

**JONESBORO HOUSING AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
TUESDAY JANUARY 19, 2016  
AGENDA**

1. Call to Order
2. Resolution to Approve November 17, 2015 Meeting Minutes
3. Resolution to Approve Section 8 Retro Write-Offs of \$22,302.01
4. Resolution to Approve Replacement Procurement Policy
5. Resolution to Approve Criminal Background Policy
6. Finance Report
7. Resolution to Approve Acceptance of Nelrod's Proposal
8. Resolution to Approve Revised Nationwide 457 (b) Plan Loan Procedures
9. Executive Session if needed

**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE MEETING MINUTES NOVEMBER 17, 2015

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:**

A Resolution is required to Approve Meeting Minutes for November 17, 2015

**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE SECTION 8 RETRO WRITE-OFFS OF \$22,302.01

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:**

A Resolution is required to Approve Section 8 Retro Write-Offs of \$22,302.01

### VACATES THAT OWE RETRO

#### PROPOSED WRITE-OFFS JANUARY 2016

NAME	VACATED	AMOUNT
ANGELA BROWN	10/31/15	\$ 1,617.00
KENDRA KING	09/30/15	\$ 7,553.00
CHANDRA LONG	10/31/15	\$ 4,640.00
MIA LUPOE (Prosecuted)	02/01/09	\$125.00
SONYA BULLARD-PORTER	03/31/15	\$ 392.00
ROSALYN TAYLOR	10/31/15	\$ 7,058.00
KELLY YOUNG	08/31/15	\$ 917.01

\$ 22,302.01



**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE REPLACEMENT PROCUREMENT POLICY

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:**

A Resolution is required to Replacement Procurement Policy

# PROCUREMENT POLICY

Adopted: \_\_\_\_\_

Resolution No.: \_\_\_\_\_

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## 1.0 INTRODUCTION

- 1.1 **General.** Established for the Housing Authority of the City of Jonesboro (hereinafter, "the Agency") by Action of the Agency Board of Commissioners (Board) on \_\_\_\_\_, 2015, this Procurement Policy (Policy) complies with the Annual Contributions Contract (ACC) between the Agency and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR §200.317 through §200.326, *Procurement Standards*, the procurement standards of the Procurement Handbook for Public Housing Authorities (PHAs), HUD Handbook 7460.8, REV 2, and applicable State and Local laws.

## 2.0 GENERAL PROVISIONS

- 2.1 **General.** The Agency shall:

- 2.1.1 Provide for a procurement system of quality and integrity;
- 2.1.2 Provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Agency;
- 2.1.3 Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable and valuable prices available to the Agency;
- 2.1.4 Promote competition in contracting; and
- 2.1.5 Assure that the Agency purchasing actions are in full compliance with applicable Federal standards, HUD regulations, State, and local laws.

- 2.2 **Application.** This Policy applies to all procurement actions of the Agency, regardless of the source of funds, except as noted under "exclusions" below. However, nothing in this Policy shall prevent the Agency from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law. When both HUD and non-Federal grant funds are used for a project, the work to be 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 by a new contract, then regulations applicable to the source of funding may be followed.



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- 2.3 **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.
- 2.4 **Exclusions.** This policy does not govern administrative fees earned under the Section 8 voucher program, the award of vouchers under the Section 8 program, the execution of landlord Housing Assistance Payments contracts under that program, or non-program income, e.g., fee-for-service revenue under 24 CFR §990. These excluded areas are subject to applicable State and local requirements.
- 2.5 **Changes in Laws and Regulations.** In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with these Policies, automatically supersede these Policies.
- 2.6 **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 State of Georgia Freedom of Information Act.

### 3.0 ETHICS IN PUBLIC CONTRACTING

- 3.1 **General.** The Agency hereby establishes this code of conduct regarding procurement issues and actions and shall implement a system of sanctions for violations. This code of conduct, etc., is consistent with applicable Federal, State, or local law.
- 3.2 **Conflicts of Interest.** No employee, officer, Board member, or agent of the Agency shall participate directly or indirectly in the selection, award, or administration of any contract if a conflict of interest, either real or apparent, would be involved. This type of conflict would be when one of the persons listed below has a financial or any other type of interest in a firm competing for the award:
- 3.2.1 An employee, officer, Board member, or agent involved in making the award;
- 3.2.2 His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);

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3.2.3 His/her partner; or

3.2.4 An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

3.3 **Gratuities, Kickbacks, and Use of Confidential Information.** No officer, employee, Board member, or agent of the Agency shall ask for or accept gratuities, favors, or items of more than nominal value (i.e. inexpensive hat with logo) from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

3.4 **Prohibition against Contingent Fees.** Contractors wanting to do business with the Agency must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

### 4.0 PROCUREMENT PLANNING

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

4.1.1 Find patterns of procurement actions that could be performed more efficiently or economically;

4.1.2 Maximize competition and competitive pricing among contracts and decrease the Agency's procurement costs;

4.1.3 Reduce Agency administrative costs;

4.1.4 Ensure that supplies and services are obtained without any need for re-procurement (i.e., resolving bid protests); and

4.1.5 Minimize errors that occur when there is inadequate lead time.

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



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### 5.0 PROCUREMENT METHODS

- 5.1 Petty Cash Purchases.** Purchases under \$50 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. For all Petty Cash Accounts, the Agency shall ensure that security is maintained and only authorized individuals have access to the account. These accounts shall be reconciled and replenished periodically.
- 5.2 Small Purchase Procedures.** For any amounts above the Petty Cash ceiling, but not exceeding \$100,000, the Agency may use small purchase procedures. Under small purchase procedures, the Agency shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than \$3,000 (except for construction procurements which is set at \$2,000), also known as 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. Quotations for Small Purchases (QSP), or quotes, may be obtained orally (either in person or by phone), by fax, in writing, or through e-procurement. Award shall be made to the responsive and responsible vendor that submits the lowest cost to the Agency. If award is to be made for reasons other than lowest price, documentation shall be provided in the contract file. The Agency 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 applies to purchases that exceed the Micro Purchase threshold.
- 5.3 Sealed Bids.** Sealed bidding, also known as Invitation for Bids (IFB), 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 Policy. Under sealed bids, the Agency publicly solicits bids and awards a firm fixed-price contract (lump sum or unit price) to the responsive and responsible bidder whose bid, conforming with all the material terms and conditions of the IFB, is the lowest in price. Sealed bidding is the preferred method for procuring construction, supply, and non-complex service contracts that are expected to exceed \$100,000.
- 5.3.1 Conditions for Using Sealed Bids.** The Agency shall use the sealed bid method if the following conditions are present: a complete, adequate, and realistic statement of work, specification, or purchase description is available; three or more responsible bidders are willing and able to compete effectively for the work; the



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contract can be awarded based on a firm fixed price; and the selection of the successful bidder can be made principally on the lowest price.

**5.3.2 Solicitation and Receipt of Bids.** An IFB is issued which 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.

**5.3.3 Bid Opening and Award.** Bids shall be opened publicly. All bids received shall be recorded on an abstract (tabulation) of bids, which shall then be 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 received 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.

