

TOWN OF SHELBURNE PURCHASING POLICY

I. PURPOSE. The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Shelburne (“the Town”) 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 ensure grant funded purchases are in conformance with grant requirements.

II. PURCHASE AUTHORIZATION. Subject to the exceptions noted in Section V, no single purchase over \$5,000 shall be made by any Town officer or employee without prior approval of the Town Manager, who acts as the general purchasing agent for the Town. Subject to the exceptions noted in Section V, at least two quotes should be obtained for single purchases greater than \$2,000. Vendors will be selected based on criteria such as cost, quality of the goods and services offered, compatibility with existing equipment and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the Town or references from other customers. Elements outlined below in section VII “RECOMMENDED PURCHASE CONSIDERATIONS” should be considered. Purchases of any size or type will follow appropriate steps along with clear communication with the Town Manager.

III. CONFLICT OF INTEREST AND FRAUD POLICIES

All purchases of town equipment, supplies and services must be in compliance with applicable provisions of the Town of Shelburne Ethics and Conflict of Interest Ordinance and Town of Shelburne Fraud Policy. Copies of these can be obtained in the Town Manager’s office.

FEDERAL GRANT ADMINISTRATION

When Town of Shelburne employees are participating in the selection, award or administration of contracts involving federal grants, the employee(s) shall disclose any actual, perceived or potential Conflict of Interest. To the extent any actual, perceived or potential Conflict of Interest exists, the employee shall decline to participate in any action or sphere of influence associated with the federal grant project. Employees who violate this provision will be subject to disciplinary action as provided in Section 11 of the Town of Shelburne Personnel Policy. *(Paragraph added September 4, 2018 as required for Federal grants).*

IV. BID PROCESS. Subject to the Exceptions noted in Section V, all purchases of \$10,000 or more shall be subject to a bid process. The bid process shall be initiated by the issuance of a request for bids prepared by the Department Head and approved by the Town Manager. Notice of the request for bids shall be made by letters to known providers soliciting bid responses, posting on the Town web site, and advertisements placed in a newspaper of general circulation in the region.

BID SPECIFICATIONS. Bid specifications shall include:

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 requirements unique to the purchase.
7. Delivery or completion date.

Once a request for bids and/or qualifications 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 Department Head, and plainly marked with the name of the bid or product/service to be delivered. The date and time of each bid proposal received will be written on the outside of the envelope. 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 and/or alternate services or products must be noted.

BID OPENING. Any bid received prior to the bid submission deadline will remain sealed until all bids are due when each will be publicly opened and read aloud by the Department Head or designee. An unsealed bid, or bid discovered to have a broken seal at the time of the formal bid opening will be grounds for the Town to cancel the opening and re-start the process. 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. The following criteria will be used in evaluating bids:

1. Price, as defined by the bid specifications.
2. Bidder's proven ability to perform and / or deliver the items within the specified time limit(s).
3. Bidder's experience and reputation, including past performance for the Town and other customers.
4. Quality of the materials and services specified in the bid and compatibility with existing materials & equipment. If a specific brand "or equal" has been specified by the Town, the bidder has the responsibility to demonstrate the alternate item is equal or better than that specified. In the event services are delivered, the proposal shall include a resume' or curriculum vitae of the qualified individuals to be deliver the service(s) and references from like service delivery recipients. In addition, any service delivery proposal shall include an element to describe all quality control elements and a sample contract.
5. Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
6. Bidder's financial capacity and responsibility. If services are to be delivered this includes proof of the requisite insurances.

7. Bidder's history and availability to provide future service, maintenance, and support.
8. Nature and size of bidder.
9. Any other factors that the Department head determines are relevant and appropriate in connection with a given project or service.

The Town 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 any bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest.

CHANGE ORDERS. As a general practice, change orders are to be avoided or, at best minimized.

- A. Changes to the bid specifications in advance of bid opening: If specification changes are made prior to the close of the bid process, the Request For Bids will be amended and notice shall be sent to any bidder who already submitted a bid and a new bid process will be initiated.
- B. Changes after a bid has been awarded: Once a bid has been accepted, if changes to the specifications and/or service(s) become necessary, the Department Head will prepare a change order specifying the scope of the change. Once approved, the contractor and Department Head or Town Manager must sign the change order.

V. EXCEPTIONS TO PRIOR APPROVAL AUTHORIZATION AND QUOTES/BIDS

Exceptions to the requirements for prior approval and for bids/quotes include routine ongoing and periodic payments for utilities, insurance etc., purchases made under previously approved contracts, Library books purchased under State pricing, lease and loan payments. If the Town Manager determines that there is only one possible source for a proposed purchase, he/she may waive the bid or quotation process and authorize the purchase from the sole source. The Department Head may award contracts and make purchases for the purpose of meeting a public emergency without complying with the bid or quote process following verbal communication with the Town Manager in excess of the limits outlined above. The Town Manager should be advised of such purchases. 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.

VI. GRANT FUNDED PROJECTS

Materials and/or service acquisitions funded by grants from state, federal or other sources will meet nothing less than the requirements of the awarding agency or Town, whichever is more restrictive. The grant requirements will be identified in the grant agreement between the Town and the awarding agency. The Department Head, with assistance from the Finance Department will be responsible for ensuring these both requirements are followed. A copy of all executed grant agreements will be provided to the finance department and archived in the Town Clerks office. All documents associated with a grant project (quotations, grant contracts, invoices,

correspondence with grantor, etc) should be retained for a period of 3 years after completion of the grant, or for a period of time specified in the grant, whichever is longer.

VII. RECOMMENDED PURCHASE CONSIDERATIONS

1. Opportunities for efficiencies and lower overall expenditures by the Town should be considered. For example, sharing the equipment or services with another town department or municipality
2. Opportunities to obtain equipment from State and Federal surplus property departments should be considered.
3. Contracts that include labor costs should be in compliance with Davis Bacon Wage provisions.
4. Agreements based on time and materials should set a limit on the total amount not to exceed.
5. Assuring that local business establishments, small and minority businesses, local small-business establishments, business enterprises owned by honorably discharged veterans, and women's business enterprises are solicited whenever they are potential sources or could potentially be used as subcontractors.
6. When contracting for materials that contain the highest percentage of recovered materials practicable.

The foregoing Policy is hereby adopted by the Town of Shelburne Selectboard this 4th day of September, 2018 and is effective as of this date until amended or repealed.

Chairperson

