



Procurement: It's more than just a Purchase Order!

The Procurement Team



- By Ordinance, Fitchburg has a centralized procurement function.
- Fitchburg's Procurement Team works closely with all City departments to obtain what they need in a transparent, fair, and legal manner, while protecting taxpayer dollars.
- The Chief Procurement Officer (CPO) is appointed by the Mayor and registered with the Commonwealth of Massachusetts. The CPO ensures that procurement and contracting practices are carried out in accordance with MA General Law and City Ordinances.
- The Deputy manages projects and is the designated liaison to the School Department. The Deputy is the primary contact for Munis change orders and workflow, routine procurement inquiries, and for individual training on Munis purchase orders.
- The Buyer manages goods/services contracts and provides in-house customer service. The Buyer is the primary contact for credit card transactions, vendor relations, and training on Munis requisitions.

The “Why” Part 1: The Ward Commission

During the 1960s government contracts were often awarded to bidders willing to make campaign contributions, bribes, or payoffs to officials. In 1969, the state awarded a contract for construction of a new campus for UMass before state officials had even received a proposal. When this was discovered the Legislature formed a committee to investigate. However, the legislators in charge of that committee demanded payoffs in exchange for a favorable committee finding, and were ultimately charged and found guilty of extortion in federal court.

As a result of these scandals the Ward Commission was formed and they spent over two years investigating corruption in state construction contracts. In 1980 findings were released indicating that billions of dollars had been wasted on projects with shoddy work and low standards. The Commission concluded that political influence, not performance, had been the primary condition for doing business with the state.

The Ward Commission made recommendations that were made into law to eliminate corruption and overhaul the contract award system. In addition to structural changes to state contract awards, the commission recommended the creation of a first-in-the-nation state inspector general's office. These changes laid the foundation for today's public construction procurement process.

The “Why” Part 2: Uniform Procurement Act

Chapter 30B, or the Uniform Procurement Act, was enacted in 1990 and resulted from collaboration among the Office of the Inspector General, the Massachusetts Association of Public Purchasing Officials (MAPPO), the Massachusetts Association of School Business Officials (MASBO), the City Solicitors and Town Counsel Association (now the Massachusetts Municipal Lawyers Association), and local officials to adapt the American Bar Association’s Model Procurement Code to reflect specific Massachusetts practice and case law.

The purpose was to demystify and codify the contracting process for competing vendors and for citizens. The Act is based on three principles:

- Uniform contracting procedures promote competition and fairness.
- Robust competition for larger procurements saves money and promotes integrity and public confidence in government.
- Procedures are based on dollar value so that larger contracts receive more attention than smaller contracts, and enable municipalities to focus on larger dollars.

All Procurements and Contracts

Fairness-Competition-Transparency

- General Law requires the City to conduct an open, fair, transparent process.
- All procurements over \$50k are posted to the City's website. Interested parties (including the general public) may view or download solicitation documents after registering to do so.
- All procurements are subject to the Bid Protest process, either through the Office of the Inspector General or Attorney General. These regulatory agencies have the ability to pause or stop a procurement, to direct a municipality to re-do a procurement, or to issue other regulatory orders.
- **NO BID SPLITTING IS ALLOWED** – bid splitting is defined as dividing or splitting purchases to avoid a procurement. Regular planned purchases over a period of time are considered a single transaction for the purposes of procurement and cannot be broken up for convenience.



Prevailing Wage Law

- The Prevailing Wage Law establishes minimum wage rates for workers on public construction projects, in school bus transportation, operators of vehicles and equipment for public works purposes (including solid waste and recycling), and office moving services.
- The City is responsible for issuing wage rates to all contractors, and receiving certified payroll reports for all work completed on a week to week basis.
- Fines may be assessed to contractors and the City for non-compliance.
- Prevailing Wages apply at dollar one.

