Cambridge Housing Authority

Procurement Policy

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1 GENERAL PROVISIONS

1.1 Purpose and Scope

The purpose of this Procurement Policy ("Policy") is to provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Cambridge Housing Authority ("CHA"); assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the CHA; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that purchasing actions are in full compliance with applicable Federal and State laws and regulations.

1.2 Governing Authority

All procurement and contracting activities of the CHA shall be conducted in accordance with all applicable provisions of M.G.L. Chapter 30B; M.G.L. Chapter 30, Section 39M; and M.G.L. Chapter 149 Sections 44 A-J or Chapter 149A. Any exemptions or exclusions contained in those statutes are incorporated herein.

In addition, all procurement and contracting activities funded in whole or in part from Federal sources shall be conducted in accordance with the authority granted under the CHA Moving to Work Agreement ("MTW Agreement") with the U.S. Department of Housing and Urban Development, so long as such Agreement is in effect. To the extent this Policy, promulgated in accordance with the MTW Agreement, varies the Common Rule, codified at 24 C.F.R. 200, this Policy shall control.

To the extent said Common Rule is not varied herein, this Policy incorporates all provisions of those regulations.

For controlled affiliates or entities of the CHA, please refer to their policies.

1.3 Applicability

The policies herein adopted apply to all solicitations, purchase orders, and contracts for the procurement of goods, services and construction, except for any exemptions or exclusions provided by statute or regulation.

1.4 Chief Procurement Officer

The Chief Procurement Officer (CPO) position is designated by the Board of Commissioners and is currently held by the Executive Director

with authority to exercise all responsibilities and powers conferred upon that title by M.G.L. c. 30B. The Chief Procurement Officer may delegate powers in accordance with M.G.L. c. 30B provided that the Executive Director or his/her designee approves any such delegation. To the extent this Policy assigns responsibility to persons other than the CPO, the CPO is responsible for delegation of authority consistent with this Policy. To-date the CPO has delegated certain parts of the position's authority to the Senior Purchasing agent and/or an Executive Deputy Director of Development.

1.5 Modification to Procurement Policy

The CHA's Board of Commissioners must approve modifications to any of the policies set forth in this Policy subsequent to its adoption by same except that the Executive Director is authorized to correct inconsistencies, make such non-material changes, additions, corrections or amendments as s/he may deem necessary or advisable, or make such other changes as may be required as a result of changes in federal or state statute, regulations or requirements, without the further approval of the Board of Commissioners.

2 PROCUREMENT – GENERAL

2.1 Procurement of Supplies and Services - M.G.L. c.30B

All procurement activities for goods and services will conform to the following unless otherwise specified and/or exempt or excluded by statute or regulation.

Estimated Contract Amount	Under $10,000	$10,000 to $50,000	Over $50,000
Procurement Procedure	Sound business practices[1]	Use a written purchase description to solicit written quotations from no fewer than 3 person who customarily provide the supply orservice.[2]	Sealed bids or proposals. (M.G.L. c. 30B §§ 5 or 6)
Notice/Advertisement Requirements	None	None	Post a notice 1) in your jurisdiction's office, and, at least two weeks before bids or proposals are due, publish 2) in a newspaper, and 3) on COMMBUYS. If the procurement will exceed $100,000, at least two weeks before bids or proposals are due, publish in the *Goods and Services Bulletin.*
Award Contract to:	Responsible Person offering the best price	Responsible person offering the needed quality of supply or service at the lowest price quotation.	Under § 5, the responsible[3] and responsive[4] bidder offering the best price. Under § 6, the most advantageous proposal from a responsible and responsive proposer taking into consideration price and non-price proposals.
Written Contract Required[4]	No. Keep written records as best practice	Yes	Yes
Maximum Contract Term[5]	Three years, unless majority vote authorizes longer.		
OSD Option	Yes	Yes	Yes

Authorization Required	Property Manager or Project Manager	Any solicitation requires prior review and approval of Director or Deputy Director of P&D and/or Operations.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and Board authorization.

Examples include materials, supplies, and services such as consultants, unless otherwise exempted in M.G.L. c.30B.

[1] M.G.L. c. 30B, § 2, defines sound business practices as "ensuring the receipt of favorable prices by periodically soliciting price lists or quotes."

[2] M.G.L. c. 30B, § 4, as amended by Chapter 218 of the Acts of 2016.

[3] M.G.L. c. 30B, § 2, defines a responsive bidder or offeror as "a person who has the capability to perform fully the contract requirements, and the integrity and reliability which assures good faith performance."

[4] M.G.L. c. 30B, § 2, defines a responsive bidder or offeror as "a person who has submitted a bid or proposal which conforms in all respects to the invitation for bids or request for proposals."

[5] M.G.L. c. 30B, § 17(a), states "All contracts in the amount of $10,000 or more shall be in writing, and the governmental body shall make no payment for a supply or service rendered prior to the execution of such contract."

[6] M.G.L. c. 30B, § 12(b), states "Unless authorized by majority vote, a procurement officer shall not award a contract for a term exceeding three years, including any renewal, extension, or option."

2.2 Procurement of Public Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, §39M

Estimated Contract Amount	Under $10,000 M.G.L. c. 30, § 39M	$10,000 to $50,000 M.G.L. c. 30, § 39M	Over $50,000 M.G.L. c. 30, § 39M	$50,000 or less M.G.L. c. 30B, § 5 Option[1]
Procurement Procedure	Sound business practices (as defined in M.G.L. c. 30B, § 2).[2]	Use a written scope-of-work statement to solicit written responses from no fewer than 3 persons who customarily perform such work.[3]	Sealed bids	Sealed bids
Notice/Advertisement Requirements	None	Post a notice at least two weeks before responses are due on 1) your jurisdiction's website; 2) COMMBUYS; 3) in the *Central Register*; and 4) in a conspicuous place near your office.[4]	Post a notice 1) in your jurisdiction's office for at least one week before bids are due; and, at least two weeks before bids are due, publish 2) in the *Central Register*; 3) in a newspaper; and 4) on COMMBUYS.[5]	Post a notice at least two weeks before bids are due 1) in your jurisdiction's office, and publish 2) in a newspaper; 3) on COMMBUYS; and 4) in the *Central Register*.[6]
OSHA Training	No	Yes	Yes	Yes
Prequalification	No	No	Maybe[7]	No
Bid Deposit	No	No	5% of the value of the total bid.	No
Payment Bond	No	50% payment bond if contract is more than $25,000.[8]	50% payment bond.	50% payment bond if contract is more than $25,000.[9]
Performance Bond	No	No	No	No
Prevailing Wage	Yes	Yes	Yes	Yes
OSD or Blanket Contract Option	Yes	Yes	No	No

Authorization Required	Property Manager or Project Manager	Any solicitation requires prior review and approval of Director or Deputy Director.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and Board authorization.	Any solicitation requires prior review and approval of Director or Deputy Director.

