Town of Reading Massachusetts

Procurement Policies

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Procurement Policies
Town of Reading, Massachusetts

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Procurement Policies
Town of Reading, Massachusetts

General Overview

1.0 Objective

The Town of Reading has an established Procurement Office within the Administrative Services Department. The Procurement Office is managed by the purchasing agent and is responsible for the procurement of supplies and services on behalf of the Town. It is the responsibility of the Procurement Office to secure quality goods and services while promoting fair competition and competitive pricing.

2.0 Procurement Procedure

All Town departments, including the School Department and departments that operate through an enterprise fund, are subject to state procurement laws, inclusive but not limited to MGL 30B, 7, 30/39M and 149, and are responsible for meeting all requirements. Departments under the jurisdiction of the Town Administration must follow all procurement policies and procedures as established by the Town Manager and the Procurement Office. A Request for Proposals issued by any Town department must receive the prior approval of the Chief Procurement Officer pursuant to G.L. c. 30B, § 6. In Reading, the Chief Procurement Officer, is the Town Manager. The purchasing agent, acting on his behalf, provides internal support to monitor purchases and ensure procurement practices are in compliance with applicable law (s). The purchasing agent is available to provide guidance and procurement assistance to all Town Departments, in the development and solicitation of public bids and proposals through quotes, the Invitation for Bid (IFB) and Request for Proposal (RFP) process for the procurement of goods and services, contract administration and monitoring of invoices which follow the contract award.

3.0 Overview of Procurement Laws

The supply or service, and its application within the Town shall determine what legal requirements must be met in order for the procurement to be compliant with applicable purchasing laws. Departments must evaluate the procurement need and then follow the procedures that apply.

A majority of purchases will fall into one of the following three categories:

3.1 Procurement of Supplies and Services: MGL c. 30B

Unless expressly exempt from public bidding under MGL c. 30B, §1, the purchase of any supplies or services by the Town meeting certain monetary thresholds require compliance with the procurement procedures contained in MGL c. 30B.

3.2 Public Works Construction: MGL c.30, 39M

Procurement of a contractor for the construction, reconstruction, installation, demolition, maintenance or repair of a public work requires public bidding. A public works construction project is generally considered any horizontal construction activity that involves any land disturbance, but excluding the construction of a building.

3.3 Public Building Construction: MGL c.149, §44A to 44M.

Procurement of a contractor for the construction, reconstruction, installation, demolition, maintenance or repair of a building by a public agency is subject to the Filed Sub-Bid Law, MGL c. 149, §44A to 44M.

3.4 Procurement of Design Services: MGL c. 7, §38A to 38 H.

Procurement of design services (Architect/Engineer, etc.), in connection with a public building project are subject to the Designer Selection Law. Design services in connection with a public works construction project are exempt from all bidding requirements as long as the Town hires a designer that fits the definition contained in MGL c. 30B, §2.

Bidding Procedures Applicable to Each Type of Procurement

4.0 Procurement of Goods and Services

Departments shall comply with state procurement laws and Town policies, and are responsible for meeting all requirements. Although there are several types of procurements that are exempt from public bidding under MGL c. 30B, §1, the Procurement Office must approve in advance the procurement of any exempt supply or service with public bidding. Once the need for the procurement has been identified and the nature of the goods and services determined, the applicable procurement must be followed.

4.1 Bidding Thresholds

4.1.1 Procurements estimated to cost less than $10,000

Procurement of supplies and services estimated to cost less than $10,000 must be conducted using "sound business practice". MGL c.30B §2 defines sound business practice to mean periodically checking price lists or seeking quotes to ensure that you are receiving a competitive price for the supply or service. Sound reasoning could also consist of consideration of quality, experience, or qualifications of vendor providing a service, availability, proximity of service, etc. Therefore, for procurements of goods and services costing less than $10,000, departments must periodically check price lists from competing vendors and purchase goods and services at the lowest available price. The solicitation of quotes when possible is encouraged even for procurements estimated to cost less than $10,000.

4.1.2 Procurements estimated to cost between $10,000 - $24,999.

The procurement of supplies and services costing between $10,000 and $24,999 will require the solicitation of at least three written quotations from potential vendors. Documentation of quotes solicited shall be documented on a standard quote sheet available from the Chief Procurement Officer. The contract must be awarded to the vendor offering the lowest quote who meets all of the specifications.

4.1.3 Procurements estimated to cost between $25,000 - $99,999.99

An "Invitation for Bid" (IFB) or a "Request for Proposal" (RFP) is required to promote competition and public invitation for all non-exempt procurements estimated to cost $25,000 or more. An IFB should be used for all procurements of goods and services in circumstances where award to the bidder offering the lowest price is preferred. If the department has determined that consideration of factors other than price is important, a RFP should be used because the RFP process is the only procurement method that allows the Town to award a proposal based on what is determined to be in the best interests of the Town taking into consideration both price and the evaluation of criteria set forth in the RFP. No department may utilize the RFP process, however, unless the Chief Procurement Officer has determined in writing that factors other than price are important considerations. It is therefore imperative that departments consult with both the Chief Procurement Officer and the purchasing agent before issuing an RFP.

