

# CITY OF SALEM, MASSACHUSETTS

## Purchasing Department



## Procurement Manual: Policies and Procedures

October 2014

# PROCUREMENT MANUAL

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City of Salem, Massachusetts

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# **PART I. OVERVIEW**

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## **A. AIMS AND OBJECTIVES**

The objective of the Purchasing Department is to ensure that all procurements and dispositions made by City Departments and the Northshore Workforce Investment Board are made in compliance with state law and local ordinances and that the City is procuring supplies, services and real property at the best value and as efficiently as possible.

This 'Purchasing Manual' was developed in order to outline the procurement process for all City employees, define the roles of the Purchasing Agent and the City Departments, and ensure that purchases and contracts are solicited, awarded and administered properly and uniformly, efficiently and cost effectively.

## **B. PROCUREMENT LAWS: APPLICABILITY AND THRESHOLDS**

Most procurement will fall into one of two categories: (1) Supplies, Services and Real Property or (2) Public Construction. Below please find an outline of each applicable law:

### **1. Supplies, Services and Real Property**

Massachusetts General Law, Chapter 30B applies to the procurement (purchase, lease or lease-purchase, or other means of acquiring) of all supplies and services, disposition of surplus supplies, and acquisition and disposition of real property, unless an exemption applies (*see Section a*).

#### ***Supplies***

Supplies are defined as, "all property, other than real property, including equipment, materials and printing and services incidental to delivery, conveyance and installation of such property."

#### ***Surplus Supplies***

In order to dispose of unwanted items the Department must first offer the item(s) to all other City Departments via email. If no other Department has a need for the item(s), a written request must be submitted to the Mayor for approval. After approval is received from the Mayor, a written request to dispose of the items shall be made to the Purchasing Office.

For supplies with a resale or salvage value greater than \$5,000 either a sealed bid or public auction process must be used. The City has partnered with Municibid, to auction surplus items.

#### ***Services***

Services are defined as, "the furnishing labor, time or effort by a contractor." The following are excluded from the definition of services:

- ☐ Collective bargaining agreements
- ☐ Employment agreements (*where the City withholds taxes*)
- ☐ Grant agreements (*meaning the procurement of grant agreements, not procurements using grant money*)

### ***Real Property***

Any agreement to rent, convey or otherwise acquire or dispose of an interest in real property is subject to Chapter 30B.

### **M.G.L. c. 30B:**

<b>Dollar Thresholds</b>	<b>Statutory Requirements</b>
\$0-9,999	<ul style="list-style-type: none"> <li>• Sound business practices               <ul style="list-style-type: none"> <li>◦ Ensuring the receipt of a favorable price by periodically soliciting price lists or quotes</li> </ul> </li> </ul>
\$10,000-34,999	<ul style="list-style-type: none"> <li>• Solicit 3 quotes</li> <li>• Award to lowest that meets requirements</li> <li>• Written Contract</li> </ul>
\$35,000+	<ul style="list-style-type: none"> <li>• Sealed competitive bidding (IFB/RFP/Approved Alternative)</li> <li>• Advertisement/Public Notice</li> <li>• Award to responsive and responsible vendor offering best price, or most advantageous proposal</li> <li>• Written Contract</li> </ul>
\$100,000+	<ul style="list-style-type: none"> <li>• Advertise in <i>Goods and Services Bulletin</i></li> </ul>

#### **a. Chapter 30B Exemptions**

Chapter 30B carves out a number of exceptions. If a department feels that a procurement that they intend to make is exempt from Chapter 30B, **that Department must contact the Purchasing Agent IN ADVANCE** of the procurement to ensure that the exemption applies.

The following supply and service contracts are exempt from the requirements of Chapter 30B:

1. Public construction contracts subject to the provisions of M.G.L. c.30, §39M, M.G.L. c. 25A, §§11C and 11I, or M.G.L. c.149, §§44A through 44J, inclusive. [M.G.L. c.30B, §1(b)(1).] See Chapter 9 for information on design and construction projects.
2. Public building design contracts subject to the provisions of M.G.L. c.7, §§38A½ - 38O, inclusive. [M.G.L., c.30B, §1(b)(2).]