LABORER: HAZARDOUS WASTE/ASBESTOS REMOVER LABORERS - ZONE 2	06/01/2023 12/01/2023	\$37.55 \$38.45	\$9.40 \$9.40	\$16.95 \$16.95	\$0.00 \$0.00
For apprentice rates see "Apprentice- LABORER"					
LABORER: MASON TENDER LABORERS - ZONE 2	06/01/2023 12/01/2023	\$37.71 \$38.61	\$9.40 \$9.40	\$16.89 \$16.89	\$0.00 \$0.00
For apprentice rates see "Apprentice- LABORER"					
LABORER: MASON TENDER (HEAVY & HIGHWAY) LABORERS - ZONE 2 (HEAVY & HIGHWAY)	06/01/2023 12/01/2023 06/01/2024 12/01/2024 06/01/2025 12/01/2025 06/01/2026 12/01/2026	\$37.71 \$38.61 \$39.94 \$41.27 \$42.66 \$44.04 \$45.48 \$46.92	\$9.40 \$9.40 \$9.40 \$9.40 \$9.40 \$9.40 \$9.40 \$9.40	\$16.89 \$16.89 \$16.89 \$16.89 \$16.89 \$16.89 \$16.89 \$16.89	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00
For apprentice rates see "Apprentice- LABORER (Heavy and Highway)"					
LABORER: MULTI-TRADE TENDER LABORERS - ZONE 2	06/01/2023 12/01/2023	\$37.46 \$38.36	\$9.40 \$9.40	\$16.89 \$16.89	\$0.00 \$0.00
For apprentice rates see "Apprentice- LABORER"					
LABORER: TREE REMOVER LABORERS - ZONE 2	06/01/2023 12/01/2023	\$37.46 \$38.36	\$9.40 \$9.40	\$16.89 \$16.89	\$0.00 \$0.00
This classification applies to the removal of standing trees, and the trimming and removal of branches and limbs when related to public works construction or site work incidental to construction. For apprentice rates see "Apprentice- LABORER"					



"You know we're sitting on four million pounds of fuel, one nuclear weapon and a thing that has 270,000 moving parts built by the lowest bidder...

Makes you feel good, doesn't it?"

Quote from the movie "Armageddon"

Let's talk about "low bid" and put negative connotations to rest.

- IF the specifications are written well; and
- IF the procurement is competitive; and
- IF the contract contains minimum quality standards, performance standards, and expectations; and
- IF the municipality performs due diligence in reference checks and verifying performance ability; then...

The low bidder should be a **RESPONSIBLE** bidder.

Contract Basics

- The CPO initiates all contracts to purchase or to sell.
- The Mayor is the only person who can bind the City to an agreement. If a contract does not have the Mayor's signature, it is not a valid contract.
- A contract awarded in violation of MA procurement laws is not valid. Regardless if supplies or services have been received, or work performed, payment cannot be made on invoices from an invalid contract.
- Contracts with municipalities cannot be "auto-renewed." Only the City can decide if a contract gets renewed, not a vendor or contractor.
- Contracts with a duration of more than 5 years must be approved by the City Council in advance of signing, and preferably in advance of the procurement itself. The Department Head is responsible for submitting a request to the City Council.



Procurement Laws

- **M.G.L. c. 30B** ~ Supplies & Services, Disposal of Surplus Equipment and Supplies, Real Property
- **M.G.L. c. 149** ~ Building Construction
- **M.G.L. c. 30, §39M** ~ Public Works (Non-Building) Construction (With Labor)
- **M.G.L. c. 30, §39M or MGL c. 30B** ~ Construction Materials (Without Labor)
- **M.G.L. c. 7C, §§44-58** ~ Building Project Design Services

M.G.L. c25A ~ Certain Energy Contracts Valued at <\$300K



Regulatory Oversight

- The regulatory agency for **c.30B** procurement is the Office of the Inspector General (OIG). The OIG maintains oversight and investigative authority and conducts bid protest hearings. This office also certifies Public Purchasing Officials through their MCPPO Program.
- The regulatory agency for **c.149, c.30 §39M, and c.25A** procurement is the Attorney General's Office (AG). The AG Bid Unit maintains direct oversight, reviews public construction activities, and conducts bid protest hearings. The office also offers assistance to the public purchaser, contractors, and the general public.
- The regulatory agency for **c.7C §44-58** is the Department of Capital Asset Management and Maintenance (DCAMM).
- The regulatory agency for **Prevailing Wage** Administration is the Executive Office of Labor and Workforce Development. The Attorney General's Fair Labor Practices Division is responsible for enforcement, which may include fines for both contractors and the City in the case of non-compliance.

