



Town of Charlotte

ESTABLISHED 1762

PURCHASING POLICY

PURPOSE

The purpose of this 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. ~~With all locally solicited bids, Charlotte owned businesses will be preferred. While treating all vendors equitably.~~

SECTION ONE: PURCHASE AUTHORIZATION

No purchases over \$2,000 shall be made by any Town official without prior approval of the Select Board. When making any purchase not subject to the bid process described below, ~~Town Supervisors or~~ supervisors 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.

~~SECTION TWO: PURCHASING AGENT~~

~~Select Board or Designee is the Purchasing Agent for purchases and will manage the bid process as follows:~~

- ~~1. Identify and disclose all potential conflicts of interest that could adversely affect the impartiality of the bid process and will acknowledge the disclosure and take action, if necessary, to remove or minimize the potential conflict.~~
- ~~2. Identify qualified vendors to be solicited for bids or proposals.~~
- ~~3. Recommend whether bids should be solicited locally, beyond the Town of Charlotte, or both.~~
- ~~4. Set our parameters for consideration of local preference~~
- ~~5. Identify potential problems; such as receiving bids from unqualified local vendors.~~

SECTION ~~THREE~~TWO: PURCHASES

(a) INCIDENTAL PURCHASES (Under ~~\$2,000~~\$500)

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

(b) REGULAR PURCHASES (~~-\$500 - \$4000~~Over \$2,000)

Regular purchases must be accompanied through competitive solicitation not necessarily through the competitive bid process and overseen by the relevant Town Supervisor or Department Head who shall act as the purchasing agent(s) for regular purchases. Regular purchases may be made through formal bid or written or verbal quotation at the discretion of the Town Supervisors 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. Town Supervisors and/or Department Heads should maintain sufficient documentation of such purchases. Documentation shall include a list of vendors contacted, copies of any written quotations received ~~or notes on any verbal quotations received~~, vendor correspondence and a copy of the purchase order.



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(c) MAJOR PURCHASES (Over \$4,000)

Major purchases must comply with the Town bid process ~~and shall be overseen by the Select Board, or designee~~Selectboard or Designee is the purchasing agent for major purchases. Bids or quotations shall be sought from at least three vendors unless a sole source is approved.

SECTION ~~FOUR~~THREE BID PROCESS

Regular purchases over ~~\$2,000~~\$500 the bid process is optional, for Major purchases, \$4,000 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 Select Board, or Designee's approval. Bid process will include:

1. Bid name, submission deadline and date, location and time of bid opening.
2. Specifications shall include a description of the supplies, materials, equipment or services to be purchased.
3. Specifications for the project or services shall clearly specify the bid and bid ~~number~~name, a bid comparison sheet, reference check, the budgeted amount, if a routine bid, the prior years' contractor and contract price, and any other pertinent information requested.
4. Specifications shall include an anti-collusion provision, the right of the Town to reject any or all bids, a request for three qualified references, and the Town's standard format for notifying bidders of the insurance requirements of the Town.
5. For major purchases, the specifications shall be reviewed by the Select Board prior to advertising and distribution to suppliers.

~~SECTION THREE, SUBSECTION TWO: PURCHASE ORDERS AND REQUISITION FORMS~~

~~(A) Incidental Purchases~~

~~(1) Incidental Purchase requisitions should be completed for the purchase of consumable goods or of no more than \$2000.00. Purchase requisitions must be approved by the appropriate Department Head or designee. The original copy should go to the vendor as confirmation of the order. A second copy should be retained by the department placing the order for its records. A third copy should be sent to the designated Purchasing Agent to Maintain records of the Town.~~

~~(B) Regular and Major Purchases~~

~~(1) Should be completed for the purchase of consumable goods or in excess of \$2000.00. Purchase Order Numbers will be assigned within accordance of the Towns Administrative functions and approved by the Town Clerk. Town Supervisors should complete purchase orders for regular purchases submitted together with a summary of any bids or quotations received to the Town Manager or his/her designated Purchasing Agent. All appropriate contract documents for major purchases shall be completed by the Town Clerk.~~

~~The original purchase order copy should go to the vendor as confirmation of the order. A second copy should be retained by the department placing the order for its records. A third copy will be used as a receiving copy and should be forwarded to the Town Treasurer when the goods are received to the department's satisfaction a fourth copy to the Town Clerk to maintain records of the Town, provided the item(s) purchased meets the definition of fixed asset. Voided or cancelled purchases orders should be appropriately labeled and the designated purchasing agent notified. If the order has already been placed with the vendor, then the Treasurer should also be notified. In the event of a change order, a new purchase order should be completed and approved by the Select Board or Designee.~~

