

## EOHLC Force Account Policy and Procedures

June 2025

### **Definition:**

Force Account Work: Capital projects completed largely by an LHA's own work-force, rather than by putting the project out to bid for construction by a General Contractor.

### **Project Approval:**

LHAs must submit all force account projects through the LHA's Capital Improvement Plan (CIP). LHAs should clearly label the project as a Force Account project when submitting the CIP for review. If the LHA estimates the project cost will exceed \$50,000, they must also submit a detailed request to their Project Manager using EOHLC's template 'Force Account Proposal' document. Work cannot begin until the LHA has received EOHLC approval.

Before submitting a Force Account Proposal, the LHA should confirm with their local building department that their project does not require building permits or a design professional. In some cases, when the scope of a project goes beyond cosmetic work and covers an area over 35,000 cubic feet, it can trigger a requirement for a design professional and/or workers with specific licensures. The LHA should confirm to EOHLC that they have conferred with their building department to make this determination.

### **Personnel:**

The intent of the Force Account program is to allow LHAs with on-staff tradespeople to realize cost and time savings by using that staff to complete capital projects. EOHLC will also approve procured labor if the LHA appropriately procures and can demonstrate cost and time savings. LHAs may also use staff from another LHA.

Construction procurements involving procured labor are governed by MGL Ch. 149, and must pay prevailing wage rates.

NOTE: RCATs and EOHLC have developed several contracts for ongoing repair and maintenance using a Ch. 149 front-end. They can be found here: <http://rcat.tauntonhousing.com/Documents.aspx>

LHAs should bill EOHLC for staff time at the employee's regular hourly rate. This includes hours by part-time staff who are working beyond their regular hours up to what would be a full-time week (40 hours). If the LHA is using overtime, it should document in its procurement record the reason for its use. Please note that capital funds such as Formula Funding grants can NOT be used to reimburse LHA staff retirement benefits. LHAs must pay these costs from their operating budget.

### **Materials:**

Per Massachusetts General Law and the Attorney General's guidance, purchased materials are considered "construction materials" if they are purchased for a specific construction project. As such, they fall subject to the construction procurement rules under MGL Ch 30 Sec 39M or MGL Ch 30B Sec 5:

MGL Ch 30 Sec 39M

1. For materials valued less than \$10,000, use sound business practices ;

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2. For materials valued from \$10,000-\$50,000, use a written scope of work to solicit written responses from no fewer than 3 vendors who customarily sell the materials you seek and advertise in the Central Register, COMMBUYS, Authority's website, and post at the Authority's office. Advertising can be waived if at least 2 written responses are obtained from vendors on a statewide or blanket contract. A 100% payment bond is required for purchases over \$25,000;
3. For materials valued at more than \$50,000, use a sealed bid process, advertising in the newspaper, Central Register, COMMBUYS and post at the Authority's office. A 5% bid deposit is required as is a 100% payment bond.

### MGL Ch 30 Sec 5

1. For purchase of any amount: Use a sealed bid process, advertising in the newspaper, Central Register, COMMBUYS, and post at the Authority's office. A 100% payment bond is required for purchases over \$25,000.

LHAs may use materials that they have in stock through normal course of business but cannot procure materials for force account work as non-construction supplies. EOHLC will only reimburse LHAs for materials procured in accordance with state law.

### **Reimbursement:**

After EOHLC approves the proposal, the LHA will submit a schedule of values to be invoiced against, with labor and materials broken out. Prior to the end of construction, and before the final payment is issued, EOHLC will reconcile estimated amounts vs actual costs. LHAs must submit a final detailed summary sheet, including a breakdown of actual labor and materials vs. estimated.

Along with a Certificate of Compliance, the request for funding reimbursement should include an invoice for labor hours that indicates the name of the staff person(s) that completed the work, number of hours worked, the dates, the hourly rate (excluding retirement benefits), and indicate whether it is a regular or overtime rate. Include all invoices for all materials for which the LHA is seeking reimbursement.

Costs for wages and materials for capital projects should be expenses in the 'construction' portion of the Form 80 and are not subject to the 10% cap on administrative costs. Employee benefits can be expenses in this line and are restricted to the following:

- FICA- Employer's share of social security tax
- FUTA- Employer's share of unemployment tax
- GIC- Employer's share of group health insurance

Invoices should include both a summary sheet showing draw down against the schedule of values as well as detailed backup for all expenses. EOHLC will audit selected force account projects through the annual Agreed Upon Procedures (AUP) process.

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### **Acceptable Use of Contractors:**

If procuring contractors for force account or general work, please note that authorities can solicit quotes through the statewide trade contracts on CommBuys. If using the statewide contract, the authority just needs to solicit three written quotes. These contracts can be for up to \$50,000 labor, with materials outside the cap. See <https://www.mass.gov/service-details/tradespersons-statewide-contracts> for more details.

### **Notes:**

Each LHA's ability to participate in the Force Account program is dependent upon their capacity to complete these projects in an organized and transparent manner. EOHLC will not reimburse LHAs for improperly procured labor or materials, or for projects that moved forward without EOHLC's review and approval.