



Town of Charlotte

ESTABLISHED 1762

PURCHASING POLICY

PURPOSE

The purpose of this Purchasing Policy (“pPolicy”) 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

~~When making any purchase not subject to the bid process described below Department Heads must solicit quotes from at least two vendors unless the Select Board has approved a sole source vendor. Vendors will be selected based on cost, the quality of the goods and services offered, and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the Town or demonstrated past performance of the vendor. 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: PURCHASES CATEGORIES

~~Designee as defined by Selectboard~~

(a) INCIDENTAL PURCHASES (Under \$500)

Incidental pPurchases may be purchased without a solicitation for bids or quotations. However, if practicable, quotations should be solicited. ~~The Department Heads shall act as the purchasing agent(s) for incidental purchases.~~

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

For Regular pPurchases, Purchasing Agent may use the eCompetitive sSolicitation Process described in Section Three, or the Competitive Bid pProcess described in Section Four. and overseen by the relevant or Department Head who shall act as the designee for regular purchases. or Department Head. Bids should be sought from at least three vendors unless a sole source is approved, by the Select Board.

~~Town bid files do not need be maintained for regular purchases. T Department Heads~~Purchasing Agent should maintain ~~sufficient~~ documentation of such purchases, such as. ~~Documentation shall include~~ a list of vendors contacted, copies of any



36 written quotations received, vendor correspondence, ~~and~~ a copy of the Purchase Agreement or Service Agreement, and
37 invoices. If the Bid Process is used, a bid file should be maintained as describe in Section 4(I).

38
39 **(c) MAJOR PURCHASES (Over \$5,000)**

40
41 Major ~~p~~Purchases must comply with the ~~Town b~~Bid ~~p~~Process- ~~described in Section Four. Selectboard or Designee is the~~
42 ~~agent major purchases.. Bids or quotations shall be sought from at least three vendors unless a sole source is approved by~~
43 ~~the Selectboard.~~

44 **SECTION THREE: COMPETITIVE SOLICITATION PROCESS**

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

48 **SECTION ~~THREE~~FOUR: BID PROCESS**

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

50 ~~Regular purchases over \$500 the bid process is optional, for Major purchases, \$5,000 or more, shall be subject to a bid~~
51 ~~process.~~The bid process shall be initiated by the issuance of a request for bids and bid package prepared by the ~~Select Board,~~
52 ~~or Designee~~Purchasing Agent or Designee's approval. The Bbid package will include:

- 53 ~~1. A request for bids with Bid project or product name, submission deadline, and date, location and time of the bid~~
54 ~~opening.~~
- 55 ~~(a) product or service S~~specifications ~~shall include~~ing a description of the ~~supplies,~~ materials, equipment or services to
56 be purchased, any security requirement, and any other pertinent information.
- 57 ~~(d).~~
- 58 ~~(b) Specifications for the project or services shall clearly specify the bid and bid name, a bid comparison sheet,~~
59 ~~reference check, t~~The amount budgeted for the purchase amount, and, ~~If a routine bid purchase, the prior year's~~²
60 ~~contractor and contract price.~~
- 61 ~~(e) and any other pertinent information requested.~~
- 62 ~~(c) Specifications shall include a~~ statement indicating ~~n anti-collusion provision,~~ the right of the Town to reject any or
63 all bids,
- 64 ~~(d) a~~ request for three qualified references, ~~and~~
- 65 ~~(e) t~~The Town's standard ~~format for notifying bidders~~notification of ~~the~~ insurance requirements of the Town.,
- 66 ~~(f) A bid form, which is to be submitted to the Purchasing Agent with the bid price and any other information requested~~
67 ~~by the Town.~~
- 68 ~~(g) A code of conduct (if relevant).~~
- 69 ~~(f) The Town's tax exempt form (tax ID number redacted).~~
- 70 ~~(h)~~

71
72 Whenever possible feasible, on routine major purchases requests for bids should, bids should be advertised with require
73 materials and labor to be calculated listed separately and itemized.