3. Intergovernmental service agreements under the provisions of M.G.L. c.40, §4A. [M.G.L. c.30B, §1(b)(3).]
4. Agreements with the Commonwealth, except as pertains to subsection (i) of section 16. [M.G.L. c.30B, §1(b)(4).]
5. Contracts for the purchase of materials, under specifications of the Massachusetts Highway Department (Massachusetts Department of Transportation Highway Division), and at prices established by the Department, pursuant to advertising and bidding for such purpose, in connection with work to be performed under the provisions of M.G.L. c.81 or M.G.L. c.90. [M.G.L. c.30B, §1(b)(5).]
6. Contracts for the advertising of required notices. [M.G.L. c.30B, §1(b)(6).]
7. An agreement between agencies, boards, commissions, authorities, departments or public instrumentalities of one city or town. [M.G.L. c.30B, §1(b)(7).]
8. An agreement for the provision of special education pursuant to M.G.L. c.71B and regulations promulgated pursuant thereto. [M.G.L. c.30B, §1(b)(8).]  
*This exemption applies to direct services delivered to children with special needs, such as transportation, counseling or education under an individual education program, as well as to any supplies used by children with special needs as part of an individual educational program. Other supplies and services, however, are not exempt simply because they are procured by the special education department. For example, office supplies or computers to be used for office administration would not fall under this exemption.*
9. A contract to purchase supplies or services from, or to dispose of supplies to, any agency or instrumentality of the federal government, the commonwealth or any of its political subdivisions or any other state or political subdivision thereof. [M.G.L. c.30B, §1(b)(9).]
10. The issuance of bonds, notes or securities in accordance with procedures established by law. [M.G.L. c.30B, §1(b)(10).]
11. Contracts and investments made in connection with deferred compensation programs for employees in accordance with sections 57 or 57A of M.G.L. c.35 or sections 67 or 67A of M.G.L. c.44. [M.G.L. c.30B, §1(b)(11).]
12. A contract for the procurement of insurance or surety bonds, including an agreement subject to the provisions of sections 1 to 16, inclusive, of M.G.L. c.40M or sections 25E to 25U, inclusive, of M.G.L. c.152. [M.G.L. c.30B, §1(b)(12).]  
*The procurement of an insurance contract is exempt from Chapter 30B. Contracts for insurance-related services, however, are not exempt. You must follow Chapter 30B to procure insurance consulting, claims administration, or third-party billing services.*
13. Contracts for the services of expert witnesses for use in an adjudicatory proceeding or litigation or in anticipation thereof. [M.G.L. c.30B, §1(b)(13).]
14. Contracts or agreements entered into by a municipal gas or electric department governed by a municipal light board, as defined by section 55 of M.G.L. c.164 or by a municipal light commission,

as defined by section 56A of c.164; provided, however, that any such board or commission may accept the provisions of this chapter by a majority vote of its members. [M.G.L. c.30B, §1(b)(14).]

15. Contracts with labor relations representatives, lawyers, or certified public accountants. [M.G.L. c.30B, §1(b)(15).]

*This exemption applies only to services that could reasonably be restricted exclusively to labor relations representatives, lawyers, or certified public accountants. Service contracts are not exempt from Chapter 30B simply because you select a labor relations representative, lawyer, or certified public accountant to perform the service. For example, a contract to computerize your accounting system is subject to Chapter 30B even if you contract with a CPA firm for the work.*

16. Contracts with physicians, dentists, and other health care individuals or persons including nurses, nurses' assistants, medical and laboratory technicians, health care providers including diagnosticians, social workers, psychiatric workers, and veterinarians. [M.G.L. c.30B, §1(b)(16).]

*This exemption applies only to services that could reasonably be restricted exclusively to physicians, dentists, and other health care individuals or entities. Other health care-related service contracts are not exempt from Chapter 30B simply because you select a physician, dentist or other health care individual to perform the service.*

17. A contract for snow plowing services. [M.G.L. c.30B, §1(b)(17).]

18. A contract or lease by a governmental body of its boat slips, berths, or moorings. [M.G.L. c.30B, §1(b)(18).]

19. A contract for retirement board services. [M.G.L. c.30B, §1(b)(19).]

20. A contract which is funded by proceeds derived from a gift to a governmental body or a trust established for the benefit of a governmental body [M.G.L. c.30B, §1(b)(20).]

