

**BILLERICA HOUSING AUTHORITY  
PROCUREMENT POLICY**

Approved by Board of Commissioners: June 11, 2020

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Adopted by BHA Board – XXXX 2020

**SECTION 1**  
**GENERAL POLICY STATEMENT**  
**1.01 POLICY**

- A. It is the policy of the Billerica Housing Authority (BHA) that all procurement for services and/or materials shall be in accordance with applicable federal and Commonwealth of Massachusetts (“state”) laws, codes and regulations.
- B. This policy establishes a broad framework of policies to ensure that BHA’s purchasing and contracting functions promote administrative flexibility and efficiency, while at the same time maintaining prudent internal controls and compliance with applicable statutes and regulations. Specific purposes of this policy include, but are not limited to, the following:
  - 1. Fairness and objectivity: providing a fair, objective, and equitable selection and contracting environment for all individuals and firms seeking to do business or contracting with BHA.
  - 2. Ensuring reasonable costs: promoting competition, and negotiating (where applicable) to ensure that BHA receives the most favorable prices and terms in its contracts.
  - 3. Efficiency: ensuring that supplies and services (consultant, construction, social services, etc.) are obtained efficiently and effectively.
  - 4. Accountability: promoting accountability of contracting actions by BHA employees and encouraging employees to protect BHA’s financial and other interests.
  - 5. Value-added procurement: facilitating a procurement process that provides service and value to BHA in obtaining goods and services.
  - 6. Ethical standards: ensuring that BHA’s procurement activities are implemented with the highest regard for integrity, avoidance of conflicts of interest, and consistent with applicable ethical standards.
  - 7. Legal considerations: complying with all applicable federal, state and local statutes and regulations.

**1.02 SCOPE**

- A. Funding sources: BHA receives funds from federal, state, non-federal and private funding sources. As such, in its procurement activities, BHA shall develop procedures designed to ensure compliance with applicable laws and regulations without necessarily imposing a higher standard than is necessary to ensure compliance.
- B. Where a requirement in these policies is based only on federal requirements, BHA’s Executive Director may, on a case-by-case basis for non-federally funded contracts, apply a more or less stringent standard than that outlined in the federal requirements, provided, however, that it is otherwise consistent with applicable policies and that all state or other legal requirements are met.
- C. Nothing in this policy will prevent BHA from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law.
- D. The following shall be governed by this policy:
  - 1. Procuring, Purchasing, Leasing, or Renting:
    - 1. Goods, Supplies, Equipment, Materials and Services
    - 2. Construction and Maintenance
    - 3. Consultant Services

4. Architectural and Engineering (A & E) Design Services
5. Social Services
6. Other Services
2. Selling
  1. Concessions
  2. Disposal of Surplus Material and Equipment
3. Excluded from scope: the following shall not be governed by this policy:
  1. Real estate purchase and sale transactions. (Surveys, appraisals, environmental site assessments, and financing analysis are considered consultant services and governed by this policy.)
  2. Loan transactions and documents.
  3. Sub-recipient or sub-grantee agreements and related change orders.
  4. Employment contracts.
  5. Limited partnership agreements.
  6. Award of housing or other vouchers to non-profit agencies.
  7. Housing Assistance Payment (HAP) Contracts.

### **1.03 COMPLIANCE WITH LAWS AND REGULATIONS**

- A. Applicable laws and regulations: in adopting this policy, the BHA Board of Commissioners and Executive Director, as the BHA's contracting officer, each affirm that the policies are in compliance with all applicable federal, state and local laws and regulations, which may include, but not be limited to, the following:
  1. Compliance with Federal Laws and Regulations
  2. 24 CFR 85.36 (HUD Procurement Regulations)
  3. 24 CFR 941 Subpart F (HUD Capital Fund Regulations)
  4. 29 CFR Part 1, Procedures for Predetermination of Wage Rates
  5. 29 CFR Part 3, Payment and Reporting of Wages Applicable to Federally-Financed and Assisted Construction Contracts
  6. 29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction
  7. 29 CFR Part 7, Practice Before the Wage Appeals Board
  8. ACC (Consolidated Annual Contributions Contract Between BHA and HUD), Form HUD-53012A
  9. USC § 666. Theft or Bribery Concerning Programs Receiving Federal Funds
  10. 24 CFR 85.36(b)(1): "Grantees [BHA]...will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."
- B. Compliance with State Laws and Regulations
  1. Massachusetts General Laws ("MGL") Chapter 30B
  2. MGL C. 39m Public Works (Non-Building) Construction
  3. MGL C. 39M Proprietary Specifications In Public Construction Projects
  4. MGL C.30b Procurement of Supplies and Services
  5. MGL Chapter 7, Executive Office For Administration and Finance
  6. MGL Chapter 149, Labor and Industries