**5.3.4 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 nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental 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 bid prices or other provisions of bids prejudicial to the interest of the Agency or fair competition shall not be permitted.

**5.4 Competitive Proposals.** Unlike sealed bidding, the competitive proposal method, also known as Request for Proposals (RFP), permits: consideration of technical factors other than price; discussion with offerors concerning offers



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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 Agency, 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.

- 5.4.1 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 that will exceed the small purchase threshold. As detailed within Section 7.2.B of HUD Procurement Handbook 7460.8 REV 2, "Only under limited circumstances would construction services be procured by competitive proposals;" accordingly, construction services will most typically be procured utilizing the sealed bid (IFB) or small purchase procedures (QSP).
- 5.4.2 Form of Solicitation.** Other than A/E services, developer-related services and energy performance contracting, competitive proposals shall be solicited through the issuance of an RFP. The RFP shall clearly identify the importance and relative value of each of the evaluation factors as well as any subfactors 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 award. The Agency may assign price a specific weight in the evaluation factors or the Agency may consider price in conjunction with technical factors; in either case, the method for evaluating price shall be established in the RFP.
- 5.4.3 Evaluation.** The proposals shall be evaluated only on the factors stated in the RFP. Where not apparent from the evaluation factors, the Agency shall establish an Evaluation Plan for each RFP. Generally, all RFPs 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 award of a contract.
- 5.4.4 Negotiations.** Negotiations shall be conducted with all offerors who submit a proposal determined to have a reasonable chance of being selected for award, unless it is determined that negotiations are not



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needed with any of the offerors. 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 competitive or sole source environment) between the Agency 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 object of discussions is to maximize the Agency's ability to obtain 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 technical approach, past performance, 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 may inform an offeror that its price is considered by the Agency 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.

- 5.4.4 Award.** After evaluation of the revised proposals, if any, the contract shall be awarded to the responsible firm whose technical approach to the project, qualifications, price and/or any other

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factors considered, are most advantageous to the Agency provided that the price is within the maximum total project budgeted amount established for the specific property or activity.

- 5.4.6 A/E Services.** The Agency shall contract for A/E services using Qualifications-based Selection (QBS) procedures, utilizing a Request for Qualifications (RFQ). 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, other than Energy Performance Contracting and Developer services, though architectural/engineering firms are potential sources.

### **5.5 Noncompetitive Proposals.**

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

**5.5.1.1** The item is available only from a single source, based on a good faith review of available sources;

**5.5.1.2** An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the Agency, 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, 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, or construction necessary simply to meet the emergency;

**5.5.1.3** HUD authorizes the use of noncompetitive proposals; or



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5.5.1.4 After solicitation of a number of sources, competition is determined inadequate.

5.5.2 **Justification.** Each procurement based on noncompetitive 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:

5.5.2.1 Description of the requirement;

5.5.2.2 History of prior purchases and their nature (competitive vs. noncompetitive);

5.5.2.3 The specific exception in 2 CFR §200.320(f) (1)-(4) which applies;

5.5.2.4 Statement as to the unique circumstances that require award by noncompetitive proposals;

5.5.2.5 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.);

5.5.2.6 Statement as to efforts that will be taken in the future to promote competition for the requirement;

5.5.2.7 Signature by the Contracting Officer's supervisor (or someone above the level of the Contracting Officer); and

5.5.2.8 **Price Reasonableness.** The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing an analysis, as described in this Policy.

5.6 **Cooperative Purchasing/Intergovernmental Agreements.** The Agency may enter into State and/or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The decision to use

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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 Agency 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 2 CFR §200.317 through §200.326.

### 6.0 INDEPENDENT COST ESTIMATE (ICE)

- 6.1 **General.** For all purchases above the Micro Purchase threshold, the Agency 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.

### 7.0 COST AND PRICE ANALYSIS (CPA)

- 7.1 **General.** The Agency shall require assurance that, before entering into a contract, the price is reasonable, in accordance with the following instructions.
- 7.1.1 **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.
- 7.1.2 **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.
- 7.1.3 **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 where the Agency cannot



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reasonably determine price reasonableness, the Agency must conduct a cost analysis, consistent with federal guidelines, to ensure that the price paid is reasonable.

**7.1.4 Competitive Proposals.** The presence of adequate competition should generally be sufficient to establish price reasonableness. Where sufficient proposals are not received, the Agency 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, the Agency must conduct a cost analysis, consistent with Federal guidelines, to ensure that the price paid is reasonable.

**7.1.5 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.

## 8.0 SOLICITATION AND ADVERTISING

### 8.1 Method of Solicitation.

**8.1.1 Petty Cash and Micro Purchases.** The Agency may contact only one source if the price is considered reasonable.

**8.1.2 Small Purchases.** Quotes may be solicited orally, through fax, E-Procurement, or by any other reasonable method.

**8.1.3 Sealed Bids and Competitive Proposals.** Solicitation must be done publicly. The Agency must use one or more following solicitation methods, provided that the method employed provides for meaningful competition.

**8.1.3.1** Advertising in newspapers or other print mediums of local or general circulations.

**8.1.3.2** Advertising in various trade journals or publications (for construction).

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- 8.1.3.3 E-Procurement.** The Agency may conduct its public procurements through the Internet using e-procurement systems. However, all e-procurements must otherwise be in compliance with 2 CFR §200.317 through §200.326, State and local requirements, and the Agency's procurement policy.
- 8.2 Time Frame.** For purchases of more than \$100,000, the public notice should run not less than once each week for two consecutive weeks.
- 8.2 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(s).
- 8.4 Time Period for Submission of Bids.** A minimum of 30 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.
- 8.5 Cancellation of Solicitations.**
- 8.5.1** An IFB, RFP, or other solicitation may be cancelled before bids/offers are due if:
- 8.5.1.1** The supplies, services or construction is no longer required;
  - 8.5.1.2** The funds are no longer available;
  - 8.5.1.3** Proposed amendments to the solicitation are of such magnitude that a new solicitation would be best; or
  - 8.5.1.4** Other similar reasons.
- 8.5.2** A solicitation may be cancelled and all bids or proposals that have already been received may be rejected if:
- 8.5.2.1** The supplies or services (including construction) are no longer required;
  - 8.5.2.2** Ambiguous or otherwise inadequate specifications were part of the solicitation;



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- 8.5.2.3 All factors of significance to the Agency were not considered;
- 8.5.2.4 Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
- 8.5.2.5 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
- 8.5.2.6 For good cause of a similar nature when it is in the best interest of the Agency.
- 8.5.3 The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request.
- 8.5.4 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.
- 8.5.5 If all otherwise acceptable bids received in response to an IFB are at unreasonable prices an analysis should be conducted to see if there is a problem in either the specifications or the Agency'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
  - 8.5.5.1 Re-solicit using an RFP; or
  - 8.5.5.2 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 the Agency's intent to negotiate, and must give each bidder a reasonable opportunity to negotiate.
- 8.5.6 If problems are found with the specifications, the Agency should cancel the solicitation, revise the specifications and re-solicit using an IFB.



