

Perfecting Your Procurement Process, Best Practices, and Lessons Learned

Massachusetts Municipal Association (MMA)

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Introductions to the Panel



Questions to Start

- Who are you and what position do you hold in your organization?
- Why are you here?
- What do you want to get out of this class?
- What do you want to accomplish?

Objectives

At the end of this webinar, you should have the basic understanding of the following:

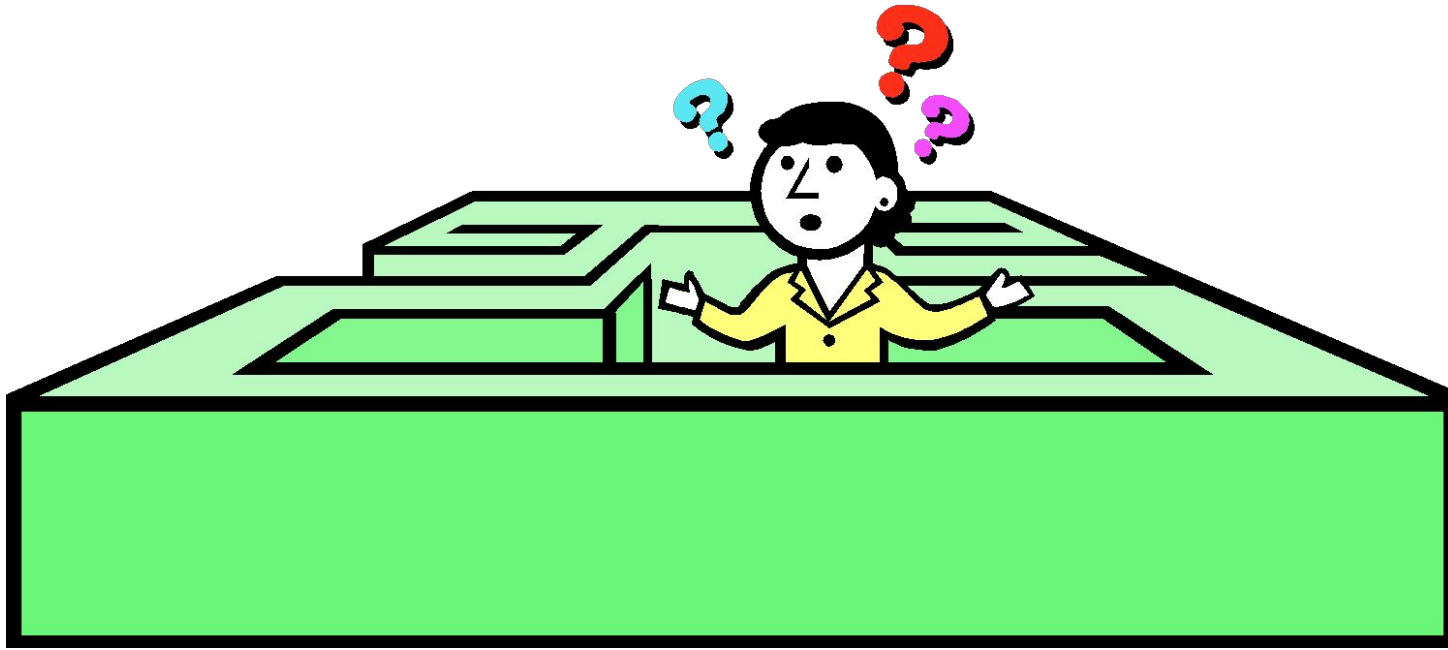
- Where to begin?
- Procurement Office or Purchasing Department?
- Centralized or Decentralized?
- First Steps
- Helpful Tips and Lessons Learned
- Available Resources & Guides

What is Procurement?

- ❑ Procurement is a business management function to obtain goods or services from external resources that an organization needs or may need to fulfill its strategic mission.
- ❑ Procurement incorporates the activities involved in establishing fundamental requirements, sourcing activities; such as market research, vendor evaluation and contract negotiation.
- ❑ It is the function that describes the activities and processes to acquire goods/supplies and services. It is distinct and different from *purchasing*.

What is Purchasing?

- ❑ The process of ordering and receiving goods and services.
- ❑ Purchasing refers to the process involved in ordering goods. It follows the path of creating a request, getting approval, creation of a requisition and purchase order, and receipt of goods.



