

1 **TOWN OF CHARLOTTE, VERMONT**  
2 **PURCHASING POLICY**

3 **(JRSC DRAFT 4/15/15 with further edits from the Auditors' meeting on 4/15/15.)**  
4

5 **PURPOSE**

6 The purpose of this policy is to create a process for purchasing goods and services that will  
7 increase efficiency, promote fairness, accountability and confidence, and provide necessary  
8 supplies and services in a timely and cost effective manner, while treating all vendors equitably.

9 **APPLICATION**

10 This policy shall apply to all purchases of goods and services by the Town of Charlotte, Vermont  
11 except where conditions of state or federal funds, or conditions of a grant, gift or bequest  
12 mandate otherwise.

13 Except where Vermont law dictates otherwise, The Policy applies to purchases made by Town  
14 departments, and boards and committees that oversee the management of Town properties and  
15 other assets.

16 ~~Vermont law provides that library trustees have full power to manage the public library, make  
17 bylaws, elect officers, establish library policies and receive, control, and manage property which  
18 shall come into the hands of the municipality by gift, purchase, devise or bequest for the use and  
19 benefit of the library. The trustees have the authority to write orders to the treasurer on the  
20 library accounts, and to decide how the money is to be spent within the context of the budget  
21 adopted at town meeting.~~

22 **PURCHASE AUTHORIZATION**

23 Department heads, and chairpersons acting on behalf of Town boards and committees shall  
24 assure compliance with this Policy and may act as Authorized Purchasing Agents.

25 (Needs further work.)  
26

27 **PURCHASE CATEGORIES**

28 The Town shall seek the best quality products and/or services at the lowest possible price in the  
29 most convenient manner. In so much as possible, cooperation among departments to make bulk  
30 purchases for office supplies and commonly used materials will be encouraged. Seeking bids or  
31 quotes for multiple purchases, and maintaining a “preferred vendors list” may increase efficiency  
32 and reduce costs.

33 (a) **INCIDENTAL PURCHASES (Under \$500)**  
34

35 Incidental purchases may be made by Authorized Purchasing Agents without a solicitation  
36 for bids or quotations. However, if practicable, quotations should be solicited. Vendors will  
37 be selected based on cost, the quality of the goods and services offered, and the ability,  
38 capacity, and skill of the vendor, demonstrated under prior contracts with the Town or  
39 ~~demonstrated~~ past performance of the vendor.

40 **(b) REGULAR PURCHASES (\$500 - \$5000)**

41  
42 ~~Purchases of \$2,000 or more require prior approval of the Select Board. (This needs further~~  
43 ~~discussion. \$500 may be too low for Incidental Purchases. Feedback from departments will~~  
44 ~~help determine what is manageable.)~~

45 Regular purchases may be made by Authorized Purchasing Agents using competitive  
46 solicitation of bids or quotes or the formal bid process outlined below. Bids should be sought  
47 from at least three vendors unless a sole source is approved by the Select Board.

48 Documentation of such purchases shall be maintained and shall include a list of vendors  
49 contacted, copies of any written quotations received or notes on any verbal quotations  
50 received, vendor correspondence and a copy of the purchase order.

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

52  
53 Major purchases must comply with the formal bid process described below.

54  
55 **BID PROCESS**

56 The bid process shall be initiated by the issuance of a Request for Bids approved by the  
57 Select Board. The bid package will include:

- 58 1. Bid name, submission deadline and date, location and time of bid opening.
- 59 2. Mailing instructions for bid submission.
- 60 3. Information regarding pre-bid or pre-proposal meetings.
- 61 4. A description of the supplies, materials, equipment or services to be purchased.
- 62 ~~4.5. Notice of the Town's tax exempt status.~~
- 63 ~~5.6. Vendor certification requirements.~~
- 64 ~~6.7. A request for three qualified references~~
- 65 ~~7.8. Notification of insurance requirements of the Town.~~
- 66 ~~8.9. Information regarding Code of Conduct and anti-collusion provisions.~~
- 67 10. ~~The right of the Town to reject any and all bids.~~ Request for information regarding  
68 price margin over wholesale cost for materials, and hourly rate and cost of materials  
69 for additional work.
- 70 ~~9.11. The right of the Town to reject any and all bids.~~
- 71 10.

72  
73 Additional provisions...

74 **ADVERTISING**

75 The Request for Bids shall be advertised over a two week period in a paper of general  
76 circulation and in any other appropriate media, as determined by the Select Board. The  
77 invitation for bid shall include the time and place for receiving and opening of sealed bids  
78 and information on how to obtain bid specifications and forms.

## 79 **BID SUBMISSION**

80 All bids must be submitted in sealed envelopes, addressed to the Town of Charlotte in care of  
81 the Select ~~B~~board or ~~d~~esignee, and plainly marked with the name of the bid and the time of  
82 the bid opening. Bid proposals will be date stamped on the outside of the envelope  
83 immediately upon receipt. Requests to withdraw bids may be submitted in writing prior to  
84 the scheduled time for the opening of bids. Any bids received after the time and date  
85 specified shall not be considered and shall be returned to the bidder unopened.

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

## 90 **BID OPENING**

91 Every bid received prior to the bid submission deadline will be publicly opened and read  
92 aloud by the Select ~~B~~board or ~~d~~esignee at a Select ~~B~~board meeting. The bid opening will  
93 include the name and address of bidder; for lump sum contracts, the lump sum base bid ~~and~~  
94 ~~the bid for each alternate~~; for unit price contracts, the unit price ~~-~~for each item and the total.