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- 8.6 **Credit (or Purchasing) Cards.** Credit card usage should follow the rules for all other small purchases. For example, the Contracting Officer may use a credit card for Micro Purchases without obtaining additional quotes provided the price is considered reasonable. However, for amounts above the Micro Purchase level, the Contracting Officer would generally need to have obtained a reasonable number of quotes before purchasing via a credit card. When using credit cards, the Agency shall adopt reasonable safeguards to assure that they are used only for intended purposes (for instance, limiting the types of purchases or the amount of purchases that are permitted with credit cards).

## 9.0 BONDING REQUIREMENTS

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

- 9.1.1 **Bid Bonds.** For construction contracts exceeding \$100,000, offerors shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid price.

- 9.1.2 **Payment Bonds.** For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of completion. This assurance may be any one of the following four:

- 9.1.2.2 Separate performance and payment bonds, each for 100% or more of the contract price; or

- 9.1.2.3 A 20 % cash escrow; or

- 9.1.2.4 A 25 % irrevocable letter of credit.

These bonds must be obtained from guarantee or surety companies acceptable to the U. S. Government and authorized to do business in the State of Georgia. 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.

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### 10.0 CONTRACTOR QUALIFICATIONS AND DUTIES

#### 10.1 Contractor Responsibility

10.1.1 The Agency 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:

10.1.1.1 Have adequate financial resources to perform the contract, or the ability to obtain them;

10.1.1.2 Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all of the bidder's/offeror's existing commercial and governmental business commitments;

10.1.1.3 Have a satisfactory performance record;

10.1.1.4 Have a satisfactory record of integrity and business ethics;

10.1.1.5 Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them;

10.1.1.6 Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and,

10.1.1.7 Be otherwise qualified and eligible to receive an award under applicable laws and regulations, including not be suspended, debarred or under a HUD-imposed LDP.

10.1.2 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.

10.2 **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 (2 CFR §200.317 through §200.326) or by other Federal agencies, e.g., Department of Labor for violation of labor regulations, when necessary



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to protect housing authorities in their business dealings. Prior to issuance of a contract, Agency staff shall, as detailed within Section 10.2.H.1 and 10.2.H.2 of HUD Procurement Handbook 7460.8 REV 2, conduct the required searches within the HUD Limited Denial of Participation (LDP) system and the U.S. General Services Administration System for Award Management (SAM) and place within the applicable contract file a printed copy of the results of each such search.

- 10.3 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.

### 11.0 CONTRACT PRICING ARRANGEMENTS

- 11.1 Contract Types.** Any type of contract which is appropriate to the procurement and which will promote the best interests of the Agency 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 the Agency. For all cost reimbursement contracts, the Agency must include a written determination as to why no other contract type is suitable. Further, the contract must include a ceiling price that the contractor exceeds at its own risk.
- 11.2 Options.** Options for additional quantities or performance periods may be included in contracts, provided that:
- 11.2.1** The option is contained in the solicitation;
  - 11.2.2** The option is a unilateral right of the Agency;
  - 11.2.3** The contract states a limit on the additional quantities and the overall term of the contract;
  - 11.2.4** The options are evaluated as part of the initial competition;
  - 11.2.5** The contract states the period within which the options may be exercised;
  - 11.2.6** The options may be exercised only at the price specified in or reasonably determinable from the contract; and

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11.2.7

The options may be exercised only if determined to be more advantageous to the Agency than conducting a new procurement.

### 12.0 CONTRACT CLAUSES

**12.1 Contract Pricing Arrangements.** All contracts shall identify the contract pricing arrangement as well as other pertinent terms and conditions, as determined by the Agency.

**12.2 Required Forms.** Additionally, the forms HUD-5369; 5369-A; 5369-B; 5369; 5370; 5370-C (Sections I and II); 51915; and 51915-A, 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, as applicable, in all corresponding solicitations and contracts issued by the Agency.

**12.3 Required Contract Clauses:** The Agency shall ensure that each contract executed by the Agency contains the required contract clauses detailed within 2 CFR §200.326 and Appendix II.

### 13.0 CONTRACT ADMINISTRATION

**13.1 General.** The Agency shall maintain a system of contract administration designed to ensure that 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 HUD Handbook 2210.18.

### 14.0 SPECIFICATIONS

**14.1 General.** All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying the Agency's needs. Specifications shall be reviewed prior to issuing any solicitation to ensure that 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.



## PROCUREMENT POLICY

Adopted: \_\_\_\_\_

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**14.2 Limitation.** The following types of specifications shall be avoided:

- 14.2.1** 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);
- 14.2.2** Brand name specifications (unless the specifications list the minimum essential characteristics 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 that organizational conflicts of interest do not occur.

## 15.0 APPEALS AND REMEDIES

- 15.1 General.** It is Agency policy to resolve all contractual issues informally and without litigation. 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.
- 15.2 Informal Appeals Procedure.** The Agency 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.
- 15.3 Formal Appeals Procedure.** A formal appeals procedure shall be established for solicitations/contracts of more than \$100,000.
  - 15.3.1 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 contract receives notice of the contract 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.

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- 15.3.2 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 Agency. Contractor claims shall be governed by the Changes clause in the relevant form HUD-5370.

### 16.0 ASSISTANCE TO SMALL AND OTHER BUSINESSES

- 16.1 Required Efforts.** Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority-owned businesses, women's business enterprises, and other individuals or firms located in or owned in substantial part by persons residing in the area of the HACJ project are used when possible. Such efforts shall include, but shall not be limited to:

- 16.1.1** Including such firms, when qualified, on solicitation mailing lists;
- 16.1.2** Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- 16.1.3** Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- 16.1.4** Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- 16.1.5** Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce;
- 16.1.6** Including in contracts, to the greatest extent feasible, a clause requiring contractors, to provide opportunities for training and employment for lower income residents of the project area and to award subcontracts for work in connection with the project to business concerns which provide opportunities to low-income residents, as described in 24 CFR §135 (so-called Section 3 businesses); and



## PROCUREMENT POLICY

Adopted: \_\_\_\_\_ Resolution No.: \_\_\_\_\_

16.1.7 Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed above.

16.2 **Goals.** Shall be established periodically for participation by small businesses, minority-owned businesses, women-owned business enterprises, labor surplus area businesses, and Section 3 business concerns in Agency prime contracts and subcontracting opportunities.

### 16.3 Definitions.

16.3.1 A small business is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR §121 should be used to determine business size.

16.3.2 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 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.

16.3.3 A women's business enterprise is defined as 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.

16.3.4 A "Section 3 business concern" is as defined under 24 CFR §135.

16.3.5 A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the DOL in 20 CFR §654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

## 17.0 BOARD APPROVAL OF PROCUREMENT ACTIONS

17.1 **No Board Approval Necessary.** Other than approval of this Procurement Policy, approval by the Board of Commissioners is not required for any procurement actions, as permitted under State and local law. Rather, it is

## PROCUREMENT POLICY

Adopted: \_\_\_\_\_

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the responsibility of the Executive Director to make sure that all procurement actions are conducted in accordance with the policies contain herein.

### 18.0 DELEGATION OF CONTRACTING AUTHORITY

**18.1 Delegation.** While the ED is responsible for ensuring that the Agency's procurements comply with this Policy, the ED may delegate in writing all procurement authority as is necessary and appropriate to conduct the business of the Agency.