**Where do
I begin?**



What am I bidding?

Goods & Services
Construction
Professionals



What law do I use?

Chapter 30B
801 CMR
Chapter 30-39M
Chapter 149
Chapter 7



What is the process?

Request for Quotes
Invitation for Bids
Request for Proposals
Request for Response
Request for Qualifications

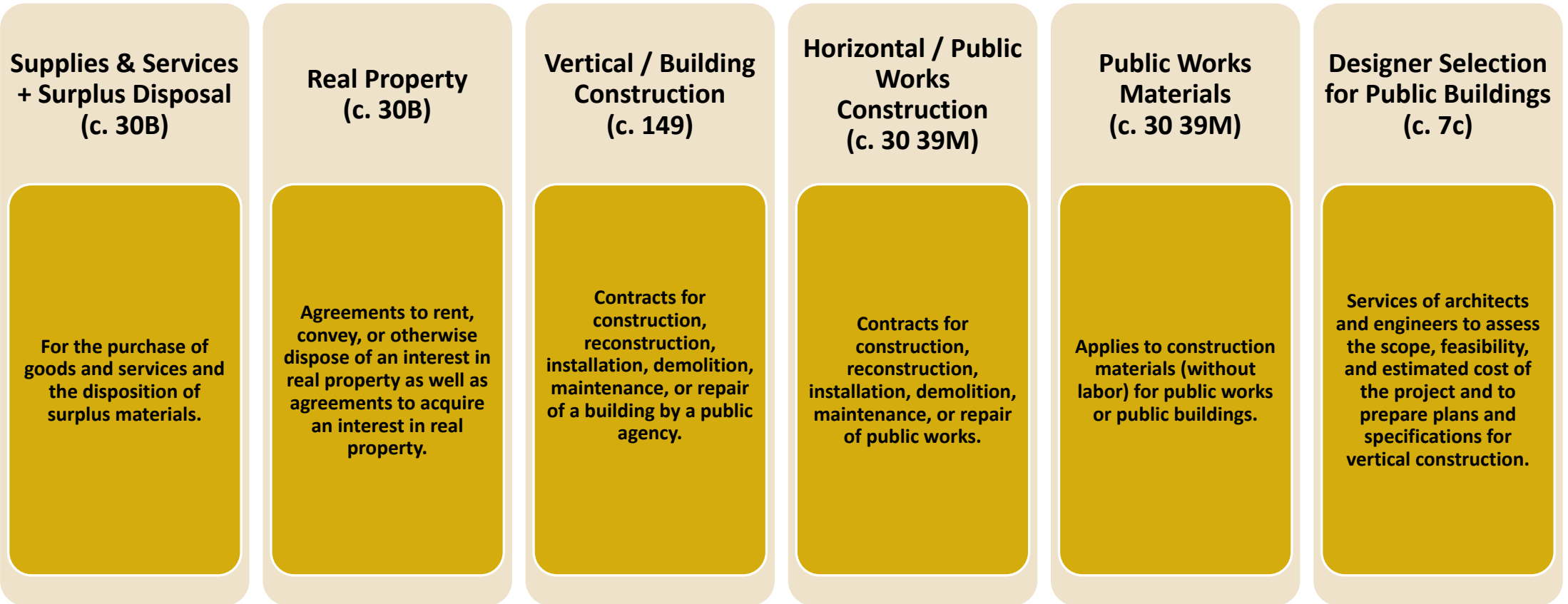


What records do I need to keep?

Bid Specifications
Advertisements
Contracts
The List Goes On...

So Many Requirements!

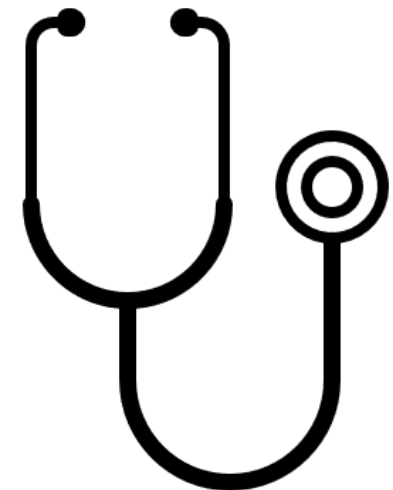
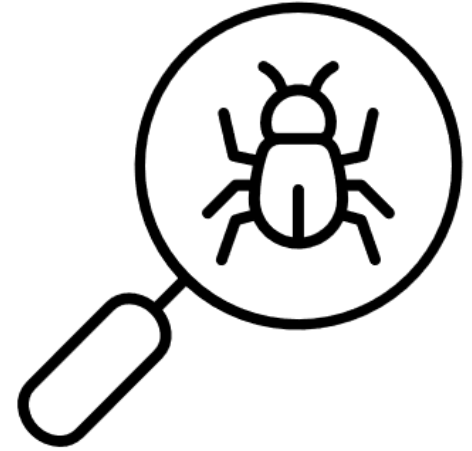
Determining Your Procurement Process