Overview – c. 30B

Supplies and Services

- **Under \$10k – Sound business practices**
Use best practices by employing knowledge of the market, comparison pricing, or “shopping it out.”
- **\$10k to \$50k – Written quotes**
Use a written purchase description to solicit at least 3 written quotes from entities that customarily provide that supply or service. Contract awarded to lowest quote.
- **Over \$50k – Sealed bid process or proposal process**
Formal process with advertising required. Contract must be awarded to responsive and responsible bidder. Or, in the case of proposals, awarded to the one offering the most advantageous proposal taking into consideration both non-price and price submittals.

* Statewide/collaborative contracts may be used in certain circumstances.



Overview – c. 30B

Surplus Supplies



- For surplus supplies and equipment valued at more than \$10k, the City must use an advertised public auction or a sealed bid process.

Overview – c. 30B

Real Property *(Land/Buildings)*



- This law does not apply to tax-title properties or side-yard (low value) sales.
- For low value property sales, “best practices” apply.
- To acquire real property at a **cost** in excess of \$35k, the City must conduct a sealed bid process.
- To dispose of real property at a **value** in excess of \$35k, the City must conduct a sealed bid process.

Overview – c. 149 and c. 30 §39M

Building and Public Works Construction



- **Under \$10k – Sound business practices**
Utilizing knowledge of the market, comparison pricing.
- **\$10k to \$50k – Written quotes**
Use a written purchase description to solicit at least 3 written quotes from entities that customarily provide that supply or service. Contract awarded to lowest quote.
- **Over \$50k – Sealed bid process**
Formal process with advertising required. Contract must be awarded to responsive and responsible bidder.
 - In the case of c. 149 construction estimated over \$150k contractors are required to be DCAMM certified.
 - In the case of c. 149 construction estimated over \$1.5 million, the law requires an Owner's Project Manager.
 - In the case of c. 90 funding, MassDOT certification required.



Overview – c. 25A

Energy Contracts

- The City can contract for energy conservation projects that have a total project cost of \$300,000 or less, directly and without formal solicitation, with electric and gas utilities, their subcontractors and certain other providers of energy conservation projects.
- These contracts are allowed under a “limited exception” and under the direct oversight of MA Department of Energy Resources.
- Contracts are subject to Prevailing Wage Law.
- No bid splitting is allowed to attempt to remain under the \$300,000 limit or to avoid the provisions of MGL c. 149.



Overview – c. 7C, §§44-58

Design Services

- **Estimated design fee less than \$30k -OR- estimated construction cost less than \$300k – no process required**
The City may hire a design firm based on their preference, with a firm having a proven record and/or favorable past experience.
- **Estimated design fee more than \$30k -OR- estimated construction cost more than \$300k – qualifications based process required**
The City must advertise the opportunity and conduct a qualifications based process. Firms are required to be registered in their field(s) and provide a comprehensive qualifications package for consideration.



Emergencies

In qualifying emergency situations (when there is danger to health or safety), procurement laws may be waived.



For c.30B the CPO can approve an emergency procurement.

Under c.149 and c. 30, 39m, some aspects such as advertising requirements may be waived by request and written approval from the Division of Capital Asset Management and Maintenance (DCAMM).



Contract Management

City departments are reminded of the importance of contract management.

Good contract management:

- Ensures the City does not pay more than the contract requires.
- Ensures the quality or performance promised is met or exceeded.
- Documents both good and bad experiences, which **may** be used in determining responsibility in the future.