74 ~~2. Pre-bid meetings shall be held for Major Purchases unless waived by the Selectboard; the date, time and location of such~~
75 ~~meetings shall be noted in the request for bids. For major purchases, the specifications shall be reviewed by the Select Board~~
76 ~~prior to advertising and distribution to suppliers.~~

77 ~~3. 6. Bid Packages will include a code of conduct~~

78 ~~4. For m~~Major ~~p~~Purchases, the specifications bid package shall be reviewed by the Select Bboard prior to advertising and
79 distribution to suppliers prospective bidders.



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81 ~~subsection 3(a):~~SUBSECTION 4(B): **ADVERTISING**

82 Requests for ~~B~~ids shall be advertised ~~over a two week period~~ in ~~the~~ newspaper(s) of ~~general circulation~~record and in any
83 other appropriate media ~~at least two weeks prior to the submission deadline, to be determined by the Selectboard.~~ The
84 ~~invitation for bid~~notice shall include the ~~deadline and location for bid submissions and time and place for receiving and~~
85 ~~opening of sealed bids,~~ information on how to obtain bid ~~specification and bid forms~~package, or the request for proposal.
86 ~~Whenever possible, on routine major purchases, bids should be advertised with materials and labor calculated separately.~~

87 ~~Note solicit bids from prior sourced goods~~

88 ~~Pre bid or pre proposal meetings shall be held for complex purchases or projects unless waived by the Selectboard and shall~~
89 ~~be noted in the invitation to bid.~~

90 ~~Subsection 3(b)~~SUBSECTION 4(C): **BID SUBMISSION**

91 All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, or ~~d~~Designee, and plainly
92 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
93 envelope immediately upon receipt. Bids may be withdrawn in writing prior to the scheduled time for the opening of bids.
94 Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

95 Bidders shall bid to the requested specifications, and any exceptions must be noted. ~~A bidder submitting a bid~~Bidders thereby
96 shall sign the bid form, certifiesing that the bid is made in good faith without fraud, collusion, or connection of any kind
97 with any other bidder for the same work, and that the bidder is competing solely on his/her behalf without connection with or
98 obligation to any undisclosed person or firm.

99 ~~Subsection 3(c)~~SUBSECTION 4(D): **BID OPENING**

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

105 ~~Subsection 3(d)~~SUBSECTION 4(E): **CRITERIA FOR BID SELECTION**

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

107 ~~—~~Price

108 ●

109 ● Bidder's ability to perform within the specified time limits

110 ● Bidder's experience and reputation, including past performance for the Town

111 ● Quality of the ~~bill of~~ materials and services specified in the bids

112 ● The match between the specifications requested and the specifications proposed in the bid

113 ● ~~_____~~ Bidder's ability to meet other terms and conditions, including insurance and bond requirements

114 ● Bidder's availability to provide future service, maintenance, and support

115 ● Nature and size of bidder

116 ● Any other factors that the ~~approving authority~~Selectboard determines are relevant and appropriate in connection
117 with a given project or service



118
119 The Selectboard ~~or Designee~~ reserves the right at-in its sole discretion to reject any and all bids, wholly or in part, to waive
120 any informalities or immaterial any irregularities therein, to accept any bid even though it may not be the lowest bid, to call
121 for rebids, to negotiate with any bidder (Peter requested that this be deleted; however, a possible use would be if all bids are
122 over budget, the project scope could be reduced and Selectboard could negotiate price reduction accordingly; also, some
123 funders requires "value engineering"), and to make an award which in its sole and absolute judgment will best serve the
124 Town's interest. The Selectboard ~~or and~~ Designee reserves the right to investigate the financial responsibility of any bidder to
125 determine his or her ability to assure service throughout the term of the contract.

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

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

130 ~~Subsection 3(f)~~ **SUBSECTION 4(G): CHANGE of OF SCOPE**

131 If specification changes are made prior to the close of the contract agreement of the bid process, the Request for Bids will be
132 amended and notice shall be sent to any all bidders who already submitted a bid and to all prospective bidders, and a new
133 bid process may be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the
134 Selectboard or Designee will prepare a change order specifying the scope of the change. Once approved, the contractor and
135 an authorized agent of the Town must sign the change order.