21. A contract for the towing and storage for motor vehicles. [M.G.L. c.30B, §1(b)(21).]

22. A contract to provide job-related training, educational or career development services to the employees of a governmental body. [M.G.L. c.30B, §1(b)(22).]

23. A contract pursuant to which a governmental body obtains services from a bank, as defined in section one of M.G.L. c.167, subject to the maintenance of a compensating balance. [M.G.L. c.30B, §1(b)(23).]

*Compensating balance contracts are subject to the provisions of section 53F of M.G.L. c.44, and rules established by the state Department of Revenue.*

24. A contract for ambulance service by a governmental body. [M.G.L. c.30B, §1(b)(24).]

*The procurement of ambulances is subject to Chapter 30B.*

25. A contract to sell, lease or acquire residential, institutional, industrial or commercial real property by a public or quasi-public economic development agency or urban renewal agency engaged in the development and disposition of said real property in accordance with a plan approved by the appropriate authorizing authority. [M.G.L. c.30B, §1(b)(25).]

26. A contract for the collection of delinquent taxes or for the services of a deputy tax collector. [M.G.L. c.30B, §1(b)(26).]

27. Contracts or agreements entered into by a municipal hospital or a municipal department of health. [M.G.L. c.30B, §1(b)(27).]

28. Contracts entered into by a governmental body on behalf of a hospital owned by such governmental body where such contract is funded by expenditures from an operations account, so-called, or a special account, established pursuant to a special act that is maintained for the benefit of and designated with the name of such hospital. [M.G.L. c.30B, §1(b)(28).]

29. Contracts, agreements, or leases entered into by a municipal airport commission established under the provisions of section 51E of M.G.L. c.90, provided, however, that such contracts, agreements or leases apply to aviation uses or the sale of aviation fuel. [M.G.L. c.30B, §1(b)(29).]

30. A contract for the collection, transportation, receipt, processing, or disposal of solid waste, recyclable or compostable materials. [M.G.L. c.30B, §1(b)(30).]

*A hazardous waste contract is not exempt.*

31. An agreement for the purchase of photography services entered into by a public school. [M.G.L. c.30B, §1(b)(31).]

32. Energy aggregation contracts entered into by a political subdivision of the commonwealth for energy or energy related services arranged or negotiated by such subdivision on behalf of its residents. [M.G.L. c.30B, §1(b)(32).]

32A. Contracts with architects, engineers and related professionals. [M.G.L. c.30B, §1(b)(32A).]

33. Energy contracts entered into by a city or town or group of cities or towns or political subdivisions of the commonwealth, for energy or energy related services; provided, however, that within 15 days of the signing of a contract for energy or energy related services by a city, town, political subdivision, or group of cities, towns or political subdivisions said city, town, political subdivision, or group of cities, towns or political subdivisions shall submit to the department of public utilities, the department of energy resources, and the office of the inspector general a copy of the contract and a report of the process used to execute the contract; provided, further, that for any such contract determined to contain confidential information under subclause (r) of section 7 of chapter 4, the governmental body shall instead maintain a record of the procurement processes and awards for 6 years after the date of the final payment. The governmental body shall make such records available to the inspector general upon request; provided, however, that the inspector general shall not disclose said information. [M.G.L. c.30B, §1(b)(33).]

34. Contracts entered into between the Department of Public Health and regional emergency medical services councils pursuant to M.G.L. c.111C, §5. [M.G.L. c.30B, §1(b)(34).]

## **b. Collective Purchasing**

Chapter 30B permits local jurisdictions to purchase goods and services under certain collective purchasing contracts.

### ***i. Statewide Contract Purchases***

The Operational Services Division (OSD) awards a variety of statewide contracts that local jurisdictions may use without conducting a separate Chapter 30B procurement process. If a department wishes to make use of a statewide contract that Department must provide the Purchasing Agent with a valid statewide contract number prior to entering a requisition. A list of current statewide contracts will be periodically updated and sent to Departments by the Purchasing Agent.

### ***ii. Cooperative Purchases***

Departments may purchase supplies from contracts that have already been procured by an in-state or out-of-state political subdivision, unit or political subdivisions, or federal or state agency, as long as the contract was procured in a manner that constitutes full and open competition. Departments must provide the Purchasing Agent with a valid bid/contract number prior to entering a requisition.

