



OPERATIONAL SERVICES DIVISION

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OSD POLICY GUIDANCE 19 - 01

TO: Commonwealth Secretariats, Chiefs of Staff, Department Heads, Chief Procurement Officers, Chief Fiscal Officers, and General Counsels
FROM: Gary Lambert, Assistant Secretary for Operational Services
DATE: April 26, 2019
RE: **OSD Policy Guidance 19-01:** Delegation of Procurement Authority

Introduction

The purpose of this memorandum is to inform all Secretariat and Executive Branch Department Heads¹, Chiefs of Staff, Chief Procurement Officers (CPOs), Chief Financial Officers (CFOs), and General Counsels of their Department's responsibilities when acquiring non-construction commodities and services.²

Background

The statutory authority vested in the Operational Services Division (OSD) to oversee the procurement of commodities and services by Commonwealth entities is found in M.G.L. c. 7, § 4A(a), M.G.L. c. 7, § 22, M.G.L. c. 30, § 51 and M.G.L. c. 30, § 52. Specifically, M.G.L. c. 30, § 51 states: "All goods, supplies, equipment and services, except for legislative or military purposes, needed by the various executive and administrative departments and for other activities of the commonwealth shall be purchased by or under the direction of the operational services division." M.G.L. c. 7, s. 22 further establishes OSD oversight of "the manner and method of the purchasing, delivering, and handling of, and the contracting for" commodities and services.

These statutes form the basis of the applicable procurement regulation, [801 CMR 21.00](#), which provides all Commonwealth Departments with uniform rules and standards governing the procurement of commodities or services, including human and social services for clients. As an oversight agency, OSD's primary responsibilities are to oversee the procurement and acquisition of commodities and services by Executive Branch Departments, establish statewide contracts on behalf of Commonwealth public purchasers, provide procurement guidance and technical assistance to Departments, and ensure that Departments conduct procurements in compliance with all applicable statutes, regulations, and policies.

Through our procurement regulation, [801 CMR 21.00](#), and policy, OSD has delegated certain procurement authority to Executive Departments, meaning that Departments have been granted authority and responsibility to process procurement and contract transactions.

Procurement Delegation

An ongoing obligation associated with that delegated authority, which OSD may retain or rescind, is premised upon Executive Departments meeting the following requirements:

1. Designate a Chief Procurement Officer

Pursuant to Executive Order 533, each Secretariat and Executive Department must designate a

¹ This memorandum is only addressed to Executive Branch Departments under the oversight of the Governor.

² OSD oversees the procurement of non-construction commodities, goods, equipment and services, referred to herein as "commodities and services".



Department CPO who serves as the head of procurement and sourcing within the agency. The CPO is the individual with primary responsibility for ensuring that Department procurement practices comply with OSD requirements, including participation by CPOs and agency procurement staff in required OSD training opportunities. CPOs are responsible for ensuring that their Department complies with and documents and verifies that all purchases have been made in accordance with prescribed laws, regulations, policies, and procedures to ensure that the acquisition represents “best value” to the Commonwealth.

2. Required Use of Statewide Contracts

Executive Departments are required to utilize all OSD-established statewide contracts³ for the purchase of their specific commodity and service needs.⁴ Exceptions will be permitted only with prior written approval from the Assistant Secretary for Operational Services, or designee, and are of limited scope and duration.

3. Follow Procurement and Purchasing Regulations and Policies

When Departments acquire commodities and services not available on statewide contracts, they must follow all applicable statutes, Executive Orders, regulations, policies, and procedures, including those outlined in the [Conducting Best Value Procurement Handbook](#), which provides details on how to acquire commodities and services. This includes accepting responsibility for delegated procurement authority and accountability for the actions of all members of the Department under 801 CMR 21.00 and associated forms and policy guidance. In an effort to balance efficiencies and appropriate levels of control, OSD has designated the following delegation thresholds for the procurement of commodities and services not available on statewide contract by Executive Departments and other public entities that follow 801 CMR 21.00:

Procurement Type	Threshold Levels
Incidental Purchase	Up to \$10,000
Small Procurement	\$10,000 - \$150,000
Large Procurement	Greater than \$150,000

Further details on the requirements for each of these procurement thresholds may be found in the [“Conducting Best Value Procurement Handbook”](#).