The Procurement Office collaborates with the department to prepare an IFB/RFP and issues the bid. The purchasing agent reviews the bids or proposals received for responsiveness ensuring they are completed and documentation of the requirements is provided. It is the responsibility of the department to perform reference checks on conforming bids or proposals to ensure that vendors or contractors are responsible and responsive. Any bids or proposals received from vendors that are deemed to be not responsible or not responsive must be rejected. Contracts are generally awarded, with some exceptions, to the responsible vendor that offers the lowest price or highest price if it is a sale of property or supply. Proposals are awarded to a responsible vendor that offers the most advantageous proposal taking into account price and the evaluation criteria contained in the RFP.

4.1.4 Procurements estimated to cost $100,000 or more

The procurement of supplies and services over $100,000 will require an advertised legal notice posted in the Goods & Services Bulletin one time at least 2 weeks before the bid or proposal deadline.

4.1.5 Legal Notices

Legal notices are developed and distributed for advertising and public notice by the purchasing agent. There are strict legal requirements for publication of procurements and they can differ considerably depending on the nature of the procurement. Legal notices for the procurement of goods and services, for example, must be published once in a local newspaper at least 2 weeks before the public bid or proposal deadline. Legal notices are also placed in the Goods and Services Bulletin or the Central Register at least 2 weeks before the bid or proposal deadline, 30 days for Real Estate. A legal notice should be posted on the public bulletin board at Town Hall and/or on the Town of Reading's website. A complete listing of the publication requirements for each type of procurement is listed in the Inspector General's chart on page 8.

4.1.6 Contracts must be in writing

A written contract is required by MGL c.30B, §17 for any procurement costing more than $10,000. It is the responsibility of the department to provide the Procurement Office with proper specifications for bids or a detailed scope of services setting forth a clear description of goods and services to be procured. The scope of services must be provided before issuing the appropriate procurement

document and must be incorporated into the written contract. In Reading, the procurement of any supply or service costing more than $5000 requires a written contract regardless of whether the particular supply or service is exempt from MGL c.30B.

4.1.7 Encumbering Funds

When a contract price total is available upon the award of an IFB or RFP contract, a purchase order requisition will be entered by the Department to encumber all funds upfront. Upon approval by the Chief Procurement Officer, the purchase order number should be provided to the vendor and written on page 1 of the contract to be referenced on invoices they submit to the Town for payment. Contracts must be done in triplicate as one fully executed original goes to the vendor, one to the CPO, and one to the Finance Department. The department should also retain a copy of the contract, preferably in electronic form.

4.1.8 30B Reference Chart

M.G.L. c. 30B PROCUREMENT OF SUPPLIES AND SERVICES

Estimated Contract Amount	Under $10,000	$10,000 to $24,999	$25,000 and over
Procurement Procedure	Sound business practices.[1]	Solicit three written or oral quotes.	Sealed bids or proposals. (M.G.L. c. 30B, §§ 5 or 6).
Advertising Required	No.	No.	Advertise once in a newspaper of general circulation at least two weeks before bids or proposals are due, and post a notice on your jurisdiction's bulletin board or website for two weeks before bids or proposals are due. If $100,000 or more, advertise once in the *Goods and Services Bulletin* at least two weeks before bids or proposals are due.
Award contract to:	Person offering the best price.	Responsible[2] and responsive[3] person offering the best price.	Under § 5, the responsible and responsive 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.	Yes.	Yes.
Maximum Contract Term[5]	Three years, unless majority vote authorizes longer.		

[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, § 2 defines a responsible 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."

[3] 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."

[4] 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."

[5] 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."

4.2 Procuring Public Works (DPW) Construction Projects: M.G.L. c. 30, 39M (Non-Building Construction)

- Procurement of supplies and services that involve the construction, reconstruction, installation, demolition, maintenance or repair of a public work by a contractor.
- See definition of public works construction in Section 3.0 Overview.
- IFB (Invitation for Bid) procedures are required for services, or services with supplies over $10,000.
- Public works construction work estimated to cost between $10,000 - $25,000 may follow M.G.L. c.30B procedures (No bid deposit is required).
- Contracts for public works services require the contractor to pay prevailing wage to their employees. The Town must provide the prevailing wage rates with the bid solicitation.
- Contact the purchasing agent for prevailing wage rates.
- Contracts for public works supplies do not require a contractor to pay prevailing wages.