**18.2 Procedures.** Further, and in accordance with this delegation of authority, the ED shall, where necessary, establish operational procedures (such as a procurement manual or standard operating procedures) to implement this Policy. The ED shall also establish a system of sanctions for violations of the ethical standards described in Section 3.0 herein, consistent with Federal, State, or local law.

### 19.0 DOCUMENTATION

**19.1 Required Records.** The Agency must maintain records sufficient to detail the significant history of each procurement action. These records shall include, but shall not necessarily be limited to, the following:

**19.1.1** Rationale for the method of procurement (if not self-evident);

**19.1.2** Rationale of contract pricing arrangement (also if not self-evident);

**19.1.3** Reason for accepting or rejecting the bids or offers;

**19.1.4** Basis for the contract price (as prescribed in this handbook);

**19.1.5** A copy of the contract documents awarded or issued and signed by the Contracting Officer;

**19.1.6** Basis for contract modifications; and

**19.1.7** Related contract administration actions.

**19.2 Level of Documentation.** The level of documentation should be commensurate with the value of the procurement.

**19.3 Record Retention.** Records are to be retained for a period of three years after final payment and all matters pertaining to the contact are closed.



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### 20.0 DISPOSITION OF SURPLUS PROPERTY

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

### 21.0 FUNDING AVAILABILITY

**21.1 General.** Before initiating any contract, the Agency shall ensure that there are sufficient funds available to cover the anticipated cost of the contract or modification.

**22.0 BUY AMERICAN PRODUCTS:** The Housing Authority of the City of Jonesboro will make reasonable effort to boost the American Economy by seeking to buy American made products whenever feasible.

**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE CRIMINAL BACKGROUND POLICY

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:** A Resolution is required to Approve the Criminal Background Policy

## CRIMINAL BACKGROUND POLICY

At a time when an estimated 100 million Americans have some type of criminal record, HUD is encouraging housing agencies to establish policies that achieve a sensible and effective balance between allowing individuals with a criminal record to access HUD-subsidized housing and ensuring the safety of all residents of such housing. HUD also is encouraging owners of HUD-assisted multi housing properties to do the same and reiterates HUD's goal of "helping ex-offenders gain access to one of the most fundamental building blocks of a stable life—a place to live by allowing them second chances; therefore in response to HUD's Second Chance Initiative, the Jonesboro Housing Authority hereby adopts the following procedures for determining acceptance or denial of applicants applying for HUD-subsidized housing and further revokes the former "One Strike Policy" as HUD no longer endorses said policy.

- Jonesboro Housing Authority hereby adopts procedurally a lookback period of twelve months for drug activity, and twenty-four months for other criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Jonesboro Housing Authority personnel shall use discretion to decide whether or not to deny admission to an applicant with certain types of criminal history, or terminate assistance or evict a household if a tenant, household member, or guest engages in certain drug-related or certain other criminal activity on or off the premises in the case of Public Housing and on or near the premises of Section 8 Programs.
- We shall consider all the circumstances relevant to the particular admission or eviction, including, but not limited to:
  - The seriousness of the offending action; the effect that eviction of the entire household would have on family members not involved in the criminal activity; and
  - The extent to which the leaseholder has taken all reasonable steps to prevent or mitigate the criminal activity.
  - The level of violence, if any, of the offense for which the applicant was convicted;
  - The number of convictions that appear on the applicant's criminal history;
  - Whether the applicant was under the influence of alcohol or illegal drugs at the time of the offense; and
  - Additionally, when specifically considering whether to deny admission or terminate assistance or tenancy for illegal drug use by a household member who is no longer engaged in such activity, we may consider whether the household member is participating in or has successfully completed a drug rehabilitation program, or has otherwise been rehabilitated successfully.
  - The seriousness of the offending action, especially with respect to how it would affect other residents;
  - The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, or stalking;
  - The effect of the PHA's decision on the integrity of the Public Housing program;
  - The demand for housing by eligible families who will adhere to lease responsibilities;
  - The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future.
- An arrest will not be used as evidence of criminal activity by Jonesboro Housing Authority personnel, but rather we shall ensure that all adverse decisions pertaining to criminal activity are supported by sufficient evidence that the individual actually engaged in such activity. Specifically, before we evict or deny admission to, terminate the assistance of, or evict an individual or household on the basis of criminal activity by a household member or guest, we shall determine that the relevant individual engaged in such activity, i.e. actual conviction for the criminal activity, witnesses; preponderance of evidence.
- Jonesboro Housing Authority management shall allow Public Housing and Section 8 Applicants to address and present mitigating circumstances regarding criminal backgrounds prior to admission decisions.

ADOPTION DATE: \_\_\_\_\_ RESOLUTION NUMBER \_\_\_\_\_



- Damage to the subsidized property that is proven to be the result of the manufacture of methamphetamines, or discovery by management that the property is being used for manufacture or distribution of methamphetamines will result in lease termination and eviction.
- Preponderance of evidence that criminal activity exists inside of the HUD subsidized unit will result in lease termination and eviction.
- Jonesboro Housing Authority shall continue to deny participation in its programs to individuals that are listed on the National Registry of Lifetime Sex Offenders.
- Jonesboro Housing Authority personnel shall provide notification and opportunity to dispute the accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record to all Public Housing, project based Section 8, and Section 8 HCV applicants. Further, all Public Housing and Section 8 applicants shall be afforded the right to request an informal hearing or review after an application for housing assistance is denied. Moreover, we shall only terminate the tenancy or assistance of a Public Housing or project-based Section 8 tenants through either a judicial action in state or local court, or, in case of a Section 8 HCV participant, through an administrative grievance hearing before an impartial hearing officer appointed by Jonesboro Housing Authority management. In either case, the tenant must be afforded the basic elements of due process, including the right to be represented by counsel, to question witnesses, and to refute any evidence presented by the PHA or owner.
- Jonesboro Housing Authority management reserves the right to deny, evict, or terminate assistance to anyone who poses a safety threat to its Public Housing residents or JHA personnel; i.e.
  - Engaging in violent activity such as firing weapons at or near the Public Housing units,
  - Engaging in violent activity such as firing weapons at or near the administrative offices;
  - Making terroristic threats toward JHA personnel
  - Physical assaults upon any Public Housing resident or JHA personnel, maintenance technicians or inspectors; including harboring a dangerous animals that do not conform to the JHA Pet Policy. Residents of Public Housing; as well as Section 8 program participants are responsible for their pets and must ensure they do not physically harm or threaten other residents, owners, inspectors, maintenance technicians, or JHA personnel.

# JONESBORO HOUSING AUTHORITY

## *EXECUTIVE SUMMARY*

**TO:** BOARD OF COMMISSIONERS  
**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR  
**DATE:** January 19, 2016  
**RE:** FINANCIAL REPORT PERIOD ENDING SEPTEMBER 30, 2015  
(UNAUDITED)

Agency-wide Financial Statements reflect **Total Income** of \$13,617,048 and **Total Expenses** of \$13,884,167 with a **Net Income (Loss)** of (\$267,119). Net income (loss) consists of (\$272,591) from administrative operations and \$5,472 from housing assistance payments (HAP).

