary and appropriate to conduct the business of the Commission. The Executive Director shall delegate Contract Authority in writing. The delegation document shall state the scope and limitations of authority. Changes in the scope or limitations shall be made in writing by amendment to the existing delegation or by issuance of a new delegation.

Each Delegation of Authority shall clearly state the position's limit of authority.

Further, and in accordance with this delegation of authority, the Executive Director shall ensure that the Procurement Policy is followed. The Executive Director shall also establish a system of sanctions for violations of the ethical-standards described in Page 6 & 7 of this policy, consistent with Federal, State, or local law.

The Executive Director or designee (s) shall ensure:

1. Contracts and modifications are in writing and clearly specify the desired supplies, services, or construction, and are supported by sufficient documentation.
2. Procurement requirements are subject to an annual planning process to assure efficient and economical purchasing.
3. For contracts exceeding \$100,000, one (1) or more public advertisement (s) shall be made over a minimum of 10 business days. Contractor/vendor preparation and submission of bids or proposals shall be allowed a minimum of 10 business days.

Solicitation procedures are conducted in full compliance with the Federal standards set forth at 24 CFR 85.36

4. An independent cost estimate shall be prepared before solicitation for all procurement actions that exceed \$2,000.
5. A cost or price analysis is conducted on responses for all procurement actions that exceed \$2,000.
6. Contract awards are made to the lowest responsive responsible bidder. In the case of Requests for Proposals or quotes, contract awards are to be made only to the offeror whose proposal or quote offers the greatest value to LHC, considering the evaluation criteria stated in the solicitation.
7. Notice of award is available to the public.
8. Unsuccessful firms are notified.
9. Work equipment, or service is inspected/reviewed and accepted/approved prior to payment.
10. LHC complies with all applicable HUD review requirements.

Public Access to Procurement Information

Most procurement information that is not proprietary is a matter of public record and shall be available to the public to the extent provided in the Michigan Freedom of Information Act.

Ethics in Public Contracting

The LHC hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct is consistent with applicable Federal, State or local laws and LHC's Ethics Policy.

Conflicts of Interest

No employee, officer, Board member or agent of the LHC 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:

- A. An employee, officer, Board member, or agent involved in making the award;
- B. 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, step-father, step-mother, step-son, step-daughter, half- brother, half-sister, grandparents or grandchildren);
- C. His/her partner; or
- D. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Gratuities, Kickbacks, and Use of Confidential Information

No officer, employee, Board member, or agent shall ask for or accept gratuities, favors, or items of more than \$20.00 in value from any contractor, potential contractor, or party to any sub-contract, and shall not knowingly use confidential information for actual or anticipated personal gain.

Prohibition Against Contingent Fees

Contractors wanting to do business with the LHC must not hire a person to solicit or secure a contract or a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies

Procurement Planning

Planning is essential to managing the procurement function. Hence, LHC will periodically review its record of prior purchases, as well as future needs, to:

- Find patterns of procurement actions that could be performed more efficiently or economically
- Maximize competition and competitive pricing among contracts and decrease LHC's procurement costs
- Reduce the Commission's administrative costs;
- Ensure supplies and services are obtained without any need for re-procurement, e.g. resolving bid protests;
- Minimize errors that occur when there is inadequate lead time.
- Give priority consideration to rehabilitation of vacant rental units.
- Prioritize capital projects that are already underway and require additional funds, or are included in the Five-Year Capital Fund Acton Plan.

Consideration should be given to storage, security, and handling requirements when planning the most appropriate purchasing actions.

Procurement Methods

LHC will select one of the following methods of procurement for all procurement actions based on the nature and anticipated dollar value of the total requirement. As previously provided, procurement actions exceeding \$100,000 must have approval of the LHC Board of Commissioners.

- | | |
|----------------------|---|
| 1. \$0-\$100 | Petty Cash |
| 2. \$101-\$2000 | Micro Purchase |
| 3. \$2,001- \$99,999 | Small Purchase |
| 4. \$100,000 and up | Sealed Bids/Proposals-Board Approval Required |

Petty Cash Purchases:

Purchases under \$100.00 may be handled through the use of a petty cash account. Petty Cash Accounts may be established in an amount sufficient to cover small purchases made during a reasonable period, e.g. one month. LHC shall ensure security is maintained and only authorized individuals have access to the account petty cash accounts. These accounts should be reconciled and replenished periodically.

Micro Purchases:

Purchases over \$100.00 and less than \$2,000.00 are considered Micro Purchases. Only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources. Quotes may be obtained orally (either in person or by phone), fax, in writing, or through e-procurement. Award shall be made to the qualified vendor that provides the best value to the LHC. If award is to be made for reason other than lowest price, documentation shall be provided in the contract file.

The LHC shall not break down requirements aggregating more than the small purchase threshold or the Micro Purchase threshold) into several purchases that are less than the applicable threshold merely to:

1. Permit use of the small purchase procedures or;
2. Avoid any requirements that apply to purchases that exceed the Micro Purchase threshold.

Small Purchase Procedures and Positional Spending Limits

For any amounts above the Micro Purchasing ceiling (\$2001.00), but not exceeding \$99,999.00 the LHC may use small purchase procedures. Under small purchase procedures, the LHC shall obtain a reasonable number of quotes (preferably three).

Sealed Bids

Sealed bidding shall be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the LHC publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsible bidder whose bid, conforming with all the material terms and conditions of the Invitation for Bid ("IFB"), is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$100,000.

A. Conditions for Using Sealed Bids: LHC shall use the sealed bid method if the following conditions are present:

- Procurement action exceeds the small purchase threshold of \$100,000
- A complete, adequate, and realistic statement of work, specification, or purchase description is available
- Two or more responsible bidders are willing and able to compete effectively for the work;
- The contract can be awarded based on a firm fixed-price;
- The selection of the successful bidder can be made principally on the basis of price.
- Construction Contracts above the small purchase threshold

B. Solicitation and Receipt of Bids: An IFB is issued , when it includes the specifications and all contractual terms and conditions applicable to the procurement, and a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the solicitation. The IFB must state the time and place for both receiving the bids and the public bid opening. All bids received will be date and time-stamped and stored **unopened** in a secure place until the public bid opening. A bidder may withdraw the bid at any time **prior** to the bid opening.

C. Bid Opening and Award: Bids shall be opened publicly. All bids receive shall be recorded on an abstract (tabulation) of bids, and then made available for public inspection. If equal low bids are received from responsible bidders selection shall be made by drawing lots or other similar random method. The method for doing this shall be stated in the IFB. If only one responsive bid is receive from a responsible bidder, award shall **not** be made unless the price can be determined to be reasonable, based on a cost or price analysis. The successful bidder and all unsuccessful bidders shall be notified in writing.

D. Mistakes in Bids: Correction or withdrawal of bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the IFB prior to the time set for bid opening. After bid opening, corrections in bids may be permitted only if the bidder can show by clear and convincing evidence that a mistake of a non-judgmental

character was made, the nature of the mistake, and the bid price actually intended.

A low bidder alleging a non-judgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.

All decisions to allow correction or withdrawal of a bid shall be supported by a written determination signed by the Contracting Officer. After bid opening, changes in the bid prices or other provisions of bids prejudicial to the interest of the LHC or fair competition shall **not** be permitted.

The Executive Director, or designee, may waive any irregularity if it is determined the waiver is in the best interest of LHC.

Competitive Proposals

Unlike sealed bidding, the competitive proposal method permits; consideration of technical factors other than price; discussion with bidders concerning offers submitted; negotiation of contract price or estimated cost and other contract terms and conditions; revision of proposals before the final contractor selection; and the withdrawal of an offer at any time up until the point of award.

Award is normally made on the basis of the proposal that represents the best overall value to the LHC, considering price and other factors, e.g. technical expertise, past experience, quality of proposed staffing, etc. set forth in the solicitation and not solely the lowest price.

A. Conditions for Use: Where conditions are not appropriate for the use of sealed bidding, competitive proposals may be used. Competitive proposals are the preferred method for procuring professional services. Generally, the competitive proposal method should be used whenever any of the following conditions exist.

- The work is not definite enough to accurately estimate the total cost of the contract and the contract may require contingency cost.
- The nature of the requirement is such that LHC needs to evaluate more than just the price to ensure the prospective contractor understands LHC's requirements and can successfully complete the contract.
- The requested work or a service lends itself to different approaches from prospective contractors in accomplishing the work.

