

TOWN OF LANDGROVE

Purchasing Policy

Adopted March 25, 2021

I. POLICY OBJECTIVES. The primary objectives of this policy are as follows:

- A. To obtain the highest quality and most relevant goods and services for the Town of Landgrove at the lowest possible price;
- B. To exercise financial control over the purchasing process;
- C. To clearly define authority for the purchasing function;
- D. To allow fair and equal opportunity among qualified suppliers;
- E. To avoid conflict of interest issues. Employees, officers and agents of the Town who are involved in the procurement and selection of bids and purchases shall make reasonable efforts to avoid real, apparent, or potential conflicts of interest. (see the Town of Landgrove's Conflict of Interest Policy);
- F. To provide for increased public confidence in the procedures followed in public purchasing.

II. AFFIRMATIVE ACTION AND LOCAL PREFERENCE. Whenever possible, qualified small, minority and women-owned businesses shall be included in the solicitation lists for bids or non-bid purchases. If the purchase is federally funded in whole or in part, minority and women owned businesses must be included in the solicitation lists and all other affirmative action requirements outlined in the grant provisions must be followed. The Town may exercise a preference for local businesses for purchases funded exclusively by the Town but only if such a preference does not result in unreasonable prices or rates due to a lack of competition. For purchases funded in whole or in part with federal funding the Town may not exercise a preference for local businesses.

III. PURCHASING AUTHORITY.

The following employees are designated to act as Purchasing Agents for the Town:

Select Board, Town Treasurer, Town Clerk and Road Commissioner.

Purchasing Agents are responsible for ensuring that the best possible price and quality are obtained with each purchase.

The Select Board shall review and sign off on all expense pay orders at every scheduled Select Board meeting.

- A. **Routine Purchases.** Purchasing Agents may make purchases of up to **\$1000** without prior approval, provided those purchases are limited to the amount of the budget authorized by the Town.
- B. **Minor Purchases.** Purchasing Agents may make purchases with a value between **\$1,000 to \$5,000** but must contact the Select Board prior to the purchase to inform the Select Board of the need for purchase and are limited to the amount of the budget authorized by the Town. Although not required, competitive quotes from at least two vendors should be obtained whenever possible unless the Selectboard has approved a sole source vendor.
- C. **Major Purchases.**
1. Purchases from **\$5,000 to \$20,000** require prior approval of the Selectboard. All Town Purchasing Agents must solicit comparative price and rate quotations from at least two suppliers/vendors unless the Select Board has approved a sole source vendor. Suppliers/Vendors will be selected based upon cost, quality and relevance of goods and services offered along with the vendor's ability, capacity and skill of the vendor demonstrated under prior contracts with the Town.
 2. Purchases from **\$20,000 to \$50,000** are subject to a Complete Bid Process as outlined below.
 3. Purchases greater than **\$50,000** must follow the Sealed Competitive Bid process as outlined below.
- D. **Federal Funding Purchases.** If federal funding is used for purchases between **\$10,000 (\$2,000** in the case of construction projects subject to Davis Bacon requirements) and **\$250,000**, price or rate quotes must be obtained from two or more qualified sources following the affirmative action provision of 2 CFR § 200.321 and all provisions regarding fair and unrestricted competition. Purchases at or exceeding **\$250,000** or construction projects of any value that are funded with federal dollars must follow a sealed bid process as outlined below and also follow any procurement guidance as outlined in the grant agreement. In addition, a pricing analysis must be completed by the purchasing agent or a qualified consultant prior to issuing the request for proposal to ensure that there is a reasonable estimate against which to compare bid proposal pricing. Records documenting the procurement process for any Federal Funded purchases, including the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process shall be maintained for a period of at least three years from when the final expenditure report was submission to the Federal government. All Federally funded projects/purchases need to follow 2 CFR § 200 Uniform Guidance Procurement Standards.

E. **Ongoing and Recurring Purchases.** Certain purchases occur on a continuous and ongoing basis. If the total value of recurring purchases of goods and services from the same vendor is anticipated to exceed **\$15,000** during any fiscal year, the bid process shall be utilized and shall specify the nature of the recurring purchase. Once a bid process has been accepted, all future purchases shall be made from that bidder without the necessity of additional bids, until such time the Select Board votes to initiate a new process. The ongoing and recurring policy will not apply to those aspects of Town expenditures that the Select Board has voted are an exception to the Bid Policy or fall into the Sole Source Purchase category

IV. **COMPETITIVE BID PROCESS.** The Competitive Bid Process shall be initiated by the issuance of a Request for Bids prepared by the Selectboard or its designee. Notice of the Request for Bids shall be made by letters to known providers soliciting bid responses, advertisements posted in three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region.