~~For supplies, materials, equipment or services listed as exceptions to these administrative procedures in Section 19 below, Town Supervisors may use the purchase orders typically used for incidental purchases as outlined in subsection B of Section 11.~~

SECTION FOUR: ADVERTISING



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86 Invitations for Bid shall be advertised over a two week period in a paper of general circulation and in any other
87 appropriate media, to be determined by the Selectboard. The invitation for bid shall include the time and place for
88 receiving and opening of sealed bids, information on how to obtain bid specification and bid forms, or the request for
89 proposal. Whenever possible, on routine major purchases, bids should be advertised with materials and labor
90 calculated separately.

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

93 SECTION FOURFIVE: BID SUBMISSION

94 All bids must be submitted in sealed envelopes, addressed to the Town in care of the ~~Town Administrator~~ Selectboard, and
95 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
96 the envelope immediately upon receipt. Bids may be withdrawn in writing prior to the scheduled time for the opening of
97 bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

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

101 SECTION FIVESIX: BID OPENING

102 Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Select Board or
103 Designee at a Select Board meeting. The bid opening will include the name and address of bidder; for lump sum contracts,
104 the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total and the
105 certificate of insurance.

106 SECTION SIXSEVEN: CRITERIA FOR BID SELECTION

107 In evaluating bids, the Select Board will consider the following criteria:

108 ~~1.~~ 1. *Price.

109 ~~2.~~ 2. *Bidder's ability to perform within the specified time limits.

110 ~~3.~~ 3. *Bidder's experience and reputation, including past performance for the Town.

111 ~~4.~~ 4. *Quality of the bill of materials and services specified in the bid.

112 ~~5.~~ 5. *Bidder's ability to meet other terms and conditions, including insurance and bond requirements.

113 ~~6.~~ 6. *Bidder's financial responsibility.

114 ~~7.~~ 7. *Bidder's availability to provide future service, maintenance, and support.

115 ~~8.~~ 8. *Nature and size of bidder.

116 ~~9.~~ 9. *Any other factors that the approving authority determines are relevant and appropriate in connection with a given
117 project or service.

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



124 | **SECTION SEVENEIGHT: BID FILES**

125 | For major purchases bid files are to be maintained by the Select Board or Designee. These files for major purchases should
126 | include a copy of the invitation to Bid and the Bid Specifications, a list of bidders, the date or copies of any advertisements
127 | run, the actual bids received, the bid comparisons, and/or recommendations made to the Selectman, copies of correspondence
128 | with bidders and any contact documents completed for award of the bid.

129 | **SECTION EIGHTNINE: NEGOTIATIONS**

130 | Negotiations with a vendor or vendors may be deemed in the best interest of the Town

131 | **~~SECTION NINE: ADVERTISING~~ moved this to SECTION FOUR**

132 | ~~Invitations for Bid shall be advertised over a two week period, in the Charlotte News, The Citizen, and posted on Front Porch~~
133 | ~~Forum and Town Hall. The Select Board, or designee shall determine the final. The invitation for bid shall include the time~~
134 | ~~and place for receiving and opening of sealed bids, and information on how to obtain bid specification and bid forms, or the~~
135 | ~~request for proposal. Whenever possible, on routine major purchases, bids should be advertised with materials and labor~~
136 | ~~calculated separately.~~

137 | **SECTION TEN: CHANGE ORDERS**

138 | If specification changes are made prior to the close of the bid process, the Request for Bids will be amended and notice shall
139 | 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
140 | changes to the specifications become necessary, the Select Board or Designee will prepare a change order specifying the
141 | scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

142 | **SECTION ELEVEN: EXCEPTIONS TO THE USE OF THE BID PROCESS**

143 | **Sole Source Purchases.** If the ~~Town Administrator~~Selectboard determines that there is only one possible source for a
144 | proposed purchase, ~~it~~the Selectboard may waive the bid process and authorize the purchase from the sole source.

