



Town of Charlotte

ESTABLISHED 1762

PURCHASING POLICY

PURPOSE

The purpose of this Purchasing Policy (“Policy”) is to create a process for purchasing goods and services that will increase efficiency, promote fairness, accountability and confidence, and provide necessary supplies and services in a timely and cost effective manner, while treating all vendors equitably.

NOTE: Define Policy Hereinafter referred to as “Policy”

NOTE: DEFINITIONS (?)

SECTION ONE: APPLICABILITY AND PURCHASE AUTHORIZATION

The following departments and officials are subject to this Policy: Selectboard, Town Clerk, Town Treasurer, Planning & Zoning Department, Constable, Board of Listers, Library (for purchases paid from town accounts), Recreation Commission, Recreation Coordinator, Conservation Commission, Senior Center (for purchases paid from town accounts), Trails Committee, Energy Committee, Affordable Housing Committee, Tree Warden, Charlotte Park Oversight Committee, and Cemetery Commission.

Department Heads (define) and Commission/Committee/Board Chairs shall act as the Purchasing Agent for Incidental and Regular Purchases (as defined below). Commission/Committee/Board Chairs may designate a Town employee to be the Purchasing Agent for Incidental and Regular purchases. The Selectboard Chair shall act as the Purchasing Agent for Major Purchases (as defined below). The Selectboard Chair may designate the Town Administrator to be the Purchasing Agent (“Designee”) for Major Purchases.

SECTION TWO: PURCHASE CATEGORIES

(a) INCIDENTAL PURCHASES (Under \$500)

Incidental Purchases may be purchased without a solicitation for bids or quotations. However, if practicable, quotations should be solicited.

(b) REGULAR PURCHASES (\$500 - \$5,000)

For Regular Purchases, Purchasing Agent may use the Competitive Solicitation Process described in Section Three, or the Bid Process described in Section Four. Purchasing Agent should maintain documentation of such purchases, such as a list of vendors contacted, copies of any written quotations received, vendor correspondence, a copy of the Purchase Agreement or Service Agreement, and invoices. If the Bid Process is used, a bid file should be maintained as describe in Section 4(I).

(c) MAJOR PURCHASES (Over \$5,000)

Major Purchases must comply with the Bid Process described in Section Four unless a sole source is approved by the Selectboard.

SECTION THREE: COMPETITIVE SOLICITATION PROCESS



35 Purchasing Agent must solicit quotes from at least two vendors unless the Selectboard has approved a sole source vendor.
36 Vendors, products and services will be selected based on cost, the quality of goods and services offered, and the ability,
37 capacity, and skill of the vendor as demonstrated by prior purchases by the Town or other customers.

38 **SECTION FOUR: BID PROCESS**

39 **SUBSECTION 4(A): REQUEST FOR BIDS/BID PACKAGE**

40 The bid process shall be initiated by the issuance of a request for bids and bid package prepared by the Purchasing Agent or
41 Designee. The bid package will include:

- 42 (a) A request for bids with project or product name, submission deadline, date, location and time of the bid opening,
43 product or service specifications including a description of the materials, equipment or services to be purchased, any
44 security requirement, and any other pertinent information.
- 45 (b) The amount budgeted for the purchase, and, if a routine purchase, the prior year's contractor and contract price.
- 46 (c) A statement indicating the right of the Town to reject any or all bids
- 47 (d) A request for three qualified references
- 48 (e) The Town's standard notification of insurance requirements of the Town.
- 49 (f) A bid form, which is to be submitted to the Purchasing Agent with the bid price and any other information requested
50 by the Town.
- 51 (g) A code of conduct (if relevant).
- 52 (h) The Town's tax exempt form (tax ID number redacted).

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54 Whenever feasible, requests for bids should require materials and labor to be listed separately and itemized.

55 Pre-bid meetings shall be held for Major Purchases unless waived by the Selectboard; the date, time and location of such
56 meetings shall be noted in the request for bids. For Major Purchases, the bid package shall be reviewed by the Selectboard
57 prior to advertising and distribution to prospective bidders.

58 **SUBSECTION 4(B): ADVERTISING**

59 Requests for bids shall be advertised in the newspaper(s) of record and in any other appropriate media at least two weeks
60 prior to the submission deadline. The notice shall include the deadline and location for bid submissions and information on
61 how to obtain bid package. **SUBSECTION 4(C): BID SUBMISSION**

62 All bids must be submitted in sealed envelopes addressed to the Town in care of the Selectboard or Designee, and plainly
63 marked with the name of the bid. Bid proposals will be date stamped on the outside of the envelope immediately upon
64 receipt. Bids may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the
65 time and date specified shall not be considered and shall be returned to the bidder unopened.