B. Form of Solicitation: Other than A/E services, competitive proposals shall be solicited through the issuance of a RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any sub-factors and price. A mechanism for fairly and thoroughly evaluating the

technical and price proposals shall be established **before** the solicitation is issued.

Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals until after the award. The LHC may assign price a specific weight in the evaluation criteria or the LHC may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.

The RFP shall state the date and time of the proposals are due. Proposals, which for any reason are not delivered timely, will not be considered and will be returned unopened. LHC staff designated to receive proposals will determine when the deadline for receipt of proposals has expired. No responsibility will be attached to an officially designated LHC officer, employee, or agent of LHC for not recognizing or receiving a proposal which is not properly marked, addressed, or delivered to the submission place, in the submission method, by the submission date and time.

- C. Evaluation:** The proposal shall be evaluated only on the criteria stated in the RFP. Where not apparent from the evaluation criteria, the LHC shall establish an Evaluation Plan for each RFP. Generally, all RFP's shall be evaluated by an appropriately appointed Evaluation Committee. The Evaluation Committee shall be required to disclose any potential conflicts of interest and to sign a Non-Disclosure statement. An Evaluation report, summarizing the results of the evaluation, shall be prepared prior to the award of a contract.
- D. Negotiations:** Negotiations may be conducted with any offerors who submit a proposal determined to have a reasonable chance of being selected for award. This determination is based on the relative score of the proposals as they are evaluated and rated in accordance with the technical and price factors specified in the RFP. These offerors shall be treated fairly and equally with respect to any opportunity for negotiation and revision of their proposals. No offeror shall be given any information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. A common deadline shall be established for receipt of proposal revisions based on negotiations.

Negotiations are exchanges (in either a competitive or sole source environment) between LHC and offerors that are undertaken with the intent of allowing the offeror to revise its proposal. These negotiations may include bargaining. Bargaining includes persuasion, alteration of assumptions and positions, give and take, and may apply to price, schedule, technical requirements, type of contract or other terms of a proposed contract. When negotiations are conducted in a competitive acquisition, they take place after establishment of the competitive range and are called discussions. Discussions are tailored to each offeror's proposal, and shall be conducted by the contracting officer with each offeror within the competitive range.

The primary objective of discussions is to maximize LHC's ability to obtain the best value, based on the requirements and the evaluation factors set forth in the solicitation. The contracting officer shall indicate to, or discuss with, each offeror still being considered for award, significant weaknesses, deficiencies, and other aspects of its proposal (such as cost, price, technical approach, past performances, and terms and conditions) that could, in the opinion of the contracting officer be altered or explained to enhance materially the proposer's potential for award.

The scope and extent of discussions are a matter of the contracting officer's judgment. The contracting officer or designee may inform an offeror that its price is considered by the LHC to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible to indicate to all offerors the cost or price that the agency's price analysis, market research, and other reviews have identified as reasonable. "Auctioning" (revealing one offeror's price in an attempt to get another offeror to lower their price) is prohibited.

- E. Award:** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualification, price and/or any other factors considered, are most advantageous to the LHC provided the price is within the maximum total project budgeted amount established for the specific service. Award is normally made on the basis of the proposal that represents the best overall value to LHC, considering price and other factors (e.g. technical expertise, past experience, quality of proposed staffing, etc.) set forth in the solicitation and not solely the lowest price.
- F. A/E Services:** If the design warrants the use of an Architect or Engineer, under any grant funded program, LHC may solicit A/E services using qualifications-based selection (QBS) procedures, utilizing a Request for Qualifications (RFQ) or, as allowable per Michigan State law, LHC may solicit A/E services using the Request for Proposals method. Sealed bidding shall not be used for A/E solicitations.

Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures **shall not** be used to purchase other types of services with the exception of Mixed Finance Developers.

Developers-Joint Venture Partners: The QBS method may also be used to select a development partner, where price is negotiated with the highest-ranked offeror based on response to an RFQ. LHC shall follow all requirements and additional guidance governing the selection of a developmental partner as listed in 24CFR941.602 (d) 1 of the Mixed Finance Interim Rule.

Litigation Services: In addition to the methods listed above, the HUD Litigation Handbook 1530.1 REV-5 sets thresholds for Regional Counsel and Headquarters Program Associate General Counsel approval of litigation service contracts.

With exception of litigation involving LHC acting as a Section 8 private developer, LHC must submit to HUD Regional Counsel for prior written concurrence any litigation service contracts expected to exceed \$100,000 with a private attorney involving LHC program, project, or activity receiving loan, grant, or other subsidy assistance from HUD. Such contracts shall make a provision for reasonable fees and reimbursement of necessary expenses. If additional funding or budget revision will be required to cover the cost of litigation services, LHC shall consult appropriate Field and Regional Office staff.

Non-competitive Proposals

A. Conditions for Use: Procurement by non-competitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

1. The item is available only from a single source, based on a good faith review of available sources;
2. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the LHC, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, and/or construction, such that the need cannot be met through any of the other procurement methods, and the emergency procurement shall be limited to those supplies, services, and/or construction necessary simply to meet the emergency;
3. No HUD pre-award is required for non-competitive proposals as stated in Section 8.4 © of the HUD Procurement Handbook. However, LHC must make available upon HUD request LHC's Procurement Policy and any other documents requested related to the procurement activity as stated in 24 CFR 85.36 (g) or after solicitation of a number sources, competition is determined.

A single response to a competitive procurement, either an RFP or RFQ does not constitute sole source procurement. LHC may award a contract based on a sole response and shall document the files to demonstrate that the procurement was appropriately advertised and the procurement was determined to be fair and reasonable.

B. Justification: Each procurement based on non-competitive proposals shall be supported by a written justification for the selection of this method. The justification shall be approved in writing by the responsible Contracting Officer. Poor planning or lack of planning is not justification for emergency or sole source procurements. The justification, to be included in the procurement file, should include the following information:

1. Description of the requirements;
2. History of prior purchases and their nature (competitive vs. non-competitive);
3. The specific exception in **(24 CFR 85.36 (d) (4) (I) (A))** through **(D)** which applies;
4. Statement of the unique circumstances that require award by non competitive proposals;
5. Description of the efforts made to find competitive sources (advertisement in trade journals or local publications), phone calls to local suppliers, issuance of a written solicitation, etc.);
6. State the efforts that will be taken in the future to promote competition for the requirement;
7. Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer); and
8. Price Reasonableness. The reasonableness of the price for all procurements based non-competitive proposals shall be determined by performing an analysis, as described in this Policy.

Emergencies

An exigent or emergency purchase may be made when an exigent or emergency situation exists. An exigent condition is a situation or condition requiring immediate aid or action. Examples include a pending natural disaster, an equipment failure such as fire safety or elevator malfunction. An emergency condition is an immediate threat to the health and safety of the residents or employees of the LHC. **Only the Executive Director or his/her designee shall be authorized to declare an exigent or emergency condition.**

Exigent and/or emergency procurement actions shall be limited to only those supplies, services, or major repairs to abate and or cure the exigent condition or emergency. When taking such actions the procurer must attempt to get the best product for the least cost while considering the time sensitive nature of the situation.

The exigent condition or emergency should be completed as soon as possible. Within twenty four (24) hours after the exigent condition or emergency is abated, the Contracting Officer shall ensure the proper documentation for the supplies, services, or construction is submitted. Documentation of the exigent condition or emergency condition shall be maintained separately in the Procurement Division's files.

Cooperative Purchasing/Intergovernmental Agreements

LHC 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 interagency agreement instead of conducting a direct procurement shall be based on economy and efficiency. If used, the interagency agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions.

The LHC may use Federal or State excess and surplus property instead of purchasing new equipment and property if feasible and if it will result in a reduction of project costs. The goods and services obtained under a cooperative purchasing agreement must have been procured in accordance with **(24 CFR 85.36)**.

Individual Cost Estimate ("ICE")

For all purchases above the Micro Purchase threshold, the LHC shall prepare an ICE prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

Cost and Price Analysis

The LHC shall require assurances that, before entering into a contract, the price is reasonable, in accordance with the following instructions.

Petty Cash and Micro Purchases

No formal cost or price analysis is required; Rather, the execution of a contract by the Contracting Officer (through a Purchase Order or other means) shall serve as the Contracting Officer's determination that the price obtained is reasonable, which may be based on the Contracting Officer's prior experience or other factors.