- ✓ ***COMPARE*** *invoices to the contract and purchase order.*
- ✓ ***CONFIRM*** *that work was completed before paying invoices.*
- ✓ ***RECEIVE AND REVIEW*** *certified payroll reports before paying any invoice that include labor.*
- ✓ ***VERIFY*** *that the all charges you're being billed for are allowed under the contract/terms and conditions.*
- ✓ ***TAKE*** *discounts or adjustments stated in the contract.*

Now that you have the overview...

Let's talk Fitchburg process!

- **PURCHASES LESS THAN \$500**

For one-time purchases under \$500, no requisition is necessary and the invoice may be paid directly through the Auditor's Office without approval of the CPO using exception code 9500 (Small Purchases). More on exception codes below.

- **PURCHASES BETWEEN \$500 and \$10,000**

For items that do not require a procurement, a requisition will follow the approval workflow via MUNIS. As the last step in workflow, the requisition will be approved and converted by the CPO/DPO and initiator will receive a signed PO via email.

- **PROCUREMENTS \$10,000 AND OVER**

For items that require a quote, bid, or proposal, the Department Head must submit a completed Procurement Request Form along with specifications. Upon receipt, the project will be assigned a project number and a solicitation will be scheduled. Project can be tracked via the Purchasing Procurement Tracker.

Exception Codes

- 1000 Reserved for contract vendor WB Mason
- 1500 Postage (restricted to mailing costs, not monthly invoices)
- 2000 Utilities (Verizon, Nation Grid, Utilil , Comcast, Wireless, Direct Energy)
- 2500 Reserved for contract vendor East River Energy
- 3000 Vehicle Fuel (diesel and gasoline)
- 3500 Winter Operations (Plowing, Sanding, Road Salt)
- 4000 Advertising (Newspapers, Publication, Online Advertising)
- 4500 Professional Development, Travel Mileage, Dues, Subscriptions
- 5000 Parade and Performances (Bandstand, Movie Night, etc.)
- 5500 Police and Fire Details
- 6000 Housing Rehab Contractors - Comm Dev Use Only
- 6500 Veteran's Benefits-Veteran's Department Use Only
- 7000 Expenses Related to Solar Contracts
- 7500 Inter-department or Inter-governmental Transactions
- 8000 Fees and Taxes
- 8500 Debt Service – Finance Use Only
- 9000 Insurance and Payroll Withholdings, Medical, Employee Benefits
- 9500 Small Purchases - Less than \$500 and not needing a PO
- 9999 Special Circumstances - Prior approval by Chief Procurement Officer required
- 10000 SPED Assessment Services - School Department Use Only
- 11000 Legal Expenses and Insurance Expenses (not withholdings)

Credit Accounts and Credit Cards

- **CREDIT ACCOUNTS**

Most businesses will invoice the City. If you want to do business with a new entity, we can help you establish a credit account so that you can be invoice, rather than using a credit card.

Please contact us with the name and contact information for any business you need to establish an account with. We will complete the necessary paperwork to set up the credit line or credit account. You will be responsible for providing the City Auditor's Office with a W-9 for the new business so they can be set up as a new vendor.

- **CREDIT CARD PURCHASES**

Credit card use is a "last resort." Departments are not allowed to apply for, or retain departmental credit cards. The City has an established Procurement Card (P-Card) program to provide access to an approved Visa card. P-Cards are held in the Purchasing Office and may be borrowed for approved uses.

*Be cognizant when making transactions with the P-Card, verifying that no sales tax is charged to the card, and receiving a detailed receipt.



**CURRENT
SOLICITATIONS**

Bid Results

**EXPANDING OUR
SUPPLIER COMMUNITY**

Procurement Guidelines
for Vendors &
Contractors

City Staff Resource Page

Useful Links

Accounts Payable

Home > Government > Departments > Purchasing

PURCHASING DEPARTMENT

Introduction

The Purchasing Department is a centralized agency supporting and providing assistance to support the operations of city departments and staff. The Procurement Team strives for open and fair competition, while maintaining goodwill with those interested in doing business with the City. It is our mission to be as transparent as possible, and to do business in a manner that preserves the public trust and is in the best interest of our residents and taxpayers.

