



Town of Charlotte

ESTABLISHED 1762

PURCHASING POLICY

Edit from SB meeting 6/15/15—updated by Dean

Prior Updates:

3/23/15 (Introduced)

3/30/15

4/20/15

4/28/15

5/5/15

5/12/15

5/18/15

5/19/15

Sullivan, Powers' suggested edits

PURPOSE

The purpose of this Purchasing Policy (“Policy”) is to create a process for purchasing goods and services promoting efficiency, consistency, fairness, accountability and confidence, while allowing necessary supplies and services to be provided in a timely and cost effective manner, treating all vendors equitably. This Policy shall apply to all purchases of goods and services by the Town of Charlotte, Vermont except where conditions of state or federal funding, grants, gifts or bequests dictate otherwise.

SECTION I: DEFINITION

PURCHASING AGENT: The Purchasing Agent shall be the Selectboard, a department head, or a commission/committee/board chairperson. The Purchasing Agent may delegate their authority to a designee.

SECTION II: PURCHASE CATEGORIES

A) INCIDENTAL PURCHASE

1. Incidental Purchase Definition: a good or service costing less than \$1,000.
2. An Incidental Purchase may be made by a Purchasing Agent without a solicitation for bids or quotations. However, if practicable, quotations are encouraged.

B) REGULAR PURCHASE

1. Regular Purchase Definition: a good or service costing \$1,000 - \$5,000.
2. For Regular Purchases, the Purchasing Agent or designee shall use either the Competitive Solicitation Process (Section III) or the Bid Process (Section IV), unless a single source has been approved by the Selectboard (Section V).

C) MAJOR PURCHASE

- 42 1. Major Purchase Definition: a good or service costing over \$5,000.
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- 44 2. For Major Purchases, the Selectboard shall act as the Purchasing Agent. The Selectboard may
- 45 designate another Town official or employee to be the Purchasing Agent (i.e. Designee).
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- 47 3. Major Purchases may only be made by the Selectboard and must comply with the Bid Process
- 48 (Section IV) unless a single source has been approved by the Selectboard (Section V) or is on the
- 49 Preferred Vendor List.
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51 **SECTION III: COMPETITIVE SOLICITATION PROCESS**

- 52 **A)** The Purchasing Agent shall solicit quotes from at least three vendors. Vendors, goods and services will
- 53 be selected based on the quality of goods and services offered, and the ability, capacity, price and skill of
- 54 the vendor as demonstrated by prior purchases by the Town or other customers.
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- 56 **B)** The Purchasing Agent shall maintain documentation of such purchases, including: a list of vendors
- 57 contacted, copies of all quotes, vendor correspondence, and a copy of any agreement.
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59 **SECTION IV: BID PROCESS**

60 **A) REQUEST FOR PROPOSALS**

- 61 1. The bid process shall be initiated by the issuance of a Request for Proposals and bid package prepared
- 62 by the Selectboard.
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- 64 2. The bid package will include:
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- 67 a. A Request for Proposals with project or product name, submission deadline, date, location and
- 68 time of the bid opening, product or service specifications including a description of the materials,
- 69 equipment or services to be purchased, any security requirement, notification of the Town's tax
- 70 exempt status, and any other pertinent information
- 71 b. A request for the price margin(s) over the wholesale materials cost(s) (if applicable)
- 72 c. A request for the hourly rate and mark-up percentage of materials for any additional work
- 73 d. A proposed payment schedule and a percent retention of the contract (if applicable)
- 74 e. A statement indicating the right of the Town to reject any or all bids
- 75 f. A request for three qualified references
- 76 g. Insurance requirements of the Town
- 77 h. A bid form (if applicable), which will provide places for bidders to enter their bid and all other
- 78 information requested by the Town
- 79 i. Vendor certification requirements (if applicable)
- 80 j. A code of conduct (if applicable).
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- 82 3. Pre-bid meetings shall be held for Major Purchases unless waived by the Selectboard; the date, time
- 83 and location of such meetings shall be noted in the Request for Proposals. For Major Purchases, the
- 84 bid package shall be reviewed by the Selectboard prior to advertising and distribution to prospective
- 85 bidders.
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87 **B) ADVERTISING**

89 Requests for Proposals shall be advertised in the newspaper(s) of record and in any other appropriate media at
90 least two (2) weeks prior to the submission deadline. The notice shall include: the submission deadline, the
91 location for bid submissions and information on how to obtain a bid package.