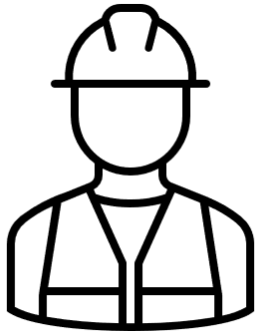


Understanding Your Operations

Master an understanding of what is currently being done for purchasing and procurements...

- Is my system broken?
- Is there room for improvement?
- What is my current process?
- What do I wish to accomplish?
- Is this job function tied to union negotiated job duties?





Understanding Your Operations

Learn the needs and operations your “Big Three” to better analyze your current processes...

- Police
- Fire
- Public Works

Centralized Systems

- All bids / purchases to be done by one department.
- Organize all documentation in one location.
- Easily follow procurement laws and requirements.
- Create a spreadsheet to track all your contracts, renewals, and other requirements.

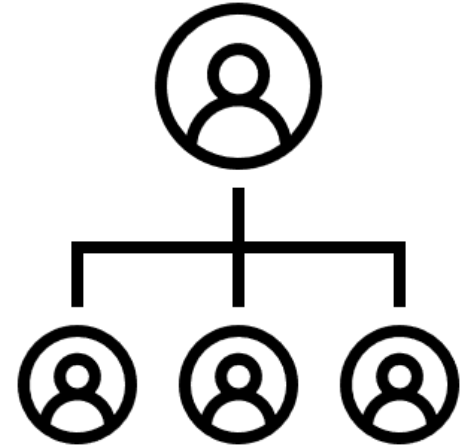
Decentralized Systems

- Implement new standard templates and instruct various departments to use them.
- Distribute the spreadsheet for departmental tracking.
- Departments have the responsibility to do their own bid / purchases.
- Following the procurement laws.

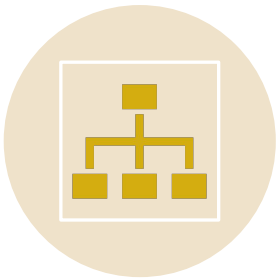
Establish Procedures

Create an Internal Control Plan (ICP) and/or policies and procedures guide to answer the following:

- How will the laws be followed?
- Who will do what?
- Establish checks and balances
- What are the rules? How will they be enforced?
- Who will be the Chief Procurement Officer?
 - Is this defined by charter?
 - Who has authority to do bids?
 - Do I have delegation forms?



Establish Procedures



Who will have delegated authority for procurement and other purchasing duties?



Establish written policies for the Designer Selection Board



Establish written policies for disposal of surplus property



Establish contract signing authority

Implementation...Getting Started

- ❑ Management should hold an organizational meeting and inform staff that changes affecting the operations of their departments will be implemented over the course of a certain period of time.
- ❑ Outline the benefits of the change with examples: following the laws in a consistent and organized manner, uniformity of bid documents, efficiency in operations, savings in time and money, reduced risk of bid protests or misdeeds by lack of expertise in bidding laws.
- ❑ Put the right staff in place to do the job. Make sure the person has the right qualifications, certifications and temperament to do the job.

The Common Question...Why?



“We’ve always done it this way. Why do you have to change things?”