66 Bidders shall bid to the requested specifications, and any exceptions must be noted. Bidders shall sign the bid form, certifying
67 that the bid is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same work,
68 and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or
69 firm.

70 **SUBSECTION 4(D): BID OPENING**

71 Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Selectboard or
72 Designee at a Selectboard meeting. The bid opening will include the name and address of bidder; for lump sum contracts, the
73 lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total. The
74 Selectboard or Designee may analyze bids after the bid opening, and may select the winning bid or reject all bids at another
75 public meeting.

76 **SUBSECTION 4(E): CRITERIA FOR BID SELECTION**



Town of Charlotte

ESTABLISHED 1762

77 In evaluating bids, the Selectboard may consider the following criteria:

- 78 • Price
- 79 • Bidder's ability to perform within the specified time limits
- 80 • Bidder's experience and reputation, including past performance for the Town
- 81 • Quality of the materials and services specified in the bids
- 82 • The match between the specifications requested and the specifications proposed in the bid
- 83 • Bidder's ability to meet other terms and conditions, including insurance and bond requirements
- 84 • Bidder's availability to provide future service, maintenance, and support
- 85 • Nature and size of bidder
- 86 • Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or
- 87 service
- 88

89 The Selectboard reserves the right in its sole discretion to reject any and all bids, wholly or in part, to waive any informalities
90 or immaterial irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate
91 with any bidder (Peter requested that this be deleted; however, a possible use would be if all bids are over budget, the project
92 scope could be reduced and Selectboard could negotiate price reduction accordingly; also, some funders requires "value
93 engineering"), and to make an award which in its sole and absolute judgment will best serve the Town's interest. The
94 Selectboard and Designee reserve the right to investigate the financial responsibility of any bidder to determine his or her
95 ability to assure service throughout the term of the contract.

96 **SUBSECTION 4(F) BID ACCEPTANCE**

97 The Selectboard will select a bid, or reject all bids, at a public meeting. Following bid selection, the Selectboard or Designee
98 will create a Purchase Agreement or Service Agreement, which shall reference the request for bids, the winning bid price,
99 and other information as determined to be appropriate by the Selectboard and Designee.

100 **SUBSECTION 4(G): CHANGE OF SCOPE**

101 If specification changes are made prior to the close of the contract agreement of the bid process, the Request for Bids will be
102 amended and notice shall be sent to all bidders who already submitted a bid and to all prospective bidders. A new bid
103 process may be initiated.

104 **SUBSECTION 4(H): CHANGE ORDER**

105 Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard or Designee will prepare a
106 change order specifying the scope of the change. Once approved by the Selectboard and the contractor, the Town Purchasing
107 Agent and the contractor must sign the change order.

108 **SUBSECTION 4(I) BID FILES**

109 For major purchases bid files are to be maintained by the Selectboard or Designee for __ years. Files should include a copy
110 of the Request for Bids, the date or copies of bid advertisements, the list of bidders and bids received, the bid comparison or
111 analysis, any recommendations made to the Selectboard, copies of correspondence with bidders, and the Purchase Agreement
112 or Service Agreement and any other contract documents executed after award of the bid. Files may be maintained in paper or
113 electronic format.

114 **SECTION FIVE: EXCEPTIONS TO THE USE OF THE BID PROCESS**



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

117 **(a) Non-Competitive Vendor Selection**

118 Occasionally, a buyer is unable or chooses not to competitively bid the requirements. These situations are characterized as
119 sole or single source transactions.

120 **(1) Sole Source:**

121 No other vendor capable of fully meeting the requirements exists.

122 **(2) Single Source:**

123 Alternative vendors exist in the competitive market, but the buyer chooses to solicit a bid from only one particular vendor
124 because of technical requirements (precision, reliability) or past performance by other vendors (poor service, availability of
125 parts).

126 **(b) Sole Source Justification Guidelines:**

127 Buyers must fill out a Sole Source Selection Form and write a narrative justification for the non-competitive procurement.

128 This checklist is provided as a guideline to be used when writing your justification for a sole source procurement.

129 All documentation should be written clearly so that anyone reading it will understand the reason for the sole source
130 procurement.

