

TOWN OF HOLLISTON FINANCIAL PROCEDURES

Procurement

General

Massachusetts General Laws Chapter 30B describes the requirements for municipal purchasing of supplies and services. Please refer to the Inspector General's Procurement book for detailed procedures. The Chief Procurement Officer has a copy available if needed.

- For purchases under \$10,000, "....sound business practices" should be used.
- For purchases between \$10,000 and \$34,999.99, best efforts must be made to obtain three quotes, preferably in writing. When a written contract is required it should be signed by the vendor and Town representative authorized to sign contracts. A copy of *all* contracts must be submitted to the Accounting Department.
- Purchases over \$35,000 must be competitively bid unless the goods or services are exempt under Chapter 32, are found on the State Procurement list or evidence of a sole source is documented. The Chief Procurement Officer has responsibility for monitoring these bids for compliance with Chapter 30B.

Invoices cannot be paid unless procurement procedures have been followed.

Purchasing

Each department shall make purchases of materials, supplies and services for their own departments subject to certain approvals and bidding requirements. Purchases may be made by various authorized individuals in each department based on the following criteria:

- The purchase must be allowable in accordance with state statutes;
- An appropriation must be available to cover the purchase;
- A valid purchase order, where applicable, must be approved by the accounting office;
- Proper authorization from a department head must be obtained; and
- Where applicable, bids will be obtained in accordance with state statutes.

All of the above criteria must be met prior to placing the order for goods or services. Each department shall make all efforts to combine purchasing needs with other departments to seek the most favorable prices. The Town Accountant shall survey other Town Departments from time to time to develop group purchasing opportunities. Departments shall take advantage of the state bid list and such other cooperative purchasing agreements as are available to obtain the most favorable pricing terms.

Purchase Orders

Purchase orders are applicable for the following purchases:

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- When required by the vendor.

The authorizing signature and distribution of purchase orders will be made by the Department making the purchase. One copy will be sent to the vendor and one copy will be submitted to the Town Accountant's office when the invoice is submitted for payment.

Purchase Agreements

For purchases of equipment for which the vendor issues their standard purchase agreement, if the purchase is \$35,000 or more, the agreement must be directed to Town Counsel for legal review before execution.

Bid Requirements

Bids will be made in accordance with Chapter 30B of the Massachusetts General Laws. The documentation of compliance with Chapter 30B shall be made available to the Town Accountant's office on request.

In the case of bids or proposals, the documents must be prepared by the purchasing department head and submitted to the office of the Town Administrator for approval. The Town Administrator will then forward the RFP or IFB to Town Counsel for legal review before publishing the document. The Chief Procurement Officer shall be responsible for assurance that all documents have been created and all requirements have been met for each bid. Copies of all bid documents including vendor responses, evaluations and award determinations shall be retained in the Office of the Town Administrator for a period of at least six years. The purchasing Department Head should comply with the following instructions:

1. Determine what you need to buy. If you can reasonably expect your purchases for a particular service or good to be over \$10,000 or \$34,999.99 during the course of the fiscal year, you should follow the relevant procurement procedures. Be sure you can justify, with a good business reason, the practice of small, frequent purchases from one vendor (e.g., fresh produce where availability and price fluctuate widely).
2. Write a purchase description. This assures there is no discrepancy in what is told to each vendor from whom bids are solicited. Include:
 - a. Detailed description of time or service
 - b. Quantities required
 - c. Schedule of performance
 - d. Delivery terms
 - e. Payment terms

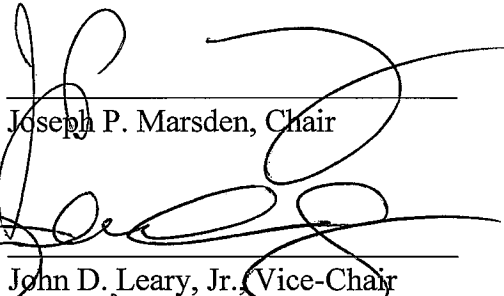
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- f. Insurance or other special requirements
3. Estimate the cost of your needs. This step only begins the process. The contract price, not your estimate, determines the procedure to follow. If you go through the quotation procedure and the lowest bid is \$34,999.99, then you must do a formal bid. If, after investigation, the cost of the good or service is over \$10,000, you must obtain three quotes.

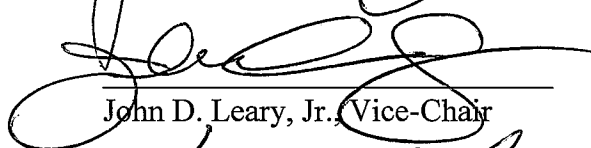
The Town Administrator may, by written notification to the Board of Selectmen and Inspector General's office, delegate the duties of Chief Procurement Officer to the Town Accountant. In such cases the Town Administrator's office shall review bid documents to verify compliance with bidding procedures.

For specific bidding requirements refer to Chapter 30B of the Massachusetts General Laws and other publications issued by the Inspector General's office.

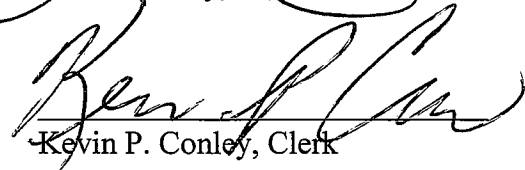
Holliston Board of Selectmen



Joseph P. Marsden, Chair



John D. Leary, Jr., Vice-Chair



Kevin P. Conley, Clerk

Dated: _____

6/10/15