Examples: Site improvements repairs to underground utilities lines, installation of playground equipment, and all other contracts for the construction, reconstruction, installation, demolition, maintenance or repair of bridges, roads, grounds, utility lines.

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[1] Authorized by M.G.L. c. 30, § 39M(d).
[2] M.G.L. c. 30, § 39M, as amended by Chapter 218 of the Acts of 2016. M.G.L. c. 30B, § 2, defines sound business practices as "ensuring the receipt of favorable prices by periodically soliciting price lists or quotes."
[3] M.G.L. c. 30, § 39M, as amended by Chapter 218 of the Acts of 2016.
[4] M.G.L. c. 30, § 39M, as amended by Chapter 218 of the Acts of 2016.
[5] M.G.L. c. 149, § 44J.
[6] M.G.L. c. 30B, § 5, and M.G.L. c. 9, § 20A.
[7] Although M.G.L. c. 30, § 39M, does not mandate a contractor prequalification process, prequalification of bidders by the Massachusetts Department of Transportation is required for contracts of $50,000 or more (1) if the awarding authority receives State Aid funds under M.G.L. c. 90, § 34; or (2) the work is on a state road, regardless of whether the awarding authority receives State Aid funds under M.G.L. c. 90, § 34.
[8] M.G.L. c. 149, § 29.
[9] M.G.L. c. 149, § 29.

2.3 Procurement of Building Construction Contracts – M.G.L. c. 149*

Estimated Contract Amount	Under $10,000	$10,000 to $50,000	Over $50,000 to $150,000	Over $150,000	Over $10,000,000
Procurement Procedure	Sound business practices (as defined in M.G.L. c. 30B, § 2).[1]	Use a written scope-of-work statement to solicit written responses from no fewer than 3 persons who customarily perform such work.	Sealed bids (using M.G.L. c. 30, §39M)	Sealed bids (using M.G.L. c. 149, §§ 44A – 44J).	Solicit statements of qualifications prior to soliciting sealed bids (using M.G.L. c. 149, §§ 44A – 44J).
Notice/Advertisement Requirements	None	Post a notice at least two weeks before responses are due on 1) your jurisdiction's website; 2) COMMBUYS; 3) in the *Central Register*; and 4) in a conspicuous place near your office.[2]	Post a notice 1) in your jurisdiction's office for at least one week before bids are due; and at least two weeks before bids are due, publish 2) in the *Central Register*; 3) in a newspaper; and 4) on COMMBUYS.[3]	Post a notice 1) in your jurisdiction's office for at least one week before bids are due; and at least two weeks before bids are due, publish 2) in the *Central Register*; 3) in a newspaper; and 4) on COMMBUYS.[4]	Advertise the request for qualifications at least two weeks before responses are due (1) in a newspaper; (2) in the *Central Register*; and (3) on COMMBUYS.[5]
DCAMM Certification	No	No	No	Yes. General bidders if more than $150,000 and filed sub-bidders if more than $25,000.	Yes. General bidders if more than $150,000 and filed sub-bidders if more than $25,000.
OSHA Training	No	Yes	Yes	Yes	Yes
Prequalification	No	No	No	Optional[6]	Yes
Filed Sub-bids	No	No	No	Yes, if more than $25,000.	Yes, if more than $25,000.
Bid Deposit	No	No	5% of the value of the total bid	5% of the value of the total bid, or sub-bid	5% of the value of the total bid, or sub-bid
Payment Bond	No	50% payment bond if contract is >$25,000.[7]	50% payment bond	100% payment bond	100% payment bond

Performance Bond	No	No	No	100% performance bond	100% performance bond
Prevailing Wage	Yes[8]	Yes	Yes	Yes	Yes
Contractor Evaluation	No	No	No	Yes	Yes
OSD or Blanket Contract Option	Yes	Yes	No	No	No
Authorization Required	Property Manager or Project Manager	Any solicitation requires prior review and approval of Director or Deputy Director.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and Board authorization.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and Board authorization.

* For projects where M.G.L. c. 149/149A applies, such as construction procurement for state or federal public housing that is not being repositioned and properties that were never state and federal public housing and never repositioned (Lancaster, for example).

Examples: Painting vacant units, hiring a plumber to repair or service equipment, installing carpeting, contracting for extraordinary maintenance and modernization projects (e.g. kitchen and bathroom modernization, closet door installation, window replacement) and all other contracts for the construction, reconstruction, installation, demolition, maintenance or repair at any CHA building.

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1 M.G.L. c. 149, § 44A(2)(A), as amended by Chapter 218 of the Acts of 2016. M.G.L. c. 30B, § 2, defines sound business practices as "ensuring the receipt of favorable prices by periodically soliciting price lists or quotes."

2 M.G.L. c. 149, § 44A(2)(B), as amended by Chapter 218 of the Acts of 2016.

3 M.G.L. c. 149, § 44J, as amended by Chapter 218 of the Acts of 2016.

4 M.G.L. c. 149, § 44J, as amended by Chapter 218 of the Acts of 2016.

[5] The advertising procedures listed pertain only to the request for qualifications. Within 14 days of the completion of the prequalification process, you are required to post a notice in your jurisdiction and on COMMBUYS listing those general contractors and subcontractors that have been prequalified. A copy of the notice must be sent via first class mail, postage pre-paid, to all prequalified general and subcontractors along with an invitation to bid. The invitation to bid must have a deadline of at least two weeks. Although you may only consider bids from those general and subcontractors who have been prequalified, the advertising requirements for building construction contracts over $150,000 apply.

[6] If you decide to use the optional prequalification process for projects over $150,000, follow the procedures listed in the "Over $10,000,000" column.

[7] M.G.L. c. 149, § 29.

2.4 Procurement of Supplies and Services for Construction and Development Activity, including Maintenance – Exempt from M.G.L. (HUD Procurement)*

Estimated Contract Amount	Under $2,000[1] – Micro-Purchases (Construction) Under $10,000 – Micro-Purchases (Supplies, Services)	$2,000 to $250,000[2] – Small Purchases (Construction) $10,000 to $250,000 – Small Purchases (Supplies, Services)	Over $250,000[3] – Competitive Proposals	Over $250,000[4] – Sealed Bids
Procurement Procedure	Solicit one quote in writing or verbally. See micro purchases, *2 CFR Part 200 (up to date as of 9/18/2023).*[5]	Solicit reasonable number of quotes in writing or verbally (minimum of 3 bids recommended). Requires competition. Awarded to best value. See small purchase procedures, *2 CFR Part 200 (up to date as of 9/18/2023).*[6]	Scope of work and RFP. Proposals awarded to most advantageous (best overall value). See competitive bids, *2 CFR Part 200 (up to date as of 9/18/2023).*[7]	Specification. Invitation for Bids. Open publicly. Awarded to lowest cost. See sealed bids, *2 CFR Part 200 (up to date as of 9/18/2023).*[8]