### **c. Sole-Source Procurements**

A “sole-source” procurement is a procurement conducted without advertising or competition. In order to make a sole-source procurement, the Department must conduct a reasonable investigation showing that there is only one practicable source for the required supply or service. The Department must provide the Purchasing Agent with documentation explaining this determination prior to entering a contract.

Sole-source procurements for supplies and services valued at over \$35,000 are **not allowed unless** the Department is procuring:

- ☐ Software maintenance, library books or educational materials
- ☐ Utilities

## **2. Public Construction**

Public construction procurements fall into one of two subcategories (a) Building Construction and (b) Public Works (non-building) construction.

### **a. Building Construction**

Massachusetts General Law Chapter 149 governs all contracts for the construction, reconstruction, installation, demolition, maintenance, or repair of a building, unless the work falls under one of the following exceptions:

- ☐ A sewer or water supply building, whose sole function is to house pumps and related equipment (*instead subject to Chapter 30, Section 39M*)
- ☐ Energy-saving improvements to public buildings (*instead subject to Chapter 25A*)



Though the law does not define the word “building,” case law has indicated that it should be interpreted as “a structure with walls and a roof.” Building maintenance and repair includes: painting, plumbing repair, elevator maintenance, boiler maintenance and security system maintenance.

**M.G.L. c.149:**

<b>Dollar Threshold</b>	<b>Statutory Requirements</b>
\$0-9,999	<ul style="list-style-type: none"> <li>• Sound business practices</li> <li>• Prevailing Wage</li> </ul>
\$10,000-24,999	<ul style="list-style-type: none"> <li>• Solicit written responses</li> <li>• Advertisement/Public notice</li> <li>• OSHA Training</li> <li>• Prevailing Wage</li> </ul>
\$25,000-100,000	<ul style="list-style-type: none"> <li>• Sealed Bids</li> <li>• Advertisement/Public Notice</li> <li>• OSHA Training</li> <li>• 5% Bid Deposit</li> <li>• 50% Payment Bond</li> <li>• Prevailing Wage</li> </ul>
Over \$100,000	<ul style="list-style-type: none"> <li>• Sealed Bids</li> <li>• Advertisement/Public Notice</li> <li>• DCAM certification for general bidders and filed sub-bidders</li> <li>• Filed sub-bidding (for work \$20,000 and over)</li> <li>• OSHA Training</li> <li>• Optional Prequalification</li> <li>• Filed sub-bidding (\$20,000 and over)</li> <li>• 5% Bid Deposit (of total bid or sub-bid)</li> <li>• 100% Payment Bond</li> <li>• 100% Performance Bond</li> <li>• Prevailing Wage</li> <li>• Contractor Evaluation</li> </ul>
Over \$10,000,000	<ul style="list-style-type: none"> <li>• Solicit statements of qualification prior to soliciting sealed bids</li> <li>• Advertise the request for qualifications</li> <li>• DCAM certification for general bidders and filed sub-bidders</li> <li>• Filed sub-bidding (for work \$20,000 and over)</li> <li>• 5% Bid Deposit (of total bid or sub-bid)</li> <li>• 100% Payment Bond</li> <li>• 100% Performance Bond</li> <li>• Prevailing Wage</li> <li>• Contractor Evaluation</li> </ul>

## **b. Public Works (non-building) Construction**

Massachusetts General Law Chapter 30, Section 39M governs all contracts for construction, reconstruction, alteration, remodeling, or repair that do not include work on a public building. This type of work is generally called “horizontal construction” and includes: construction and repair of roads, bridges, water mains and sewers, and improvement to public land such as public parks, outdoor swimming pools and parking lots.

### **M.G.L. c.30, §39M:**

<b>Dollar Threshold</b>	<b>Statutory Requirements</b>
\$10,000 and under	<ul style="list-style-type: none"><li>• Prevailing Wage</li></ul>
\$10,000-24,999	<ul style="list-style-type: none"><li>• Sealed bids</li><li>• Advertisement/Public Notice</li><li>• OSHA Training</li><li>• 5% Bid Deposit</li><li>• Prevailing Wage</li></ul>
\$25,000	<ul style="list-style-type: none"><li>• Sealed Bids</li><li>• Advertisement/Public Notice</li><li>• OSHA Training</li><li>• 5% Bid Deposit</li><li>• 50% Payment Bond</li><li>• Prevailing Wage</li></ul>

## **PART II. COMPETITIVE PROCUREMENT**

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When a supply, service or parcel of real property valued at over \$35,000 or a public construction project valued at over \$10,000 must be competitively procured, the Purchasing Agent and Department shall work together to develop a formal solicitation for the contract.

