



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Chrystal Kornegay, Undersecretary

Public Housing Notice 2017-09

To: All Local Housing Authorities
From: Dean Harris
Subject: AUP Common Findings and DHCD Procurement Dos and Don'ts
Date: April 7, 2017

Now that DHCD has a full year of data from the planning year for the Agreed Upon Procedures (AUP), we are issuing this notice to highlight common findings and remind Local Housing Authorities (LHAs) about the key "Dos" and "Don'ts" regarding Procurement and Public Bidding.

1. **DHCD REVIEW AND APPROVALS:** LHA procurements over certain thresholds require DHCD review and approval.

DO: Submit to DHCD for approval and signature all contracts procured under M. G. L. c. 30B for a price that is greater than \$50,000 **OR** are for a term of more than 3 years.

DO: Submit to DHCD for approval and signature all contracts for a price that is greater than \$50,000 and which were procured under M. G. L. c. 30§39M or and M. G. L. c. 149.

Please send all applicable contracts to:

Dean Harris
Procurement Specialist
100 Cambridge Street
Suite 300
Boston, MA 02114

2. **CONTRACT REGISTER:** According to section 6, page 12 of the Accounting Manual, LHAs are required to keep a record of each modernization contract. Starting with the 12/31/16 FYE AUPs, all written contracts (not just modernization contracts) will be required to be included in the contract register. For a sample contract register, contact your HMS or Dean Harris.

DO: Log every contract in the register.

DON'T: Use the register as a bid tabulation form.

3. **GENERAL M.G.L. c. 30B REQUIREMENTS**

DO: Retain all documentation regarding all procurements. Include the name, address, date and amount of all quotes received.

DO: Retain a copy of the board vote approving the contract.

DO: Obtain a board vote prior to procuring and approving all contracts which are for a term of more than 3 years. Option years are included when determining the total length of the contract. The board vote should state why it is in the best interest of the LHA to award the contract for a term of more than 3 years.

DO: Remember the bid threshold is determined by the total contract cost. The cost of the contract includes the cumulative value of each per year cost plus any option years, which may be exercised solely in the LHA's discretion.

DON'T: Renew a contract unless the renewal was part of the initial procurement.

DON'T: Procure plumbing and electrical services greater than \$10,000 using Chapter 30B. If the LHA expends more than \$10,000 annually for plumbing or electrical work, the work should be procured under M.G.L. c 149.

4. **PROCUREMENTS UNDER \$10,000, M.G.L. c. 30B, § 5**

DO: Procure contracts using Sound Business Practices *"Contractor must possess the necessary qualifications, experience and capacity to perform the work and that the contract price reflects the fair market value of work."*

DO: Award the contract to the responsible entity offering the best price.

5. **PROCUREMENTS \$10,000 to \$50,000, M.G.L. c. 30B, § 5**

DO: Use a written scope of work statement to solicit written quotations from no fewer than 3 entities who customarily provide the supplies or services.

DO: Award to responsible entity offering the needed quality of supply or service at the lowest price quotation.

DON'T: Start work without a written contract.

6. **PROCUREMENTS OVER \$50,000, M.G.L. c. 30B, § 5 or 6**

DO: Procure either through an Invitation for Bids or Request for Proposals process.

DO: Advertise by posting a notice in the LHA's office, in a newspaper, and on COMMBUYS.

DO: Advertise in the Goods and Services Bulletin if the contract price exceeds \$100,000. The total contract price includes the price per year-plus-any option years.

DO: Under 30B, § 5, (Invitation for Bids process) award the contract to the responsible, responsive bidder offering the best price.

DO: Under 30B, § 6, (Request for Proposals process) award the contract to the most advantageous proposal from a responsible and responsive proposer. If applicable, the board must state why the LHA selected a proposer who did not offer the lowest-price proposal.

DON'T: Issue a Request for Proposals under 30B if your LHA doesn't have a Certified Procurement Officer (CPO). The CPO must be registered with the Office of the Inspector General.

DON'T: (Request for Proposals process only) Award a contract to a vendor that is not the lowest bidder without documenting why it is in the best interest of the LHA to do so.

DO: If you have any questions regarding procurement, please contact Dean Harris at 617-573-1177 or dean.harris@state.ma.us.