[1] Micro-purchase procedures may not exceed the micro-purchase threshold, which is set by the Federal Acquisitions Regulations (FAR) and may be updated from time to time, see 48 CFR part 2, subpart 2.1. Construction has a lower micro-purchase threshold than supplies and services.
[2] Small purchase procedures may not exceed the simplified acquisition threshold (SAT), which is set in the FAR and may be updated from time to time. Construction has a lower threshold than supplies and services.
[3] Formal procurement methods are required when the value of the procurement exceeds the SAT. SAT may be adjusted from time to time, see #2 above.
[4] See #3.
[5] 2 CFR, § 200.320(a)(1), Micro-purchases
[6] 2 CFR, § 200.320(a)(2), Small purchases
[7] 2 CFR § 200.320(b)(2), Proposals
[8] 2 CFR, § 200.320(b)(1), Sealed bids

Notice/Advertisement Requirements	None	Method should be appropriate to the purchase.	Post Invitation to Bid at least two weeks before responses are due on: 1) your jurisdiction's website; 2) in a conspicuous place near your office; 3) the local newspaper.	Post Invitation to Bid at least two weeks before responses are due on: 1) your jurisdiction's website; 2) in a conspicuous place near your office; 3) the local newspaper.
OSHA Training	No	Yes	Yes	Yes
CHA Prequalification	No	No	Yes	Yes
Bid Deposit	No	No	5% of the value of the total bid	5% of the value of the total bid
Payment Bond	No	50% payment bond if contract is >$25,000.	100% payment bond	100% payment bond
Performance Bond	No	No	100% performance bond	100% performance bond
Wage Rates (State versus Federal)	State prevailing wages	State prevailing wages, unless Federal wages preempt (on Faircloth-to-RAD and federal public housing modernization projects, as an example)[9]	State prevailing wages, unless Federal wages preempt (on Faircloth-to-RAD and federal public housing modernization projects, as an example)[10]	State prevailing wages, unless Federal wages preempt (on Faircloth-to-RAD and federal public housing modernization projects, as an example)[11]
Contractor Evaluation	No	No	Yes	Yes
Authorization Required	Project Manager or Property Manager (PM)	Any solicitation over $10,000 requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and report Board authorization.	Any solicitation requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and report Board	Any solicitation over $10,000 requires prior review and approval of Director or Deputy Director. Any contract award between $50,000 and $150,000 requires approval by Executive Director and report to Board. Any contract over $150K requires approval by Executive Director and report Board authorization.

[9] Federal wages determinations preempt any state prevailing wage rate when the state wage rate is higher than the federal wage rate. 24 CFR 965.101.
[10] See #17 above.
[11] See #17 above.

			authorization.	

*For projects exempt from M.G.L. c. 149., such as state-aided or federally-aided public housing projects where the land, buildings, or structures associated with the housing project have been conveyed or transferred to an affiliated non-profit or private entity. Limited to supplies and services for construction and development activity, including maintenance.

Examples: Painting vacant units, hiring a plumber to repair or service equipment, installing carpeting, contracting for extraordinary maintenance and modernization projects (e.g. kitchen and bathroom modernization, closet door installation, window replacement) and all other contracts for the construction, reconstruction, installation, demolition, maintenance or repair at any CHA building.

Note: After solicitation of a number of sources, competition is determined inadequate. Solicit one quote in writing or verbally. See noncompetitive procurement*, 2 CFR Part 200 (up to date as of 9/18/2023).*[12]

[12] 2 CFR, § 200.320(c), Noncompetitive procurement

3 PROCUREMENT - SPECIAL CIRCUMSTANCES

3.1 Petty Cash Purchases

Small purchases under $100.00 may be processed through the use of petty cash account without requiring use of a purchase order. The Chief Financial Officer (CFO) shall ensure that: any petty cash accounts are established in an amount sufficient to cover small purchases made during a reasonable period; security is maintained and only authorized individuals have access to the accounts; the accounts are periodically reconciled and replenished by submission of a voucher to the CFO; and the accounts are periodically audited by the CFO or his/her designee to validate proper use and to verify that the account total equals cash on hand plus the total of accumulated vouchers. The Fiscal Department shall be responsible for maintaining the petty cash fund and for developing procedures and requirements for its use.

3.2 P-Card Purchases

The Cambridge Housing Authority Procurement card program has been established to provide a more efficient, cost-effective alternative for departments and sites to make purchases that cost $3,500 or less. The procurement card is to be used as the first option before other existing methods to obtain supplies and services that cost $3,500 or less which are not restricted or prohibited. Cardholders are required to use the Procurement Card for low value purchases in order to achieve cost savings and improve processing time for such items. Purchase Orders will not be used for purchases under $3,500 unless required in individual circumstances. Monthly charges cannot exceed $30,000. See Appendix 2 for the full P-Card Policy and associated forms.

3.3 Designer Services

Design services in connection with a specific public construction project are exempt from M.G.L, c. 30B. However, for construction projects funded in whole or in part from State sources which have an estimated cost more than $100,000, the design services contracts are subject to the State's Designer Selection Law M.G.L. c. 7, § 44-57 (formerly Section 38 A1/2-O). The CHA will procure federally funded A/E services under 24 C.F.R. Part 200.

3.4 Real Property Procurement

The purchase, lease or rental of real property shall be made in accordance with the provisions of M.G.L. c. 30 B Section 16. Whenever the CHA desires to acquire, lease or rent real estate with a value or cost greater than $35,000, a solicitation for proposals shall be advertised as required by said Section 16. However, intergovernmental acquisitions are exempt from the competitive proposal requirement of M.G.L. c. 30B Section 16.

3.5 Intergovernmental Contracts/Draw Down Contracts

A. *Statewide Contracts.* Statewide contracts are contracts procured by the Operational Services Division of the Commonwealth of Massachusetts Office of Administration and Finance on behalf of all state departments, including public housing authorities and other political subdivisions, for specified commodities and services. A procurement of any dollar amount may be made pursuant to a statewide contract without seeking further competition. Ensure that the User Guide terms and conditions from the state are followed.

B. *Collaborative Purchases.* CHA may collaborate with one or more local jurisdictions to solicit bids for supplies and services as a group in accordance with Chapter 30B and M.G.L. c. 7 Section 22B. This procurement method authorizes one local jurisdiction, called "the lead jurisdiction," to procure supplies and services and award a contract for the benefit of a designated group.

C. Cooperative Purchases. CHA may, pursuant to Chapter 30B, Section 22 purchase supplies (but not services) from contracts that have already been procured by an in-state or out-of-state political subdivision, or a unit of political subdivision, or a federal or state agency, as long as the contract is open to local jurisdictions and was procured in a manner that constitutes full and open competition.

D. *Draw Down Contracts:* These are pre-bid arrangements for the provision of services under time and materials contracts that will allow for the quick access of certain required services. The utilization of Draw Down Contracts will provide easier access to services for Housing Managers but does not relieve them from determining whether the vendor's cost is reasonable and from monitor ing the vendor.