## 95 **CRITERIA FOR BID SELECTION**

96 In evaluating bids, the ~~Selectboard~~Select Board may consider the following criteria:

- 97 • Price
- 98 • Bidder's schedule for completion and ability to perform within the specified time  
99 limits
- 100 • Bidder's experience and reputation, including past performance for the Town
- 101 • Quality of materials and services specified in the bid
- 102 • Bidder's ability to meet other terms and conditions, including insurance and bond  
103 requirements
- 104 • Bidder's availability to provide future service, maintenance, and support
- 105 • Nature and size of bidder
- 106 • Any other factors that are relevant and appropriate in connection with a given  
107 project or service
- 108

109 The Select Board reserves the right at its sole discretion to reject any and all bids, wholly or  
110 in part, to waive any informalities or any irregularities therein, to accept any bid **even though**  
111 **it may not be the lowest bid** (Standard wording, but concerns expressed about not selecting  
112 lowest bid when all other qualifications are equal.), to call for rebids, and to make an award  
113 which in its sole and absolute judgment will best serve the Town's interest. The Select

114 | Bboard reserves the right to investigate the financial responsibility of any bidder to determine  
115 | his or her ability to assure service throughout the term of the contract.

## 116 | **BID FILES**

118 | For Major Purchases, bid files will be maintained. These files should include a copy of the  
119 | Invitation to Bid/Bid Specifications, a list of bidders, the date or copies of any  
120 | advertisements, the bids received, bid comparisons and/or recommendations made to the  
121 | Select Bboard, copies of correspondence with bidders and any contract documents completed  
122 | for award of the bid.

## 123 | **CHANGE OF SCOPE**

124 | If specification changes are made prior to the close of the contract agreement of the bid  
125 | process, the Request for Bids will be amended and notice shall be sent to any bidder who  
126 | already submitted a bid. A new bid process may be initiated. Once a bid has been accepted, if  
127 | changes to the specifications become necessary, the Select Bboard will approve a change  
128 | order specifying the scope of the change. Once approved, the contractor and an authorized  
129 | agent of the Town must sign the change order.

## 130 | **EXCEPTIONS TO THE USE OF THE BID PROCESS**

### 131 | **Sole Source Purchases**

133 | The Select Board may waive the bid process or approve a sole source solicitation for  
134 | ~~purchase when a purchase when no other vendor exists that is capable of fully meeting the~~  
135 | ~~purchase requirements, they deem it to be in the best interest of the Town. Criteria for sole~~  
136 | ~~source purchases include:~~

137 | ~~No other vendor capable of fully meeting the requirements exists.~~

### 138 | Single Source Purchases

139 | ~~1.~~

141 | 2. The Select Board may waive the bid process when aAlternative vendors exist in the  
142 | competitive market, but the Board~~buyer~~ chooses to solicit a bid from only one particular  
143 | vendor because of technical requirements (precision, reliability) or past performance by other  
144 | vendors (poor service, availability of parts).

146 | Documentation for Sole Source Purchases and Single Source Purchases shall include an  
147 | explanation of the proposed vendor's unique qualifications to provide the goods or services  
148 | to the Town, any information regarding market research related to the purchase, a summary  
149 | of actions taken to ensure that offers were solicited from as many potential sources as is  
150 | practicable, and a determination that the pricing/costs are fair and reasonable.

### 151 | **Emergency Purchases**

152  
153 The Select Board may award contracts and make purchases for the purpose of meeting a  
154 public emergency without complying with the bid process. Emergency expenditures may  
155 include immediate repair or maintenance of town property, vehicles, or equipment if the  
156 delay in such repair or maintenance would endanger persons or property or result in  
157 substantial impairment of the delivery of important Town services.

158  
159

## 160 **(PURCHASE ORDER)**

## 161 **RECEIPT AND INSPECTION**

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

## 164 **PAYMENTS**

165 All invoices turned into the Treasurer's Office will include the account to be charged, the amount  
166 to be paid, signature of the Authorized Purchasing Agent and date of approval.

## 167 **GIFTS AND GRATUITIES**

168 Town officials and employees are expressly prohibited from soliciting or accepting any rebate,  
169 money or costly entertainment, gift or gratuity more than \$ 25.00 from any person, company,  
170 firm or corporation to which any purchase order or contract is, or might be awarded. The Town  
171 may terminate any contract or purchase order if there appears to be a conflict between the  
172 personal interests of an employee or official and the interests of the Town. The Town may also  
173 take disciplinary action, including dismissal, against a Town employee or officials who solicits  
174 or accepts gifts or gratuities.

## 175 **CONFLICT OF INTEREST**

176 The Town shall not discriminate in its selection of vendors on the basis of race, gender, political  
177 affiliation, family relations, friendship or business affiliation. Elected and appointed Town  
178 officials and Town employees must publicly disclose all potential purchase conflicts prior to any  
179 purchasing decisions being made. See also Town of Charlotte Policy Regarding Conflicts of  
180 Interest.

181

## 182 **CERTIFICATE OF INSURANCE**

183 All work for the Town of Charlotte will comply with Town policies regarding liability insurance.  
184 See Town of Charlotte Requirements for Contractors and Town of Charlotte Policy Requiring  
185 Contractors to hold Liability Insurance.

186 (Further discussion needed to determine what information to include in Policy.)

187

188

189  
190  
191  
192  
  
193  
  
194  
195  
196  
  
197  
  
198  
199  
  
200  
201  
202  
  
203  
204

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

---

Chairperson

---

---

---

---

---