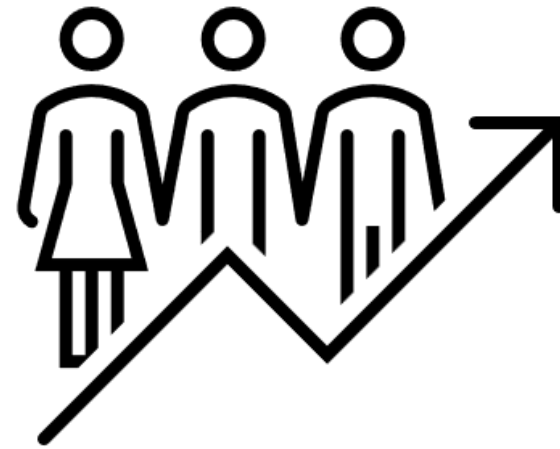
Procurement and the Budget

- ❑ Promotes the efficient use of resources through open and fair competition resulting in potential lower and/or limited growth in costs (multi-year contracts).
- ❑ Promotes strategic resourcing using state, collective, and cooperative purchasing agreements to leverage buying power of multiple entities.
- ❑ Promotes best practices to reduce financial risk and ensure vendor contract compliance.
- ❑ Collects, organizes, and documents key procurement data to assist with planning operational “fixed” costs.



Foxborough's Tips

Change will not occur overnight. It is a process that requires time and commitment from all parties!



Foxborough's Tips

- ❑ Standardize process, workflows, and policies for all departments.
- ❑ Standardize signing authority with vendor, Finance Director / Town Accountant, and Town Manager.
- ❑ Standardize templates and files for all processes. Standard legal contract between a vendor and the Town. No more signing of vendor contracts, which often have unfavorable terms and conditions!
- ❑ Use of purchase orders with standard terms and conditions favorable to the Town. Vehicle for procurement documentation.
- ❑ Use a unique numbering system for bids, contracts, and purchase orders.

Foxborough's Tips

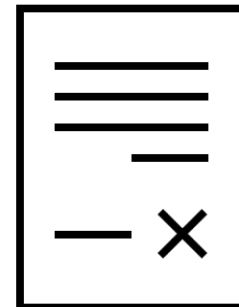
- ❑ Educate departments outside of public works on prevailing wage requirements and responsibilities (this is key).
 - ❑ Who is covered by prevailing wage law...
 - ❑ What the Town is responsible for in the process...
 - ❑ What the Contractor is responsible for the process...
- ❑ Encourage departments to use Finance as a resource and ask questions.
- ❑ Have departments reach out to you first before proceeding with a procurement. It's much easier to do things correctly from beginning.

Foxborough's Tips

- Host procurement trainings in-house.
- Use the Inspector General's Office for a Town-wide training over Zoom.
- You don't have to reinvent the wheel.
- Routinely update policies and procedures and educate staff.
- Look for opportunities for improvements.
- Communicate and have patience!

Foxborough's Tips

- ❑ On-Call contracting for engineering / architecture services. Task Orders are set up for specific projects and jobs.
- ❑ Reach out to colleagues in the procurement world for additional tips and tricks. The Massachusetts Association of Public Purchasing Officials (MAPPO) is a great resource for questions and starting templates.
- ❑ Stay up-to-date on procurement laws and requirements with training.



Foxborough's Tips

- ❑ Alternative procurement options for goods and supplies:
 - ❑ OSD's State Contracts – www.commbuys.com
 - ❑ Houston Galveston Area Council – HGACBuy www.hgacbuy.org
 - ❑ MA Higher Educational Consortium – www.MHEC.net
 - ❑ Southeastern Regional Services Group – www.sersg.org
 - ❑ GSA State & Local Purchasing – www.gsaadvantage.gov
 - ❑ Metropolitan Area Planning Council – www.mapc.org
 - ❑ Plymouth County – www.plymouthcountyma.gov/procurements
 - ❑ Sourcewell – www.sourcewell-mn.gov

OIG Procurement Resources

- ❑ **Office of the Inspector General (OIG)**– The OIG oversees the public procurement laws and offer trainings and resources to help you navigate the procurement process.
- ❑ Chapter 30B Assistance Hotline: 617-722-8838,
- ❑ Fraud, Waste and Abuse Hotline: 1-800-322-1323
- ❑ www.mass.gov/orgs/office-of-the-inspector-general
- ❑ [Chief Procurement Officer \(CPO\) Responsibilities and Delegation Authority | Mass.gov](#)



OIG Bulletin:

- ❑ IGO's Procurement Bulletin & Newsletter: Publication on relevant topics in procurement as well as updates on fraud investigations. The December Bulletin contains information on the proposed changes to the procurement laws. These changes are part of the Municipal Empowerment Act that being reviewed by the Legislature.
- ❑ Sign up for the bulletin by clicking [here](#).