3.6 Emergency Procurement

A. An emergency procurement is appropriate whenever the CPO determines that unforeseen circumstances require the immediate acquisition of commodities and services to:
   - Provide necessary or mandated services
   - Avoid a threat to the health, welfare or safety of persons
   - Avoid a threat of serious damage to property

B. An emergency procurement shall be limited to ONLY the supplies or services necessary to meet the emergency, and shall conform to established procurement policy to the fullest extent practicable. An emergency procurement does not waive prevailing wage requirements.

C. *Waiver Requirements.* If an emergency procurement exceeds $24,999.99 and/or would be subject to public bidding in accordance with M.G.L. c. 149, Section 44 A-J, or M.G.L. c. 30, Section 39M, a waiver of these requirements must be obtained from the Department of Capital Asset Management and Maintenance of the Commonwealth of Massachusetts (DCAMM).

D. *Record keeping Requirements.* For each emergency procurement not previously approved by the DCAMM, a record shall be kept specifying the contractor's name, the amount and type of procurement contract, a listing of the supply or service provided, and the basis for determining the need for an emergency procurement. The record of an emergency procurement shall be submitted to the ***Goods and Services Bulletin*** for publication.

3.7 Sole Source Procurement

A. For contracts procured under Chapter 30B, the CPO may initiate a procurement of any supply or service in an amount less than $25,000 when, after reasonable investigation, the CPO determines in writing that only one practicable source for the required supply or service exists. A proprietary item shall be procured by competition if more than one potential bidder or offer for that item exists. The CPO shall record all sole source procurements, specifying each contractor's name, the amount and type of each contract, a listing of supplies or services procured under each contract, and the basis of the determination that the contractor was the only practicable source for the required supply of service.

B. For material specifications for construction contracts subject to M.G.L. Chapter 149 and M.G.L. Chapter 30 Section 39M must be written to provide for full competition for each item of material to be furnished under the contract. Specifications that restrict competition to fewer than three manufacturers or producers may be used only for “sound reasons in the public interest.” After a reasonable investigation, the staff must document for the Board and the Board must approve the reasons for using the restrictive or proprietary specifications and provide documentation to anyone making a written request for this information. If using restrictive or proprietary specifications for an item, the specifications for that item must include an “or equal clause.”

3.8 Contracts with Controlled Affiliates of the CHA

The CHA may enter into a contract with any controlled affiliate of the CHA provided that the following certifications are made with respect to each transaction:

1. The contract price is reasonable for the goods, services or property which is the subject of the contract and is competitive with prices in the

market.

2. The affiliate or the CHA, as applicable, is qualified to perform the terms of the contract.

3. No individual member, officer, or employee of the CHA shall derive personal financial benefit from nor hold an interest in the contract.

4. The member, officer or employee of the CHA and the affiliate involved in the transaction, where such persons are the same, have fulfilled their fiduciary relationship to both organizations, and the contract will be of benefit, and not to the detriment of either or both of the organizations.

5. All costs associated with such transactions shall be allocated in accordance with basic cost allocation principals as required by 2 C.F.R. Part 200 Subpart E – Cost Principles, or any successor notice or rule.

6. Any non-budgeted expenses over $5,000 requires approval from the affiliate acting director.

3.9 Alternative Project Delivery Methods under M.G.L. c. 149A

CHA staff will follow the procurement procedures as outlined under M.G.L. c. 149A for construction manager (CM) at risk projects. As per the statute, the CHA Board of Commissioners will approve a board action authorizing staff to pursue M.G.L. c.149A as the first step in getting permission from the Office of the Inspector General for CM At-Risk projects. The CHA Board of Commissioners will also review the results of the RFQ/RFP procurement process and authorize the execution of a construction contract with the selected CM at-risk firm. The CHA Board of Commissioners will approve the execution of a guaranteed maximum price (GMP) contract amendment.

4 PROCUREMENT – OTHER REQUIREMENTS

4.1 Prohibition of Bid Splitting

Bid splitting occurs when a purchaser intentionally breaks a large contract or order into smaller contracts or orders to avoid the competitive bidding process. Bid splitting is illegal and a violation of CHA's Procurement Policy.

> Example 1: Michael is a property manager with the authority to use his P-Card for purchases costing $3,500 or less. He needs to replace the carpet in 5 units for a total cost of $17,500. He asks the vendor to send him five individual invoices of $3,500 for each unit so that he can use his P-Card instead of having to use the procurement process. This constitutes bid splitting because Michael is requesting a vendor to invoice items separately to avoid the bidding process.
>
> Example 2: Jane orders appliances that costs $10,500. She makes 3 monthly payments of $3,500 on her P-Card to the vendor. This is also bid splitting because Jane is making partial payments against a single invoice to intentionally avoid the $3,500 spending limit.
>
> Example 3: Mary needs 25 new locks for her development. Each lock costs $250.00. She purchases 5 locks every month for 5 months for a total of $6,250. This constitutes bid splitting because Jane is purchasing items in groups to avoid the spending limit.
>
> Example 4: George orders 5 window screens for a total of $3,500. The next day, he discovers that he needs 3 additional screens for a different apartment, so he orders 3 more. Over the course of 2 days, George has spent $5,600 buying the same item from the same vendor. This does not constitute bid splitting, because George is not intentionally trying to avoid the competitive bidding process.

Bid splitting enables the purchaser to use a preferred or familiar vendor rather than go through the procurement process that would award a contract to the vendor offering the best price.

4.2 Wage Rates

Procurements and contracts that include on-site labor shall incorporate all applicable regulations of the Commonwealth of Massachusetts Department of Labor and Industries, the U.S. Department of Labor and/or the U.S. Department of Housing and Urban Development regarding the payment of wages. For federal developments, Davis Bacon Wage Determination Rates are required for public buildings and public works projects in excess of $2,000. The Purchasing Department shall send out, collect, and maintain a record of payroll reports as necessary to ensure compliance.

4.3 Inventory

Any department or site that maintains a physical inventory of materials and equipment is required to track and verify inventory balances for items that are $1,000 or more.

4.4 Documentation and Record Keeping

A. All procurement activity shall be documented. Requisitions, quotations, purchase orders, invoices, receipts, vouchers and all other written material supporting a purchase will be retained, permitting speedy and effective audits to determine compliance with these procurement policies.

B. For procurement of supplies and services from $5,000 to $10,000, a written record shall be maintained which includes the purchase specifications, the name and addresses of all persons from whom quotations were sought, and the date and amount of each quotation.

C. For procurement of $10,000 or more there shall be maintained in addition to the requirements of Section 2.3 B (above) a written record which includes the contract and any amendments to the contract. If a contract is awarded pursuant to a formal solicitation the written record shall also include the invitation for bids or request for proposals, the public notices and advertisements , the bids or proposals submitted and written evaluation of proposals.

D. All written documentation required by Parts B and C of this Section shall be maintained for a period of six years from the da te of final payment under the contract.