92 **C) BID SUBMISSION**

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- 94 1. All bids shall be submitted in sealed envelopes addressed to the Selectboard, and plainly marked with
95 the name of the project and bidder.
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- 97 2. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt, and
98 initialed by the receiver.
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- 100 3. Bids may be withdrawn by request (in writing) prior to the scheduled time for the opening of bids.
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- 102 4. Any bids received after the submission deadline shall not be considered and shall be returned to the
103 bidder unopened.
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- 105 5. Bidders shall bid to the requested specifications. Any exceptions shall be noted.
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- 107 6. Bidders shall sign the bid form, certifying that the bid is made in good faith without fraud, collusion,
108 or connection of any kind with any other bidder for the same work, and that the bidder is competing
109 solely on their behalf without connection with or obligation to any person or firm.

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111 **D) BID OPENING**

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113 Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Selectboard
114 or designee at a Selectboard meeting. The bid opening will include the name and address of bidder; for lump sum
115 contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each
116 item and the total.

117 **E) CRITERIA FOR BID SELECTION**

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- 119 1. In evaluating bids, the Selectboard may consider the following criteria:
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- 121 a. Price
- 122 b. Bidder's schedule for completion and ability to perform within the specified time limit(s)
- 123 c. Bidder's experience and reputation, including past performance for the Town
- 124 d. Quality of the materials and services specified in the bid
- 125 e. The match between the specifications requested and the specifications proposed in the bid
- 126 f. Bidder's ability to meet other terms and conditions, including insurance and bond requirements
- 127 g. Bidder's availability to provide future service, maintenance, and support
- 128 h. Capacity of bidder
- 129 i. Any other factors the Selectboard determines are relevant and appropriate in connection with a
130 given project, service or product.
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- 132 2. The Selectboard reserves the right to investigate the financial responsibility of any bidder to
133 determine their ability to assure service throughout the term of the contract.
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3. The Selectboard reserves the right in its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or immaterial irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, and to make an award which in its sole and absolute judgment will best serve the Town's interest.
 4. Bid selection is to occur at a subsequent meeting following the bid opening.

143 **F) CHANGE OF SCOPE**

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1. If specification changes need to be made prior to the deadline for submission of bids, the Request for Proposals will be amended and notice shall be sent to all bidders who already submitted a bid and to all prospective bidders known to have obtained a bid package, and the notice shall be advertised (Section V, subsection B). A new bid process may be initiated.
 2. If specification changes need to be made after the deadline for submission of bids (e.g. all bids are higher than the budget for a project or purchase,) but before any award is made, the Selectboard may request updated bids from all bidders who submitted a timely bid, or initiate a new bid process.

154 **G) AGREEMENT**

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156 Following bid selection, a contract or letter of agreement will be obtained or created which shall reference the
157 Request for Proposals, the winning bid price, and other information as determined to be appropriate by the
158 Selectboard, to be signed by the Selectboard and contractor/vendor.

159 Additional requirements related to any procurements utilizing Federal grant funds:

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- Prohibits the award of a subaward, covered contract, or any other covered agreement for program administration, goods, services, or any other program purpose with any suspended or debarred party; and
 - Requirements staff to obtain certificates from entities receiving subawards (contract and subcontract) over \$25,000, certifying that the organization and its principals are not suspended or debarred.
 - Procedures are established to verify that vendors have not been suspended or disbarred from federal procurements or contracts, as appropriate.
 - Efforts shall be made to utilize small business, minority – owned firms and women's business enterprise, whenever possible.

169 BUY AMERICAN. Preference may be given to the purchase of products and services that are produced,
170 grown, or manufactured in the United States if it is priced no more than 6 percent higher than the bid or
171 offered price of the nondomestic material, including all costs of delivery, and any applicable duty,
172 whether or not assessed. Costs would be based on those in effect on the date of opening bids on
173 proposals.
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175 **H) CHANGE ORDER**

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177 Once a bid has been accepted, if changes become necessary, a change order will be prepared describing the
178 change(s) and the associated cost(s). The Selectboard and the selected bidder will sign the change order upon
179 agreement.

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D) BID FILES

Bid files are to be maintained by the Selectboard. Files should include a copy of the Request for Proposals, the date and copies of bid advertisements, the list of bidders and bids received, the bid comparison or analysis, any recommendations made to the Selectboard, copies of correspondence with bidders, and the agreement and any other contract documents executed after award of the bid. Files may be maintained in paper or electronic format.