7. MGL C. 149 Building Construction Contracts
8. MGL C. 149, 44A1/2 Owner's Project Manager (OPM)
9. Design Services: Housing Authorities must follow The Procedures Established by the Massachusetts Department of Housing and Community Development (DHCD) for Design of State-Funded Housing.

C. Conflicts between these policies and other laws or regulations: in the event of a conflict between this policy and any applicable law or regulation, the law or regulation shall prevail.

D. 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 this policy, automatically supersede this policy, and the Executive Director or designee shall make appropriate modifications to the inconsistent policies and procedures.

#### **1.04 DELEGATION OF PROCUREMENT AUTHORITY**

A. The Executive Director is hereby delegated the following procurement authority, with the authority to re-delegate as the Executive Director sees fit, to implement and manage this policy:

1. Authority to enter into contracts for goods and services not to exceed \$10,000.00.
2. Authority to enter into contracts for construction not to exceed \$10,000.00.
3. Authority to enter into leases of equipment for periods not to exceed five consecutive years, irrespective of the total monetary amount of the procurement.

All contracts for goods and services in excess of \$10,000 require the approval of the Billerica Housing Authority Board of Commissioners.

#### **1.05 IMPLEMENTATION OF THIS POLICY**

A. The Executive Director shall implement operating procedures within ninety (90) days of the approval by the Board for this Policy.

#### **1.06 INTERNAL CONTROLS**

A. The BHA shall maintain a system of internal controls which shall include:

1. Delegation of procurement authority
  2. Segregation of duties
- B. Receipt of goods and services  
C. Custody and safeguarding of the assets  
D. Recording transactions  
E. Recordkeeping

**SECTION II  
RECORD MAINTENANCE AND PUBLIC ACCESS TO PROCUREMENT  
INFORMATION**

**2.01 AUTHORITY AND RESPONSIBILITY**

- A. The Executive Director or his/her designee shall maintain records sufficient to detail the significant history of each procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of contract type; contractor selection or rejection; and the basis for the contract price. All procurement records shall be maintained and disposed of in accordance with the BHA records retention and disposal policy and procedure.
- B. Procurement information shall be a matter of public record to the extent provided in applicable state law and shall be available to the public in accordance with such statutes.

**2.02 PUBLIC RECORDS**

- A. Applicable law: BHA procurement information shall be a matter of public record to the extent provided for in MGL chapter 66 et seq. Title X. Public Records and will be made available upon request as provided by such statute.
- B. Photocopying and other charges: pursuant to such statute, the BHA may charge a minimum of twenty-five cents per page for each photocopy of public records requested, with additional fees assessed for the production of records from electronic media and for shipping/postage. The BHA will assess and collect such charges.
- C. Disclosing and obtaining contractor bid or proposal information source selection information: a present or former board member, employee of, or person acting on behalf of or advising the BHA on a procurement, who has or had access to such information, shall not disclose same before the award of the contract to which the information relates.
- D. Contractor bid or proposal information means information not made available to the public and includes:
  - 1. Cost or pricing data;
  - 2. Indirect costs and direct labor rates;
  - 3. Proprietary information about processes, operations or techniques; and
  - 4. Information marked by the contractor as “contractor bid or proposal information.”
- E. Source selection information means information not made available to the public and includes:
  - 1. Bid prices;
  - 2. Proposed costs or prices from bidders;
  - 3. Source selection and technical evaluation plans;
  - 4. Technical evaluations, cost or price evaluations, competitive range determinations, rankings of bids, reports of source selection panels; and 24 CFR 85.36(b)(9)8

## **SECTION II RECORD MAINTENANCE AND PUBLIC ACCESS TO PROCUREMENT INFORMATION**

- A. Other information marked as “source selection” based on a determination that its disclosure would jeopardize the procurement.
- B. Contractor payroll reports: payroll reports received by the BHA from contractors and subcontractors on construction projects, for the purpose of monitoring prevailing wage requirements, shall not be released to outside parties unless the employees’ personal identifiers (e.g., name, address, social security number) are redacted. Requests for such information shall be forwarded to the HUD regional labor relations office for review and response.