4.5 Exercising Options to Extend, Renew or Purchase

4.6 A contract may be extended or renewed or an option exercised only if the original solicitation included a provision permitting an extension, renewal or option. An option to renew will only be at the discretion of the CHA, and not the contractor.Contract Increases

The CHA may increase the original amount of a supply or service under a contract procured under M.G.L. c.30B without re-bidding, so long as unit prices remain the same or less, the CPO or designee certifies in writing that the increase is necessary to fill actual needs of the CHA and that it is more economical to do so than to award another contract, the parties agree to the increase in writing and that the increase in the contract does not exceed 25%, except for gasoline, fuel oil, road salt, and ice and snow control supplies.

4.7 Change Orders

In concurrence with the CHA procurement policy, the CPO or their designee may authorize individual change order items up to $300,000. Individual change order items exceeding $300,000 will be authorized by the Board of Commissioners. Staff will generate quarterly reports of contract change order items for each construction contract stating the amounts of each Change Order item and the sum total of contract value changes since award of the contract.

5 DISPOSITION

5.1 Materials, Supplies and Equipment

The disposition of tangible materials, supplies and/or equipment that are no longer useful to the CHA must be in accordance with the provisions of M.G.L. .30B, Section 15. These rules apply to all tangible supplies and equipment including motor vehicles, machinery, computer equipment, furniture, and other materials, supplies and equipment. The three acceptable forms of disposition as specified in M.G.L. c.30Bm Section 15 for such tangible supplies and equipment are: sale, charitable donation, and trade-ins as described herein. Transactions with other jurisdictions are exempt from this requirement.

A. *Sale of Surplus Materials, Supplies and Equipment*

- **For materials, supplies and/or equipment with a resale or salvage value of less than $5,000**.
  The CPO may seek to trade in old materials, supplies and/or equipment when purchasing new equipment whenever possible. When not possible, disposition shall be by any method deemed appropriate by the CPO in accordance with federal, state and local regulations provided no members, officers, employees, or agents of the CHA benefits.
- **For materials, supplies and/or equipment with a resale or salvage value of $5,000 or more.**
  The CPO may use any of three alternate methods of sale: (1) sealed bids, (2) public auction, or (3) an established market.

B. *Charitable Donations*

Surplus materials, supplies, and/or equipment may be disposed at less than fair market value to any organization that has an IRS tax exempt status by reason of its charitable nature by a majority vote of the Board of Commissioners.

C. *Trade-Ins*

Surplus materials, supplies, and/or equipment may be traded in when making a purchase provided the Invitation for Bid or Request for Proposal or quotation specifies the items to be traded in as part of the procurement.

5.2 Real Property

All disposition of real property must be in accordance with the provisions of M.G.L. c.30B Section 16. Whenever the CHA desires to dispose of real property with a value in excess of $25,000, a solicitation for proposals shall be advertised as required by said Section 16. However, intergovernmental dispositions are exempt from the competitive proposal requirement of M.G.L. c. 30B Section 16.

6 ASSISTANCE TO SMALL, MINORITY AND WOMAN-OWNED BUSINESSES AND WORKERS

6.1 General

The CHA in its procurement and contracting activities shall make positive efforts to use small, minority and woman-owned businesses as sources for supplies and services. Such efforts shall include developing and utilizing mailing lists for these sources, and soliciting and encouraging such business to compete for contracts.

6.2 Equal Employment Opportunity

In the case of any contract publicly bid and awarded in accordance with M.G.L. Chapter 30, Section 39M or M.G.L. Chapter 149, Section 44 A-J, or Chapter 149A, the CHA shall require general contractors and all subcontractors, filed and non-filed, with contracts over $100,000 or more to achieve minimum labor hours participation percentage for on-site labor of 20 percent by minority employees and 10 percent by female employees. This requirement shall not apply to contracts awarded in accordance with M.G.L. Chapter 30B.

6.3 Section 3 of the Housing Act Of 1968

A. All contracting activities funded in whole or in part from Federal sources shall conform to the requirements of Section 3 of the Housing Act of 1968, as amended, which requires the CHA to the greatest extent feasible to use appropriate efforts to provide employment, training and contracting opportunities to low and very low income persons, and in particular, its residents.

B. In the procurement of services for Section 3 covered projects, the CHA will:
   1. Notify potential contractors of their responsibility under Section 3.
   2. Include a Section 3 clause in all solicitations and contracts connected with a Section 3 covered project.
   3. Document actions taken to comply with the requirements of 24 C.F.R. Section 135.32, the results of any actions taken and impediments if any.

7 ETHICS IN PUBLIC CONTRACTING

7.1 Conflict of Interest

The actions of all members, officers, employees or agents of the CHA involved in any phase of procurement or the award and administration of contracts shall be governed by the provision of 2 C.F.R. 200.318 (c) (1) and M.G.L. Chapter 268A regarding conflict of interest.

7.2 Code of Conduct

The Code of Conduct for Public Employees, as established by M.G.L. Chapter 268A and Appendix A hereto, is incorporated and made a part of the procurement policy of the CHA.

7.3 Gratuities, Kickbacks (Copeland Act — 29 CFR Part 3) and Use of Confidential Information

All members, officers, employees or agents of the CHA shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

7.4 Prohibition against Contingent Fees

Contractors shall not retain a person to solicit or secure a contract from the CHA for a commission, percentage, brokerage, or contingent fee, except for bona fide employees of established commercial selling agencies.

7.5 Penalties

In the event any members, officers, employees, agents or contractors of the CHA has been determined to violate any of the provisions of this Section, such commissioner, employee, agent or contractor may be disciplined up to and including, but not limited to, termination, to the extent permitted by Federal, State or local law or regulations.

APPENDIX I: CODE OF CONDUCT FOR PUBLIC EMPLOYEES

INTRODUCTION

The Massachusetts conflict of interest law, Chapter 268A of the Massachusetts General Laws, prohibits public employees from soliciting or accepting gratuities of substantial value for or because of their official duties. The law covers all State, county, and municipal employees, as well as employees of independent State authorities, districts, and commissions. The State Ethics Commission, which enforces the conflict of interest law, is authorized to impose civil fines of up to $2,000 for each violation of the law and to recover damages. The law also carries criminal penalties, including fines and terms of imprisonment.

The conflict of interest law encourages public agencies to establish and enforce standards of conduct. This Code of Conduct is designed to supplement the conflict of interest law by setting standards of conduct for all employees with respect to relationships with individuals and entities with whom the public sector conducts official business. The purpose of this Code is to preserve the integrity of these relationships and to maintain the highest level of public confidence in the impartial operation of government.

This Code prohibits certain activities that could result in a conflict of interest or create the appearance of a conflict of interest. Exceptions to the Code's prohibitions are limited to specific circumstances in which an overriding public interest is served by the exception or in which the relationship in question is primarily personal.

The Massachusetts Office of the Inspector General has developed this Code for use by public agencies throughout the Commonwealth. Five major areas are addressed by this Code: gifts and gratuities, reimbursement of travel expenses, honoraria, testimonial and retirement functions, and groundbreaking and dedication ceremonies. This Code is not all-inclusive. It does not regulate every conceivable situation in which a public employee may be offered gifts or other items of monetary value. It does not address other activities prohibited by the conflict of interest law, such as bribery, participation in official matters affecting one's financial interests or those of one's family or business, and misuse of one's official position. For information or advice on matters not covered by this Code, guidance may be sought from local counsel and from the State Ethics Commission. As used in this Code, "we" and "our" refer to the agency adopting this Code; "you" refers to the agency's employees or members.