The following section outlines the procedures and responsibilities of the Purchasing Agent and interested Department in regards to preparing, issuing, receiving, awarding and administering competitively procured contracts.

### **A. PREPARING THE SOLICITATION**

#### **1. Department Responsibilities**

To initiate a competitive bidding process, the requesting Department shall provide the following to the Purchasing Agent in Microsoft Word, along with a general description of the procurement.

\*Note: City Council approval is required for any contract with a term of longer than three (3) years.

##### **a. Request for Proposals Justification (*if applicable*)**

If the Department wishes to make use of the Request for Proposal process rather than an Invitation for Bids process for supply or service contracts, that Department must provide the Purchasing Agent with written documentation outlining specific reasons why an Invitation for Bids is not being used.

##### **b. Estimated Value**

The three main Massachusetts procurement laws are broken down into sections based on dollar thresholds. The Department must provide the Purchasing Agent with an estimated value of the procurement so that the Purchasing Agent may determine what procedures apply.

##### **c. Minimum Requirements**

This document would contain any requirements that a bidder or proposer would absolutely have to meet in order to be considered. For example, certain licenses, access to equipment or a minimum amount of experience in would be considered minimum requirements.

##### **d. Product Description/Scope of Services**

###### ***Product Description***

Purchase Descriptions are typically used for the procurement of supplies. List or describe any supply in sufficient detail for vendors to understand what is being requested. Depending on the complexity

of the item this may require particulars regarding size, dimension, quality, performance and warranties.

### ***Scope of Services***

A Scope of Services is a comprehensive description of any services required. This should include the details of the task, the personnel material and resources required. An example would be, “All floors must be swept to remove visible dirt and debris.”

### **e. Terms and Conditions**

This should include any delivery terms, a schedule for performance, the term of the contract (and any option to renew), or any other terms or conditions the Department would like to include.

## **2. Purchasing Responsibilities**

The Purchasing Agent will review the documentation provided by the Department and request any further information.

The Purchasing Agent will prepare the complete solicitation documents, incorporating the information provided by the Department and ensuring compliance with the applicable Massachusetts procurement law. The Purchasing Agent will then provide a draft of the solicitation to the Department for review and comment.

If necessary, the Purchasing Agent will request a prevailing wage rate sheet to attach to the solicitation. The prevailing wage law requires contractors performing work for any public construction project to pay prevailing wages, which are special minimum wages established by the Department of Labor Standards (DOLS)

## **B. ISSUING THE SOLICITATION**

### **1. Department Responsibilities**

Once the solicitation is complete, the Department may wish to reach out vendors it knows can provide the supply, service or work required and alert that vendor as to when the solicitation will be available.

Once the solicitation has been made available, vendors often ask questions. Questions must be submitted to the Purchasing Agent in writing. The Purchasing Agent will then contact the Department and request a written response which the Purchasing Agent will convert into addenda issued to all vendors on record.

### **2. Purchasing Responsibilities**

The Purchasing Agent will be responsible for ensuring that proper public notice of the solicitation is made. The Purchasing Agent will also post the solicitation on the City of Salem’s website, make hard

copies available as requested and maintain a record of all vendors who have downloaded or picked up the solicitation. Any questions from potential contractors must be directed to the Purchasing Agent. The Purchasing Agent will forward the questions to the Department for answers. If necessary, the Purchasing Agent will prepare and issue addenda to potential contractors.

## **C. RECEIVING AND EVALUATING RESPONSES**

### **1. Department Responsibilities**

#### ***Invitation for Bids***

If the solicitation conducted was an Invitation for Bids, the Department will be responsible for reviewing the submitted bids and determining if the bid is responsive to the Invitation for Bids. Any deviation from the Invitation for Bids must be noted as it may disqualify a bid.

