

## **PURCHASING POLICY**

### **TOWN OF UNDERHILL**

**PURPOSE:** The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Underhill at the lowest possible price, to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide increased public confidence in the procedures followed in public purchasing.

#### **PROCEDURES:**

1. **Major Contracts and Purchases:** All purchases costing \$15,000.00 or more shall be subject to the sealed bid process. The selectboard, or their designee, shall prepare specifications or a request for proposals for the goods or services required and shall follow the Bid Process outlined in this policy.
2. **Significant Contracts and Purchases:** All purchases calling for delivery of goods and/or services in the amount of \$5,000.00 to \$14,999.99 must be accomplished through competitive solicitation, but not necessarily through formal bids. The Selectboard, or their designee, shall act as Purchasing Agent for significant purchases. Significant purchases may be made through formal bid, written quotation or verbal quotation at the discretion of the Purchasing Agent. Bids or quotations should be sought from at least two (2) vendors unless a sole source is approved by the selectboard.
3. **Regular Purchases:** All purchases calling for delivery of goods or services in the amount of \$1,000.00 to \$4,999.99 shall require prior approval of the selectboard. When making any purchase not subject to the bid process described below, Town officers and employees must solicit quotes from at least two (2) vendors unless the Selectboard has approved a sole source vendor. Vendors should be selected based on cost, the quality of the goods and services offered, ability of the vendor to provide future maintenance, and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the Town.
4. **Incidental Purchases:** Purchases for goods or services less the \$1,000 may be accomplished without solicitation of bids or quotations; however, quotes should be solicited if practicable. Incidental purchasing choices shall be made based on cost, quality of goods and services, and the best interests of the municipality
5. **Recurring Purchases:** In the total value of a recurring purchase of a good or service is anticipated to exceed \$15,000.00 during any fiscal year, the bid process shall be used and shall specify the recurring nature of the purchase. Once a bid has been

accepted, all future purchases shall be made from the bidder without necessity of additional bids, until such time as the selectboard votes to initiate a new bid process.

6. **Professional Services:** The bid process shall not apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, engineering, risk management, land surveyors and insurance services.

**BID PROCESS:** All purchases of \$15,000.00 or more shall be subject to a bid process. The bid process shall be initiated by the issuance of a Invitation to Bid prepared by the selectboard. Notice of the Invitation to Bid shall be made by letters to known providers soliciting bid responses, advertisements posted in three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region.

**BID SPECTIFICATIONS:** The Invitation to Bid shall include the following:

1. Bid Name
2. Bid submission deadline.
3. Date, location, and time of bid opening.
4. Specifications for the project or services including quantity, design, and performance features.
5. Bond and/or insurance requirements.
6. Any special requirement unique to the purchase.
7. Delivery or completion date.
8. The right of the Town to reject any or all bids if such action is deemed in the best interests of the municipality.

Once an Invitation to Bid has been issued, the bid specifications will be available for inspection at the Town office.

**BID SUBMISSION:** All bids must be submitted in sealed envelopes, addressed to the Town in care of the selectboard, and plainly marked with the name of the bid and the time of the bid opening. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

Bidders shall bid to specifications and any exceptions must be noted. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection with any other bidder for the same work, and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or firm.

**BID OPENING:** Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the selectboard. The bid opening will include the name and address of bidder; for lump sum contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid if required.

**CRITERIA FOR BID SELECTION:** In evaluating bids, the selectboard will consider the following criteria:

1. Price.
2. Bidder's ability to perform within the specified time limits.
3. Bidder's experience and reputation, including past performance for the Town.
4. Quality of the materials and services specified in the bid.
5. Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
6. Bidder's financial responsibility.
7. Bidder's availability to provide future service, maintenance, and support.
8. Nature and size of bidder.
9. Any other factors that the selectboard determines are relevant and appropriate in connection with a given project or service.

The selectboard reserves the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with the bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest. The selectboard reserves the right to investigate the financial responsibility of any bidder to determine his or her ability to assure service throughout the term of the contract.

**CHANGE ORDERS:** If specification changes are made prior to the close of the bid process, the Invitation to Bid will be amended and notice shall be sent to any bidder who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the selectboard will prepare a change order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

**COOPERATIVE PURCHASING:** The Town may enter into cooperative lease or purchase agreements with other municipalities, at the discretion of the selectboard.

**EMERGENCY PURCHASES:** The provisions of this policy may be waived in the event of an emergency. During emergency situations, when normal procurement procedures would be impracticable, the Town officer or employee shall have the authority to purchase emergency supplies and services while acting in the best interests of the Town. Emergency expenditures may include immediate repair or maintenance of town property, vehicles, or equipment if the

delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

Emergency purchases can be costly. They are made hurriedly, usually without competitive bidding, and often not at the best price. Consequently, every effort should be made to avoid them.

**EXCEPTIONS:**

The following items are exempted from both the bid and quotation process:

1. Repairs on equipment
2. Utilities; and
3. Service contracts

**Sole Source Purchases:** If the selectboard determines that there is only one possible source for a proposed purchase, it may waive the bid process and authorize the purchase from the sole source.

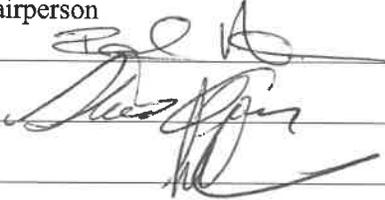
**State of Vermont:** Purchases made subject to the existing contracts issued by the State of Vermont shall be deemed in compliance with the provisions of this policy.

**Grants:** To the extent they differ from any provisions of this policy, the procurement procedures prescribed by the funding agencies in connection with the administration of grants shall take precedent.

**CONFLICT OF INTEREST:** No employee, officer, or agent of the Town of Underhill shall participate in the selection, or award or administration, of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent; any member of his/her immediate family; his or her partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The municipality's officers, employee, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

The foregoing Policy is hereby adopted by the selectboard of the Town of Underhill, Vermont, this 31 day of January, 2012 and is effective as of this date until amended or repealed.

Chairperson



A handwritten signature in black ink is written across four horizontal lines. The signature is cursive and appears to read "Paul A. [unclear]".