1. GIFTS AND GRATUITIES

A. General Restrictions

You may not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or other item of monetary value from a person, public agency, or private entity you know or have reason to know:

1. Has had, has, or is seeking to obtain contractual or other business or financial relations with us;

2. Conducts or is seeking to conduct business or other activities that are regulated or monitored by us; or

3. Has interests that may be or may give the reasonable impression of being substantially affected by the performance or nonperformance of your official duties.

   Example: You may not accept a restaurant lunch from a consultant employed by a firm under contract to us.

   Example: You may not accept a Christmas gift from a vendor seeking business with us.

   Example: You may not accept a ticket to a sporting event from an individual whose business we regulate.

B. Exceptions

1. You may accept gifts in cases involving a family or personal relationship when the circumstances make clear that the relationship is the motivation for the gift.

2. You may accept nonalcoholic beverages, such as coffee or tea, from public or private entities.

3. You may attend and accept food and beverages at seasonal or celebratory functions, such as Christmas, birthday, or retirement parties, hosted by public entities.

4. You may accept food and beverages in connection with attendance at working meetings held in the office of a public entity.

5. You may accept food and beverages in connection with attendance at widely attended meetings or gatherings held by a private trade or professional association in an office or other business setting when you are attending the meeting or gathering in your official capacity for informational, educational, or other similar purposes.

   Example: You may accept a modest meal served in a restaurant function room in conjunction with an informational, widely attended meeting hosted by a professional association.

   Example: You may not accept food and beverages at a hospitality suite hosted by one or more private firms.

6. You may accept loans from banks or other financial institutions to finance proper and usual customer activities, such as home mortgage loans and automobile loans. If the bank or financial institution is an entity with which you have or might reasonably expect to have dealings in your *official* capacity, you must be able to demonstrate that the loan has been granted on current customary teens; you must also provide written disclosure of the loan to your supervisor. The previous sentence does not apply if your duties or anticipated duties with respect to the bank are limited to obtaining third-party records.

7. **You may accept unsolicited advertising or promotional materials of nominal value.**
   Example: You may accept an unsolicited, inexpensive promotional pen or calendar.
   Example: Youmay not accept a leather portfolio.

2. REIMBURSEMENT OF TRAVEL EXPENSES

A. General Restrictions

You may not accept reimbursement for travel expenses from a person or entity who falls within the scope of Section IA, above.

B. Exceptions

1. If you deliver a speech or participate in a conference, we may elect to accept reimbursement from the sponsor of **the speech or conference for** your actual and necessary travel expenses. In this case, we — not the sponsor — will pay or reimburse you in accordance with our travel policy, and bill the sponsor for the appropriate amount.
2. If we determine that employee travel is a necessary component of a vendor evaluation process, we may elect to require competing vendors to reimburse us for actual and necessary travel expenses incurred in connection with the evaluation. In this case, we — not the vendors — will pay or reimburse you in accordance with our travel policy. The publicly advertised request for proposals or bids must set forth our procedures for calculating and billing all competing vendors for the appropriate amounts.

3. HONORARIA

A. General Restrictions

You may not accept honoraria or other monetary compensation from an outside source in return for a public appearance, speech, lecture, publication, or discussion unless all of the following conditions are met:

1. Preparation or delivery of the public appearance, speech, lecture, publication, or discussion is not part of your *official* duties;

2. Neither the sponsor nor the source, if different, of the honorarium is a person or entity who falls within the scope of Section IA, above;

3. You do not use office supplies or facilities not available to the general public in the preparation or delivery of the public appearance, speech, lecture, publication, or discussion; and

4. You do not take office time for the preparation or delivery of the public appearance, speech, lecture, publication, or discussion.
   Example: You may accept an honorarium for a magazine article prepared outside working hours.
   Example: You may not accept an honorarium for delivering a speech in your official capacity.

B. Exceptions

You may accept awards, certificates, or other items of nominal value given for a speech, participation in a conference, or a public contribution or achievement.

Example: You may accepta framedcertificate ofappreciation.
Example: You may not accept an engraved pewter bowl.

4. TESTIMONIAL AND RETIREMENT FUNCTIONS[1]

A. General Restrictions

1. You may not solicit contributions, sell tickets, or otherwise seek or accept payment for a testimonial or retirement function, or any function having a similar purpose, held for yourself or any other employee, if the contributor is a person or entity who falls within the scope of Section IA, above, and the admission price or payment exceeds the actual per-person cost of food and beverages served at the function.

[1]Chapter 268, §9A, of the Massachusetts General Laws currently prohibits anyone from selling, offering for sale, or accepting payment for tickets to, or soliciting or accepting contributions for, testimonial dinners or functions held on behalf of anyone employed by a law enforcement, regulatory, or investigatory agency of the Commonwealth or any political subdivision of the Commonwealth. The law carries a maximum fine of $500.

Example: *You may not offer or sell tickets to a testimonial dinner to contractors doing business with us if the ticket price includes a contribution toward a gift.*

2. You may not accept food, beverages, or gifts at any testimonial or retirement function, or any function having a similar purpose, if such food, beverages, or gifts are paid for or subsidized by a person or entity who falls within the scope of Section IA, above.

Example: *You may not accept a free admission to a retirement luncheon if the cost of your admission is paid directly or indirectly, by one or more contractors doing business with us.*

Example: *You may not accept a retirement gift if the gift **was** paid for with the proceeds of tickets purchased by contractors doing business with us.*

B. Exceptions

None.

5. GROUNDBREAKING AND DEDICATION CEREMONIES

A. General Restrictions

1. You may not request or require any person or entity who falls within the scope of Section IA, above, to sponsor or contribute to any groundbreaking ceremony, dedication ceremony, or similar occasion involving a public works project. If we determine that a groundbreaking or dedication ceremony for a public works project serves a legitimate public purpose, we may elect to fund such a ceremony. We may plan and pay for the ceremony. Alternatively, we may include the ceremony-related services in the construction bid specifications for the public works project.

2. You may not accept food, beverages, or gifts at any groundbreaking ceremony, dedication ceremony, or similar occasion involving a public works project if the food, beverages, or gifts are paid for or subsidized by a person or entity who falls within the scope of Section IA, above.

B. Exceptions

None.

APPENDIX II: P-CARD POLICY FOR THE CHA AND AFFILIATES

1. Purpose

The Cambridge Housing Authority Procurement card program has been established to provide a more efficient, cost-effective alternative for departments and AMPs to make purchases costing no higher than the single purchase limit established for individual cardholders. This policy applies to both CHA properties and tax credit properties that have been transferred to an LLC.