Small Purchases

A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the Contracting Officer shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the Contracting Officer's personal knowledge at the time of purchase, comparison to the ICE, or any other reasonable basis.

Sealed Bids

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, and when the bid received is substantially more than the ICE, and were LHC cannot reasonably determine price reasonableness, LHC must conduct a cost analysis, consistent with federal guidelines, to ensure the cost paid is reasonable. LHC may use alternative methods of determination price reasonableness as noted in the HUD Procurement Handbook, Rev 2.

Competitive Proposals

The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient bids are not received, LHC must compare the price with the ICE. For competitive proposals where prices cannot be easily compared among offerors, where there is not adequate competition, or where the price is substantially greater than the ICE, LHC must conduct a cost analysis, consistent with Federal guidelines, to ensure the price paid is reasonable.

LHC may use the Guidance at 7460.8 REV 2 Chapter 4 Paragraph 32 (B) as an alternative means to determine price reasonableness (other than cost analysis).

Contract Modifications

A cost analysis, consistent with federal guidelines, shall be conducted for all contract modifications for projects that were procured through Sealed Bids. Competitive Proposals, or Non-Competitive Proposals, or for projects originally procured through Small Purchase procedures and the amount of the contract modification will result in a total contract price in excess of \$100, 000. The only exception to this rule is a contract modification based on pricing terms already established in the contract document.

Solicitation and Advertising

A. Petty Cash and Micro Purchases

LHC should determine a reasonable cost and contact one source. Solicitation may be either written or oral.

B. Small Purchases

Facsimile, verbal requests or e-mail requests for quotes are acceptable solicitation methods; however, LHC may also use other means, including advertising, mailing lists, and verbal quotes. Reasonable costs must be determined before the solicitation begins.

C. Sealed Bids and Competitive Proposals

Solicitation must be done publicly. LHC must use one or more of the following solicitation methods, provided the method employed provides for meaningful competition.

1. Advertising in newspapers or other print mediums of local or general circulations including LHC's website www.lanshc.org.
2. Advertising in various trade journals or publications.
3. E-Procurement - LHC may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with **(24 CFR 85.36)**, State and local requirements, and the Authority's procurement policy.
4. Mailing, faxing or emailing vendor lists.

Time Frame

For procurements of more than \$100,000, the public notice should run not less than once each week for two consecutive weeks.

Form

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

Time Period for Submission of Bids

A minimum of 21 days shall generally be provided for 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.

Cancellation of Solicitations

A. An IFB, Request for Proposal ("RFP"), or other solicitation may be cancelled before bids/offers are due if:

1. The supplies, services or construction is no longer required;
2. The funds are no longer available;
3. Proposed amendments to the solicitation are of such magnitude that a new solicitation would best; or
4. Other similar reasons.

B. A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:

1. The supplies or services (including construction) are no longer required;
2. Ambiguous or otherwise inadequate specifications were part of the solicitation;
3. All factors of significance to LHC were not considered;
4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
5. 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
6. For good cause of a similar nature when it is in the best interest of LHC.

C. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.

D. A notice of cancellation shall be sent to all bidders/offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.

E. 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 specification or LHC'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

1. Re-solicit using a RFP; or
2. 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 LHC's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.

F. If problems are found with specifications, LHC should cancel the solicitation, revise the specifications and solicit using an IFB.

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, LHC should adopt reasonable safeguards to assure 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).

Bonding Requirements

The standards under this section apply to construction contracts that exceed \$100,000. There are no bonding requirements for small purchase or for competitive proposals. LHC may require bonds in these latter circumstances when deemed appropriate; however, non-construction contracts should generally not require bid bonds.

A. Bid Guarantee Bonds: For construction contracts exceeding \$50,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price. A Bid Guarantee may be acceptable in the form of cash equivalent.

B. Payment Bonds: All construction contracts exceeding \$100,000. This assurance may be any one of the following four:

1. A performance and payment bond in the sum of 100% of the contract price; or
2. Separate performance and payment bonds, each for 50% or more of the contract price; or
3. A 20% case escrow; or
4. A 25% irrevocable letter of credit

- C. These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State where the work is to be performed. Individual sureties shall not be considered.

U. S. Treasury Circular Number 570 lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded and the States in which the company is licensed to do business. Use of companies on this circular is mandatory.

All contracts shall contain insurance provisions appropriate to the project or service and /or as may be required by Federal, State and local laws and ordinances.

Contractor Qualification and Duties

LHC shall not award any contract until the prospective contractor, i.e. low responsive bidder, or successful offeror, has been determined to be responsible. A responsible bidder/offeror must:

- A. Have adequate financial resources to perform the contract, or the ability to obtain them;
- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all the bidders/offeror's existing commercial and governmental business commitments;
- C. Have a satisfactory performance record;
- D. Have a satisfactory record of integrity and business ethics;
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills or the ability to obtain them;
- F. Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,
- G. Be otherwise qualified and eligible to receive an award under applicable laws and Regulations, including not suspended, debarred or under a HUD-imposed Limited Denial of Participation ("LDP").

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.

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 in

accordance with HUD regulations (**24 CFR Part 24**) 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.

Vendor Lists

All interested businesses shall be given the opportunity to be included on vendor mailing lists. Any lists of persons, firms, or products which are used in the purchase of supplies and services (including construction) shall be kept current and include enough sources to ensure competition.

Contract Pricing Arrangements

Any type of contract which is appropriate to the procurement and which will promote the best interests of LHC may be used, provided the **cost-plus-a percentage-of cost and percentage-of construction-cost methods are not used**. All solicitations and contracts shall include the clauses and provisions necessary to define the rights and responsibilities of both the contractor and LHC. A cost reimbursement contract shall not be used unless:

- It is likely to be less costly or it is impractical to satisfy LHC requirement otherwise.
- The proposed contractor's accounting system is inadequate to allocate costs in accordance with applicable cost principles (see OMB Circular A87) and
- The contractor is paid only reasonable and allowable costs.

For all cost reimbursement contracts, LHC must include a written determination on why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.

Time and Materials Contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk. If a time and material contract is used, the Executive Director or designee shall notify the local HUD/RPC Office and the chairperson of the Board of Commissioners. A Time and Materials Contract is a cost reimbursement contract. The Contract must include a ceiling price which the contractor exceeds at its own risk, and includes reasonable, allowable, and allocable (labor and materials) costs necessary to complete the work. Time and Materials Contracts shall have fixed hourly rates. Fee or profit from materials is prohibited in a Time and Materials Contract.

Options

Options for additional quantities or performance periods may be included in contracts, provided:

- A. The option is contained in the solicitation;
- B. The option is a **unilateral** right of LHC;
- C. The contract states a limit on the additional quantities and the overall term of the contract:

- D. The options are evaluated as part of the initial competition;
- E. The contract states the period within which the options may be exercised;
- F. The options may be exercised only at the price specified in or reasonably determinable from the contract; and
- G. The options may be exercised only if determined to be more advantageous to LHC than conducting a new procurement

Contract Clause

All contracts should identify pricing arrangement as well as other pertinent terms and conditions, as determined by the LHC.

Additionally, the forms (HUD-5369, 5369-A, 5369-B, 5370, 5370Ez, 5370-C, 51915 and 51915A), which contain all HUD-required clauses and certifications for contracts of more than \$100,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts issued by LHC.

Contract Administration

LHC shall maintain a system of contract administration designed to ensure contractors perform in accordance with their contracts.

These systems shall provide for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on major projects including construction contracts, and similar matters. For cost-reimbursement contracts, costs are allowable only to the extent that they are consistent with the cost principles in (OMB Circular A-87 and any other HUD handbooks.

Specifications

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying LHC needs. Specifications shall be reviewed prior to issuing any solicitation to ensure they are not unduly restrictive or represent unnecessary or duplicative items. Function or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

Limitation

The following types of specifications shall be avoided:

- A. geographic restrictions not mandated or encouraged by applicable Federal law (except for A/E contracts, which may include geographic location as a selection factor? if adequate competition is available).

- B. Brand name specifications** (unless the specifications list the minimum essential characteristic and standards to which the item must conform to satisfy its intended use).

Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be reviewed to ensure organizational conflicts of interest do not occur.

Appeals and Remedies

LHC shall resolve contractual issues informally and without litigation whenever possible. Disputes will not be referred to HUD unless all administrative remedies have been exhausted. When appropriate, a mediator may be used to help resolve differences.