A written contract on the Town's standard contract form is required for public works projects over $5,000.

Public works construction and supplies can be procured independently of a State Contract in any amount for all State Contracts with the exception of the Tradesperson State Contract: FAC70. Procurement of a tradesperson service with supply can only be procured from a State Contract vendor in an amount not to exceed $10,000. The State Contract procurement of a tradesperson service & supplies in excess of $10,000 will require the standard Invitation for Bid (IFB) process and requirements of public works procurement as defined by MGL. 30,39M.

4.2.2 DPW Construction Projects $10,000 or More

The procurement of Public Works supplies and services costing $10,000 or more will require the formal Invitation for Bid (IFB) process. The purchasing agent should be contacted to initiate an "Invitation for Bid" (IFB) or a "Request for Proposal" (RFP) to promote public invitation from vendors or contractors. It is the responsibility of each department to supply the purchasing agent with complete specifications for the supply or service they are requesting.

Legal notices should be published once in a newspaper at least 2 weeks before the public bid or proposal deadline. A legal notice must be posted on the bulletin board at Town Hall and on the Town's website, and once in the Central Register.

The purchasing agent reviews the bids or proposals received for responsiveness ensuring they are complete and documentation of the requirements is provided. It is the responsibility of the department to confirm the content of bids and proposals to ensure that vendors are responsible. Bids are awarded to a responsible vendor that offers the lowest price. Proposals are awarded, to the responsible vendor that offers the most advantageous proposal as determined by a Town evaluation committee. The Department Head presents the award recommendation to the purchasing agent, who in turn prepares the contract. Following the Awarding Authority approval, a contract is awarded.

When a contract price total is available upon the award of an IFB or RFP contract, a purchase order requisition will be entered by the Department to encumber all funds upfront. Upon approval by the Chief Procurement Officer, the purchase order number should be provided to the vendor to be

referenced on invoices they submit to the Town for payment. For contract awards when only unit pricing is available with a quantity yet to be determined, the purchase order requisition will be entered at the department level as supplies and services are procured.

Bid requirements for Public Works (MGL c.30,39M) construction over $10,000:

1. Sealed Bid procedures (IFB)
2. Legal Notices at least 2 weeks before the bid deadline including: Newspaper listing, a posting on a municipal bulletin board and/or Town's website.
3. The employees of the contractor are required to have completed the State mandatory OSHA training. OSHA certificates should be provided with the bid documents.
4. A bid deposit in the amount of 5% must be provided with a bid
5. A 50% payment bond if the contract is over $25,000 must be provided with the contract and before the service is rendered.
6. The Town must include in the bid specs the prevailing wage rates as provided by the Massachusetts Department of Labor
7. A Certificate of Insurance naming the Town as insured shall be provided to the Town with coverage in the amounts as specified in the Town of Reading contract.
8. A Town of Reading Contract shall be completed prior to supplies and services being rendered, exception being an approved emergency which would follow with a contract at the earliest convenience.
9. Massachusetts Highway reimbursed contracts (Chapter 90) costing $50,000 or more mandates a contract award to be a DCAM certified contractor.

4.2.3 **Procuring Public Works under 30B § 5 ($10,000-$24,999)**

Public Works supplies and services costing between $10,000 and $25,000 can also be procured under 30B, the benefits include a waiver of the following requirements: No bid deposit is required. See Chart on p. 11

4.2.4 **DCAM Procedure and Requirements**

Public Works Construction costing $100,000 or more mandates the implementation of DCAM procedures and award to a DCAM certified contractor. For Massachusetts Highway reimbursed contracts (Chapter 90) costing $50,000 or more mandates a contract award to be a DCAM certified contractor.

4.2.5 Public Works Reference Chart

M.G.L. c. 30, § 39M
PUBLIC WORKS (NON-BUILDING) CONSTRUCTION CONTRACTS (WITH LABOR)

Estimated Contract Amount	$10,000 and under	Over $10,000 to $25,000		Over $25,000
		M.G.L. c. 30, § 39M	M.G.L. c. 30B, § 5 Option[1]	M.G.L. c. 30, § 39M
Procurement Procedure	No.	Sealed bids.	Sealed bids.	Sealed bids.
Advertising Required	No.	Advertise once in the *Central Register*[2] and your local newspaper at least two weeks before bids are due, and post a notice on your jurisdiction's bulletin board for one week before bids are due.	Advertise once in the *Central Register*[2] and your local newspaper at least two weeks before bids are due, and post a notice on your jurisdiction's bulletin board for one week before bids are due.	Advertise once in the *Central Register*[2] and your local newspaper at least two weeks before bids are due, and post a notice on your jurisdiction's bulletin board for one week before bids are due.
DCAM Certification	No.	No.	No.	No.
OSHA Training	No.	Yes.	Yes.	Yes.
City/Town Prequalification	No.	No.[3]	No.	No.
Filed Sub-bids	No.	No.	No.	No.
Bid Deposit	No.	5% of the value of the total bid.	No.	5% of the value of the total bid.
Payment Bond	No.	No.	No.	50% payment bond.
Performance Bond	No.	No.	No.	No.
Prevailing Wage	Yes.	Yes.	Yes.	Yes.