#### ***Request for Proposals***

The Department shall be responsible for forming an evaluation committee. The evaluation committee shall be responsible for reviewing and ranking the non-price proposals. The Purchasing Agent may assist, or be a member of the evaluation committee if necessary. The evaluation committee must prepare a written explanation of its ranking and why the selected proposer is the most advantageous.

### **2. Purchasing Responsibilities**

#### ***Invitation for Bids***

The Purchasing Agent shall receive all bids in response to an Invitation for Bids. At the time and date scheduled for bid opening, the Purchasing Agent shall open, read aloud and prepare a bid tabulation sheet, of the results. The Purchasing Agent will then turn the bids over to the Department for evaluation as described above.

#### ***Request for Proposals***

The Purchasing Agent shall receive all proposals in response to a Request for Proposals. At the time and date scheduled, the purchasing agent shall open the non-price proposals and create a register of proposals. The Purchasing Agent will then turn over the non-price proposals to the Department for the evaluation described above. Once the Purchasing Agent receives the written description of the ranking, the Purchasing Agent shall open the price proposals.

## **D. LATE AND TIED BIDS**

A late bid or proposal is one that is delivered after the due date and time. If a bid or proposal is late, it must be rejected as non-responsive. Similarly, a correction or modification delivered after the due date and time may not be accepted and the bid should be evaluated as it was at the due date and time.

If bids are tied, the City must use a tie-breaking procedure that is simple, fair and objective, such as a coin toss. In the alternative, the City may elect to conduct a “second heat” where vendors are informed of the tie and asked to submit a second price by a certain date and time.

## PART III. AWARDING AND EXECUTING CONTRACTS

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1. The Department must ensure that funds are properly appropriated before a contract is executed.
2. Once the Vendor/Contractor (lowest responsive and responsible bidder, most advantageous proposer, lowest quote etc...) has been identified the Purchasing Agent shall draft the contract. The contract number shall coincide with the applicable Bid or Proposal, or if no Bids or Proposals were solicited, the contract shall be the number of the Purchase Order created by the Department to pay the vendor.

If the Vendor/Contractor is supplying the contract, the Department shall arrange for the vendor to email the contract to the Purchasing Agent in Microsoft Word so that it may be adapted to the City format.

3. The contract will then be turned over to the City Solicitor for review of its form. The City Solicitor will return the four (4) copies of the contract to the Purchasing Agent.
4. The Purchasing Agent will prepare a 'Notice of Intent to Award' and send it along with the four (4) copies of the contract to the chosen Vendor/Contractor.
5. When the contracts are returned to the Purchasing Agent, along with any applicable Certificates or Bonds required, the Purchasing Agent will then route the contract for the remaining City officials to sign.
6. One copy of the fully executed contract shall be returned to the Vendor/Contractor along with a 'Notice to Proceed.' One copy shall remain on file with the Office of the Purchasing Agent, one copy will be provided to the Department and one copy will be placed on file at the Office of the City Clerk.
7. Once the contract has been executed, the Department shall enter a requisition for a purchase order in the Contract amount, prior to the selected vendor beginning work (unless a Requisition was already entered as part of step 2).
8. The Department is responsible for monitoring the progress of the contract.
9. Any amendments, change orders, or extensions must be initiated by the Department and approved by the Purchasing Agent (as discussed in Part V).
10. The Purchasing Department shall maintain a record of current contracts and notify the Department when the Contract is set to expire.

## PART IV. REQUISITIONS AND PURCHASE ORDERS

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### A. REQUISITIONS

Before a Requisition can be entered, the vendor's information must be added to the MUNIS system. The Purchasing Department is responsible for adding vendors to the system. In order to do so the Purchasing Department must have a copy of the vendor's W-9 form. Before requesting that a vendor be added, please ensure that their information is not already in the system, in order to avoid duplications. Vendors **WILL NOT** be added without a valid Social Security or Federal Tax Identification Number.

#### 1. Requisition Entry

Before a purchase can be made, the Department must enter a Requisition into the MUNIS system to be approved by the Purchasing Agent. In order for the Purchasing Agent to approve the Requisition there is certain information that must be included, as discussed below.