145 | **Recurring Purchases.** If the total value of a recurring purchase of a good or service is anticipated to exceed \$4,000
146 | during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. **Once a bid**
147 | **has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such**
148 | **time as the Purchasing Committee votes to initiate a new bid process.**

149 | **SECTION TWELVE: RECEIPT AND INSPECTION**

150 | ~~The ordering Supervisor shall ultimately be responsible for the receipt, inspection and acceptance or rejection of incoming~~
151 | ~~supplies and equipment. For purchases over \$2000.00, when any or all items on the purchase order have been received,~~
152 | ~~inspected and accepted, the receiving copy of the purchase order should be initialed and forwarded to the Treasurer. When~~
153 | ~~purchases of over \$ 2000.00 are not acceptable, the department shall forward the receiving copy of the purchase order to the~~
154 | ~~designated purchasing agent with the reason for rejection stated thereon. The purchasing agent will then determine the~~
155 | ~~appropriate action to be taken. The ordering Town Supervisor or Department Head shall ultimately be responsible for the~~
156 | ~~receipt, inspection and acceptance or rejection of incoming supplies and equipment.~~

157 | **SECTION THIRTEEN: PAYMENTS**

158 | ~~The Select Board, or Designee or appropriate Supervisor must approve all invoices before payment by the Treasurer. All~~
159 | ~~invoices turned into the Treasurer's Office will indicate the account to be charged, the amount to be paid, authorizing~~
160 | ~~signature by the Town Supervisors or Department Head, and date of approval.~~



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162 ~~SECTION FOURTEEN: GIFTS AND GRATUITIES~~

163 Town employees are expressly prohibited from soliciting or accepting any rebate, money or costly entertainment, gift or
164 gratuity more than \$ 15.00 from any person, company, firm or corporation to which any purchase order or contract is, or
165 might be awarded. The Town may terminate any contract or purchase order if there appears to be a conflict between the
166 personal interests of an employee and the interests of the Town. The Town may also take disciplinary action, including
167 dismissal, against a Town employee who solicits or accepts gifts or gratuities of any value whatsoever.

168 SECTION FIFTEEN: SURPLUS MATERIAL AND SALE OF TOWN PERSONAL 169 PROPERTY

170 The supervisor shall advise the Select Board, or Designee in writing of any equipment or supplies which are not needed. The
171 Select Board, or Designee shall determine whether such items might be transferred to another department for their use or
172 sold. Only the Select Board, or Designee is authorized to approve the sale of unused property. Whenever possible, surplus
173 equipment or supplies should be sold on a competitive basis.

174 ~~SECTION SIXTEEN: PROHIBITED VENDORS/CONTRACTORS~~

175 ~~No vendor or contractor may be selected that owns, uses, or occupies for business purposes property in the Town that is in
176 violation of any provisions pertaining to the use and occupancy of the property, after notice from the Town Administrator or
177 other town official with jurisdiction as to a violation and a reasonable opportunity to bring the property into compliance.~~

178 SECTION SEVENTEEN: CERTIFICATE OF INSURANCE

179 The Town of Charlotte requires all vendors that provide personal services, i.e. labor for the Town to provide a valid
180 certificate of Insurance that names the Town as an additionally insured. Minimally, the Town requires \$ 500,000 per incident
181 and \$ 1,000,000 overall coverage. Higher limits may be required by the Select Board, or Designee for high hazard exposures
182 (for example, fireworks displays). Insure the Certificate of Insurance is valid for period of time the successful bidder
183 performs the work. Besides informing vendors of the Town's insurance requirements, it is not necessary to confirm
184 insurance coverage when soliciting quotes or bids. Certificates are required before any work can be performed.

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

188 All insurance documentation should be submitted to the Treasurer's Office, along with a W-9 before payment for any service,
189 contract, etc. will be made.

190 SECTION EIGHTEEN: EXCEPTIONS

191 (1) **Waiver of Bids** – The Selectmen may waive the bid process or approve a sole source solicitation for purchases
192 when they deem it to be in the best interests of the Town. Sole source solicitations should be reviewed by the Select
193 Board to determine that the price offered is fair and reasonable or that there is only one manufacturer/supplier of the
194 item to be purchased.
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(2) Emergency Purchases -The Select Board may award contracts and make purchases for the purpose of meeting the public emergency without complying with the bid process. 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.

~~The Selectmen shall be notified of all purchases of over \$ 2,000 made under this emergency clause within 24 hours of the transaction. Select Board, Town Clerk, Fire Chief, Emergency Management Coordinator, Director of the Highway Department.~~

(3) 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, and insurance services.

SECTION NINETEEN: ENACTMENT

This policy shall supersede and replace any and all previously adopted policies pertaining to municipal purchases that may have been in effect prior to the effective date of this policy as noted below

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

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

Chairperson



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