Department heads must be certain that their chief procurement officers, chief financial officers and staff involved in the procurement and purchase of goods and services understand their responsibilities and the requirements of the Operational Services Division’s delegation of authority to ensure compliance with procurement and purchasing laws, regulations, policies, and practices. Failure to adhere to these requirements in extreme circumstances may result in the removal of their delegated authority.

4. Maintain and Use COMMBUYS⁵ Account

All Departments must maintain and keep up-to-date a [COMMBUYS](#) organization account. COMMBUYS provides online public access to public solicitation and contract documents. Online distribution of procurement information and receipt of bid responses increases the volume and quality of competition, reduces the time and money spent creating and managing paper documents, and provides greater and

³ These include OSD-designated statewide contracts.

⁴ See: [801 CMR 21.04](#).

⁵ COMMBUYS is the official procurement record system for the Commonwealth of Massachusetts' Executive Departments. COMMBUYS offers free, internet-based access to all public procurement information posted in the system to promote transparency, increase competition, and achieve best value for Massachusetts taxpayers.

more immediate procurement transparency. Maintenance of a COMMBUYS organization account is done through the Department Organization Administrator (OA), typically the CFO or CPO, or their designee, who is responsible for attending training, determining individual access, and assigning appropriate user roles and approval paths that determine the features for which access will be allowed or restricted within COMMBUYS. The CPO and OA are responsible for ensuring that the department posts records on COMMBUYS when:

- Creating requisitions to initiate purchases in the system;
- Posting all solicitations for commodities and services, including RFQs;
- Recording procurement exceptions;
- Posting Procurement Notifications: Due Diligence Postings, RFIs, WTO Notices;
- Receiving only electronic responses for Small and Large Procurements;
- Awarding contracts, creating electronic catalogs, and placing orders; and
- Announcing grant funding availability and grantee selection for State Discretionary Grants.

5. Department Cooperation in OSD Quality Assurance (QA) reviews

The purpose of OSD's Quality Assurance (QA) Program is to assist Departments in achieving and maintaining compliance with 801 CMR 21.00 and related OSD policies, including use of COMMBUYS and statewide contracts. This goal is accomplished by:

- Examining procurement and purchasing activities (including contracting) from data captured in COMMBUYS and MMARS;
- Scheduling on-site visits to meet with a Department's CPO, CFO, and procurement staff, including conducting an in-depth review of procurement files and internal procurement practices in order to determine compliance with all requirements and to facilitate the provision of training, technical support, or assistance, as needed; and
- On-going communication with the CPO, CFO, and procurement staff at the individual Departments.

The QA review identifies a Department's level of compliance with procurement rules and regulations and provides a basis for:

- Identifying the amount of support needed by Departments to meet compliance;
- Ensuring delegation levels for Departments are appropriate; and
- Updating appropriate OSD training to target specific areas of concern.

Departments undergoing a QA review by OSD are expected to provide full access to relevant documents and personnel, respond to requests and inquiries in a timely manner, and be available for meetings, as requested. In addition, Departments are obligated to comply with any required corrective actions that result from QA reviews, which may include resolving non-compliance issues by specified deadlines, providing updates to OSD, or OSD rescinding or monitoring of procurement and purchasing activities for a determined duration following a QA review.

OSD is committed to working closely with all Executive Departments to ensure that these requirements of procurement delegation have been implemented in a successful manner. OSD offers multiple resources to ensure the success of each Department's procurement activities, including extensive training courses, procurement events, newsletters, job aids and a COMMBUYS Help Desk. Should you have questions regarding this memorandum, please contact OSD's COMMBUYS Help Desk staff at commbuys@mass.gov.