[1] Authorized by M.G.L. c. 30, § 39M(d).

[2] M.G.L. c. 149, § 44J(a) and M.G.L. c. 9, § 20A and accompanying regulations require all contracts for construction services and all contracts for construction materials costing $10,000 or more to be advertised in the *Central Register*.

[3] 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 where the awarding authority receives State Aid funds under M.G.L. c. 90, § 34, or the work is on a state road, regardless of whether the awarding authority receives State Aid funds under M.G.L. c. 90, § 34.

August 2013 revision

4.3 **Procuring Building Construction Services: M.G.L. c. 149**

- Procurement of supplies and services that involve the construction, reconstruction, installation, demolition, maintenance or repair of a building by a contractor.
- IFB (Invitation for Bid) procedures are required for services and supplies over $10,000.
- Contracts for construction services require the contractor to pay of prevailing wage to their employees. The Town must provide the prevailing wage rates with the bid solicitation.

4.3.1 **Procuring Building Construction Services between $.01-$9,999**
Procurement of building construction services estimated to cost between $.01 and $9,999.99 shall use "sound business practices".

The Town shall provide the prevailing wage rates to all contractors providing this work for the Town as required by the Massachusetts Department of Labor and Workforce Development.

Supplies and services can be procured independently off of a State contract in any amount for all State Contracts with the exception of the Tradesperson State Contract: FAC70. Procurement of a tradesperson service with supply can only be procured from a State Contract vendor in an amount not to exceed $10,000. The State Contract procurement of a tradesperson service & supplies in excess of $10,000 will require the standard Invitation for Bid (IFB) process and requirements of construction procurement as defined by MGL 149.

4.3.2 **Procuring Building Construction Services between $10,000-$24,999**
Procurement of building construction services estimated to cost between $10,000 and $24,999 will require at a minimum the solicitation of three (3) written quotes. The contract file must have documentation of all of the written quotes solicited. Legal notices must be published once in a local newspaper at least 2 weeks before the public bid deadline. A legal notice must be posted on a Town bulletin board at Town Hall and on the Town's website.

The Town shall include in the solicitation for quotes the prevailing wage rates.

Bid requirements for building construction (M.G.L. c.149) between $10,000 to $24,999:

- Solicit written responses
- Legal Notices in the Central Register at least 2 weeks before the bid deadline including: a posting on the bulletin board at Town Hall and on the Town website. (No newspaper ad is required)
- The employees of the contractor are required to have completed the State mandatory OSHA training. OSHA certificates should be provided upon request.
- The Town shall include in the bid specs the prevailing wage rates as provided by the Massachusetts Department of Labor.
- A Certificate of Insurance naming the Town as insured shall be provided to the Town with coverage in the amounts as specified in the Town of Reading contract.
- A Town of Reading Contract shall be completed prior to supplies and services being rendered, exception being an approved emergency which would follow with a contract at the earliest convenience.

4.3.3 **Procuring Building construction Services between $25,000-$99,999**
Requirements for construction services (MGL c.149) between $25,000 - $99,999:

1. Sealed Bid procedures (using MGL c30,30M procedure)
2. Legal Notices at least 2 weeks before the bid deadline including: Newspaper listing, a posting on a municipal bulletin board and/or Town's website, and once in the Central Register.
3. The employees of the contractor are required to have completed the State mandatory OSHA training. OSHA certificates should be provided with the bid documents.
4. A bid deposit in the amount of 5% must be provided with a bid
5. A 50% payment bond if the contract is over $25,000 must be provided with the contract and before the service is rendered.
6. The Town must include in the bid specs the prevailing wage rates as provided by the Massachusetts Department of Labor
7. A Certificate of Insurance naming the Town as insured shall be provided to the Town with coverage in the amounts as specified in the Town of Reading contract.
8. A Town of Reading Contract shall be completed prior to supplies and services being rendered, exception being an approved emergency which would follow with a contract at the earliest convenience.

4.3.4 **Procuring Building Construction Services $100,000 or More**
Requirements for Construction Procurement (M.G.L. c.149) over $100,000:

- All requirements as specified between $25,000 - $99,999.
- Construction costing $100,000 or more mandates a contract award to be a DCAM certified contractor.
- Filed Sub-bids are required for certain trades if over $20,000 per trade.
- The payment bond requirement increases to 100% for construction contracts over $100,000.
- A performance bond in the amount of 100% is required.
- DCAM will require the Town to evaluate contractor performance.