Informal Appeals Procedure

LHC shall adopt an informal bid protest/appeal procedure for contracts of \$100,000 or less. Under these procedures, the bidder/contractor may request to meet with the appropriate Contract Officer. The decision of the Contracting Officer shall be the final determination.

Formal Appeals Procedure

A formal appeals procedure shall be established for solicitations/contracts of more than \$100,000. Under these procedures, the bidder/contractor must request to meet with the Contracting Officer. Decisions of the Contracting Officer shall be the final determination.

- A. Bid Protest:** Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for the receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after the contractor receives notice of the award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his/her discretion, suspend the procurement pending resolution of the protest if the facts presented so warrant.
- B. Contractor Claims:** All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer for a written decision. The Contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the next higher level of authority in LHC. Contractor claims shall be governed by the Changes clause in **HUD-5370 or 5370-C** form.

Contract Terminations

The LHC shall terminate Contracts for default as prescribed in the termination clauses on Form HUD 5370 and 5370-C.

Termination Notice

The Contracting Officer shall terminate contracts either for convenience or default only by 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:

- The contract is being terminated by LHC for default under the cited contract clause authorizing the termination.
- Whether the contract is being terminated in whole or in part (for partial terminations, LHC shall identify the specific items being terminated).
- If terminated for default, the acts or omissions constituting the default, the Contracting Officer's determination that failure to perform is not excusable, LHC's rights to charge excess costs of re-procurement to the contractor's, and the contractor's appeal rights.
- The effective date of termination
- The contractor's right to proceed under the non-terminated portion of the contract
- Any special instructions, and
- Copies of the notice shall be sent to the contractor's surety, if any, and any assignee.
- Termination for default

A contract may be terminated for default because of a contractor's actual or anticipated failure to perform its contractual obligation. Under a termination for default, LHC 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 shall issue a written notice to the contractor (generally called a "Cure Notice") specifying the failure and providing a period of 10 days in which to cure the failure. After 10 days, the Contracting Officer may issue a notice of termination for default, unless the failure to perform has been cured.

1. **Notice**-If the contractor has failed to perform within the required time and termination for default appears appropriate, the Contracting Officer shall notify the contractor in writing of the possibility of termination. This notice shall call the contractor's attention to the contractual liabilities if the contract is terminated for default, and request the contractor's to "show cause" why the contract should not be terminated. If the response to this "show cause" notice is inadequate or insufficient, the contract shall be terminated for default.
2. **Alternatives to Termination**-Alternatives to termination for default include the following (at LHC's discretion).

- a. Allow alternative dispute-resolution (arbitration or mediation) as agreed by both parties.
 - b. Allow the contractor or the surety to continue performance of the contract under a revised delivery schedule (in exchange for a reduced contract price or other consideration).
 - c. Permit the contractor to continue the performance of the contract by means of a subcontract or other business arrangement with an acceptable third party, provides the rights of LHC are adequately protected; or
 - d. If the contractor is not liable to LHC for damages, execute a co-cost termination settlement agreement.
3. **Repurchase**-When the supplies, services, or construction activities are still required after termination, the Contracting Officer shall 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, provided competition is solicited to the maximum extent practicable to secure the lowest price obtainable under the circumstances in order to mitigate damages.

Assistance to Small and Other Business

Consistent with Presidential Executive Orders (11625, 1238, and 12432, and Section 3 of the HUD Act of 1968), all feasible efforts shall be made to ensure small and minority-owned businesses, women business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the LHC project are used when possible. Such efforts shall include, but shall not be limited to:

- A. Including such firms, when qualified, on solicitations mailing lists;
- B. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- D. Establishing delivery schedules, where requirement permits, which encourage participation by such firms;
- E. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
- F. 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 Part 135) so-called Section 3 Businesses; and

- G. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.
- H. Including a contract clause requiring contractors, to the greatest extent feasible, 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 CFE Part 135 ("Section 3 Businesses"; and

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 LHC prime contracts and subcontracting opportunities. Qualifying businesses are:

1. A **small business** 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 Part 121) should be used to determine business size.
2. A **minority-owned business** is a business which is at least 51% owned by one or more minority group members; 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.
3. A **women's business enterprise** is 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.
4. A **"Section 3 business concern"** is as defined under (24 CFR Part 135) as
 - A. 51% owned or more by section 3 residents; or
 - B. A business whose permanent, full-time employees include persons, at least 30% percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern was section 3 residents; or
 - C. A business that provides evidence of a commitment to subcontract in excess of 25% percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) and (2) in this definition of "section 3" business concern".

5. A **labor surplus area business** is 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 Part 654)**, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

Alternative Procurement Program

General-The Executive Director shall be authorized to establish an Alternative Procurement Program pursuant to 24 CFR 963 as a method to solicit and contract with eligible and qualified resident owned businesses for public housing supplies, services, or construction. The solicitation is limited to resident owned businesses.

A resident owned business is a business concern of which 51% is owned and controlled by one or more public housing residents. The management and daily business operations shall be controlled by one or more residents. All securities which constitute ownership or control of a corporation for purposes of establishing the business shall be held directly by then public housing resident (S). No securities held in trust by any guardian for a minor shall be considered as held by the public housing resident (s) in determining the ownership or control of a corporation. The term includes sole proprietorships.

1. **Conditions for Use-**Contracts awarded may not exceed \$1,000,000 (million) individually or in aggregate. If the resident owned business is not a sole proprietorship, **the resident owned business must:**
2. **Be a Legally Formed Business-**The business must certify that it was formed in accordance with Michigan State Law.
3. **Be a Resident owned Business-**The business must certify that it is a resident owned business.
4. **Have the Responsibility to Complete the Contract-**The business shall submit evidence to demonstrate that the business has the ability to perform successfully under the terms and conditions of the proposed contract.
5. **Certify on Previous Alternative Procurement Contract awards-**The business shall certify on the number of contracts awarded and the dollar amounts of contract awarded under the Alternative Procurement Program.

If the resident owned business is a sole proprietorship, LHC shall not award an employment type contract.

Under the alternative procurement process, LHC shall:

1. Prepare an independent cost estimate for the procurement
2. Select the appropriate methods of procurement (small purchase, sealed bid, competitive proposals, and non-competitive proposals);
3. Solicit a bid, proposal or offer from one or more resident owned businesses;
4. Ensure that the resident owned responses include a certification regarding previous contracts.
5. Perform a cost or price analysis to determine price reasonableness.
6. Awards a contract to the bidder/offeror/respondent whose bid/offer/proposal is most advantageous to LHC consistent with the evaluation factors stated in the solicitation;
7. Ensure the selected resident owned business is capable of performing satisfactorily; and
8. Ensure the procurement files are documented

Disposition of Surplus Property

Property no longer necessary for LHC's purposes (personal property) shall be transferred, sold, or disposed of in accordance with applicable Federal, State and local laws, and regulations. (See Disposition or Capitalization Policy for guidance).

Documentation

LHC 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:

- A. Rationale of the method of procurement (if not self-evident);
- B. Rationale of contract pricing arrangement (also if not self-evident)
- C. Reason for accepting or rejecting the bids or offers;
- D. Rationale for choosing the selected vendor (if not self-evident);
- E. Basis for the contract price (as prescribed in this handbook);
- F. A copy of the contract documents awarded or issued and signed by the Contracting Officer;
- G. Basis for contract modification; and
- H. Related contract administration actions

The level of documentation should be commensurate with the value of the procurement.

Records are to be retained for a period of three years after final payment and all Matters pertaining to the contract are closed.

Disposition of Surplus Property

Property no longer necessary for LHC's purposes (non-real property) shall be transferred, sold, or disposed of in accordance with applicable Federal, State and local laws and regulations.

Funding Availability

Before initiating any contract, LHC shall ensure there are sufficient funds available to cover the anticipated cost of the contract or modification.

Self-Certification

LHC self-certifies this Procurement Policy, and LHC's procurement system, complies with all applicable Federal regulations and, as such, the LHC is exempt from prior HUD review and approval of individual procurement actions.

Appendix A

List of Direct Payments

The following is a list of direct payments that are exempt from competitive procurement.

Utility bills (water, sewer, electricity, natural gas, and other regulated utility expenses).

Postage and other purchases from the U. S. Postal Services.

Licenses, permits, and fees from governmental or regulatory entities at the federal, state, or local levels.

Purchases from other governmental entities where the governmental entity provides goods or services not available from the private sector.

Services or user fees paid to governmental cooperative purchasing organizations.