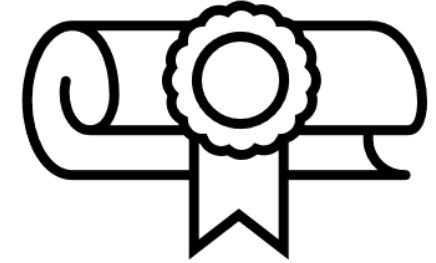


Important Links for the Bulletin:

- www.mass.gov/news/the-december-2023-issue-of-the-oig-bulletin-is-available
- <https://www.mass.gov/forms/sign-up-for-the-oig-bulletin>

OIG MCPPO Scholarship

- ❑ **OIG MCPPO Scholarship Program:** This is a new program in FY24 that creates an opportunity for municipalities to apply for a **FREE** designee “scholarship” for their community.
- ❑ This program ends of June 30, 2024.
- ❑ www.mass.gov/forms/one-free-designee-application-form



OIG Procurement Pages

- ❑ These two links provide access to numerous other links that provide information and resources that are pertinent to Massachusetts Procurement.
- ❑ www.mass.gov/forms/chapter-30b-technical-assistance-form
- ❑ www.mass.gov/oig-public-procurement-and-chapter-30b-programs

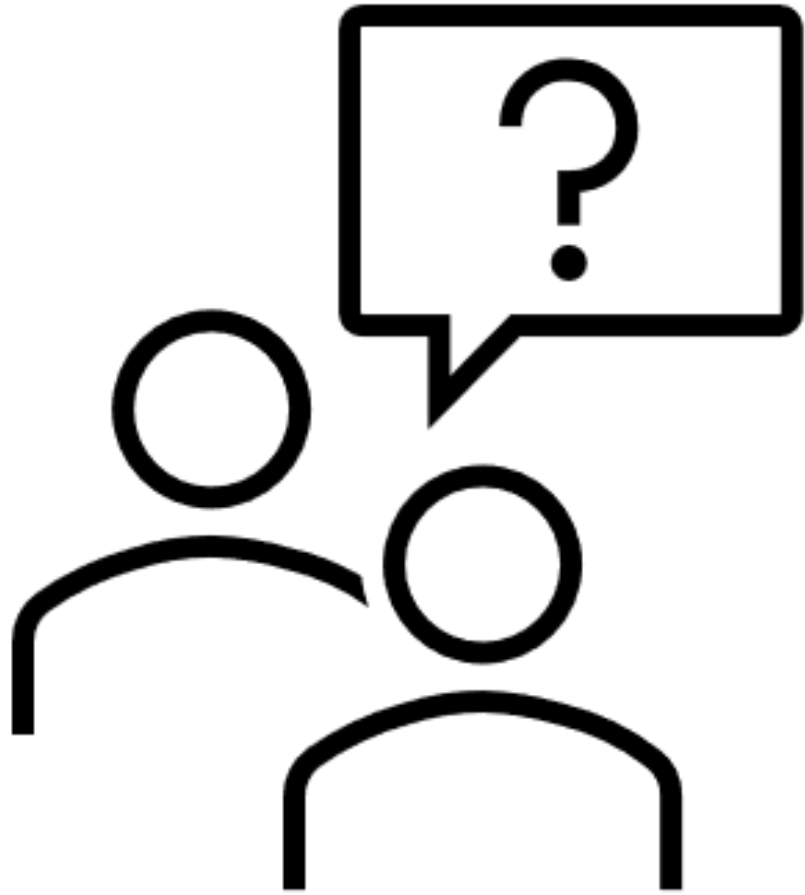
OIG Procurement Charts

- ❑ The IGO's Procurement Charts are the single most valuable tool in the toolbox. Charts give an easy to reference guide on following sections of procurement law:
 - ❑ MGL c. 30B
 - ❑ MGL c. 30-39M
 - ❑ MGL c. 149
 - ❑ MGL c. 7 - Designer Selection
- ❑ www.mass.gov/doc/charts-on-procurement-procedures-effective-november-25-2022/download

OSD + Commbuys + State Contracts

- If you are looking for help for your community to learn more about using State Contracts, this email will get you in touch with the Commbuys Enablement Team.
- They provide personalized training and services for your municipality on the benefits of using Commbuys and State Contracts.
- COMMBUYSEnablement@mass.gov





Questions?