## **SECTION III – ETHICAL AUTHORITY - ETHICAL STANDARDS 3.01 AUTHORITY AND RESPONSIBILITY**

- A. In the conduct of BHA’s procurement system, the BHA Board and BHA employees shall be aware of, and comply with, the following non-exclusive list of laws, regulations, and advice, which are hereby incorporated by reference as part of these policies:
  - 1. MGL 268A, Conflict of Interest Law
  - 2. MGL C.121B – Massachusetts Public Housing Authorities Law
  - 3. BHA Code of Ethics
  - 4. 24 CFR 85.36(B)(3) - HUD Procurement Regulations
  - 5. Terms and Conditions, Constituting Part A of the Consolidated Annual Contributions Contract Between Housing Authority and the United States of America, Section 19 – Conflict of Interest.
  - 6. USC § 666. Theft or Bribery Concerning Programs Receiving Federal Funds
- B. Contracts not funded with federal funds shall not be bound by any of the federal requirements noted above in 4 and 5.

## **3.02 BOARD OF COMMISSIONERS AND EMPLOYEE DEFINED**

- A. As used in this chapter, the terms “Board,” “Commissioner,” and “employee” shall include: a member of the BHA Board of Commissioners; an BHA employee; an agent of BHA; any member of the respective immediate family of an BHA Commissioner, employee or agent; a partner of BHA; an organization which employs, or is about to employ, any of the above; and an appointee to any decision-making body for BHA.\*

\*24 CFR 85.36(b)(3)(i-iv)

## **3.03 DISCIPLINARY ACTIONS**

- A. Breaches of the ethical standards of this chapter of the procurement policies may result in a BHA employee being subject to disciplinary actions up to and including termination, consistent with BHA policies and procedures.\*

\* 24 CFR 85.36(b)(3): “To the extent permitted by State or local law or regulations, such standards for conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee’s or sub grantee’s officers, employees, or agents, or by contractors or their agents.”

### **3.04 CONFLICT OF INTEREST:**

- A. No BHA employee shall (either in the Contract selection, award, administration) participate in the selection, award, or administration of a contract if a conflict of interest (direct or indirect financial interest, personal involvement, or other interest), real or apparent, would be involved.\*

\*24 CFR 85.36(b)(3): “No employee, officer or agent of the grantee or sub grantee Shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.”

### **ETHICAL STANDARDS**

- A. Participation shall include, but not be limited to:
1. Serving on an evaluation panel to select a firm; reviewing, endorsing, or recommending an award or selection; approving or rejecting an award of a contract or purchase order.
  2. Ownership and business interests: own or hold an interest in any contract or property or engage in any business, transaction, or professional or personal activity that would:
    1. Be, or appear to be, in conflict with the employee’s official duties, or
    2. Secure, or appear to secure, an unwarranted privilege or advantage for the employee, or
    3. Prejudice, or appear to prejudice, the employee’s independence of judgment in the exercise of his or her official duties relating to BHA.
  3. Confidential information: knowingly use confidential information for the employee’s or another’s actual or anticipated personal gain.

### **3.05 GIFTS AND GRATUITIES**

- A. Prohibition: an employee may not solicit or accept gifts, entertainment, gratuities, favors, or anything of monetary value from contractors or subcontractors, or potential contractors or subcontractors that could influence, or be perceived to influence, contracting or purchasing decisions.\*

\* 24 CFR 85.36(b)(3)

- B. Exception: in general, a nominal gift of less than \$50.00 in value that was not solicited by an employee, and which can be and is shared with all employees and/or the public, may be considered acceptable. Employees are expected to exercise good judgment before accepting any gift, and to check with the Executive Director if in doubt.