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

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

140 ~~Subsection 3(e)~~ **SUBSECTION 4(I) BID FILES**

141 For major purchases bid files are to be maintained by the Selectboard or Designee for ___ years. These ffiles for major
142 purchases should include a copy of the invitation to Bid and the Bid Specifications Request for Bids, a list of bidders, the date
143 or copies of any bid advertisements run, the actual list of bidders and bids received, the bid comparisons or analysis,
144 and/or any recommendations made to the Selectboard member, copies of correspondence with bidders, and the any contact
145 documents Purchase Agreement or Service Agreement and any other contract documents completed executed for after award
146 of the bid. Files may be maintained in paper or electronic format.

147 ~~Subsection 3(f):~~ **CHANGE of SCOPE**

148 If specification changes are made prior to the close of the contract agreement of the bid process, the Request for Bids will be
149 amended and notice shall be sent to any bidder who already submitted a bid and a new bid process may be initiated. Once a
150 bid has been accepted, if changes to the specifications become necessary, the Selectboard or Designee will prepare a change
151 order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the
152 change order.

153 **SECTION FOUR FIVE: EXCEPTIONS TO THE USE OF THE BID PROCESS**

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

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



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

159 **(1) Sole Source:**
160 No other vendor capable of fully meeting the requirements exists.

161 **(2) Single Source:**
162 Alternative vendors exist in the competitive market, but the buyer chooses to solicit a bid from only one particular vendor
163 because of technical requirements (precision, reliability) or past performance by other vendors (poor service, availability of
164 parts).

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

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

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

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

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

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

183
184 ~~(3) Waiver of Bids—The Selectmen may waive the bid process or approve a sole source solicitation for purchases
185 when they deem it to be in the best interests of the Town. Sole source solicitations should be reviewed by the Select
186 Board to determine that the price offered is fair and reasonable or that there is only one manufacturer/supplier of the
187 item to be purchased.~~

188 ~~(4)~~(3) **Emergency Purchases** -The Select Board may award contracts and make purchases for the purpose of
189 meeting the public emergency without complying with the bid process. Emergency expenditures may include
190 immediate repair or maintenance of town property, vehicles, or equipment if the delay in such repair or maintenance
191 would endanger persons or property or result in substantial impairment of the delivery of important Town services.
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193

194 SECTION ~~FIVE~~SIX: RECEIPT AND INSPECTION

195 The ~~ordering Department Head or designee~~ Purchasing Agent shall ~~ultimately~~ be responsible for the receipt, inspection and
196 acceptance or rejection of incoming supplies and equipment.

197 SECTION ~~SIX~~SIXSEVEN: PAYMENTS



198 All invoices ~~turned into~~submitted to the Treasurer's Office will include the account to be charged, the amount to be paid,
199 authorizing signature by the ~~Department Head, or designee~~Purchasing Agent and date of ~~approval~~submittal. Purchasing
200 Agents are encouraged to submit invoices for payment within a timeframe that takes advantage of any discounts offered.

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

202 **SECTION SEVENEIGHT: GIFTS AND GRATUITIES**

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

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210
211 **SECTION EIGHTNINE: SURPLUS MATERIAL AND SALE OF TOWN ~~PERSONAL~~**
212 **PROPERTY**

213 The ~~Department Head~~Purchasing Agent shall advise the Selectboard, or Designee ~~in writing~~ of any equipment or supplies
214 which are not needed. The Selectboard, or Designee shall determine whether such items might be transferred to another
215 department ~~for their use~~ or sold.

216 **NOTE: AUDITOR PIDGEON TO REVISIT**

217 **SECTION NINETEN: CERTIFICATE OF INSURANCE**

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

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

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

229
230 **Be it enacted by the Select Board of the Town of Charlotte, Vermont – 05445:**

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

233



3/23/2015INTRODUCED Warned Meeting

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

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Chairperson

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