Below are highlights for the period October 1, 2014 thru September 30, 2015:

➤ **Section 8:**

The Section 8 Financial Statements represent all of the Section 8 programs combined including Housing Choice Voucher (HCV).

**Housing Choice Voucher (HCV)**

Total Income: \$13,362,928

Total Expenses: \$13,528,603

Net Income / (Loss) Before Depreciation: (\$155,119)

Net Income / (Loss) After Depreciation: (\$165,675)

Net Income for the Section 8 program consists of two components reflecting HAP Net Income in the amount of \$5,472 and Administrative Fees Earned Net Loss in the amount of (\$160,591) before depreciation and (\$171,147) after depreciation. Depreciation expense for the year totaled \$10,556.

The HAP Net Income is due to the following:

- Increase in HCV HAP renewal eligibility proration to 1.01% for 2015 funding. This is up from 99.7% in 2014. In addition, JHA is receiving a full year of funding for 37 new Tenant Protection Vouchers awarded late in FY 2014.
- The new cash management process which allows HUD to retain funds (cash) at the HUD level as opposed to disbursing funds to the PHA when monthly funding is sufficient remains ongoing. HUD reported

HUD-Held Fund balance as of December 4, 2015 is \$671,686. JHA's HUD-Held Fund balance as of December 31, 2015 is \$696,080. JHA's balance is higher because HUD's balances does not include the whole month of December HAP expenses. Cash on hand balances will continue to be low because of HUD's retention policy.

- HUD offset of HAP fraud recovery and FSS escrow forfeiture income against current budget authority.

Leasing levels increased this year which resulted in higher administrative fees being earned. As you are aware, we opened the waiting list October, 2015 and we intend to pull from the waiting list to increase leasing in the new fiscal year.

The Administrative Net Loss is due to the following;

- The reduction in the administrative fee proration from 79% to 75% as implemented by HUD early in the year. The administrative fee rate increases for 2015 were minimal compared to 2014. In June, 2015, HUD identified additional funds to augment the administrative fee appropriation and notified PHAs that the pro-ration for the year will likely be 79%. In November, 2015, PHAs were advised that the pro-ration will be 81%. This is good news to PHAs that have been tapping into reserves to cover shortages. The increase in pro-ration means a lesser impact on reserves. However, we continue to be challenged with adequately staffing the agency and providing the services needed to operate the HCV program. At these pro-ration levels, administrative losses are anticipated and will be absorbed by reserves on hand.
- Fraud recovery income was down 50% in 2015 as compared to 2014.
- Portability income was down 5% in 2015 compared to 2014 which is relative to the administrative fee pro-ration.
- Administrative costs are higher this year primarily because no reduction in staff hours from furloughs were implemented due to the workload. JHA's staffing levels have been stagnant in an effort to control costs this year.

Management continues to monitor costs and evaluate needs in other areas to maintain a conservative approach to spending.



➤ **Disaster Housing Assistance Program (DHAP):**

The Disaster Housing Assistance Program (DHAP) was funded by the Federal Emergency Management Agency (FEMA) and administered by HUD in 2007. The program ended in 2010 and eligible families were converted to the Housing Choice Voucher program. Although this program is no longer active, financial reporting requirements remain as long as the program retains assets. In the past, income generated on this program consisted of interest earned on the checking account. Now, interest earned is offset against bank service charges from our new banking institution.

Total Income: \$1

Total Expenses: \$10,797

Net Income / (Loss) Before Depreciation: (\$1,036)

Net Income / (Loss) After Depreciation: (\$10,796)

Depreciation expense for the year totaled \$9,760

Net Income (Loss) for the DHAP program consists of two components reflecting HAP Net Income (Loss) in the amount of \$0 and Administrative Fees Earned Net Income (Loss) in the amount of (\$1,036) before depreciation and (\$10,796) after depreciation.

The administrative loss is primarily due to bank service charges from the checking account. The bank account type has been changed to a money market savings account to reduce the costs of maintaining a low activity fund. As a result, this fund has a negative administrative equity balance. Since the program has been closed and settled, the equity balances will be combined.

➤ **Public Housing:**

The Public Housing Financial Statements represent low rent public housing for 30 units. All units are on line.

Total Income: \$253,921

Total Expenses: \$344,644

Net Income / (Loss) Before Depreciation: (\$36,297)

Net Income / (Loss) After Depreciation: (\$90,723)

Budget Over (Under): \$36,297

Budget Over (Under) After Depreciation: \$90,723

Depreciation expense for the year totaled \$54,426

The Public Housing program operated over budget primarily due to reductions in proration funding levels from 89.20% in 2014 to approximately 82.35% in 2015. This means that less operating subsidy was provided for the current year than we had anticipated. JHA drew down \$39,201 in operating funds from the Capital Fund Program (CFP) 2014 budget and accessed reserves to absorb losses during this fiscal year.

➤ **Local Fund:**

The Local Fund consists of administrative fees earned by the Section 8 program prior to HUD restrictions requiring that Section 8 administrative fee earned remain in the program. The Local Fund includes interest on CD investments and sundry administrative costs.

Total Income: \$198

Total Expenses: \$123

Net Income / (Loss): \$75

➤ **Cash on Hand:**

Cash on hand consist of cash in the bank as of this period.

Section 8: \$495,535

Public Housing: \$219,178

Total Cash on Hand: \$714,713

➤ **Investments:**

Investments consist of Certificates of Deposits and Money Market accounts with various banking institutions.

Section 8: \$122,921

Disaster Housing Assistance Program (DHAP): \$8,563

Public Housing: \$300

Local Fund: \$251,656

Total Investments: \$383,440

➤ **Reserves:**

The reserve balances reflect cumulative retained earnings. These funds are for intended uses within HUD guidelines.

**Section 8**

Section 8 HAP (HCV): \$244,440 - Prior Year FY 2014: \$238,968

Section 8 Admin (HCV): \$343,980 - Prior Year FY 2014: \$504,571

Total Section 8 Reserves: \$588,420 - Prior Year FY 2014: \$743,539

**DHAP**

DHAP HAP: \$10,216 - Prior Year FY 2014: \$10,216

DHAP Admin: (\$1,649) - Prior Year FY 2014: (\$614)

Total DHAP Reserves: \$8,567 - Prior Year FY 2014: \$9,602

**Public Housing**

Public Housing Operating: \$184,273 - Prior Year FY 2014: \$220,570

Public Housing Replacement: \$-0-

Total Public Housing Reserves: \$184,273



Local Fund

Local Fund Operating: \$251,815 - Prior Year FY 2014: \$251,740

Total Local Fund Reserves: \$251,815

Total Reserves: \$1,033,075

The fiscal year end closeout is complete and the unaudited Financial Data Schedule (FDS) was submitted on November 25, 2015. The 2015 Audit is scheduled for the week of March 7-11, 2016. The audited Financial Data Schedule (FDS) is due June 30, 2016.

Please let me know, if you have any questions.