### **3.06 CONTRACTING WITH FORMER BHA EMPLOYEES**

- A. The following shall apply to contracts financed in whole or in part with federal funds:
1. One year prohibition: in accordance with HUD regulation, and subject to the Waiver provisions of Paragraph 2 as follows herein, within one year after an employee leaves BHA, BHA shall not contract with such employee if the employee was responsible for formulating policy or influencing decisions with respect to the project(s) being contracted for.\*

\* Section 19 (A) (1) (ii) – Conflict of Interest. Terms and Conditions

2. Waiver: for good cause, and upon written request by the BHA, HUD may waive the one year prohibition requirement.\*

\* Section 19 (A) (4) – Conflict of Interest. Terms and Conditions, Constituting Part A of a Consolidated Annual Contributions Contract between Housing Authority and the United States of America

## **SECTION IV PROCUREMENT AUTHORITY AND ADMINISTRATION**

### **4.01 AUTHORITY AND RESPONSIBILITY**

- A. All procurement transactions shall be administered by the contracting officer, who shall be the Executive Director, or by another BHA employee whom the Executive Director has designated, delegated, or authorized in writing.
- B. The duties of the contracting officer shall be to ensure the following:
  - 1. That each proposed procurement is reviewed by the BHA employee responsible for originating the procurement with the goal of avoiding purchase of unnecessary or duplicative items; that consideration be given to the consolidation or separation of procurement in order to obtain a more economical purchase; and that an analysis of lease options versus purchase alternatives be considered in order to ensure the most economical approach;
  - 2. That contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction, and are supported by sufficient documentation regarding the history of the procurement, including the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price;
  - 3. That solicitation procedures are conducted in compliance with 24 CFR 85.36 or in compliance with state and local laws which are more stringent than, yet consistent with 24 CFR 85.36.
  - 4. That an independent cost estimate is prepared in advance of each solicitation and/or contract modification and is appropriately secured for each procurement above the small purchase limitation; that such information remains confidential and is not disclosed outside of the authority; and that a cost or price analysis is conducted of the responses received for all procurements;
  - 5. That the contract award is made to the responsive and responsible bidder offering the lowest price (in the context of competitive sealed bidding) or to whose proposal offers the greatest value to the authority, considering price, technical, and other factors as specified in the request for proposal (in the context of competitive negotiation);
  - 6. That contracts are only awarded to responsible bidders who possess the ability to perform successfully under the terms and conditions of the proposed contract; that factors to be considered in making such a determination include contractor integrity, compliance with public policy, record of past performance, and financial and technical resources; that any determination of non-responsibility is fully documented and copies of such documents are placed in the contract file; that bidders and offerors who are found to be non-responsible are informed of the reasons for such a finding;
- C. That each contract indicates the schedule of payments to be made to the contractor, and that payment is promptly made for contract work performed and accepted.

## **SECTION V ELIGIBILITY TO CONTRACT WITH BHA**

### **5.01 AUTHORITY AND RESPONSIBILITY**

- A. The Executive Director or his/her designee shall take all actions necessary to assure that the BHA award contracts only to eligible, responsible prospective contractors who have the ability to perform successfully under the terms and conditions of the proposed contract.

### **5.02 DETERMINATION OF RESPONSIBILITY OF PROSPECTIVE CONTRACTOR**

- A. In determining the responsibility of a bidder, the BHA shall consider such matters as the bidder's:
  - 1. Integrity;
  - 2. Compliance with public policy;
  - 3. Record of past performance; and
  - 4. Financial and technical resources (including construction and technical equipment).
- B. Before a bid is considered for award, the bidder may be requested by the BHA to submit a statement or other documentation regarding any of the items in paragraph (A) above. Failure by the bidder to provide such additional information shall render the bidder nonresponsive, non-responsible and ineligible for award.

### **5.03 DEBARMENT STATUS REVIEW**

- A. The Executive Director shall ensure, prior to award of a contract that the proposed business has not been debarred or otherwise declared ineligible for award by an applicable regulatory agency. The following non-exclusive list of sources shall be reviewed when required:
  - 1. U.S. General Services Administration's "List of Parties Excluded From Federal Procurement and Non-Procurement Programs"
  - 2. U.S. Department of Housing and Urban Development's "Limited Denial of Participation" List
  - 3. Lists of Suspended or Debarred Contractors Maintained by the Commonwealth of Massachusetts office of the Attorney General and the Division of Capital Asset Management.