4.3.5 **DCAM Procedures and Requirements**
Construction/Facility improvements with a cost of $100,000 or more will mandate the implementation of DCAM procedures and award of a contract to a DCAM certified contractor.

4.3.6 **Use of State Contracts for Tradesperson-Repair and Maintenance ONLY**

Rules and Terms as stated verbatim on **www.commbuys.com** FAC70, forms and terms.

How to use the contract:
This contract is a pre-qualified list of contractors. The contract is awarded statewide and regionally, using the five Mass Highway districts (a District list is posted on COMMBUYS under the Forms & Terms tab). To determine what services and districts each contractor covers, contract users should utilize the spreadsheet which is posted on COMMBUYS under the Forms & Terms tab of this contract. Contract users may sort the spreadsheet location or services for easier use. It is also broken down by major trades. When using the Excel Spreadsheet, contract users should scroll to the far right to view all services. Contractors are not required to work outside their normal geographic areas or perform services that are not in their normal scope of work.

This contract is for repair and maintenance services ONLY and DOES NOT COVER THE INSTALLATION OF NEW SYSTEMS (such as alarm systems, etc.).

This contract may not be used for any job with a value of $10,000 or higher.

Currently the law is: **SECTION 11.** Section 44A of chapter 149 of the General Laws, (2)(A) *Every contract for the construction, reconstruction, installation, demolition, maintenance or repair of any building by a public agency estimated to cost less than $10,000 shall be awarded to the responsible person offering to perform the contract at the lowest price quotation: provided, however, that the public agency shall seek written price quotations from no fewer than 3 persons customarily providing the work for which the contract is being made available. When seeking written quotations the public agency shall make and keep a record of the names and addresses of all persons from whom price quotations were sought, the names of the persons submitting price quotations and the date and amount of each price quotation.*

Contractors will supply all labor, equipment, parts and supplies necessary to perform the needed services. Contractors are responsible for securing any and all necessary permits for the work to be performed.

Contractors must respond to contract users by phone within 24 hours of receipt of a call. Contractors are expected to schedule a site visit within 48 hours of the phone call. Quotes must be provided at no cost. Quotes must contain a good-faith estimate of any applicable travel charges. Charges that do not appear on the quote will not be allowed.

Contractors must adhere to all applicable Prevailing Wage laws and are required to submit Weekly Payroll Reports to the contract user. Prevailing Wage Rates for this contract are posted on COMMBUYS under the Forms and Terms tab of this contract. These rates will remain in effect for the life of the contract, including any renewals. Contractors must pay these rates to their workers.

4.3.7 Construction/Building Improvement Reference Chart

M.G.L. c. 149 – BUILDING CONSTRUCTION CONTRACTS

Estimated Contract Amount	Under $10,000[1]	$10,000 to $24,999	$25,000 to $100,000	Over $100,000	Over $10,000,000
Procurement Procedure	Sound business practices	Solicit written responses.	Sealed bids (using M.G.L. c. 30, § 39M procedure).	Sealed bids.	Solicit statements of qualifications prior to soliciting sealed bids.
Advertising Requirements	No.	Advertise once in the *Central Register*[2] and post a notice on your jurisdiction's website and bulletin board for at least two weeks before responses are due. Posting on Comm-PASS is optional.	Advertise once in the *Central Register*[2] and a newspaper at least two weeks before bids are due, and post on your jurisdiction's bulletin board for at least one week before bids are due. Posting on Comm-PASS or your website is optional.	Advertise once in the *Central Register*[2] and a newspaper at least two weeks before bids are due, and post on your jurisdiction's bulletin board for at least one week before bids are due. Posting on Comm-PASS or your website is optional.	Advertise the request for qualifications once in the *Central Register*[2], newspaper, and Comm-PASS at least two weeks before responses are due.[3]
DCAM Certification	No.	No.	No.	Required for general bidders and filed sub-bidders.	Required for general bidders and filed sub-bidders.
OSHA Training	No.	Yes.	Yes.	Yes.	Yes.
City/Town Prequalification	No.	No.	No.	Optional.[4]	Yes.
Filed Sub-bids	No.	No.	No.	Yes ($20,000 and over).	Yes ($20,000 and over).
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.	No.	50% payment bond.	100% payment bond.	100% payment bond.
Performance Bond	No.	No.	No.	100% performance bond.	100% performance bond.
Prevailing Wage	Yes.	Yes.	Yes.	Yes.	Yes.
Contractor Evaluation	No.	No.	No.	Yes.	Yes.

[1] M.G.L. c. 149, § 44A(2)(A) as amended by Chapter 188 of the Acts of 2010.

