

PURCHASING POLICY:

SECTION I : PURPOSE:

These policies, known collectively as the purchasing policies of the Town of Windham, are adopted for the purpose of providing the best guarantees that tax money and public funds are spent in the most prudent fashion, as well as assuring the goods and services required by the departments of the Town are acquired in a timely manner and at the most economical price. This policy explicitly details the levels of authority granted to various governmental officials of the Town of Windham as well as providing for direction as to the steps involved in the procurement of goods and services for the Town.

SECTION II : DEFINITION:

- A) "*Purchasing System*" means the process which authorizes a vendor to deliver goods or provide a service, and which assures that public funds for such goods or services will be encumbered for future payment. Any reference to a Department Head is also meant to include a Committee Chairperson.

SECTION III : AUTHORITY:

These policies are adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

SECTION IV : CONFLICT OF INTEREST:

In accordance with RSA 95:1, no person holding a public office in the Town of Windham, either appointed or elected, shall, by contract or otherwise, except by open competitive bidding, buy real estate, sell or buy goods or services, commodities, or other personal property of a value in excess of \$200 at any one sale to or from the Town of Windham.

The above section shall also apply to all employees of the Town of Windham.

SECTION V : OBJECTIVES:

- A) To provide, wherever appropriate, for the centralized function of purchasing as established in these policies.
- B) To seek competitive quotations based on the dollar limits outlined in these policies.
- C) To, wherever possible, consider the use of State contracts for goods and services, as such contracts may provide savings to the Town.
- D) To provide for a procedure for the disposal of surplus property as outlined in these policies.

SECTION VI : PURCHASE ORDERS:

All purchases in excess of \$1,000 shall require a purchase order signed by the Department Head and any other individual or groups as required by these policies. (Amended July 5, 1994)

- A) All purchases that are of a contractual nature or related to ongoing operational expenditures shall be assigned an annual blanket purchase order number. Vendors that fall under a blanket purchase order number shall use the specific number(s) on their invoices. The following ongoing obligations and/or purchases shall require an initial purchase order executed as referenced below:
1. VEHICLE FUEL: Initial delivery after start of contract year, (all subsequent orders shall reference the initial [blanket] order).
 2. CONTRACTS: Contracts for consulting or maintenance services, solid waste disposal services and lease/rental agreements shall require an initial purchase order at the beginning of the contract period, covering the period of performance.
 3. OTHER: Ongoing product purchases expected to accumulate above the thresholds determined in Section VII.
- B) All non-contractual or non-reoccurring operational purchases shall require a purchase order number and the appropriate authorizing signatures in accordance with Section VII.
- C) The following obligations and/or purchases shall be exempt from purchase order requirements:
1. UTILITIES: Including building heat (oil, gas, etc.), electricity and telephone expenses..
 2. SERVICE/CONTRACTUAL AGREEMENTS: Including ongoing equipment and software service agreements which have previously been approved through the budgeting process (with a list of such agreements maintained by the Finance Department and attached hereto); ongoing contracted employee agreements such as snowplowing (subject to an approved list at the beginning of each season); Planning & Development department contracted employees; and legal services.
 3. HUMAN SERVICES: Including payments made on behalf of employees as part of their job description/training and human service contributions/ payments.
- D) If there are purchases for which it is not clear whether a purchase order is required, the Department Head shall consult with the Town Administrator for a final determination.
- E) DISTRIBUTION: One copy of the purchase order shall be given to the vendor, one to Administration, and one maintained in the department files.

- F) SCOPE OF INFORMATION: The purchase order should, at a minimum, contain the following information:
1. The quantity and quality of material or service required.
 2. Description of material or service required.
 3. Vendor's name and location.
 4. Reason for purchase.
 5. The unit costs.
 6. Any extra charges such as freight, insurance, etc.
 7. Total amount of purchase and related budget amount (blanket P.O.'s).
 8. Place and expected time of delivery.
 9. Date the order is prepared.
 10. Purchase order number.
 11. Budget account which to charge the purchase.