### **5.04 BIDDERS AND SUB-BIDDERS QUALIFICATIONS**

- A. If required by the applicable procurement, each bidder and sub-bidder must provide, at the time of bid submission, an updated certification issued by the Division of Capital Asset Management and Maintenance ("DCAM"), pursuant to MGL Chapter 149, Section 44D Submission of Bid or offer; Application for Certification.
- B. The Executive Director or his/her designee may develop, as part of bidding documents, specific and objective qualification requirements for the bidder or sub bidder beyond the DCAM Certification Requirements that may be used in evaluating whether a bidder or sub bidder is responsible and capable of performing the proposed work.

**SECTION V**  
**ELIGIBILITY TO CONTRACT WITH BHA**

**5.05 COMPLIANCE WITH IRS REGULATIONS**

- A. Prior to making payment to a business, the Executive Director or his/her designee shall ensure that BHA receives from the business (if not already on file), a W-9 or W-9 substitute form.

**5.06 PERFORMANCE EVALUATION PROGRAM**

- A. The Executive Director or his/her designee shall develop and implement a performance evaluation system to evaluate the performance of contractors, consultants, and/or vendors doing business with the BHA. Ratings on previous contracts from such a performance evaluation program may be used in evaluating when a business is responsible and capable of performing proposed work, and may also provide a local mechanism for debarring businesses from contracting with BHA.
- B. Submission of standard contractor evaluation forms. In accordance with 810 CMR 8.02: Submission of Standard Contractor Evaluation Forms by Awarding Authorities, the BHA shall submit to DCAM a properly completed standard contractor evaluation form within 70 calendar days of use and/or occupancy, or upon issuance of a certificate of use and/or occupancy, or termination of a project, whichever is earlier, on all projects bid under MGL C. 149A and 149 § 44 (A-J). Any awarding authority that fails to complete and submit the standard contractor evaluation form, together with any written response by any contractor, to DCAM within 70 days of the completion of a project shall be ineligible for the receipt of any public funds disbursed by the Commonwealth of Massachusetts for the purposes of any public buildings or public works projects.

## **SECTION VI METHOD OF PROCUREMENT**

### **6.01 AUTHORITY AND RESPONSIBILITY**

- A. This Policy grants the Executive Director and/or his/her designee the authority and responsibility for the use of the methods of procurement and selection of contract types as defined in this Section.

### **6.02 PETTY CASH FUND**

- A. The BHA's contracting officer(s), and/or one or more BHA employee designated by the Executive Director in writing, is authorized to make purchases and contracts utilizing the petty cash fund for expenditures of less than \$300.00 per month. The list of all BHA staff so designated shall be updated annually, or as needed, and maintained by the Procurement Director.
- B. The Executive Director will ensure that the following policy objectives are met:
  - 1. Account establishment: a petty cash account should be established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month).
  - 2. Non-repetitive purchases: petty cash purchases should be kept to a minimum and should not be used for repetitive purchases.
  - 3. Authorized usage: examples of what petty cash may be used for include, but are not limited to, items such as:
    - a. Reimbursement to employees for the purchase of goods or services.
    - b. Reimbursement to employees for meals and fees paid for attending a pre-approved professional association meeting.
  - 4. Security: the security of the petty cash account shall be maintained, and access to the account shall be limited to, authorized individuals as delineated on the list maintained by the Procurement Director.
  - 5. Reconciliation: the petty cash account shall be periodically reconciled and replenished.
  - 6. Audit: the petty cash account is subject to audit by the Executive Director and/or his/her designee.

#### **Owner's Project Manager**

M.G.L. C 149, §44A, requires public awarding authorities to engage the services on an owner's project manager<sup>17</sup> on all building projects estimated to cost \$1.5 million or more. The BHA shall, prior to contracting for design services where the project is estimated to cost \$1.5 million or more, procure the services of project manager. At the Executive Director's discretion, an BHA employee may be selected and serve as the Owner's Project Manager, providing he or she meets the required minimum qualifications.