Credit card charges for gasoline and emergencies while on travel status.

Legal services such as arbitration fees, litigation fees, expert witness fees, witness fees, court costs, and related expenses (but not the cost of outside counsel, investigations or related matters).

Payments of litigations/administrative settlements and judgment and claims against the LHC.

Accounting and auditing fees.

Renewal of existing annual proprietary maintenance or support agreements, and software license renewals for computer and telecommunication-related services.

Taxi, public transportation, and toll fares; mileage and incidental parking expenses.

Publications and subscriptions.

Mailing lists.

Professional association membership dues, fees, licenses accreditation, and certifications.

Conference and convention expenses and fees for LHC employees, residents, program participants, volunteers, or members of the Board conducting LHC business.

Opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements, and outreach, etc. This exception does not include printing, design, or graphic services.

Freight bills, express shipping, common carriers, and delivery services.

Honoraria and stipends.

Insurance deductible

Travel expenses for LHC's employees, residents, program participants, volunteers or members of the Board necessary to conduct business.

Training registration fees and tuition for pre-established, non-LHC specific, off-site classes, seminars, workshops, etc. for the LHC employees, residents, program participants, volunteers and members of the Board.

Testing and travel expenses of employment applicants (including moving expenses for eligible personnel). This includes travel expenses of certain out-of-state job applicants.

Appendix B

Glossary of Terms

Acceptance -The act of an authorized representative of the LHC acknowledging that the supplies or services delivered to or received by the LHC conform to contract requirements.

Amendment - A written revision made to a solicitation.

Annual Contributions Contracts (ACC) – A contract between HUD and the LHC setting forth requirements for the operation and development of Public Housing.

Architect/Engineer (A/E) – A licensed person (or company) usually responsible for developing the plans and specifications of a building or development and, in some cases, supervising the construction effort.

Bid – In the sealed bidding method of procurement, this is the price submitted by a bidder.

Bidder's List – General lists of persons or firms who may be interested in submitting bids in response to an Invitation for Bid and in contracting opportunities with the LHC.

Bonding (Big Bonds) – A bid bond or guarantee ensures that, if awarded the contract, the bidder will accept and perform the work under the contract; ensures the bidder will not attempt to withdraw or otherwise not fulfill the contract; and ensures the bidder will execute the contractual documents that are required within the time specified in the solicitation, or forfeit all or part of the guarantee.

Bonding (Performance Bond) – A performance bond ensures the contract is successfully completed. The performance bond also ensures that if a contractor is unable to complete the contract, the surety company, which issues the bond, will step in to complete the work. In the case of a letter of credit or cash escrow, LHC may use these funds to complete the contract work.

Bonding (Payment Bond) – A payment bond ensures the contractor pays the subcontractors and suppliers. LHC will allow the performance bond and the payment bond to be combined.

Cure Notice – A document originating by the LHC Contracting Officer or designee sent to the contractor stating the contract may be terminated unless performance is corrected within a specified number of days.

Expedited Purchases – A method of purchasing made with Petty cash. This type of Procurement shall not exceed \$300.

Emergency – An emergency condition is an immediate threat to health and safety of the residents or employees of the LHC.

Exigent Condition – An exigent condition is a situation or condition requiring immediate aid or action. Only the Executive Director or designee has the authority to declare an exigent condition.

Firm Fixed Price Contract – A contract pricing arrangement under which the price is not subject to change or adjustment based on the cost experience of the contractor in performance of the contract.

Independent Cost Estimate (ICE) – An estimate obtained or developed by the LHC prior to obtaining offers.

Inspection – The examination and/or testing of supplies and services to determine whether they conform to the contract requirements.

Intergovernmental Agreement – An agreement between the LHC and a Federal, State, or local government agency (including other Public Housing Agencies) for the provision of procuring supplies or services. For the purpose of this Policy, the terms Cooperative Agreement, Intergovernmental Agreement, Interagency Agreement, Consortium Agreement, or Memorandum of Agreement are interchangeable.

Invitation for Bids (IFB) – Solicitation type used under the sealed bidding method of procurement.

Micro-Purchasing – A method of purchasing above the debit purchasing level of \$300.00 and below \$2,000. 00. This type of purchasing requires on (1) quote.

Minority Owned Business – A minority-owned business is defined as 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 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.

Negotiation – Discussions with offerors in the competitive range regarding technical and/or price proposals to award a contract using the competitive proposals or noncompetitive proposals method of procurement or when issuing modifications to existing contracts.

Noncompetitive Proposals – The method of procurement in which proposals are solicited from only one source because award of a contract is not feasible under the small purchase procedure, sealed bids or competitive procedure as a result of; 1) the item or service is available only form a single source; 2) public exigency or emergency

will not allow enough time for a competitive procurement; 3) inadequate responses to a competitive solicitation; 4) HUD approves the use of noncompetitive proposals. The method is also known as "sole source".

Offer – A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract.

Offeror – The general term for the entity that submits a response to a solicitation.

Price Analysis – The evaluation of a proposed price (bottom line) for reasonableness, without evaluating the separate elements of costs.

Procurement – The term "procurement", includes the procuring, purchasing, leasing, or renting of; 1) goods, supplies, equipment, and materials; 2) construction and maintenance; 3) consultant services; 4) Architectural and Engineering (A/E) services; 5) Social Services, and 6) other services. The term "procurement" also includes selling, concessions and disposal of surplus materials and equipment.

Proposal – The offer submitted by a potential contractor in the competitive or noncompetitive proposals type of procurement.

Qualifications Base Selection (QBS) – A form of procurement of Architect/Engineering (A/E) or development services by competitive proposals in which proposals are not requested in the Request for Qualifications (RFQ) or used as an evaluation factor.

Quotation – The price or cost submitted by a vendor in the small purchase procedures method of procurement.

Request for Proposals (RFP) – Solicitation method used under both the competitive and non-competitive methods of procurement. Proposal evaluation and contractor selection are based on the evaluation criteria and factors, including price, for award as stated in the RFP. Contract award is based on the best approach to the requirements of the statement of work resulting in the greatest benefit to the LHC, price and other factors considered.

Request for Qualifications (RFQ) – Solicitation method used under competitive and non-competitive methods of procurement. Evaluation and contractor selection are based on the evaluation criteria for award as stated in the RFQ. Price is not obtained until the highest ranking firm (s) is selected based on qualifications and negotiations for a fair and reasonable price.

Resident Owned Business – A resident owned business is any business concern that is owned and controlled by public housing residents.

Responsible Bidder – A bidder who is: 1) able to comply with the a required or proposed delivery or performance schedule; 2) has a satisfactory performance record; 3) has a satisfactory record of integrity and business ethics; 4) has the necessary organization and operational skills, or the ability to obtain them; 5) has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and 6) is otherwise qualified and eligible to receive an award under applicable laws and regulations (including the fact the bidder is not suspended, debarred or under a HUD or LHC imposed Limited Denial or Participation).

Responsive Bid – A bid that conforms to the requirements in the Invitation for Bids (IFB).

Sanctions – Measures that may be evoked by the LHC or HUD to exclude or disqualify contractors, LHC staff or agents acting on behalf of the LHC from participation in HUD programs (such as limited denial of participation or disbarment), or measures the LHC may take regarding employees, officers, agents, or others who violate the ethical standards of the Procurement Policy (such as dismissal, reassignment, removal from position, etc.).

Sealed Bidding – A method of procurement inviting sealed bids.

Section 3 Business – A “Section 3 business concern” is defined under 24 CFR Part 135.

Show Cause Letter – A document sent by Contracting Officer or designee notifying a defaulting contractor that contract may be terminated for default unless the contractor can provide adequate justification for not terminating within a specified time period (usually 10 days).

Small Business – A small business is defined as a business that is: 1) independently owned; 2) not dominant in its field of operation; and 3) 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.

Small Purchase Procedure – A simplified method for acquiring supplies, materials and services (including construction) that do not exceed the LHC threshold of \$100,000.

Solicitation – The general term for the LHC’s requests for offers from potential offerors.

Specification or Scope – Description of the technical requirements of a solicitations or resulting contract.

Statement of Work (SOW) – Written description of work to be performed that establishes the standards sought for the supplies or services furnished under the contract; typically used for service contracts.

Termination for Cause – Termination of a contract by the LHC on a unilateral basis when the contractor fails to perform, fails to make progress so as to endanger performance, or commits a default as specified in the contract.