The procurement card is to be used as the first option before other existing methods to obtain supplies and services costing $3,500 or less, (excluding Resident Service Coordinator) which are not restricted or prohibited. Cardholders are required to use the Procurement Card for low value purchases in order to achieve cost savings and improve processing time for such items. Purchase Orders will not be used for purchases under $3,500 unless required in individual circumstances.

The procurement card is a special VISA credit card that works similarly to a personal credit card, except the charges are billed directly to CHA and paid through Accounts Payable. The procurement card contains the cardholder's name and Cambridge Housing Authority.

Using the procurement card will benefit CHA, its vendors, employees and their departments and AMPs. CHA will save time and money by consolidating paperwork; vendors will receive payment more quickly; and departments and AMPs will obtain the materials and services they need without unnecessary delays.

2. Employee Obligations

CHA employees who are issued a procurement card are provided the ability to make purchases on behalf of their departments or projects up to the spending limits imposed by the card. Cardholders are expected to make sound business decisions in the best interests of CHA, perform their duties competently, and comply with the following policies and procedures. Cardholder supervisors retain ultimate responsibility for all purchases made with the procurement cards and for the administration of the program in their department or project. They are responsible to see that the cards are used in a proper manner and in compliance with CHA policies.

3. Disciplinary Action

Serious violations of procurement card policies may result in disciplinary action. Examples of such violations include splitting transactions to avoid the requirements of CHA’s purchasing and procurement card policies, routinely failing to review and approve statements, routinely failing to retain receipts, and making inappropriate purchases. Personal use of the procurement card is theft.

4. Limitations on Using the Procurement Card

A. Authorized Purchases

Procurement cards are **for business use only.** They may be used for purchases through any vendor that will accept the card **and only** for purchases that comply with the CHA procurement policy.

B. Unauthorized Purchases

The following purchases are prohibited:

- Personal use
- Purchase of any type of equipment over the individual cardholders single purchase limit
- Purchases made with bid splitting (for details see **4** below)
- Cash advances
- Cash refunds from returned card purchases
- Gift cards
- Food or beverages not associated with a CHA sponsored meeting, hearing or event (requires prior approval from department head)
- Gasoline
- Cellular telephone service
- Purchases prohibited by CHA fiscal policy on purchasing.

C. Spending Limits

Each card has a single purchase spending limit of $3,500 and a preset maximum for each 30-day billing cycle of $30,000. There is one exception to these limits: (1) the Director of Service Coordinators whose Single Transaction Limit is $500 and spending limit is $16,000 annually. The card is restricted to use at Massachusetts Court. Each time the card is used, an electronic process verifies that the purchase is within these predetermined limits. If a purchase violates these limits, the card transaction will be denied.

D. Splitting

Bid splitting occurs when a purchaser intentionally breaks a large contract or order into smaller contracts or orders to avoid the competitive bidding process. Departments /AMPs may **not** split single transactions in excess of $3,500 into smaller transactions. Although not an all-inclusive list, the following situations represent split transactions and are prohibited by this policy.

Appendix II P-Card Policy for the CHA and Affiliates

- Requesting a vendor to invoice items separately to avoid the spending limit.
- Making partial payments against a single invoice to avoid the spending limit.
- Purchasing items in groups and making multiple purchases for a single purpose to avoid the spending limit.

For more information on what constitutes a split transaction and whether items should be bid, employees should consult the Procurement department.

5. Administration of the Card

A. Cardholder Responsibilities

Cardholders have the following responsibilities in procurement card usage and appropriate record keeping procedures:

- Read and abide by the P-card policies and procedures.
- When using the procurement card, always try to obtain the best possible value for CHA.
- Keep the card in a secure location and keep the card number confidential.
- Exercise caution in sharing account information.
- Ensure that state sales tax is not charged when making a purchase for CHA-owned property. Tax credit properties and properties already transferred to an LLC are responsible for sales tax.
- Obtain and keep receipts and maintain detailed information for each card transaction. (For more details, see **Acceptable Receipts** below). **A receipt must be obtained for each purchase or transaction.** Receipts are critical to the success and integrity of the procurement card program.
- Code the charges to the appropriate general ledger accounts as necessary on the Works. Include written comments in the notes section of the Works providing a description of the goods or services and where they will be used, (e.g. unit #, specific common area, etc.). The coding must be completed before the statement is submitted to the Approver. The coding should proceed even if the cardholder does not have all of the receipts or some transactions are disputed.
- Download the monthly statement for the procurement card. **Review the statement** for accuracy. (see **Reviewing and Reconciling Statements** below). **Sign the statement** and forward it with all applicable receipts to the Program Administrator for verification.
- Resolve all incorrect charges and product returns with the merchant or vendor as quickly as possible (see **Incorrect Charges** below). Notify the Program Administrator immediately if the card is lost or stolen.

B. Cardholder Supervisor Responsibilities

The cardholder's supervisor is ultimately accountable for appropriate procurement card use in the department/project.

The supervisor has the following responsibilities:

- Select and approve employees who are eligible to apply for a procurement card.
- Ensure that cardholders abide by CHA policies and procedures governing the procurement card program, as well as CHA purchasing policies and procedures.

C. Approver Responsibilities

Currently, the Approver is the Senior Purchasing Agent. As the Approver, the Senior Purchasing Agent is responsible for verifying and approving receipts with the monthly statements. The Approver is authorized to approve the expenditure of CHA funds and has knowledge of the department's/AMP's procurement card activities.

The Approver is responsible for the final approval of procurement card statements and has the following responsibilities:

- Obtain a signed monthly statement with the original supporting receipts from each cardholder.
- Verify the statement by ensuring that receipts are in hand for all transactions listed on the cardholder's monthly statement. Confirm that the receipts are acceptable documents according to CHA policy and the items purchased appear to be legitimate in nature. (See **Incorrect Charges** below for instructions on handling incorrect charges.)
- Verify that all charges have been coded to a general ledger account number.
- Report any questionable purchases to the cardholder's supervisor.
- Sign the cardholder statement signifying that it has been verified and approved, as described above. Approval indicates that the purchases are appropriate and have been coded to a general ledger account.
- Reject statements requiring further processing by cardholder. The Approver will attach an explanation indicating why the statement was rejected. Statements will be rejected when the Approver suspects an inappropriate purchase (that has not been marked as disputed), when they do not have enough supporting documentation to make an informed decision about the appropriateness of a purchase, or when charges have not been distributed to a general ledger account.
- Forward approved statement to the Fiscal Department for processing.
- Maintain a file of signed statements with original receipts attached for six years.

D. Program Administrator Responsibilities

Currently, the Program Administrator is the Senior Purchasing Agent and the CFO as designee. As Program Administrator, they are responsible for the administrative and managerial functions of the procurement card program. They serve as the primary liaison between the bank and CHA.