SECTION VII : PURCHASE LEVELS:

- A) PURCHASES UP TO \$1,000: The Department Head shall have full authority to make departmental purchases of goods or services up to \$1,000 which are identified within the department's annual budget.
- B) PURCHASES BETWEEN \$1,001 AND \$5,000: The Town Administrator shall have full authority to approve departmental purchases of goods or services up to \$5,000 for those items which are identified in the Town's budget. The Department Head shall submit a purchase order to the Town Administrator for approval.
- C) PURCHASES BETWEEN \$1001 AND \$2500: For purchases between \$1001 and \$2500, the Department Head shall contact as many vendors as necessary in order to obtain at least three (3) written or verbal quotations. The Department Head shall present these quotations to the Town Administrator, along with a recommendation, for their approval. In the event less than three (3) quotations are available, evidence of the attempt to obtain them should be attached to the purchase order.
- D) PURCHASES BETWEEN \$2501 AND \$5000: For purchases between \$2501 and \$5000, the Department head shall contact as many vendors as necessary in order to obtain at least three (3) written quotations. The Department Head shall present these quotations to the Town Administrator, along with a recommendation, for their approval. In the event less than three (3) quotations are available, evidence of the attempt to obtain them should be attached to the purchase order.
- E) PURCHASES ABOVE \$5001: Purchases having an estimated cost in excess of \$5001 shall be bid pursuant to the competitive procurement guidelines established in these policies under Section VIII-A or VIII-B.
- F) MULTIPLE UNIT PURCHASES UNDER ONE PURCHASE ORDER: For situations where multiple units of the same equipment or item are to be acquired, it is expected that a purchase order be used if the total cost of the combined units is in excess of \$1,000. In no instance may the requirement of a purchase order be avoided by making multiple individual purchases in succession.

NOTE: The above thresholds do not including shipping/freight costs.

SECTION VIII: BULK PURCHASING

- A) For purchases such as telephone, heat, vehicle fuel, bottled water and office supplies, which cross several departments, every effort should be made to use one vendor and purchase in bulk, in order to take advantage of discounts that may be offered. For specialized office supplies such as business cards and letterhead, a standardized format should be used across all departments.

SECTION IX : TYPES OF COMPETITIVE PROCUREMENT:

- A) REQUEST FOR PROPOSALS: Certain professional services, such as architectural and engineering, auditing, and legal services are more appropriately solicited through a Request for Proposals (RFP). This is due to the need to consider factors other than price, such as professional qualifications, previous experience in related projects, and review of support staffs backgrounds.

When soliciting for RFP's the specifications must contain the following information: scope of services to be performed; timing; evaluation criteria; minimum qualifications of professional experience; and price.

The Town shall solicit proposals from at least three (3) vendors providing the professional service. Selection should be made by utilizing the following criteria: proposal review; interview of individual; and reference checks, including site visits if applicable.

B) THE COMPETITIVE BID PROCESS:

1. The Town will maintain a contractors / vendors file, in digital format, according to type of good or service provided, which will be used to send specific specifications to particular vendors.
2. Each department shall maintain contract files in accordance with the State of NH's record retention rules. Each file shall contain the following, minimum information for the retention period, as appropriate:
 - a) Bid specifications, public notice of bid solicitation and other relevant pre-solicitation documents;
 - b) Records of recommendations, justifications, and approvals;
 - c) Lists of those vendors/individuals sent the bid specifications;
 - d) Copy of each offer or quotations and any records or documentation. Any unsuccessful offers will be maintained in the contract file;
 - e) Record of any required approvals;
 - f) Notice of bid award;
 - g) The original of the signed contract or bid award, all contract modifications, and other change orders or amendments;
 - h) Bid, performance, or other bond documents, or a reference thereto.

3. BID SPECIFICATIONS: The Department Head shall prepare specifications for bid items, and shall submit the final specifications to the Town Administrator for approval prior to solicitation of bids. As a part of the specifications, the Department Head should always include the following minimum items or requirements:

- a) Bidders must clearly identify the product or service on which they are bidding on all envelopes.
- b) Bidders shall provide samples with the bid when applicable. All samples will be returned to the vendors after the bid completion.
- c) The Town's Tax Exempt Number: #026003494.
- d) The terms of the contract, including effective dates, extension terms, termination clauses, and other applicable terminology.
- e) The party responsible for the freight and insurance charges, as well as how damaged goods will be returned and the extent of guarantees.
- f) Where applicable, performance bonds will be required and shall always be required, as specified by RSA 447:16, for construction projects with a value greater than \$25000.
- g) A statement which reserves the Town's right to reject any and all bids, negotiate any contracts and waive any informalities in the bid process.
- h) A statement which reserves the Town's right to consider substitution of equivalent items and under what conditions. The specifications shall include a statement which requires the bidder to submit documentation for all substitutions and exceptions.
- i) Where applicable, the Town will hold a bidders conference to acquaint the bidders with the process, and to address any special concerns, questions or request for exceptions that may arise.
- j) Minimum quantity and quality requirements. These requirements should be specific enough to ensure the desired level of quality, but also must be flexible enough to elicit multiple bids.
- k) The following non-collusion clause shall be part of every bid specification package. A bidder must sign this statement in order for the bid to be valid.

