Purchasing Policy
Introduction

Vermont law does not require competitive bidding for municipal purchases. However, public scrutiny of the procurement process indicates the necessity for a purchasing policy. The primary objective of such a policy should be to procure the necessary goods and services in an efficient, timely, and cost-effective manner, as well as to encourage the most open, competitive purchasing process practicable to acquire these goods and services at the best possible value while treating all vendors equitably. Such goals will increase the public's confidence in the procurement process.

Unlike most other financial policies that establish broad objectives, purchasing policies blur the line between policies and procedures. Policy elements would include such items as the assignment of authority; procedural elements would include the outline of the bidding process.

Consider the following when developing a purchasing policy:

Purchasing Authority Limits. As described above, the selectboard carries out its responsibility to manage the town budget through its authority to approve orders for payment of town funds. 24 V.S.A. §§ 1567, 1621, 1622. Other boards – such as the board of library trustees and the cemetery commissioners – have corresponding responsibilities to manage their budgets and similar authority to approve orders.

As a budget management tool, the order approval process has a significant shortcoming: orders are typically approved or disapproved by the appropriate board only after a bill has been received for goods or services. In some instances, a town employee or officer could obligate the town to a purchase that would not be approved by the appropriate board. In order to manage this risk, the board should determine the limit of purchasing authority delegated to town officials and employees through a purchasing policy.

Competitive Bidding. While competitive bidding is not required under Vermont law, it can have significant advantages for local governments. A choice of purchasing options allows a municipality to locate the most cost-effective suppliers of goods and services and make effective cost/quality comparisons. The process may include verbal and/or written quotations for purchases below a certain dollar threshold and a formal bidding process for higher dollar purchases. The use of such a process does not necessitate a low-bidder approach. The procedures should be drafted to emphasize what selection criteria will be used in considering each bid. The policy should also address what exceptions may exist to the policy, such as sole source purchases, emergency purchases, or professional services.

Ethics and Conflicts of Interest. If a municipality does not have a separate code of ethics or conflict of interest policy, the purchasing policy can include a provision for such issues. It should be clear that employees are expected to be impartial in carrying out their duties to assure fair competitive access to purchasing by qualified vendors, to prohibit gratuities or other favorable treatment, and to prohibit the use of confidential information for personal gain. VLCT's Model Conflict of Interest Policy is available in VLCT's online Resource Library at http://resources.vlct.org.

Preference Provisions. Purchasing policies can be used to achieve other public policy goals, such as a

preference for local vendors or for minority/disadvantaged vendors, or a preference for "green" purchases or sustainability.

Town of Calais
PURCHASING POLICY

PURPOSE. The purpose of this Purchasing Policy is to obtain the goods and services which best meet the needs of the Town of Calais , to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide for increased public confidence in the procedures followed in public purchasing. This does not describe the policy for purchases of goods and services for the Highway department.

PURCHASE AUTHORIZATION. No purchases over $5,000 shall be made by any Town officer or employee without prior approval of the selectboard. When making any purchase not subject to the bid process described below, officers and employees must solicit quotes from at least two vendors unless the selectboard 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.

BID PROCESS. All purchases of $5,000 or more shall be subject to a bid process. The bid process shall be initiated by the issuance of a request for bids approved by the selectboard. 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.

BID SPECIFICATIONS. Bid specifications shall include:

1. Bid name.
2. Bid submission deadline.
3. Date, location, and time of bid opening.
4. Specifications for the project or services including quantity, design, and performance features.
5. Bond and/or insurance requirements.
6. Any special requirements unique to the purchase.
7. Delivery or completion date.

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

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.

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

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.

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. Bidder's capability to complete the task.
9. Any other factors that the selectboard determines are relevant and appropriate in connection with a given project or service.

PREFERENCE PROVISIONS. In addition to criteria above, it is the policy of the town of Calais to achieve other public policy goals, such as a preference for local vendors or for minority/disadvantaged vendors, or a preference for "green" purchases or sustainability.

The selectboard reserves 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 responsibility of any bidder to determine his or her ability to assure service throughout the term of the contract.

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.

EXCEPTIONS

Sole Source Purchases. If the selectboard 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.

Recurring Purchases. If the total value of a recurring purchase of a good or service is anticipated to exceed $5,000 during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that

bidder without necessity of additional bids, until such time as the selectboard votes to initiate a new bid process.

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.

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.

The foregoing Policy was adopted by the selectboard of the Town of Calais, Vermont, this 8th day of June, 2015 and is effective as of this date until amended or repealed.

Chair