**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE ACCEPTANCE OF NELROD'S PROPOSAL TO PERFORM  
GPNA & ENERGY SURVEY

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:** A Resolution is required to Approve Acceptance of Nelrod's Proposal  
to Perform GPNA & Energy Survey



## **PROFESSIONAL SERVICES CONTRACT**

*Green Physical Needs Assessment and Energy Audit Report*

This agreement is entered into between the Housing Authority of the City of Jonesboro, located at 203 Hightower Street, Jonesboro, GA 30236 hereinafter referred to as the "AGENCY," and The Nelrod Company located at 3109 Lubbock Avenue, Fort Worth, Texas 76109, hereinafter referred to as "CONTRACTOR."

The "AGENCY" in its need to obtain services related to a Green Physical Needs Assessment and Energy Audit, finding that the CONTRACTOR is willing to assist the AGENCY in providing services, the AGENCY and CONTRACTOR do mutually agree as follows:

### **ARTICLE I - PERIOD OF CONTRACT**

This agreement shall become effective and binding when signed by both parties.

This agreement shall terminate December 31, 2016 unless terminated pursuant to Article V infra.

### **ARTICLE II - SCOPE OF WORK**

CONTRACTOR will develop services related to a Green Physical Needs Assessment and Energy Audit for one property as detailed in the CONTRACTOR's proposal dated October 12, 2015. CONTRACTOR's deliverables are outlined as follows:

- |                |                                 |
|----------------|---------------------------------|
| Deliverable 1. | Green Physical Needs Assessment |
| Deliverable 2. | Energy Audit                    |

### **ARTICLE III - PAYMENTS**

The AGENCY shall pay the CONTRACTOR as a fee for the services as stated in this contract, the sum not to exceed \$4,999.00, which also includes costs for reasonable travel, lodging, clerical and other administrative expenses. This amount is to be paid as follows:

- A. Initial progress payment of \$1,649.67 (33%) of the total contract amount for start-up labor, materials, travel, and miscellaneous expenses.
- B. All subsequent payments to be made by the AGENCY. The CONTRACTOR will submit request for monthly partial payment commensurate with resources expended at the time, not to exceed 90% of the total approved fee. Requests for payments (invoices) will be submitted to the AGENCY no later than the 10<sup>th</sup> day of the month.
- C. Final payment will be made within 10 days after AGENCY receives final copies of documents. Final payment is to be not less than (10%) \$499.90. In addition, provided the AGENCY requests the CONTRACTOR to perform

and/or provide any additional work and/or materials, the scope of the work requested and the additional fee in the amount of \$122.00 per hour for Construction Specialists and \$50.00 per hour for Support Specialists plus expenses and/or material costs shall be agreed upon by the AGENCY and the CONTRACTOR in advance.

#### **ARTICLE IV - GROSS RECEIPTS TAX**

The CONTRACTOR shall be responsible for the payment of Federal, State, and FICA tax levied on amounts paid to CONTRACTOR pursuant to this agreement.

#### **ARTICLE V - TERMINATION**

This agreement may be terminated by either party upon written notice delivered to the other at least 30 working days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination.

#### **ARTICLE VI - STATUS OF CONTRACTOR**

The CONTRACTOR and its agents or employees are independent contractors performing professional services for the AGENCY.

#### **ARTICLE VII - ASSIGNMENT**

CONTRACTOR shall not subcontract any portion of the service to be performed under this agreement without the prior approval of the AGENCY.

#### **ARTICLE VIII - HOLD HARMLESS AGREEMENT**

CONTRACTOR shall defend and hold harmless AGENCY from all actions, proceedings, claims, demands, cost, damages, attorney's fees, and all other liabilities and expenses of any kind from any source which may arise out of the performance of this agreement, which result in any way or to any degree from the wrongful act or omission of the CONTRACTORS, its employees, agents, or servants.

#### **ARTICLE IX - PRODUCT OF SERVICES: COPYRIGHT**

All deliverables developed or acquired by CONTRACTOR under this agreement shall become the property of the AGENCY and shall be delivered to the AGENCY not later than the termination date of this agreement. Materials furnished but not developed under this agreement shall be the subject of an application for copyright by or on behalf of the CONTRACTOR without the prior written approval of the AGENCY. All CONTRACTOR copyrighted source materials remain the sole property of CONTRACTOR. CONTRACTOR reserves all rights.



**ARTICLE X - DISCRIMINATION**

No person shall, on the grounds of race, color, national origin, sex or sexual preference, handicap, age, familial status, or religion, be excluded from participating in, be denied the benefit of, or otherwise be subjected to discrimination under any activity performed pursuant to this agreement.

**ARTICLE XI - JURISDICTION AND VENUE**

In the event of a Contract dispute or litigation arising out of said Agreement, it is understood and agreed that this Agreement was executed and performed in Jonesboro, Georgia and, as such, it is agreed by both parties that venue for said litigation, including an action of Declaratory Judgment, will be in Clayton county, GA.

IN WITNESS WHEREOF, the parties hereto have set their hands.

CONTRACTOR: THE NELROD COMPANY

BY: \_\_\_\_\_  
Jacob Rodriguez, Vice President, and CFO

DATE: \_\_\_\_\_

AGENCY: HOUSING AUTHORITY OF THE CITY OF JONESBORO

BY:  \_\_\_\_\_  
Louise Kidd, Executive Director

DATE: 1/19/2016

**January 19, 2016**

**ISSUE SUMMARY:**

RESOLUTION TO APPROVE REVISED NATIONWIDE 457 (b) PLAN LOAN  
PROCEDURE

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**FROM:** LOUISE KIDD, EXECUTIVE DIRECTOR

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**IMPORTANCE:**

High

**ACTION REQUIRED:** A Resolution is required to Approve Revised Nationwide 457 (b) Plan  
Loan Procedure





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## **Nationwide Retirement Solutions** **Governmental 457(b) Plan Loan Procedures**

Page 1 of 6

**Plan name:** JONESBORO HOUSING AUTHORITY

Nationwide Retirement Solutions, Inc. ("NRS") agrees as the Administrative Service Provider to administer loans in accordance with the terms of these Plan Loan Procedures and the attached "**Plan Election Worksheet**" (see Addendum A) as approved by the Plan Sponsor of the Plan. The Plan Sponsor directs the Plan Administrator of the Plan to administer loans in accordance with this document. The Plan Sponsor or the Plan Administrator may amend these Plan Loan Procedures within any constraints placed by NRS. Any such amendments shall bind the Plan Sponsor and the Plan Administrator. The Plan Sponsor is encouraged to consult with legal advisors in determining whether the procedures identified herein are appropriate for the Plan.

The Plan Sponsor and Plan Administrator (collectively the "Client") acknowledge that NRS may need to make changes from time-to-time to the administrative procedures set forth herein and may request amendments to the Plan documents to maintain the Plan's Loan Program. In such a case, NRS will provide the Client with timely notice of such changes as they become necessary.