## 6.03 PURCHASES AND CONTRACTS

A. The Executive Director, or a representative designated by the Executive Director in writing shall develop and implement procedures that assures compliance with the following:

### 1. Design Solicitation

Design of State-Funded Housing. Housing Authorities must follow the procedures established by the Massachusetts Department of Housing and Community Development (DHCD) For Design of State-Funded Housing. The DHCD's procedures follow M.G.L. c. 7 processes and are approved by the Design Selection Board (DSB). The DHCD procedures prescribe the role of DHCD and of the Local Housing Authority in the selection process.

## 6.04 COMPETITIVE EXCEPTIONS - DIRECT PAYMENTS LIST

- A. Definition: the direct payments list (also known as competitive exceptions) is a list of transactions which, by the nature of the transaction, are impractical or impossible to competitively bid because of market or other conditions, and are thus exempt from competitive bidding requirements. These transactions do not have to be justified as a non-competitive procurement but may be obtained directly by an employee with adequate *expenditure authority*. Depending on the item, there may or may not be a contract or purchase order outlining the terms and conditions.
- B. Modifications to the direct payments list:
1. The Executive Director administratively may make modifications to the direct payments list without seeking approval of the Board of Commissioners, provided that the changes are consistent with applicable statutory and regulatory requirements and that the current list is made readily available to the Board and BHA employees.
- C. Interpretation of direct payments list:
1. In the event of ambiguity or uncertainty as to whether an item is or is not subject to competition and whether it should be included on the direct payments list, the Executive Director or designee shall review the matter and make the final decision.
  2. The following items are on the direct payments list:
    1. Utility expenditures (water, sewer, electricity, natural gas, and other regulated utility expenses)
    2. Postage and other purchases from the U.S. Postal Service
    3. Licenses, permits, and fees from governmental or regulatory entities at the federal, state, or local level.
    4. Purchases from other governmental entities (federal, state, city, local, port districts, public development authorities [PDAS], housing authorities, state colleges and universities, state hospitals, etc.), where the governmental entity provides goods or services not available from the private sector.
    5. Emergency housing for BHA residents at motels/hotels with which BHA has executed an emergency housing agreement, or as otherwise authorized by the Executive Director or a buyer.

Under the new law, an "owner's project manager" is defined as "an individual, corporation, partnership, sole proprietorship, joint stock company, joint venture, or other entity engaged in the practice of providing project management services for the construction and supervision of construction of buildings."

6. Service or use fees paid to governmental cooperative purchasing organizations.
7. Gas card charges for gasoline and diesel.
8. Charges for official BHA business on personal credit card while on BHA travel status.
9. Legal services such as arbitration fees, litigation fees, witness fees, court costs, and related expenses (but not the cost of outside counsel, investigations, or related matters), when approved by the Board of Commissioners.
10. Legal settlements of disputed matters, and judgment claims against BHA (for use only with approval by the Board of Commissioners).
11. Payments for annual maintenance, service, or support agreements for computer and telecommunication-related services. Payments for existing software license agreements. These require the approval of the Executive Director or designee.
12. Traffic control (flagging) by off-duty police officers (only when required).
13. Travel expenses for BHA employees, residents, program participants, volunteers, or members of the Board of Commissioners necessary to conduct BHA business.
14. Training registration fees and tuition for pre-established, non-BHA specific, off-site classes, seminars, trainings, workshops, etc. for BHA employees, residents, program participants, volunteers, and members of the Board of Commissioners.
15. Testing and travel expenses of employment applicants (including moving expenses for eligible personnel). This includes travel expenses of certain out-of-state job applicants. Travel expenses of job applicants must be approved by the Board of Commissioners.
16. Conference and convention expenses and fees for BHA employees, residents, program participants, volunteers, or members of the Board of Commissioners conducting BHA business.
17. Advertisements for employment opportunities, purchasing and contracting solicitations, sale of surplus items, public announcements and outreach, etc. (all media). This exception does not include printing, design, or graphics services.
18. Freight bills, express shipping, common carriers, and delivery services.
19. Honoraria and stipends.
20. Entertainment such as speakers, lecturers, musicians, performing artists, but only when such expenses are permitted by the grant funding the activity.
21. Insurance deductible and/or retained losses (requires approval of the BHA risk control administrator).
22. Taxi, public transportation, and toll fares; mileage and incidental parking expenses.
23. Publications and subscriptions (newspapers, magazines, books, pre-printed materials, reprints, publishers page charges, electronic publications, online subscription services, pre-recorded audio or video cassettes, slide presentations, tapes, cds, diskettes when purchased from the publisher or producer; etc.).
24. Mailing lists (print or electronic).
25. Professional association membership dues, fees, licenses, accreditation, and certifications.
26. Royalties, broadcast rights, and film rentals from the producer or protected distributors.
27. Petty cash purchases and reimbursements less than \$100.