[2] M.G.L. c. 149, § 44J(a) and M.G.L. c. 9, § 20A and accompanying regulations require all contracts for construction services and all contracts for construction materials costing $10,000 or more to be advertised in the *Central Register*.

[3] The advertising procedures listed pertain only to the request for qualifications. Within 14 days of the completion of the prequalification evaluation process, you are required to post a notice in your jurisdiction and on Comm-PASS listing those general and subcontractors who 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 $100,000 apply.

[4] If you decide to use the optional prequalification process for projects over $100,000, follow the procedures listed in the "Over $10,000,000" column.

August 2013 revision

GENERAL CONTRACTING PROCEDURES

5.0 Invitation for Bid (IFB) & Request for Proposal (RFP)

The purchasing agent develops the IFB or RFP and collaborates with Town departments in the development of specifications, minimum criteria, and evaluation criteria. The purchasing agent facilitates the development and receipt of bid or proposal packets and solicits interest in the procurement. Legal Notices are placed by the purchasing agent who also serves as the vendor contact for any bid or proposal questions or issues.

The purchasing agent evaluates proposals and bids for responsiveness and ensures they meet the predetermined minimum criteria and provides documentation as requested. Bids and proposals that are deemed to be responsive are then provided to the appropriate Town department or school representative. Managers and department heads are expected to conduct reference checks and take notes on these checks as part of the selection process to assess performance, quality and timeliness of contractor's past work. Managers and Department Heads suggest the award of an Invitation for Bid to the lowest bidder that is deemed to be responsible following the department reference check.

The procedure for Request for Proposal (RFP) will also follow with managers or department heads completing reference checks to determine if vendor is responsible. Proposals that meet minimum criteria will then be ranked based on evaluation of the Technical Proposal and reference checks and ranked according to established evaluation criteria set forth in the proposal by a subcommittee. The subcommittee evaluating the RFP will suggest the award to the responsive bidder that is responsible and offers the most advantageous proposal taking into account qualifications and price. The subcommittee will make an award recommendation to the Chief Procurement Officer. Once an award is approved, the purchasing agent will prepare a contract to be completed by all parties. Contract monitoring of invoices will follow the contract award.

6.0 **Finalizing the Contract**

Once a contract award has been recommended and documented, the purchasing agent will prepare a contract and the contract will reference supporting contract specifications including the IFB or RFP packet, the successful bid or proposal documents, price information, etc. Following the Department's appropriation of funds, the contract is sent to the vendor to obtain the following: signatures, Social Security/Federal Tax ID, any required bonds, any required insurance, applicable certifications, etc. The contract is then forwarded to the Chief Procurement Officer and Finance Department for authorization.

Once the contract is complete the original is filed in the Procurement Office , one copy to Finance and one copy issued to the Department for them to copy and forward to the vendor.

Any vendor agreement or vendor contract presented by a vendor will require content review for compliance with Reading contract specifications. Prior to signing any vendor agreement or vendor contract, the content of the document will need approval from the Town of Reading's Legal Counsel.

6.1 **Contract Award**

Following the receipt of bids or proposals the purchasing agent will review them for responsiveness to ensure bids and proposals are complete and documentation is provided as requested. The Departments will evaluate bids and proposals and perform reference checks to ensure an award to a vendor likely to be responsible.

6.2 **Appropriation of Funds**
The department head will provide the Procurement Office with a Munis Organization/Object number that will be utilized for the appropriation of funds for the products and/or services. The Town Accountant then confirms the availability of funds for the contract. No contract in excess of appropriated funds will be allowed.

6.3 **Use of State Contracts**
A list of Massachusetts State approved contracts can be obtained from the COMMBUYS@state.ma.us website. Supplies and services can be procured independently off a State contract in any amount for all State Contracts, except for the Tradesperson contract where the limit is $10,000.

6.4 **Reading Contract Forms**
The type of goods and services procured and the applicable law will determine which of the following contracts should be used. Contact the Procurement Office to initiate a contract.

Procurements not requiring a written contract:

The following procurements do not require a contract:

Purchases obtained off of the Massachusetts State Contract vendor list found on the web site: **www.commbuys.com** are State pre-approved vendors with State contracts, so a Reading contract is not mandatory.

In the place of a contract, the requisition will require the documentation of the state contract that applies. Documentation should be made in the 'Notes' section in the requisition entry section in Munis when entering requisition.

6.5 **Multi Year Contracts**
As authorized by Massachusetts General Laws, Chapter 30B, Section 12(b) contracts are not to exceed three (3) years unless a longer term is authorized under the Town Charter bylaws, or town meeting has voted to authorize a longer term.

7.0 **MUNIS Purchasing Procedure**
An online Munis requisition should be entered by Town department representatives for all purchases.