131 At a minimum, each justification should contain sufficient facts and rationale to justify the use of the specific reason chosen
132 including:

- 133 i. Identification of the reason chosen that permits for other than full and open competition, and a background
134 statement that provides information that would assist the reader in understanding the history (e.g., funding
135 source, constraints, etc.) of the procurement
- 136 ii. a description of the supplies or services to meet the contract's or XYZs needs
- 137 iii. a demonstration that the proposed vendor/subcontractor's unique qualifications or the nature of the acquisition
138 requires use of the reason chosen and essential to the requirements
- 139 iv. a description of efforts made to ensure that offers were solicited from as many potential sources as is
140 practicable, and a determination that the pricing/costs are fair and reasonable
- 141 v. a description of the market research conducted and the results or a statement of the reason market research was
142 not conducted, and any other facts supporting the use of a sole source procurement
- 143 vi. a listing of the sources, if any, that expressed in writing an interest in acquisition.

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145 **(3) Emergency Purchases** -The Select Board may award contracts and make purchases for the purpose of meeting the
146 public emergency without complying with the bid process. Emergency expenditures may include immediate repair
147 or maintenance of town property, vehicles, or equipment if the delay in such repair or maintenance would endanger
148 persons or property or result in substantial impairment of the delivery of important Town services.

150 **SECTION SIX: RECEIPT AND INSPECTION**

151 The Purchasing Agent shall be responsible for the receipt, inspection and acceptance or rejection of incoming supplies and
152 equipment.

153 **SECTION SEVEN: PAYMENTS**

154 All invoices submitted to the Treasurer's Office will include the account to be charged, the amount to be paid, authorizing
155 signature by the Purchasing Agent and date of submittal. Purchasing Agents are encouraged to submit invoices for payment
156 within a timeframe that takes advantage of any discounts offered.



Town of Charlotte

ESTABLISHED 1762

157 **Note: Department Heads to submit bids to get discounts re: tax exempt status**

158 **SECTION EIGHT: GIFTS AND GRATUITIES**

159 Town officials and employees are expressly prohibited from soliciting or accepting any rebate, money or costly
160 entertainment, gift or gratuity more than \$ 25.00 from any person, company, firm or corporation to which any purchase order
161 or contract is, or might be awarded. The Town may terminate any contract or purchase order if there appears to be a conflict
162 between the personal interests of an employee and Officials and the interests of the Town. The Town may also take
163 disciplinary action, including dismissal, against a Town employee and Officials who solicits or accepts gifts or gratuities of
164 any value whatsoever.

165 **SECTION NINE: SURPLUS MATERIAL AND SALE OF TOWN PROPERTY**

166 The Purchasing Agent shall advise the Selectboard or Designee of any equipment or supplies which are not needed. The
167 Selectboard or Designee shall determine whether such items might be transferred to another department or sold.

168 **NOTE: AUDITOR PIDGEON TO REVISIT**

169 **SECTION TEN: CERTIFICATE OF INSURANCE**

170 THIS NEEDS REVISION BASED ON VLCT RECOMMENDATIONS. The Town of Charlotte requires all vendors that
171 provide personal services, i.e. labor for the Town to provide a valid certificate of Insurance that names the Town as an
172 additionally insured. Minimally, the Town requires \$ 500,000 per incident and \$ 1,000,000 overall coverage. Higher limits
173 may be required by the Selectboard, or Designee for high hazard exposures (for example, fireworks displays). Ensure the
174 Certificate of Insurance is valid for period of time the successful bidder performs the work. Besides informing vendors of the
175 Town's insurance requirements, it is not necessary to confirm insurance coverage when soliciting quotes or bids. Certificates
176 are required before any work can be performed.

177 Any sole proprietor(no employees) hired shall be required to sign a Non-Employee Work Agreement and will be required to
178 sign a Hold Harmless Agreement or provide a Certificate of Insurance for Workman's Comp. Contractors with employees
179 will need to provide a certificate of Insurance for Workman's Comp.

180 **NOTE: Selectboard has the discretion to waive**

181
182 **Be it enacted by the Select Board of the Town of Charlotte, Vermont – 05445:**

183 The foregoing Policy is hereby adopted by the Select Board of the Town of Charlotte, Vermont, this ##th day of April 2015
184 and is effective as of this date until amended or repealed.

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Chairperson

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3/23/2015INTRODUCED Warned Meeting

3/30/2015AMENDED Special Warned Meeting Selectboard and Town Auditors

Town of Charlotte

ESTABLISHED 1762

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