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To: Petrini & Associates Public Clients

From: Christopher J. Petrini

Date: February 4, 2015

RE: **Petrini & Associates Client Advisory No. 2015-2**
Recent Changes to Procurement Thresholds in Chapter 30B

The Fiscal Year 2015 state budget made several changes to the Uniform Procurement Act, Chapter 30B, §1 et seq. of which our public clients should be aware. Outside sections 61 through 66 in the FY2015 budget made the following changes to Chapter 30B:

1. The upper threshold for solicitation of three quotes under G.L. c. 30B, §4 has been increased from \$25,000 to \$35,000.
2. The minimum threshold for requiring the competitive sealed bidding procedures under G.L. c. 30B, §5 has been raised from \$25,000 to \$35,000. Section 5 applies to the award of contracts subject to Chapter 30B, other than contracts for the procurement of real property. While G.L. c. 30, §39M(d) authorizes certain public works projects to be procured under G.L. c. 30B, §5, the Inspector General's Office has opined that the increased \$35,000 threshold does not apply to public works projects with a labor component (i.e., not just for construction materials). Accordingly, while Chapter 30B, §5 can still be utilized for some public works project procurements, the project cost must not exceed \$25,000 if labor is involved. The chief difference in procuring public works projects under Chapter 30B, §5 as opposed to G.L. c. 30, §39M at the \$25,000 cost level is that bid deposits are not required under Chapter 30B.
3. Chief procurement officers may utilize the competitive sealed proposals process in G.L. c. 30B, §6 for contracts in the amount of \$35,000 or more, instead of \$25,000 or more.

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4. The reverse auction process available to chief procurement officers under G.L. c. 30B, §6A now applies to contracts in the amount of \$35,000 or more, instead of \$25,000 or more.
5. The threshold for sole source procurements under G.L. c. 30B, §7 has increased from “an amount less than \$25,000” to “an amount less than \$35,000.”
6. The threshold for the procurement requirements relative to the acquisition or disposition of real property under G.L. c. 30B, §16 has been increased from \$25,000 to \$35,000.

These changes to Chapter 30B were effective as of July 1, 2014. Two potential changes that may occur to local procurement by these changes is that, for Chapter 30B contracts in the \$25,000 to \$35,000 range, three oral or written quotes can now be solicited, and the contract awarded to the responsible and responsive person offering the best price instead of using an IFB or RFP process under G.L. c. 30B, §§5 or 6. Additionally, procurements under Chapter 30B in this range no longer have an advertising requirement prior to award. Despite these changes to Chapter 30B, local by-laws or policies may still require more restrictive procurement thresholds and practices than those provided in the statute.

Please contact me or any of the other attorneys at P&A should you have any questions regarding these recent changes to Chapter 30B or procurement issues generally.

Thank you.