7.1 **Munis Documentation of Quotes:**
The department head or designated support staff will complete a requisition in Munis, the accounting software. The requisition should have documentation of Sound Business Practice, or the details of the solicitation of quotes, bids or proposals as specified depending on the various types of procurement (See section:4.1.1-4.3.2).

7.2 **Munis Appropriation of Funds for the Procurement:**
The department head is accountable for the complete appropriation of funds at the time of requisition entry and the availability of funds accordingly. No payment or contract will be awarded in excess of any appropriation without a written addendum from a manager/department head where additional funds will be appropriated.

Electronic requisitions when released by the officer or department head follow through a series of on-line approval levels for review including the department head, the Finance Department and the Town Manager.

7.3 **Munis Procedure for IFB/RFP Contracts**

The award of an IFB or RFP contract when a contract price total is available will be entered by the Department Head to encumber all funds upfront. The purchase order should be provided to the vendor to reference invoices they submit to the Town for payment. For contract awards when only unit pricing is available with quantity to be determined will be entered with an estimated total on a blanket purchase order.

8.0 Annual/Revolving Contracts

A list of capital projects and annual/revolving contracts where the procurement specifications or value mandates an IFB or RFP process is available upon request to the Finance Department.

9.0 Sole-Source Procurement

A "sole-source" procurement is a purchase of supplies or services without advertising or competition. Chapter 30B places strict limitations on sole-source procurements. *(Receiving one response when soliciting quotes or issuing an RFO or an RFP is not the same as making sole-source procurement).*

Only the purchasing agent can determine in writing if you are eligible for a sole-source procurement. Keep records of every sole source procurement, specify the contractor's name, amount and type of contract award, a listing of the supplies or services procured, and the basis for the determination that there was only one practical source for the purchase. Document the reasoning for sole-source procurement. A contract must still be in place if the purchase is over $5,000.

9.1 **Sole-Source Contracts under $25,000**

Sole source procurements under $25,000 may be made when a reasonable investigation shows that there is only one practical source for the required supply or service. The determination that only one practical source exists must be documented and approved in writing by the Chief Procurement Officer.

9.2 **Sole-Source Contracts $25,000 or More**

A sole source procurement of $25,000 or more may not be made. The only exception is the procurement of software maintenance, library books, educational materials and utilities.

10.0 Emergency Procurement

If the health or safety of people or property is endangered due to an unforeseen emergency, the procurement process may be expedited but only to the extent necessary caused by the emergency. Records must be maintained documenting the basis for determination that an emergency exists, the name of the vendor, the amount and type of contract and a list of the supplies or services purchased under each contract. An emergency that occurs as a result of a known circumstance involving delayed corrective planning or proactive action cannot be justified and will not qualify as an Emergency Procurement.

Emergency procurement for Chapter 30B (supplies & services):

The procurement must comply to the fullest extent possible with MGL 30B procedures. The public notification requirement may be shortened. At a minimum three quotes should be obtained whenever possible. A written description of the nature of the emergency and the procurement procedures followed must be included in the procurement file. A copy of the emergency declaration must be

submitted to the Secretary of State for publication in the Goods and Services Bulletin as soon as practicable.

Emergency procurement for construction, MGL c.149:

In qualifying emergency situations certain public construction procurement laws may be waived under MGL c.149, Section 44(A)(4) or the advertising requirement may be waived under MGL c149, Section 44(J)(6). In order to implement these waivers written authorization must be obtained from the Division of Capital Asset Management (DCAM), and the Town is required to follow the procedures outlined by DCAM. Even though an emergency waiver may be granted, the Town is still responsible for enforcing the requirements of prevailing wage, bonding and DCAM contractor certification is required for emergencies estimated to cost $100,000 or more.

Emergency procurement for public works, MGL 30,39M:

A written waiver of the public notice requirements from DCAM must be requested and obtained [MGL c. 149, Section 44J(6)]. Quotes must be solicited.

11.0 Disposition of Surplus Property

In accordance with the Reading General Bylaw: 6.2 *Disposal of Surplus Property* prior authorization is required for the disposition of excess or surplus property. The policy for the disposition of personal property is provided:

> **6.2 Disposal of Surplus Property**
>
> **6.2.1 Certain Disposition to be Approved by Town Meeting**
>
> Whenever an item or collection of items of tangible personal property with an estimated net value of up to Five Thousand ($5,000) Dollars within the control of an official body, but excluding the Municipal Light Board, shall be determined by that official body to be surplus, obsolete, salvage, or beyond repair, it may be disposed of by sale, trade or otherwise, by the Town Manager with the approval of the Finance Committee. Notwithstanding the foregoing, an item or collection of items of tangible personal property, with an estimated net value of less than Five Thousand ($5,000) Dollars no longer useful to the Town but having resale or salvage value, may be disposed of by the Town Manager with the approval of the Finance Committee, and without any further approval by Town Meeting at less than fair market value to a charitable organization which has received a tax exemption from the United States by reason of its charitable nature.