In the 'Main' tab of 'Requisition Entry' please use the 'General Description' box to enter a basic one or two word description of the item of service to be purchased, for example, "Landscaping Services" or "Office Supplies."

If the Requisition is being made pursuant to a contract already in place, please follow that description with a dash and the Contract Number. If the Contract was awarded based on a bid or proposal the number will look like this "O-23." If the Requisition is being made pursuant to a statewide contract, (Comm-Pass) please enter the statewide contract number, for example, FAC59.' Use a similar procedure for purchases from any cooperative purchasing groups such as MHEC.

"OFFICE SUPPLIES-O-23"

If the Requisition is being made pursuant to a quotes process, follow the description with a dash and the word "QUOTES". When quotes were solicited, please attach either PDF copies of the Quotes or a Microsoft Word or Microsoft Excel document with the names of the three quoters and the amounts of the quotes. This can be accomplished by clicking the 'Attachments' link at the bottom of the 'Main' tab or the paper clip icon at the top. (Note: all information must be filled in before "Attachments" becomes clickable.)

"LANDSCAPING SERVICES-QUOTES"

Below the 'General Description' box you will find a button labeled 'General Notes'. In this window, please provide a more detailed account of the procurement, elaborating on the one or two word 'General Description' line. For example if the 'General Description' was "LANDSCAPING SERVICES-QUOTES," an adequate description would be, "The Department requires services to trim several trees. If the 'General Description' was "OFFICE SUPPLIES-O-23," then an adequate entry would be, "The Department will be purchasing 10 office chairs pursuant to contract 0-23." This section should also include the name of the individual who, if contacted by the Purchasing Agent, would be able to answer any questions about the procurement.



## **2. Requisition Approval**

A Requisition must be released by the authorized user before it may be approved. All Requisition approvals shall be made by the Purchasing Agent, unless the Purchasing Agent has delegated that authority to another City employee. Currently, the Principal clerk of the Purchasing Department is authorized to approve Requisitions under \$5,000. If the Requisition is in the proper form, it should be approved within two (2) business days of the entry. If information is missing, the Department may be contacted by the Purchasing Agent, or the Requisition may be rejected and an explanation shall be provided to the Department.

## **B. PURCHASE ORDERS**

Once a Requisition has been approved, it can then be converted into a Purchase Order. The Principal Clerk of the Purchasing Department is primarily responsible for converting approved Requisitions into Purchase Orders and Printing Purchase Orders to be distributed back to the Department. Invoices from vendors should be addressed to the Department for verification that the supply or service was delivered to the Department's satisfaction.

A Vendor **SHALL NOT** furnish any work or supplies prior to the receipt of a valid Purchase Order. Any service or supply provided without a valid Purchase Order may be deemed unlawful and may preclude payment.

## **PART V. TASK ORDERS, CHANGE ORDERS, AMENDMENTS AND EXTENTIONS**

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### **A. TASK ORDERS**

The City has a number of on-call contracts for various services. In order to make use of such a contract, the requesting Department must complete a 'Task Order Form' which is available upon request from the Purchasing Department. A fully executed (signed by all original signatories of the contract) 'Task Order Form' must be completed for any work in excess of \$5,000. For work between \$500 and \$5,000 a 'Task Order Form' must be executed between the Department and the Contractor. For work less than \$500 no 'Task Order Form' is required.

### **B. CHANGE ORDERS**

#### **1. Change Orders Pursuant to Chapters 149 and 30, §39M**

There is no statutory limit on change orders for public construction projects. However, relevant case law suggests that change order(s) for any given project should not exceed 20-30% of the original contract price. 'Change Order Forms' are also available from the Purchasing Department.

The contractor requesting the change order must supply the department with a written explanation of why the change is necessary, along with a detailed cost breakdown of the proposed change.

Before submitting the change order to the Purchasing Agent, the Department must ensure that:

- ☐ The change order is necessary;
- ☐ The requested increase in value or time extension is accurate; and
- ☐ The work or supplies proposed in the change order were not already covered by the initial agreement

The Department shall be responsible for entering a Requisition for the changed amount.