A. **Bid Specifications.** A list of bid specifications shall be prepared for each purchase over **\$20,000** and shall be available for inspection at the Town office. Bid specifications shall include:

1. Bid name.
2. Bid submission deadline.
3. Date, location, and time of bid opening (for sealed bids only).
4. Specifications for the project or services including quantity, design, and performance features.
5. Bond and/or insurance requirements.
6. A copy of the proposed contract.
7. Any special requirements unique to the project or purchase.
8. Delivery or completion date.
9. For construction projects, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all bidders, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid. If federally grant funded, the bidders must also include costs for Davis Bacon compliance if that is a requirement of the federal agency providing the funding.
10. For construction projects over \$2,000, a statement that contractors will be provided with a copy of the most current wage determination (from the DOL website at <http://www.wdol.gov/dba.aspx>) and must comply with the Davis Bacon Act.
11. Language that reserves for the Selectboard the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest. The Selectboard reserves the right to investigate the financial condition of any bidder to determine his or her ability to assure service throughout the term of the contract.

Bidders shall bid to specifications and any exceptions must be noted by the bidder.

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

Once a Request for Bids has been issued, the bid specifications will be available for inspection at the Town office.

B. Sealed Bid Submission. All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, and 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 the envelope immediately upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

C. Sealed Bid Opening. Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Selectboard. The bid opening will include the name and address of bidder; for lump sum contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid if required.

D. Criteria for Bid Selection. In evaluating bids, the Selectboard will consider the following criteria:

1. Price.
2. Bidder's ability to perform within the specified time limits.
3. Bidder's experience and reputation, including past performance for the Town.
4. Quality of the materials and services specified in the bid.
5. Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
6. Bidder's financial responsibility.
7. Bidder's availability to provide future service, maintenance, and support.
8. Nature and size of bidder.
9. Contract provisions that are acceptable to the Town.
10. For construction projects over \$2,000, contractor's indication of acceptance of wages in the current wage determination provided as part of the Request for Bids.
11. Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or service.

In addition to the above, in the case of a contract supported by federal funds, the additional criteria shall apply:

There shall be no preference exercised for local contractors or suppliers.

Minority and women-owned businesses must be included in the solicitation list for the request for proposal.

The Selectboard will not select a bidder who is listed on the Excluded Parties List System website (<https://www.sam.gov>).

E. **Change Orders.** If specification changes are made prior to the close of the bid process, the Request for Bids will be amended and notice shall 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 changes to the specifications become necessary, the Selectboard will prepare a change order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order. Federally funded non-competitive purchases for \$250,000 or more require a cost analysis to determine the reasonableness of the proposed pricing and should be completed in accordance with the requirements of the federal or state agency issuing the grant funding.

V. **EXCEPTIONS.** The following exceptions may apply, however there must be written documentation created and maintained that outlines the process and rationale for such exceptions.

A. **Town Road Maintenance.** Unlike many larger towns, the Town of Landgrove does not have, on its payroll, a Road Maintenance Crew and outsources all Road Maintenance to Contractors. As such Road Maintenance purchases is an exception to the bidding process. Please see appendix 1 for the rationale for authorizing Road Maintenance as an exception to the bidding process. While this activity is an exception to the bidding process the Road Commissioner should maintain a current comparison price list from available vendors/suppliers/contractors, which should be reviewed against the Town Road Maintenance Contractors when preparing the Town annual budget.

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

C. **Competitive Proposals.** If time does not permit the use of sealed bids, or the award will be made on the basis of non-price related factors, a competitive proposal process shall be initiated by the issuance of a Request for Bids (RFB) or Request for Qualifications (RFQ) prepared by the Selectboard or its designee that includes the factors that will be used to evaluate and compare the proposals. Bids or qualifications shall be obtained from an adequate number of qualified sources (at least two vendors) to ensure that the Town has received a fair and reasonable price and all notification and record keeping requirements of the sealed bid process shall be followed. If architectural or engineering services are being solicited, this process should be used with the most qualified firm or individual awarded the bid and price or fees negotiated after the award. If competitive proposals are used, all of the above steps in the sealed bid process should be followed except that: 1) the bid submission need not be sealed; and 2) price will not be the primary factor in the proposal selection.

D. **Emergency Purchases.** The Selectboard 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.

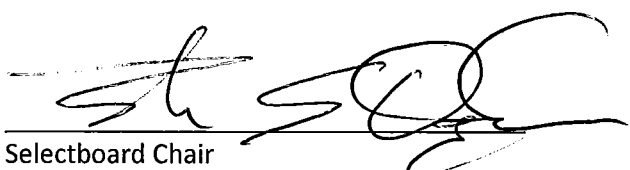
E. **Professional Services.** The bid process shall not apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, risk management, IT and insurance services with a value of up to **\$10,000**.

VI. **DOCUMENTATION.**

Records documenting the procurement process for any Minor or Major purchases, as those terms are defined above, including the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process shall be maintained by the Town in accordance with the retention and disposition schedules as set by the Vermont State Archivist.

The foregoing Policy is hereby adopted by the Selectboard of the Town of Landgrove Vermont, this ___ day of _____ and is effective as of this date until amended or repealed.

SIGNATURES.


Selectboard Chair

Selectboard members: 