The following Plan Loan Procedures shall govern Participant loans offered in the Plan Sponsor's 457(b) Plan ("Plan"):

1. **Loan Administration** – Client delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to and acceptance by the Plan Sponsor.
2. **Loan Eligibility** - Any Plan Participant, who falls into one of the employee statuses that the Client has elected, is eligible for a loan from the Plan. Each Participant is entitled to one outstanding loan from the Plan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest.
3. **Loan Initiation and Loan Application** - In order to receive a loan from the Plan, an eligible Participant must complete all required documents provided in the Loan Application and return them to NRS. Before a loan is issued, the Participant must enter into a legally enforceable Loan Agreement as provided by NRS in the Loan Application, on behalf of the Plan. A loan initiation fee will be deducted from the Participant's account(s) after the loan has been funded by the Participant's account(s).
4. **Loan Security** - By accepting a loan, the Participant is giving the Plan a security interest in his or her vested Plan balance equal to the total loan amount, but not to exceed 50% of the Participant's vested Plan balance.
5. **Loan Money Source** - A loan shall be modeled taking into account the Participant's entire Plan account balance. Loans shall be funded only from a Participant's available Plan account pre-tax money sources. To the extent that a Participant has a self-directed brokerage account, no funding from such self-directed brokerage account shall be permitted.
6. **Minimum and Maximum Loan Term** - The minimum and maximum loan term over which a loan may be repaid is the term elected by the Client. Except as otherwise provided herein, the maximum loan term shall not exceed 5 years.

## Nationwide Retirement Solutions

### Governmental 457(b) Plan Loan Procedures

Page 2 of 6

**Plan name:** JONESBORO HOUSING AUTHORITY

**7. Minimum/Maximum Loan Amount** - The minimum loan amount permitted shall be the amount elected by the Client. The maximum amount of any loan permitted under the Plan shall comply with Section 72(p) of the Internal Revenue Code and (when added to the outstanding balance of all other loans from all plans sponsored by the same employer) is the lesser of (i) \$50,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans from all plans sponsored by the same employer, during the one-year period ending on the day before the date on which the loan was made over (B) the outstanding balance of loans from all plans sponsored by the same employer, on the date on which the loan is made, or (ii) one half of the present value of the Participant's vested account balance.

**8. Loan Amortization** - Each loan shall be amortized with interest accruing immediately, with repayments beginning approximately 30 days from the date the loan is processed, in substantially equal repayments consisting of principal and interest during the term of the loan. Repayments of principal and interest shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. The amount of the final payment may be higher or lower depending upon the Participant's repayment history.

**9. Loan Repayment** - Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. Loans must be repaid according to the repayment method elected by the Client. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing repayments prior to the commencement of a loan. In the event that a Participant elects to receive a distribution from the Plan that is less than 100% of his outstanding account balance at a time when such person has a loan outstanding, the Participant shall continue to make repayments on the loan.

**10. Loan Prepayment** - The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS.

**11. Loan Overpayment** - In the event that NRS receives a loan overpayment, any amount over the repayment amount due will be applied or refunded according to the administrative policies of NRS.

**12. Cure Period** - If a Participant fails to make a loan repayment when due, the missed repayment must be made within the cure period elected by the Client.

**13. Default** - If any repayment is not received by NRS by the end of the cure period, the entire amount of the loan will be defaulted and treated as a deemed distribution, effective as of the end of the cure period elected by the Client. A deemed distribution is treated as a distribution from the Plan for federal (and possibly state or local) income tax purposes; therefore amounts treated as a deemed distribution will be subject to federal, state and/or local income taxes, and certain excise taxes and penalties may apply. NRS will issue a Form 1099-R to the Participant reflecting the deemed distribution. Any payment made on a defaulted loan will be applied to the outstanding balance of the loan including accrued interest. Such repayment(s), following the date of default, will be treated as after tax amounts and the Participant will receive tax basis in his or her Plan account for such amounts.

The entire loan, including any accrued interest, will also be due and payable immediately in the event of the death of the Participant. The outstanding balance of the loan will be treated as a deemed distribution following the date of notification of such death provided such notification is in good order as determined by NRS.



# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

Page 3 of 6

**Plan name:** JONESBORO HOUSING AUTHORITY

**14. Loans Offered from Other Administrative Service Providers** - In the event the employer offers the Plan through multiple service providers, the Client and/or Participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with the limits in Section 7. NRS shall apply the maximum loan amount limit and any other limits imposed under the Internal Revenue Code without regard to any other loans received by the Participant from any other administrative service provider(s) under this Plan or any other plan maintained by the Plan Sponsor.

### **15. Suspension of Loan Repayments.**

**a. Military Leave of Absence** - A Participant's obligation to repay any loan under the Plan may be suspended as may be required by law, during the period in which the Participant is performing service in the United States military. The Participant must resume repayment of the loan upon his or her completion of military service and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations plus the period of the military service. While the Participant is on active duty in the United States military, the interest rate on the loan shall not exceed 6%, compounded annually unless the Participant elects in writing during or after his or her military leave of absence to have the loan's higher existing interest rate, if applicable, apply to the loan. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a military leave of absence.

**b. Non-Military Leave of Absence** - In addition, a Participant's obligation to repay any loan under the Plan may be suspended during the period (not to exceed one year) while the Participant is on an approved non-military leave of absence and the Participant provides requested documentation regarding the non-military leave of absence from his or her employer. The Participant must resume repayment of the loan upon the earlier of his or her return from non-military leave of absence, or one year of suspension. At such point the outstanding loan balance, including any accrued interest and fees, must be repaid or may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a non military leave of absence.

**16. Loan Interest Rate** - The interest rates for a loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. The loan interest rate will be the Prime Rate plus an additional amount expressed as a percentage elected by the Client, plus any other administrative and/or asset fees, as applicable. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most current calendar-year quarter and the new rate will be effective on the first day of the new calendar quarter. The loan interest rate may be adjusted for Participants performing service in the United States military as may be required by law (See Provision 15a.)

**17. Fees** - Fees described in these loan procedures will appear as administrative charges on Participant statements. These fees are subject to change by NRS upon reasonable notice to the Plan Sponsor.

**a. Loan Initiation Fee** - A loan initiation fee of \$50 will be deducted from the Participant's account at the time the loan is funded.

**b. Annual Loan Maintenance Fee** - An annual loan maintenance fee of \$50 will be deducted from the participant's account on the anniversary date of the original loan initiation, until the loan is repaid in full or the loan has defaulted. In the event that the loan defaults, the annual loan maintenance fee will no longer be assessed and the annual loan default fee described below (See Provision 17f) will be applied.

**c. Asset Fees** - The amount of the outstanding loan balance will be subject to the maximum asset fee, administrative charge or such other fees NRS is entitled to receive under its separate agreement with the Plan Sponsor.

# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

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**Plan name:** JONESBORO HOUSING AUTHORITY

d. **Insufficient Funds Fee** - If NRS is unable to process an ACH debit repayment or personal check on the date due, through no fault of NRS, a fee of \$25 will be deducted from the Participant's account.

e. **Loan Default Fee** - At the time a loan is treated as a deemed distribution, a \$50 fee will be deducted from the Participant's account.

f. **Annual Loan Default Fee** - An annual loan default fee of \$50 will be deducted from the Participant's account on the anniversary date of the original loan default until the loan is repaid in full or offset.