There are additional procedures applicable to the disposition of tangible supplies set forth in G.L. c 30B, Sec 15.

12.0 Prevailing Wage

The Town is required to comply with the Massachusetts Prevailing Wage Law for all public works and public building projects regardless of the cost of the contract. For example, the repair of a sewer pipe estimated to cost $3,000 requires the payment of prevailing wages. Any request for quotes must include the prevailing wage sheets issued by the Massachusetts Department of Labor. In addition, whenever the Town hires a vehicle in the performance of a public work, the contractor must pay prevailing wages. See G.L. c.149, Sec. 27.

12.1 **Blanket Wage Rates for Smaller Projects (under $10,000)**

A blanket period wage sheet is available for work not associated with larger planned projects. For example, a municipality should be able to quickly provide prevailing wage rates to have a broken window repaired without having a delay. For this reason the following period wage sheet is issued for small and/or emergency repairs. For larger projects and planned capital improvements, customized prevailing wage sheets should be obtained. The current prevailing wage sheet can be obtained by contacting the Procurement Office.

12.2 **How to Order Prevailing Wage Rates**

Provide the following information to the purchasing agent and the wage rates will be ordered:
project name, description of project, project location, estimated cost and estimated completion date. If a project is estimated to take more than one year, the Town is legally required to request updated prevailing wage rates.

12.3 **When Required for Building & Public Works Projects**

Prevailing Wages must be paid to all persons employed on the public works project, regardless of whether they are employed by the successful bidder or a subcontractor. The wage rates issued for each project shall be paid for the entire project.
Payroll records must be kept by the successful bidder for all persons employed on the project. A separate Statement of Compliance must be submitted to the Division of Occupational Safety by every employer, including all prime contractors and subcontractors, when its portion of the work is completed. The form entitled "Weekly Payroll Records Report and Statement of Compliance" clearly details these requirements. *When in doubt check with the Division of Occupational Safety for their opinion.*

12.4 **When Required for the Hiring of a Vehicle in the Performance of a Public Work**

Prevailing wages must be paid by any Contractor utilizing a vehicle in the performance of a public work on behalf of the Town. Examples include a solid waste collection contract, the hiring of a backhoe or other piece of equipment for normal storm drain maintenance, or the operation of equipment vehicles by the water and sewer department of the landfill.

13.0 Contract Exceptions and Exemptions

13.1**Contract Exceptions**

A Reading Contract is not required for procurement with the use of an approved Massachusetts State contract vendor since a contract is already in place with the State of Massachusetts. However, consideration should be taken into account for the complexity of the procurement and a contract should be administered accordingly.

13.2 **Real Estate Transaction**

The acquisition or disposal of an interest in real property when the value of the interest exceeds $25,000 is subject to a competitive procurement process under MGL 30B, sec 16. There are many important considerations and procedures involved with real estate transactions, and no department may proceed with a real estate transaction without first seeking the guidance of the Chief Procurement Officer.

13.3 **Contract Exemptions**

The Town is not legally required to follow the bidding procedures for certain contracts that are expressly exempt from bidding under MGL 30B, sec 1. A written contract is still required for any procurement costing more than $5,000, and departments are encouraged to seek competitive bids or proposals for exempt supplies and services if doing so is likely to be in the best interests of the Town. No department may proceed with the procurement of an exempt supply or service without the prior written approval of the Procurement Office.

14.0 Charts & Forms

MGL Chapter 30B, Section 1

The following charts were created by the Office of the Inspector General for local officials to use as a reference guide on public procurement procedures.
http://www.mass.gov/ig/publications/guides-advisories-other-publications/charts-proc.pdf

MGL 30B Uniform Procurement Act §1-23

https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter30B

Request for Quotes

For Goods and Services **$10,000 -$24,999**

Step 1: Specifically describe the goods and services you want to purchase. Include as part of your description a date by which the product must be delivered or service must be performed.

Step 2: Solicit a minimum of three (3) oral or written quotes (by phone, fax, letter, or email). Record the names and addresses of all persons/companies that you contact. Record the amount of each quote that you receive. Be sure that the vendor giving you the quote can provide the product or service by your stated delivery date.

Step 3: Award the quote to the responsible and responsive vendor offering the lowest price.

Date: _____ Department: _____

Item of Service Description: (be specific, include delivery date)

_____

_____

_____

_____

Quote 1	Quote Amount
Company	
Address	
Contact Name	
Telephone	
Fax	
Comments	
Quote 2	Quote Amount
Company	
Address	
Contact Name	
Telephone	
Fax	
Comments	
Quote 3	Quote Amount
Company	
Address	
Contact Name	
Telephone	
Fax	
Comments	

Attach this form when entering a Munis requisition.