#### **2. Contract Increases Pursuant to Chapter 30B**

Change orders for contracts relating to supplies and services are not permitted under Massachusetts General Law Chapter 30B. Chapter 30B does allow for an increase in the quantity of a supply or service provided if the following conditions are met:

- ☐ The unit prices remain the same or less
- ☐ The procurement officer documents in writing that an increase is necessary to fulfill the actual needs of the local jurisdiction and is more economical and practical than awarding another contract
- ☐ The parties agree to the increase in writing
- ☐ The cost of the increase does not exceed 25% of the total contract price.

Contracts for the purchase of gasoline, fuel, fuel oil, road salt and other snow control supplies are not subject to the 25% limit, but are subject to the first three conditions.

### **C. AMENDMENTS**

Should a Department seek to amend a current contract, the Department must send a request to the Purchasing Agent via email, explaining the need for the Amendment. The Purchasing Agent shall prepare the Amendment documents and send them to the City Solicitor for review. The Amendment will then be sent to the contractor for signatures. Once returned, the Amendment will be signed by the remaining City officials. One copy of the fully executed amendment shall be returned to the contractor, one shall remain in the Office of the Purchasing Agent, one shall be returned to the Department and one shall be placed on file at the Office of the City Clerk. If the Amendment involves an increase in payment, the Department **must** secure funding prior to requesting the Amendment.

### **D. EXTENSIONS**

If a department seeks to extend a current contract, the Department must send a request to the Purchasing Agent via email. The Purchasing Agent will ensure that an extension is allowed pursuant to the terms of the original contract, and then prepare a 'Notice of Extension'. The 'Notice of Extension' shall be mailed to the contractor for approval and signatures.

## **PART VI. EMERGENCY PROCUREMENTS**

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### **A. SUPPLIES AND SERVICES PROCUREMENTS UNDER M.G.L. CHAPTER 30B**

If the time required to fully comply with a Chapter 30B requirement would, “*endanger the health or safety of the people or their property*,” the Chief Procurement Officer may make an emergency procurement. The procurement must comply with the law to the extent possible. For example, if the supply or service is between \$10,000 and \$34,999, the department may solicit two quotes instead of three or for a supply or service \$35,000 the solicit quotes instead of issuing a bid, or shorten the advertising period. However, it is important to note that this only applies to the procurement of services or supplies needed to meet the emergency.

When a department must make an emergency procurement, they must submit a record to me which (1) documents the basis for determine that an emergency exists (2) names the vendor (3) states the amount of the contract and (4) lists supplies or services purchased.

Departments may not artificially create an emergency by postponing normal purchases. Invoking the emergency procedures in the absence of a genuine emergency could invalidate the contract.

### **B. BUILDING CONSTRUCTION PROCUREMENTS UNDER M.G.L. CHAPTER 149**

For M.G.L. Chapter 149 projects, a department may dispense with the normal bidding procedures for work need to, “*preserve the health or safety of people or property, or to alleviate an imminent security threat*.”

The prior approval of DCAMM (‘Division of Capital Asset Management and Maintenance) is required. DCAMM may waive the public notice or public bidding requirements for the work. If the nature of emergency prevents prior approval, the City may contract for the necessary work and seek subsequent approval from DCAMM, but if the request is denied the work must stop. Note that even if the waiver is granted, other requirements such as the payment of prevailing wages are still in force.

Although formal bidding may not be required, you should solicit as many informal quotations as possible under the circumstances.

### **C. PUBLIC WORK CONSTRUCTION PROCUREMENTS UNDER M.G.L. CHAPTER 30, SECTION 39M**

For M.G.L. Chapter 30, Section 39M projects you may only dispense with the normal bidding process in cases of, “*extreme emergency cause by enemy attach, sabotage, other such hostile actions or resulting from an imminent security threat, explosion, fire, flood, earthquake, hurricane, tornado or other such catastrophe*.” Only the work necessary for “temporary repair and restoration to services of any and all public work in order to preserve health and safety of person and property” may be performed under an emergency contract. The City may do only what is necessary to for temporary repair and restoration in order to preserve health and safety of persons or property. This exception does not apply to making permanent reconstruction, alteration, remodeling or repair.

As with Chapter 149, although formal bidding may not be required, you should still solicit as many informal quotes as possible under the circumstances.

If the item of service being procured falls under \$10,000, please do not label the procurement and Requisition as an “Emergency”. If a procurement does exceed those thresholds, and is a true emergency, please proceed as outlined above.