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ATTACHMENT 10

TOWN OF CHAPEL HILL
OFFICE OF THE TOWN ATTORNEY

Telephone: (919) 968-2746
Facsimile (919) 969-2063

April 8, 2004

Steve Garris, President
Carl Garris & Son, Inc.
303 South Kemper Street
Lakeview, South Carolina 29563

Re: Town of Chapel Hill Airport Gardens Rehabilitation Project

Dear Mr. Garris:

On April 8, 2004, the Town's Department of Public Housing received a facsimile letter from the U.S. Department of Housing and Urban Development informing us of their determination that the Town of Chapel Hill violated procurement standards in Title 24 of the Code of Federal Regulations in our bidding of the rehabilitation work for the Airport Gardens Public Housing project. According to the HUD letter, the Town's Instructions to Bidders failed to contain clear and accurate information regarding how the alternates would be considered in the selection of a contractor.

In accordance with this determination from HUD and their letter, the Town staff plans to make a report to the Chapel Hill Town Council on Wednesday, April 14, 2004, requesting that they follow HUD's directions and reject all bids for this project and re-bid. If the Town Council accepts the recommendation of the Town staff, we will not sign the pending construction contract with your company and will instead re-initiate the bidding process for rehabilitation of the Airport Gardens Public Housing. The Council meeting is a public meeting and will begin at 7 p.m. at the Chapel Hill Town Hall.

A copy of the letter from HUD with the contact name and phone number at that agency is attached.

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If you have any questions, you may wish to contact Tina Vaughn, Director of Housing, at (919) 968-2850, ext. 11, or me at (919) 968-2746.

We sincerely apologize for the inconvenience this situation has caused you and your company.

Sincerely,



Ralph D. Karpinos
Town Attorney

RDK/tcp
Enclosure

cc: W. Calvin Horton, Town Manager
Tina Vaughn, Director of Housing