28. Special items pre-approved by the Board of Commissioners, the Executive Director, or his/her designee.

#### **6.05 COOPERATIVE INTERGOVERNMENTAL AGREEMENTS**

A. Consistent with the requirements of 24 CFR 85.36(b) (5)18, and in order to promote efficiency and competition in the procurement of goods and services, BHA may enter into agreements with other governmental agencies and state, regional or national intergovernmental purchasing networks or associations. The purpose of a cooperative intergovernmental agreement is to take advantage of a competitive selection process already conducted by another agency and thus save BHA the time and expense of conducting its own selection process. In evaluating the use of a cooperative intergovernmental agreement, the Executive Director shall review for reasonableness the standards in the competitive selection process conducted by the other agency.

#### **6.06 CONCESSIONS**

- A. Competitive selection process: in selecting concessionaires for various BHA revenue-producing activities, including, but not limited to, vending and laundry machines operation, parking lot management, cellular and other communication antenna space leases, etc., BHA shall generally conduct a competitive selection process similar to those outlined for RFPs.
- B. Objectives of competition: while BHA is committed to a competitive selection process to help ensure openness in notifying concessionaires about business opportunities, BHA's primary objective in conducting a competitive selection process shall be to ensure that BHA's objectives of revenue generation and service delivery are met.
- C. Waiver of competition: on a case-by-case basis, the Executive Director may decide if a competitive selection process shall not be required for selecting a concessionaire.
- D. "To foster greater economy and efficiency, grantees and sub grantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services."

### **SECTION VI. METHOD OF PROCUREMENT**

#### **6.07 PURCHASING AND GAS CARDS**

- A. BHA may authorize certain employees be issued gas cards in BHA's name, in order to expedite the purchasing and payment process and reduce the administrative costs of small purchase transactions.
- B. Purchase orders must be issued by and receipt of such supply and/or service verified by the Executive Director or his/her designee, and in no instance shall be issued by or receipt verified by the individual placing the order.
- C. There shall be no BHA credit cards.

### **SECTION VII - DISPOSAL OF SURPLUS PROPERTY**

#### **7.01 AUTHORITY AND RESPONSIBILITY**

- A. The Executive Director, or his/her designee, shall be responsible for the disposition of surplus property (non-real property) no longer necessary for BHA's purposes and shall

establish procedures for the transfer, sale, or disposal of such property, consistent with applicable laws.

## **SECTION VIII. CONTRACT TYPES**

### **8.01 AUTHORITY AND RESPONSIBILITY**

- A. The Executive Director is authorized by this policy to select and use the following contract types in accordance with 24 CFR 85.36 and the laws of the Commonwealth of Massachusetts.