Termination for Convenience - Termination of a contract by the LHC on a unilateral basis when the product or service is no longer needed or when it is in the best interest of the LHC.

Vendor List – List of persons interested in or qualified to do business with the LHC.

Women Business Enterprise – Women's business enterprise is defined a business that is at least 51% owned by woman or women who are U. S. citizens and who control and operate the business.

Central Cost Office Center
Income and Expense Report
August 2014

Account Name	FDS	2015 Budgeted	July '14 Actual	August '14 Actual	Year to Date Actual	% of Budget Expended (CY)	% of Budget Expended (PY)	% Variance	2014 Budgeted	August '13 Actual	Year to Date Actual	% of Budget Expended
Management Fees	70710	\$ 563,082	\$ 50,027	\$ 49,609	\$ 99,636	18%	17%	1%	\$ 601,210	\$ 51,771	\$ 101,924	17%
Bookkeeping Fees	70730	\$ 71,101	\$ 5,873	\$ 5,805	\$ 11,678	16%	17%	-1%	\$ 68,389	\$ 5,850	\$ 11,790	17%
Other Revenue	71500	\$ 115,000	\$ 4,400	\$ 2,000	\$ 6,400	6%	78%	-72%	\$ 63,500	\$ 47,344	\$ 49,344	78%
TOTAL OPERATING REVENUES		\$ 749,183	\$ 60,300	\$ 57,414	\$ 117,714	16%			\$ 733,079	\$ 104,965	\$ 163,058	
Administrative Salaries	91100	\$ 325,000	\$ 14,169	\$ 13,769	\$ 27,938	9%	13%	-5%	\$ 273,218	\$ 21,428	\$ 35,793	13%
Auditing Fees	91200	\$ 4,000	\$ 5,350	\$ 8,350	\$ 13,700	343%	0%	343%	\$ 15,000	\$ -	\$ -	0%
Employee Benefit contributions - Administrative	91500	\$ 136,500	\$ 6,123	\$ 3,727	\$ 9,850	7%	17%	-10%	\$ 97,095	\$ 2,651	\$ 16,474	17%
Office Expenses	91600	\$ 68,000	\$ 14,149	\$ 12,851	\$ 27,000	40%			\$ 4,820	\$ 15,152		
Legal Expense	91700	\$ 4,000	\$ 2,414	\$ -	\$ 2,414	60%			\$ 3,000	\$ 9	\$ 225	
Travel	91800	\$ 6,000	\$ -	\$ -	\$ -	0%	0%	0%	\$ 7,000	\$ -	\$ -	0%
Tenant Services - Other	92400	\$ 6,500	\$ -	\$ -	\$ -	0%	0%	0%	n/a	\$ -	\$ 2,284	
Water	93100	\$ 2,200	\$ 91	\$ 91	\$ 182	8%	22%	-14%	\$ 1,910	\$ 204	\$ 418	22%
Electricity	93200	\$ 18,000	\$ 3,008	\$ 3,016	\$ 6,024	33%	9%	25%	\$ 23,715	\$ 405	\$ 2,041	9%
Gas	93300	\$ 9,000	\$ 17	\$ 31	\$ 48	1%	5%	-4%	\$ 20,610	\$ 163	\$ 1,026	5%
Other Utilities	93800	\$ 14,000	\$ 40	\$ -	\$ 40	0%			\$ -	\$ -	\$ -	
Ordinary Maintenance and Operations - Materials and Other	94200	\$ 30,000	\$ 6	\$ 330	\$ 336	1%	0%	1%	\$ 2,000	\$ -	\$ -	0%
Ordinary Maintenance and Operations Contracts	94300	\$ 30,000	\$ 1,726	\$ 584	\$ 2,310	8%	27%	-20%	\$ 40,000	\$ 7,384	\$ 10,938	27%
Accounting Services		\$ 55,000	\$ -	\$ -	\$ -	0%			\$ -	\$ -	\$ -	
Property Insurance	96110	\$ 1,500	\$ 769	\$ -	\$ 769	51%			\$ -	\$ 714		
Liability Insurance	96120	\$ 3,500	\$ 465	\$ -	\$ 465	13%			\$ -	\$ 465		
Workmen's Compensation	96130	\$ 3,000	\$ 276	\$ -	\$ 276	9%	0%	9%	\$ 40,000	\$ -	\$ -	0%
All Other Insurance	96140	\$ 2,800	\$ 310	\$ -	\$ 310	11%			\$ -	\$ 124		
Other General Expenses	96200	\$ 10,000	\$ -	\$ -	\$ -	0%	0%	0%	\$ 25,704	\$ -	\$ 6,426	0%
Compensated Absences	96210	\$ 10,000	\$ -	\$ -	\$ -	0%			\$ 100,080	\$ -	\$ 16,680	17%
TOTAL OPERATING EXPENSES		\$ 739,000	\$ 48,913	\$ 42,750	\$ 91,662	12%	0%	12%	\$ 649,332	\$ 37,064	\$ 108,741	
NET INCOME (LOSS)		\$ 10,183	\$ 11,387	\$ 14,665	\$ 26,052				\$ 83,747	\$ 67,901	\$ 54,317	

Lansing Housing Commission
Low Income Public Housing
Income and Expense Report
August 2014