18. **Loans for the Purchase of a Principal Residence** - All loans issued by the Plan will be general purpose loans to be repaid in no more than five years unless the Client elects to offer loans for the purchase of the Participant's principal residence. If the Client elects to allow loans for the purchase of a principal residence, all of the provisions of this document will apply unless otherwise specified.

19. **Loan Correction** - In the event a loan correction becomes necessary, at the Plan Sponsor's direction, NRS may undertake methods prescribed by the IRS or through any IRS correction program.

20. **Adoption of Plan Loan Procedures** - The undersigned Plan Sponsor or Plan Administrator, as applicable, hereby adopt these Plan Loan Procedures effective for loans issued on or after the Effective Date set forth below, and instructs NRS to administer loans made to Plan Participants in accordance with these terms and the Client elections made on the attached "Plan Election Worksheet" (See Addendum A). Prior to implementing a loan program, the Plan Sponsor acknowledges or acknowledged the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and the Plan Administrator is instructing NRS to administer loans under the Plan; (ii) that the Plan Sponsor understands that, as a result of offering loans under the Plan, the Plan Participants could be subject to adverse tax consequences upon default of the loan; (iii) that the Plan Sponsor has independently weighed these risks, and despite the risks has determined that offering loans under the Plan is in the best interest of Plan Participants; (iv) that any previous loan procedures or loan reference documents other than the Plan Document itself, are hereby superseded by these Plan Loan Procedures; and (v) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 14 herein, resulting from the Plan Sponsor's decision to offer loans under the Plan.

Plan Sponsor Name ("Sponsor"):
Street Address:
City, State, Zip Code:
Signer's Email Address:
Plan Name ("Plan"): JONESBORO HOUSING AUTHORITY
Plan Number: 0020651001
Plan Sponsor or Plan Administrator Signature:
Title:
Date of Adoption*: * Unless otherwise indicated below, the Date of Adoption shall be the Effective Date.
Effective Date:

An executed copy of these Procedures (including the attached Addendum A - Plan Election Worksheet) should be returned to Nationwide Retirement Solutions.





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## Nationwide Retirement Solutions Governmental 457(b) Plan Loan Procedures

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### Addendum A - Plan Election Worksheet

The following provisions identify Plan elections which are incorporated and made a part of the attached "Plan Loan Procedures." In the event that an election is not made within any section, Nationwide Retirement Solutions ("NRS") will administer the loan program according to current NRS policies as listed under each provision below. The current NRS policies may be changed by NRS at any time. Unless otherwise specified, only one election is allowed per provision. The elections contained herein apply solely to the Plan. Any provisions, including limitations, do not extend to any other plans offered by the Sponsor.

#### 1. Loan Eligibility:

Plan elects to allow the following Participants the ability to initiate a loan under the Plan. The Plan Sponsor is solely responsible for informing NRS of any future changes in the Participant's employment status (check all that apply).

- ☒ Employed
- ☒ Approved Non-military Leave of Absence (only available for ACH)
- ☒ Military Leave of Absence (only available for ACH)
- ☐ Disabled (only available for ACH)
- ☐ Retired (only available for ACH)
- ☐ Terminated (only available for ACH)

**Current NRS Policy:** All listed Participant employment statuses are eligible to initiate a loan if ACH is the elected repayment method (See Provision 4). If the repayment method elected is Payroll Deduction (See Provision 4), the only eligible Participant employment status is Employed.

#### 2. General Purpose Loan Terms:

##### 2(a). Minimum Loan Term

Plan elects the following minimum loan term:

- ☐ One year
- ☒ Other – Specify minimum loan term: 6 months (not to be less than six months)

**Current NRS Policy:** The minimum loan term is one year.

##### 2(b). Maximum Loan Term

Plan elects the following maximum loan term:

- ☒ Five years
- ☐ Other - Specify maximum loan term: \_\_\_\_\_ (not to exceed a term of five years)

**Current NRS Policy:** The maximum loan term is five years.

#### 3. Minimum Loan Amount:

Plan elects to have a minimum loan amount of:

- ☒ \$1,000
- ☐ Other – Specify minimum loan amount: \$ \_\_\_\_\_ (not to be less than \$500)

**Current NRS Policy:** The minimum loan amount is \$1,000.

#### 4. Repayment Method:

Plan elects to provide Participants with one of the following loan repayment methods:

- ☒ Monthly Automated Clearing House ("ACH")
- ☐ Payroll Deduction (Plan Sponsor will be required to provide a payroll calendar.

(This repayment method is limited to Employed status – see Provision 1)

**Current NRS Policy:** Monthly ACH is the repayment method.

# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

Page 6 of 6

### Addendum A - Plan Election Worksheet

#### 5. Cure Period:

If a Participant misses a scheduled loan repayment, the missed repayment must be received by the end of the specified cure period. Plan elects to apply a cure period with the following length:

☒ 31 Days

☐ 60 Days

☐ 90 Days

☐ The quarter following the quarter in which the scheduled repayment was missed

**Current NRS Policy:** The cure period is 31 days when ACH is the elected repayment method (See Provision 4). The cure period is 60 days when the repayment method elected is Payroll Deduction (See Provision 4).

#### 6. Loan Interest Rate:

Plan elects the following interest rate for Participant loans:

☒ Prime Rate plus 1% plus applicable fees

☐ Prime Rate plus 2% plus applicable fees

☐ Prime Rate plus \_\_\_\_\_% (not to be lower than 0%) plus applicable fees

**Current NRS Policy:** Prime Rate plus 2% plus applicable fees.

#### 7. Loans for the Purchase of a Principal Residence:

7(a). Plan elects to permit loans for the purchase of the Participant's principal residence:

☐ Yes

☒ No

In the event Plan elects to allow Principal Residence loans, only one Principal Residence loan outstanding at a time is permitted. The Principal Residence loan is included in the maximum number of outstanding loans (See Provision 2 of the Plan Loan Procedures). Additionally, the Participant will be required to sign a Principal Residence Certificate and provide NRS with sufficient additional documents to support the purchase of a principal residence. Internet initiation is not available for Principal Residence loans.

**Current NRS Policy:** Principal Residence loans are not allowed.

7(b). Minimum Loan Term: Plan elects to have a minimum loan term for Principal Residence loans of:

☐ Five years

☐ Other – Specify minimum loan term: \_\_\_\_\_ (not to be less than one year)

**Current NRS Policy:** Principal Residence loans have a minimum term of five years.

7(c). Maximum Loan Term: Plan elects to have a maximum loan term for Principal Residence loans of:

☐ 15 Years

☐ Other - Specify maximum loan term: \_\_\_\_\_ (not to exceed a term of 30 years)

**Current NRS Policy:** Principal Residence loans have a maximum term of 15 years.

#### 8. Internet Utilization:

Plan elects to allow Participants to use the internet for:

☐ Only the modeling of loans

☐ Both modeling and initiation of loans

☐ Plan declines the use of the internet for either the modeling or initiation of loans

**Current NRS Policy:** Participants can use the internet for modeling and initiation of loans.

Loan initiation on the internet is limited to General Purpose loans. Principal Residence loans will not be initiated electronically. Additional limitations exist for particular repayment methods and employment statuses.