### **8.02 CONTRACT TYPES**

- A. The following is a summary of the major contract types (pricing arrangements) authorized for use under this Policy:
  1. Firm fixed price. This contract type requires the delivery of a product or services at a specified price, fixed at the time of contract award and not subject to any adjustment.
  2. Fixed price with economic price adjustment. In cases where the market for a particular supply or service is especially volatile, and the BHA needs a contract for a term greater than just an initial quantity, it is possible to use a contract type that allows for adjustment in prices based on changes in market conditions. Although the contract contains initial firm fixed prices, the prices are adjusted upward or downward during the performance period based on changes in an independent index of prices, such as the consumer price index or other commodity price indices that are not controlled by the contractor.
  3. Fixed price incentive. This contract type provides incentives for efficiency in performance by offering high profit for outstanding performance, modest profit for average performance, and low profit or loss for below average performance. The contract contains a price ceiling, a target cost, a target profit, and a formula for adjusting the profit based on performance.
  4. Firm fixed price, level of effort. This type of contract is useful in some cases when buying professional services. It provides a specific number of hours for a stated period of time at a fixed price. It describes the scope of work in general terms (usually study or investigation), the contractor is normally required to submit reports showing the results achieved with the level of effort, and payment is based on effort expended, not on results.
  5. Cost reimbursement (no fee). In this type of contract, an estimated cost ceiling is negotiated at time of award, which limits the costs that may be reimbursed. There is no fee or profit, only reimbursement of incurred costs.
  6. Cost sharing. This type of contract is similar to the cost reimbursement (no fee) type, except that it provides for sharing of costs between the BHA and the contractor, rather than full reimbursement of cost. At time of award, the parties agree to a sharing ratio.
  7. Cost plus fixed fee. This is among the least preferred type of contract, because it places total responsibility for contract performance on the BHA, however, in some cases its use is necessary, because to use any other contract type would cause the contractor to charge excessively high prices/costs due to its need to cover the uncertainties involved.

8. Cost plus incentive fee. This type of contract is appropriate when a fixed price incentive contract is not possible because of technical and cost uncertainties, performance objectives are known, confidence in achieving those objectives is high, and a formula can be negotiated that will provide for performance incentives.
9. Cost plus award fee. This contract combines elements of the cost plus fixed fee and cost plus incentive fee by providing an estimated total cost (costs are reimbursed), a minimum fee, and an award fee based on the quality of the contractor's performance. Criteria are established for measuring the contractor's performance, and performance evaluated periodically during the contract for the purpose of determining any award fee due the contractor.
10. Time and materials and labor-hour. A time and materials contract provides for payment of direct labor hours at fixed hourly rates, and material at cost (no fee or profit) the hourly rates are "burdened" or "loaded" rates, meaning that they include all indirect costs and profit. The contract contains a price ceiling that the contractor may only exceed at its own risk. HUD regulations 24 CFR 85.36(b)(10) requires the following for any time and materials contract:
  1. A determination that no other contract is suitable
  2. A ceiling in the contract that the contractor exceeds at its own risk.
11. Requirements. A requirements contract provides for the purchase of all actual needs of the HA from one contractor for specific supplies or services at fixed prices during a stated period of time. There is a realistic estimated total quantity, but no guaranteed minimum, and delivery orders are issued to obtain the needed items.
12. Indefinite quantity. This contract type works in the same way as the requirements type contract, except that there is a guaranteed minimum that the BHA must order (either in dollar terms or number of units). The contract also contains a ceiling on the total amount that may be ordered. The initial contract obligates funds for the minimum quantity, but thereafter funds are obligated by delivery order.
13. Definite quantity. This contract is similar to the requirements and indefinite quantity types, but is used when the BHA knows the precise quantity of items needed, but there is uncertainty as to when delivery is required. Consequently, this contract provides for a specific quantity of supplies or services to be purchased, but delivery orders specify the quantities and times of delivery within the specified total. Funds are obligated for the total amount at time of award.
14. Basic ordering agreement (BOA). A BOA is not a contract. It is an agreement that provides terms and conditions that will apply to future contracts or orders during a specified period of time, a description of the supplies or services needed (as specific as practicable), methods of pricing and issuing delivery orders, delivery terms, and a statement as to when any subsequent order becomes a contract.
15. Letter contract. A letter contract is a legal preliminary, negotiated contract that authorizes the contractor to start work pending negotiation of a complete contract. It states the maximum liability of the BHA (an amount necessary to cover performance until the complete contract is finished), the contract type, and the contractor's obligation to provide a cost breakdown. It may be used only in emergencies, if an immediate binding agreement is needed so contractor performance can begin. Each letter contract must have a schedule for negotiating the complete contract. This period

shall not exceed 90 days. A letter contract obligates no more than 50% of the total estimated contract price.

16. Design/build. The design/build selection methodology may be used when the criteria in 24 CFR 85.36(d) (2) (i) are not applicable. MGL chapter 149a. Public construction alternative delivery methods shall apply. In such a situation, proposals may be received from contractors to both design and build the work. The evaluation criteria shall include price along with other factors relating to the contractor's experiences and ability to perform the project