Account Name	FDS	2015 Budget	July '14 Actual	August '14 Actual	Year to Date Actual	% of Budget Expended (CY)	% of Budget Expended (PY)	% Variance	FY 2014 Budget	August '13 Actual	Year to Date Actual	% of Budget Expended
Tenant Rental Revenue	70300	\$ 1,337,000	\$ 114,256	\$ 110,781	\$ 225,037	17%	14%	3%	\$ 408,000	\$ 27,677	\$ 55,720	14%
Tenant Revenue - Other	70400	\$ 128,000	\$ 16,949	\$ 21,541	\$ 38,490				\$ 20,000	\$ 2,590	\$ 4,363	
HUD PHA Operating Grants	70600	\$ 3,160,000	\$ 259,145	\$ 260,616	\$ 519,761	16%	15%	2%	\$ 685,884	\$ 49,857	\$ 99,714	15%
CFP Operational Income	70610	\$ 258,482	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	
Fraud Recovery	71400	\$ 4,900	\$ -	\$ -	\$ -	0%	0%	0%	\$ 20	\$ -	\$ -	
Other Revenue	71500	\$ 12,000	\$ (50)	\$ (296)	\$ (346)				\$ 15,000	\$ (408)	\$ (406)	
TOTAL OPERATING REVENUE	70000	\$ 4,900,382	\$ 390,300	\$ 392,642	\$ 782,942	16%	14%	2%	\$ 1,128,904	\$ 79,718	\$ 159,391	14%
Administrative Salaries	91100	\$ 405,000	\$ 44,790	\$ 25,923	\$ 52,614	13%	10%	3%	\$ 104,545	\$ 7,092	\$ 10,646	10%
Auditing Fees	91200	\$ 13,500	\$ -	\$ -	\$ -	0%	0%	0%	\$ 2,660	\$ -	\$ -	0%
Management Fees	91300	\$ 438,858	\$ 36,383	\$ 35,945	\$ 72,307	16%	16%	0%	\$ 92,741	\$ 7,477	\$ 15,093	16%
Bookkeeping Fees	91310	\$ 71,101	\$ 5,873	\$ 5,805	\$ 11,678	16%	16%	0%	\$ 15,000	\$ 1,208	\$ 2,438	16%
Employee Benefits - Administrative	91500	\$ 151,400	\$ 22,543	\$ 9,393	\$ 28,893	19%	20%	-1%	\$ 57,202	\$ 6,467	\$ 11,688	20%
Office Expenses	91600	\$ 30,000	\$ 15,906	\$ 20,735	\$ 36,640	122%			\$ 36,840	\$ 1,895	\$ 3,687	
Legal	91700	\$ 47,000	\$ 6,780	\$ 8,397	\$ 15,177	32%	14%	19%	\$ 12,500	\$ 1,706	\$ 1,706	14%
Travel	91800	\$ 2,700	\$ 173	\$ 307	\$ 481	18%	2%	16%	\$ 1,000	\$ -	\$ 20	2%
Other	91900	\$ 63,400	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	
Tenant Services - Other	92400	\$ 25,500	\$ 3,555	\$ 2,728	\$ 6,284	25%	18%	7%	\$ 6,200	\$ 616	\$ 1,104	18%
Water	93100	\$ 349,000	\$ 45,087	\$ 13,922	\$ 51,846	15%	15%	0%	\$ 136,280	\$ 9,602	\$ 21,086	15%
Electricity	93200	\$ 261,501	\$ 22,499	\$ 5,485	\$ 20,431	8%	7%	0%	\$ 22,000	\$ 711	\$ 1,645	7%
Gas	93300	\$ 319,000	\$ 28,894	\$ 4,456	\$ 11,353	4%	2%	2%	\$ 101,000	\$ 2,088	\$ 1,616	2%
Other Utilities Expense	93800	\$ 88,000	\$ 28	\$ 28	\$ 56	0%	0%	0%	\$ 42,003	\$ -	\$ -	0%
Ordinary Maintenance and Operations - Labor	94100	\$ 662,000	\$ 80,174	\$ 46,901	\$ 88,037	13%	-2%	15%	\$ 148,695	\$ 10,269	\$ (2,904)	-2%
Ordinary Maintenance and Operations - Materials	94200	\$ 256,000	\$ 22,024	\$ 37,232	\$ 59,256	23%	10%	13%	\$ 50,000	\$ 2,257	\$ 5,102	10%
Ordinary Maintenance and Operations Contracts	94300	\$ 816,480	\$ 52,696	\$ 65,830	\$ 118,525	15%	12%	3%	\$ 86,784	\$ 5,566	\$ 10,096	12%
Employee Benefit Contributions - Ordinary	94500	\$ 297,900	\$ 31,274	\$ 10,198	\$ 36,672	12%	36%	-24%	\$ 68,548	\$ 8,232	\$ 24,951	36%
Protective Services - Contracts	95200	\$ 41,400	\$ 1,934	\$ -	\$ 1,934	5%	24%	-19%	\$ 1,932	\$ 307	\$ 461	24%
Property Insurance	96110	\$ 122,000	\$ 9,079	\$ 9,079	\$ 18,158	15%	17%	-2%	\$ 26,472	\$ 2,207	\$ 4,414	17%
Liability Insurance	96120	\$ 65,000	\$ 4,452	\$ 4,452	\$ 8,904	14%	17%	-3%	\$ 11,930	\$ 995	\$ 1,989	17%
Workers Comp.	96130	\$ 25,000	\$ 2,481	\$ 2,039	\$ 4,520	18%	21%	-3%	\$ 6,040	\$ 1,265	\$ 1,265	21%
All Other Insurance	96140	\$ 58,000	\$ 687	\$ 2,311	\$ 2,999	5%	23%	-17%	\$ 1,600	\$ 182	\$ 365	23%
Other General Expenses	96200	\$ 111,000	\$ 855	\$ -	\$ 855				\$ 2,000	\$ -	\$ -	
Compensated Absences	96210	\$ 35,000	\$ 3,470	\$ 6,128	\$ 9,598	0%	0%	0%	\$ -	\$ -	\$ -	0%
Payments in Lieu of Taxes	96300	\$ 79,000	\$ -	\$ -	\$ -	0%	0%	0%	\$ 20,000	\$ -	\$ -	0%
Bad debt - Tenant Rents	97100	\$ 55,000	\$ -	\$ -	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	0%
TOTAL EXPENSES	90000	\$ 4,887,740	\$ 441,619	\$ 317,292	\$ 657,219	13%	11%	2%	\$ 1,055,972	\$ 70,142	\$ 116,466	11%
TOTAL INCOME		\$ 12,642	\$ (51,319)	\$ 75,351	\$ 125,724				\$ 72,932	\$ 9,576	\$ 42,925	

**Lansing Housing Commission
Housing Choice Voucher Program
Income and Expense Report
August 2014**

Account Name	FDS Acct #	FY2015 Budget	Current Year						Prior Year			
			July '14 Actual	August '14 Actual	Year to date Actual	% of Budget Expended (CY)	% of Budget Expended (PY)	% Variance	FY 2014 Budget	August '13 Actual	Year to date Actual	% of Budget Expended
HCV Income - Admin Fees	70600	900,000	68,323	68,323	136,646	15%	15%	0%	950,141	75,329	145,078	15%
Fraud Recovery Funds Retained	71400	12,000	118	0	118	1%	36%	-35%	19,000	(485)	6,850	36%
Other Revenue	71500	3,600	11	0	11	0%	818%	-817%	500	1,085	4,088	818%
											0	
Total Operating Revenue		915,600	68,452	68,323	136,775				969,641	75,929	156,017	
Administrative Salaries	91100	365,000	18,861	18,859	37,720	10%	17%	-7%	370,285	26,613	63,991	17%
Auditing Fees	91200	5,000	0	0	0	0%	80%	-80%	5,000	4,000	4,000	80%
COCC - HCV Program Expense	91300	112,800	13,665	13,665	27,329	24%	15%	10%	190,028	14,491	27,864	15%
Book-keeping Fee	91400	14,835	0	0	0	0%	0%	0%			0	
Employee Benefit contributions - Administrative	91500	153,300	9,271	3,717	12,988	8%	19%	-11%	210,891	21,805	40,855	19%
Office Expenses	91600	18,000	8,672	14,111	22,783	127%	296%	-170%	6,000	8,186	17,778	296%
Legal	91700	6,000	949	0	949	16%	244%	-228%	800	880	1,953	244%
Travel	91800	1,200	325	0	325	27%	263%	-235%	1,000	2,625	2,625	263%
Tenant Services - Other	92400	90,000	0	0	0	0%	0%	0%			0	
Utilities - Water	93100	3,350	148	65	213	6%	21%	-15%	3,000	317	642	21%
Utilities - Electricity	93200	28,000	4,907	483	5,391	19%	18%	1%	29,000	2,816	5,184	18%
Utilities - Steam/Gas	93300	1,200	27	30	57	5%	11%	-6%	15,000	260	1,670	11%
Other Utilities Expense	93800	18,000	0	0	0	0%	0%	0%			0	
Maintenance Contracts	94300	12,000	2,626	(2,808)	19	0%	2%	-2%	21,000	419	453	2%
Protective Services - Other Contract Costs	95200	12,000	0	0	0	0%	0%	0%			0	
Property Insurance	96110	12,000	1,525	1,402	2,926	24%	16%	8%	18,000	2,065	2,900	16%
Liability Insurance	96120	12,000	0	0	0	0%	0%	0%			0	
Other General Expenses	96200	30,000	0	0	0	0%	0%	0%			0	
Compensated Absences	96210	10,000	0	0	0	0%	0%	0%			0	
Bad debt - Tenant Rents	98400	10,000									0	
Total Operating Expenses		914,685	60,977	49,722	110,700				870,004	84,477	169,915	
NET INCOME (LOSS)		915	7,474	18,601	26,075				99,637	(8,548)	(13,898)	



419 Cherry St Lansing, MI 48933 Telephone: (517) 487-6550 Fax: (517) 487-6977

September 24, 2014

Lansing Housing Commission
419 Cherry Street
Lansing, Michigan 48933

HONORABLE MEMBERS IN SESSION

SUBJECT:

Monthly Housing Choice Voucher Informational Report August 2014 Reporting Month

CONTACT PERSON:

Debra Baker
Housing Choice Voucher Coordinator

OVERVIEW:

This report details the status of LHC's performance against HUD established benchmarks, highlights areas of concern, and identifies significant achievements. The high lights of this month's report are:

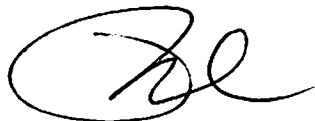
1. HUD requires PHA's to perform Quality Control ("QC") reviews on 24 waitlist files per year. 98% of the waitlist files drawn down must be drawn in accordance with LHC's policies. Zero files were drawn down in August. 100% of all waitlist files are being audited.
2. HUD requires that at least 98% of the rents approved by LHC meet established rent reasonable standards. HUD requires LHC to conduct rent reasonable tests on two (2) units per month. The LHC performed Five (5) QC reviews of unit rents in August. The QC review indicated 100% of the rents approved by LHC in August met HUD's rent reasonableness standard.
3. HUD requires a QC review of an average of two (2) files per month to determine if proper documentation exists to make an accurate calculation of adjusted income. The LHC completed two (2) QC file reviews on non-waitlist participant files in August. Zero (0) errors were reported.
4. HUD requires that LHC perform QC inspections on 24 units per year, or an average of two (2) units per month. Zero (0) QC inspections were completed in August.
5. HUD requires 98% of all 24-hour HQS deficiencies to be completed within 24-hours. The LHC cited Five (5) 24-hour HQS deficiencies in the month of August. 100% of all 24-hour HQS deficiencies were corrected within 24-hours.