SECTION V: EXCEPTIONS TO THE USE OF THE BID PROCESS

A) The Selectboard may waive the bid process for Major Purchases and authorize the purchase from a single source under the following circumstances:

1. **SOLE SOURCE:** No other vendor exists capable of fully meeting the Town's bid requirement(s).
2. **PREFERRED SOURCE:** Alternative vendors exist in the market, but the Selectboard prefers a particular vendor because of project requirements (precision, reliability, service, unique needs); a vendor's historical performance and/or extensive knowledge of the Town's need; or concerns about other vendors (lack of experience or history, poor service, lack of availability of parts).
3. **EMERGENCY PURCHASES:** The Selectboard may award or authorize contracts or make purchases for the purpose of meeting a public emergency without complying with the bid process. Emergency expenditures may include immediate repair of or maintenance to Town property, equipment or infrastructure if the delay in such repair or maintenance would endanger person(s) or property or result in substantial impairment of the delivery of important Town services.

B) In the event that the Selectboard authorizes use of a single source, the Purchasing Agent shall write a memo for the project file which includes the following as applicable:

1. A statement that provides information regarding the project or procurement (e.g., any unique requirements, nature of emergency, etc.) and identification of the reason(s) that the selection process does not include a bid process
2. A description of the proposed vendor's/contractor's unique qualifications
3. A description of efforts to solicit offers from other vendors and the results, or a statement describing the reason offers from other vendors were not solicited.

SECTION VI: RECEIPT AND INSPECTION

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

SECTION VII: PAYMENT

All invoices shall be submitted by the Purchasing Agent to the Treasurer's Office, and will be submitted with a duly executed IRS Form W-9. No payment will be made until an IRS Form W-9 is received.

The cost of goods and services received before June 30th shall be expensed to that fiscal year.

SECTION VIII: DEBIT/CREDIT CARD USE

225 The Town does not have any debit or credit card accounts, with the exception of a credit card account used by the
226 Charlotte Library.

227 The use of personal credit cards, cash or personal checks to make purchases for the Town is discouraged
228 unless no alternative exists. If reimbursement is necessary a receipt is mandatory.

229 **SECTION IX: LEASE PURCHASES**

230 The purchase or lease of any equipment, vehicles or materials which require periodic payments over the course of
231 one year or more shall be subject to all applicable provisions of this policy in accordance with the dollar values
232 set forth herein.

233 All lease purchase agreement shall contain a non-appropriation clause whereby the Town shall not be obligated
234 under the terms of the lease if the necessary funds are not appropriated at a future Town Meeting.

235 **SECTION X: MONITORING**

236 Monitoring is a process that assesses the quality control performance over time.

237 The Selectboard will periodically conduct independent reviews of procurements and contracting
238 activities to determine whether policies and procedures are being followed as intended.

239 **SECTION XI: GIFTS AND GRATUITIES**

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241 Town officials and employees are expressly prohibited from soliciting or personally accepting any rebate, money,
242 entertainment, gift or gratuity from any person, company, firm or corporation to which a purchase agreement or
243 service agreement is, or might be, awarded. The Selectboard may terminate an agreement if said agreement was
244 awarded due to consideration of the personal interests of the Purchasing Agent over the interests of the Town.
245 The Town may also take disciplinary action, including dismissal, against a Town employee who solicits gifts or
246 gratuities.

247 **SECTION XII: CERTIFICATE OF INSURANCE**

248 The Town of Charlotte requires all vendors that provide personal services, i.e. labor for the Town, to provide a
249 valid Certificate of Insurance that names the Town as an additionally insured. Minimally, the Town requires \$
250 500,000 per incident and \$ 1,000,000 overall coverage. Higher limits may be required by the Selectboard, or
251 Designee for high hazard exposures (for example, fireworks displays). The Certificate of Insurance shall be valid
252 for the period of time the successful bidder is performing the work. Other than informing vendors of the Town's
253 insurance requirements, it is not necessary to confirm insurance coverage when soliciting quotes or bids.
254 Certificates are required before any work can be performed.

255 Any sole proprietor (no employees) hired shall be required to sign a Hold Harmless Agreement and a Non-
256 Employee Work Agreement. Contractors with employees will need to provide a Certificate of Insurance for
257 Workers' Compensation.

258 If the insurance requirements of this Policy cannot be met, or if the Purchasing Agent is concerned that a vendor's
259 insurance coverage may be insufficient, the Purchasing Agent may request assistance from the Town's insurer to
260 determine the appropriate documents or insurance coverage.

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262 **SECTION X: ENACTMENT**

263 The foregoing Policy is hereby adopted by the Selectboard of the Town of Charlotte, Vermont, this 22nd day of
264 June, 2015 and is effective as of this date until amended or repealed.

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Chairperson

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