Mission and Vision Statement

The Purchasing Department is a centralized agency supporting and providing assistance to support the operations of city departments and staff. The Procurement Team strives for open and fair competition, while maintaining goodwill with those interested in doing business with the City. It is our mission to be as transparent as possible, and to do business in a manner that preserves the public trust and is in the best interest of our residents and taxpayers.

Home > Government > Departments > Purchasing > City Staff Resource Page

CITY STAFF RESOURCE PAGE

Purchasing Policies and Instruction Documents

[Contract Management and Performance Procedures](#)

[Buy Recycled Policy](#)

[Designer Selection Policy and Procedures](#)

[Disposal of Surplus Supplies and Equipment Policy](#)

[Emergency Procedure Policy](#)

[Evaluating and Ranking Proposals Procedures](#)

[On-Call Trade Contractor Procedures](#)

[Procurement Manual, Official](#)

[Procurement Manual, Appendix A for Federal Requirements](#)

[Procurement Manual, Appendix B for ESSER Requirements](#)

[Purchasing Card \(P-Card\) Policy](#)

Policy Description or Instruction Overview

Procedures for contract oversight on the department level

Policy for purchasing recycled products where practicable

Policy and procedure for projects requiring designer selection

Procedures for disposition of property no longer needed or used

Policies and procedures for emergency situations

Procedures for using the evaluation tool in RFP procurements

Procedures to utilize the on-call contractor agreements

All policies and procedures with regard to City procurement

Policies and procedures for procurements with federal funding

Policies and procedures for procurements with ESSER funding

Policies and procedures for purchasing card (P-card)

Go to the Purchasing Department section of the City website to find almost all the resources you need!



The City Procurement Manual

Covers all current policies and procedures and is kept up to date with changes in law and interpretations.

Home > Government > Departments > Purchasing > City Staff Resource Page

CITY STAFF RESOURCE PAGE

Purchasing Policies and Instruction Documents	Policy Description or Instruction Overview
Contract Management and Performance Procedures	Procedures for contract oversight on the department level
Buy Recycled Policy	Policy for purchasing recycled products where practicable
Designer Selection Policy and Procedures	Policy and procedure for projects requiring designer selection
Disposal of Surplus Supplies and Equipment Policy	Procedures for disposition of property no longer needed or used
Emergency Procedure Policy	Policies and procedures for emergency situations
Evaluating and Ranking Proposals Procedures	Procedures for using the evaluation tool in RFP procurements
On-Call Trade Contractor Procedures	Procedures to utilize the on-call contractor agreements
Procurement Manual, Official	All policies and procedures with regard to City procurement
Procurement Manual, Appendix A for Federal Requirements	Policies and procedures for procurements with federal funding
Procurement Manual, Appendix B for ESSER Requirements	Policies and procedures for procurements with ESSER funding
Purchasing Card (P-Card) Policy	Policies and procedures for purchasing card (P-card)



(Also helpful if you can't sleep – it'll put you right out!)



What's ahead?

The City welcomes Diversity and Inclusion in Procurement!

- The City has contract opportunities available, especially in the areas of facility and building maintenance (tradespersons).
- Often, work is awarded to out-of-area contractors when we have qualified contractors locally.
- The City welcomes small, minority, and disadvantaged business to compete for municipal contracts.
- Local contracts benefit all of us in Fitchburg!

You can help!

Connect the Procurement Team to small, minority, and disadvantaged businesses when you are aware they exist!

Send interested vendors and contractors to:

www.FitchburgMA.gov/Work-With-Us



Your smile is your logo, your personality is your business card, how you leave others feeling after having an experience with you becomes your trademark.

~ Jay Danzie

As a supporting department to all of you, this is our mantra. Never hesitate to reach out. And if you ever feel our response or service is less than helpful, that feedback is important for us to know.