Responsibilities include the following:

- Distribute the procurement card policy to participating employees.
- Distribute new and replacement as needed.
- Review and approve new card applications.
- Ensure that training is conducted for all cardholders, cardholder's supervisors, and Accounts Payable.
- Cancel any cards for terminated or transferred employees and notify the bank of their cancellation.
- Collect and dispose of expired cards.
- Notify the bank of lost or stolen cards and immediately mark the card as lost or stolen in the Bank's software program called "Works".
- Answer questions and solve problems regarding the program.
- Ensure that the bill is approved for payment on or before the due date.
- Maintain cardholder database.

6. Audits

All cardholder accounts will be monitored for compliance. In addition, the program and all supporting documentation will be subject to periodic audits performed by CHA personal or outside vendor. Significant failure to comply with CHA policy in the use or administration of the cards may result in cancellation of a card and/or disciplinary action.

7. Obtaining a Card

A. Eligibility

Department Heads, District Managers, Site Managers, Asset Manager, Relocation Specialist, Director of Service Coordinators, Confidential Secretary to the General Council, and Director of the Work Force Program, who have the responsibility for making purchases on behalf of their departments or projects and have the approval of their supervisors are eligible for a procurement card. Cards may not be issued to independent contractors, temporary employees, or any non-employee.

B. Application Process

To receive a card, employees must sign an agreement stating that they have read and understand the P-card policy (including the Code of Conduct), and that they have participated in P-card training. After verifying that the employee has completed and signed the agreement, the Program Administrator will give employees their card in exchange for the signed agreement. Cards are automatically renewed. Old cards must be returned to the Program Administrator for disposal.

8. Making a Purchase

Cardholders must follow the guidelines below when making purchases:

- If the intended purchase is $3,500 or less, the cardholder may use the card with any P-card vendor who provides the best value to CHA.
- Ensure that the vendor will issue a proper receipt (see **Acceptable Receipts** below).
- Obtain a receipt for each transaction.
- Ensure that state sales tax is not charged when making a purchase for CHA-owned property. Tax credit properties and properties already transferred to an LLC are responsible for sales tax.
- When ordering over the telephone or the Internet, the cardholder should tell the vendor that he or she is from CHA and is making the purchase with a VISA procurement card. The vendor should be given the card name, card number, expiration date, and delivery address. A receipt and confirmation number should be requested at this time. The delivery address must be the cardholder's official address on file with VISA. When purchasing from a MA based company, emphasize that the purchase is exempt from state sales tax.
- Inspect the order to verify accuracy, quality, and price.

9. Acceptable Receipts

Acceptable receipts include vendor invoices, charge slips, cash register receipts, packing slips, or printout of E-mail or web page transaction confirmation, provided they include the following information:

- Itemized description of goods or services purchased, including unit price
- Vendor name
- Transaction date
- Transaction total

Order forms are not acceptable as receipts. For subscriptions, a copy of the renewal notice or initial subscription request is considered a receipt.

Receipts that do not clearly list the required information described above will not be considered adequate documentation. In such cases, attach a SUPPLEMENTAL RECEIPT FORM (see below) to the available documentation detailing the required information. Note**:** A Supplemental Receipt Form alone does not constitute an adequate receipt.

10. Reviewing and Reconciling Statements

The monthly statement will be available a few days after the end of the billing cycle which is usually the 1st or the 15th of the month. The statement should be reviewed and reconciled as described below.

- CHA receives monthly statements and distributes them to cardholders.
- The cardholder should review the statement to ensure that the transactions and amounts listed are correct. Specifically, check for the following information.
- Amounts on the statement that are higher than the receipts (may need to allow for shipping charges)
- Items on the statement not purchased by the cardholder
- If a discrepancy is found, the steps in the "Problems" section below should be followed.
- The cardholder should code each charge to the proper general ledger account and mark the statement accordingly.
- The cardholder should sign the statement. The cardholder's signature affirms that (1) the charges are correct with exceptions noted, (2) all receipts are included, (3) all purchases are been properly distributed, and (4) all expenditures are properly authorized business purchases.
- The cardholder should forward the signed statement and original receipts to the Approver within fifteen (15) days after the end of the billing cycle. The Approver is then responsible for verifying and approving all procurement card purchases.

11. Cancelling Cards

In the event it is necessary to cancel a procurement card, the cardholder must return the card to the Program Administrator. The Program Administrator will cut the card in half and notify the bank of the cancellation.

A procurement card will be canceled if any of the following conditions arise:

- Cardholder suspects the card number has been or may be used without authorization (i.e., stolen). See the "Lost or Stolen Cards" section below.

- Cardholder has transferred to another department/AMP.
- Cardholder seldom or never uses the card.
- Cardholder is no longer employed by CHA.
- Cardholder goes on leave without pay.
- Cardholder is requested to surrender card due to violation of policies.

In addition, CHA has the right to cancel the card of any employee at its discretion.

12. Problems

A. Declined Purchase

If a purchase is not approved by VISA, the vendor or cardholder can email or call the bank directly to determine the reason. The cardholder shall also alert the Program Administrator of the problem.

B. Returning an Item

The procedures below should be followed when returning an item.

- For a purchase made in person, return the item directly to the vendor and obtain a credit receipt. **Cash refunds are prohibited.**
- For a purchase by phone, mail, or fax:
  - Contact the vendor for return instructions.
  - Obtain a return reference number from the vendor, e.g., Returned Material Authorization (RMA) or credit number. Note: Some vendors may charge a restocking or handling fee.
  - Follow CHA shipping procedures to return the item to the vendor.
- On the paper statement where the original charge appears, note the date of the return. Be sure to check subsequent statements to verify that credit was received for the returned item.
- For refunds to a canceled card, the department/AMP should request a credit memo from the vendor for the amount of the refund. The department/AMP may apply the credit memo to future purchases or send it to the A/P Office to be processed as a refund from the vendor.

C. Incorrect Charges

If an item on the monthly statement is incorrect, the Program Administrator shall call the vendor immediately to resolve the disputed charge. If the vendor does not resolve the discrepancy within 30 days, the Program Administrator shall fax a completed DISPUTED TRANSACTION FORM to the bank. The bank will issue a temporary credit until the dispute is resolved, usually within 60-90 days.

Vendors have a right to solve a problem with a purchase within a reasonable period of time. Thus, when either an incorrect or defective item is received, the cardholder must allow the vendor a reasonable amount of time to either replace the product, resolve the service issue, or issue a credit before turning the matter over to the bank.

D. Lost or Stolen Cards

The cardholder should immediately notify the Program Administrator as soon as he or she realizes the procurement card has been lost or stolen. The Program Administrator will mark the card "Lost/Stolen" in the P-Card Works Application and call the bank to notify them of the loss. This will generate the appropriate paperwork which the Program Administrator will need to complete.

Supplemental Receipt Form

Date: _____

Vendor Name: _____

Item No.	Description	Unit Price	Total Price

Receipt Total: _____

_____

Cardholder Signature

Cardholder Acknowledgement

Date: _____

I, _ acknowledge that I have read and understand Cambridge Housing Authority's policy on P-cards, including the Code of Conduct. I agree to abide by the policies and procedures therein, and agree to surrender my card immediately upon the request of the Program Administrator.

_____

Employee

_____

Program Administrator