LHC submitted the SEMAP Certification before the HUD deadline. We determined LHC is a High Performer. HUD will certify our performance in the approximately 60 days.

Housing Choice Voucher Staff began administering the Permanent Supportive Housing ("PSH") Program under a contract with the City of Lansing on June 1, 2014. The rental assistance and supportive services are funded thru a grant awarded to the City of Lansing by HUD. Similar to HCV households pay 30% of their income for rent. This grant is renewable and competitive. Thru the PSH program LHC provides housing assistance supportive services thru a subcontract with Community Mental Health. There are in excess of 115 previously chronically homeless households under lease thru the PSH program. Participation in this program enables LHC to assist households who really need the supportive services (that we are unable to fund in our traditional programs) in order to be successful renters. More programs like this need funding.

Respectfully submitted,



Patricia Baines Lake, Secretary to the Board
Lansing Housing Commission

Attachments



HOUSING CHOICE VOUCHER DEPARTMENTAL REPORT

	Jun-14	Jul-14	Aug-14
TOTAL NEW LEASES	2	4	2
Total Move-outs	2	11	4
Net	0	-7	-2
Number of Applicants on Voucher Wait List	570	570	570
Number of Applicants Pulled from Wait List	0	0	0
Number of Applications Withdrawn/Denied	0	0	0
Number of Informal Meetings	0	0	0
Number of Applicants Briefed	0	0	0
Total Resident Change of Units (transfers)	12	4	14
TOTAL RECERTIFICATIONS DUE BY MONTH	163	180	157
Annual Recertifications Completed	133	171	132
Annual Delinquent Reexaminations	0	0	0
Interims Completed	121	112	107
TOTAL INSPECTIONS DUE BY MONTH	161	156	143
Annual HQS Inspections Completed	155	149	125
Annual HQS Delinquent Inspections (PIC)	0	0	0
New RFTA Inspections	31	15	10
FSS FAMILIES MANDATORY	40	40	40
Total FSS Families	38	38	38
Total # of HCV Accts. Rec.	4	4	5
Monthly Total Amount Owed	\$ 1,332.00	\$ 1,167.00	\$ 1,243.00
Monthly Total Amount Collected	\$ 165.00	\$ 233.00	\$ 475.00
Voucher Program Total Units	1700	1700	1700
Traditional HCV Utilization	1459	1445	1441
% UTILIZED UNITS	85.8%	85.0%	84.8%
Special Program Vouchers			
Shelter Plus Care Voucher Utilization	57	58	58
VASH Voucher Utilization	100	106	106
Permanent Supportive Housing (PSH)	90	91	90
Monthly Total Voucher Unit Utilization	1706	1700	1695
Total HCV Budget for 2013	\$ 10,369,704.00	\$ 10,369,704.00	\$ 10,369,704.00
Total HCV Budget Used YTD	\$ 4,793,389.72	\$ 5,591,868.07	\$ 6,357,897.96
HCV Budget Allocation YTD	\$ 5,184,852.00	\$ 6,048,994.00	\$ 6,913,136.00
Expenditure Surplus (Overage) *	\$ 391,462.28	\$ 457,125.93	\$ 555,238.04
Remaining Voucher Budget	\$ 5,576,314.28	\$ 4,777,835.93	\$ 4,011,806.04
Shelter Plus Care Budget	\$ 269,073.00	\$ 269,073.00	\$ 269,073.00
Shelter Plus Care Budget Used YTD	\$ 143,719.78	\$ 170,147.69	\$ 194,462.37
Shelter Plus Care Budget Allocation YTD	\$ 143,719.78	\$ 170,147.69	\$ 194,462.37
Expenditure Surplus (Overage)	\$0.00	\$0.00	\$0.00
Remaining Voucher Budget	\$ 125,353.22	\$ 98,925.31	\$ 74,610.63
VASH Budget	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00
VASH Budget Used YTD	\$ 250,161.82	\$ 288,839.40	\$ 327,513.40
VASH Budget Allocation YTD	\$ 300,000.00	\$ 350,000.00	\$ 400,000.00
Expenditure Surplus (Overage)	\$ 49,838.18	\$ 61,160.60	\$ 72,486.60
Remaining Voucher Budget	\$ 349,838.18	\$ 311,160.60	\$ 272,486.60



419 Cherry Lansing, MI 48933 (517) 487-6550 Fax (517) 487-6977

September 24, 2014

HONORABLE MEMBERS IN SESSION

Lansing Housing Commission
419 Cherry St.
Lansing Michigan 48933

SUBJECT:

August 2014 Asset Management Monthly Report

CONTACT PERSON:

Patricia Baines-Lake
Executive Director

OVERVIEW:

Lansing Housing Commission ("LHC") communities had an overall occupancy rating of 93.5% at the end of August. We continue to strive to increase our occupancy level to 98%.

In August we had a total of 86 emergency work orders. 100% were closed or abated within 24 hours. We had 238 routine work orders that were closed during the month. Our goal is to close out all emergency work orders within 24 hours, and close out routine work orders within an average of three (3) days.

	Mt Vernon Park-102	Hildebrandt- 103	LaRoy Froh Park-111	South Washington Park-112	Total LHC Units
Total Units Available for rent	201	220	213	197	831
Total Units Occupied	194	203	196	187	787
Percent Occupied	96%	92%	92%	94%	94%
Move -Ins	1	4	1	2	8
Move-Outs	0	9	3	2	14
Transfers	0	0	0	0	0



Emergency Work Orders	13	31	12	30	86
Routine Work Orders	47	44	189	46	238

Note: Mt. Vernon Park has one (1) unit offline and SWP has one unit offline

Lease Enforcement:

Site	Total Number of Units	Rent Charged	Outstanding	Total Collected	Collection Rate
Mt. Vernon	201	\$ 34,408.00	\$ 7,978.00	\$ 26,430.00	77.00%
Hildebrandt	168	\$ 26,981.00	\$ 3,342.00	\$ 23,639.00	88.00%
LaRoy Froh	213	\$ 22,174.00	\$ 3,302.00	\$ 18,871.00	85.00%
South Washington	278	\$ 30,150.00	\$ 4,161.00	\$ 25,989.00	87.00%
Totals	832	\$ 113,713.00	\$ 18,783.00	\$ 94,929.00	84.00%





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September 24, 2014

HONORABLE MEMBERS IN SESSION

Lansing Housing Commission
419 Cherry Street
Lansing Michigan 48933

SUBJECT:

August 2014 Modernization Report

CONTACT PERSON:

Patricia Baines-Lake
Executive Director

CURRENT MODERNIZATION ACTIVITIES AND OVERVIEW:

This report provides an overview of the August modernization activities for LHC properties.

South Washington Park

The contract with L. J. Trumble Builders, LLC for Door Replacements and Security was signed on August 14, 2014. The Notice to Proceed was signed on August 26, 2014. Materials have been ordered and the project should be underway soon.

Mt. Vernon

Renovation is complete and LHC took possession of Mt. Vernon's Community Room. We are waiting for close out documents for the construction. The Community Room and the new offices are beautiful.

LHC Wide

LHC signed a Contract with Ameresco for a Green Physical Needs Assessment and energy audit August 1, 2014. We have had our kick off meeting and inspections will start on September 29, at Forest Road and Hoyt Avenue.

FUTURE MODERNIZATION ACTIVITIES

We are in the final stages of creating blueprints for Hildebrandt Park and Mt. Vernon Park kitchen and bath renovations. We have begun discussion for LaRoy Froh's kitchen and bath renovation.



NON-MODERNIZATION ACTIVITIES

Fire Restoration at 1513 Comfort is underway. The roof has been repaired and the work on electrical wiring was started. First Contracting is ahead of schedule on the restoration



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**LHC Board
Sign-In Sheet
Date of Meeting: September 24, 2014**

Name	Organization	Phone #	E-mail
Patricia Bainer-Lane	LHC	372-7996	patbl@lanshc.org
Greg Frens	LHC	(906) 280-7510	frensge@yahoo.com
Melissa Witte	LHC	393-8464	melissaw@lanshc.org
Ramiro Salazar	LHC	853-3066	ramiros@lanshc.org
Edward Torres	LHC	853-3068	edwardt@lanshc.org
Porsha Bale	LHC	372-7145	porshab@lanshc.org