"The undersigned certifies under penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As used in this section the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity."

(Name of person signing bid)

(Date)

(Company)

4. PUBLIC NOTICE: The Town Administrator shall invite all bids by advertisement in at least one (1) newspaper of general circulation in the Town of Windham, such publication to be at least fourteen (14) days before the time of the bid opening. All bid notices must remain posted in at least two public places, one of which must be at the Town Hall, for a period of not less than two weeks (14 days).

The Invitation to Bid shall include the following information:

- a) time and date of receipt of bids
 - b) address to which the bid is to be delivered
 - c) date by which the Town may accept the bid and contract with the vendor
 - d) a general description of the good or service being purchased
 - e) any and all contractual terms and conditions applicable to the purchase
 - f) indicate where and when an Invitation to Bid may be obtained
 - g) indicate where and by what date bids must be submitted
 - h) indicate where and when bids will be opened, and by whom
 - i) provide a description of the good or service requested
 - j) reserve the Town's right to reject any and all bids.
5. AVAILABILITY OF SPECIFICATIONS: The Town Administrator shall mail copies of the specifications to those firms/vendors as listed in the contract files as well as additional firms who may request a copy. The Town Administrator reserves the right to charge for copies according to size and complexity (ie. construction drawings, etc.)
6. SAMPLE BID PUBLIC NOTICE: "The Town of Windham, New Hampshire is currently accepting bids for the (name of bid item). Bid specifications are available from the Selectmen's Office, 3 North Lowell Road, Windham, New Hampshire, 03087, (603) 432-7732 for a fee of \$15.00. Sealed bids will be received until 2:00 PM, October 23, xxxx. Bids will be publicly opened and read at that time, and approved at the next Selectmen's Meeting at 8:00 PM. The Town of Windham reserves the right to reject any and all bids if deemed in the best interest of the Town."

7. ACCEPTANCE OF BIDS: The Town Administrator shall accept all bids up to the time specified for receipt of bids in the Public Notice. All bids will be dated and time stamped by the Selectmen's Office. Any late bids will be rejected. A bidder may correct, modify, or withdraw a bid by written notice received in the Selectmen's Office before the time and date set for the bid opening.
- a) Telegraphic bids (meaning by telegram, mailgram, or by facsimile) will be considered or accepted unless prohibited by the solicitation.
 - b) Bids must be submitted in accordance with the bid solicitation. If a bidder chooses to use its own bid form or a letter to submit a bid, the bid will be considered only if the bidder explicitly, in written form, accepts all the terms and conditions of the invitation and further that the award of the bid would result in a binding contract under the terms and conditions of the solicitations and other terms and conditions contained in the submitted bid which do not conflict with those in the solicitation.
8. BID OPENING: All bids will be opened by the Town Administrator at the time and date specified in the Public Notice. The names and quotes for all bidders shall be listed in the recorded minutes of the Selectmen's minutes, and made available for public inspection. The Town Administrator may authorize a designee to open the bids. The Town Administrator shall notify all bidders of any changes in the opening time and/or date.
9. BID CORRECTIONS: After the bid opening, the bidder may not amend, correct, modify, or change in any fashion a bid which would be contradictory to the interests of the Town of Windham or fair competition. The Town Administrator may waive minor informalities, or allow the bidder to make corrections, as long as the intent of the bid is not disturbed.
10. BID AWARD: Bids meeting the specifications shall be reviewed by the Department Head in consultation with the Town Administrator and others as needed. A recommendation shall be made to the Board of Selectmen for approval.
- The Town Administrator shall award the contract to the successful bidder, in accordance with the vote of the Selectmen, and be responsible for preparing Notice of Bid Awards and submitting same to the successful bidder as well as all other bidders.
11. CONTRACTOR QUALIFICATIONS: To be determined responsible, a prospective contractor must:
- a) have adequate financial resources to perform the contract, or the ability to obtain them;
 - b) be able to comply with the required or proposed delivery or performance schedules;

- c) have a satisfactory performance record;
- d) have a proven record of integrity and business ethics;
- e) have the necessary organization, experience, technical skills, and support staff, or the ability to obtain them;
- f) have the necessary production, construction, and repair equipment and parts required to fulfill the contract requirements.
- g) provide at least two references and phone numbers.

SECTION X : MISCELLANEOUS PROVISIONS:

- A) SOLE SOURCE PROPOSALS: The Town of Windham will not entertain the solicitation of a single source vendor for supplies and/or services unless the competitive bid requirements are explicitly waived by vote of the Board of Selectmen. Absent such vote, the Town will consider a vendor if they are the only bidder, provided that the procedural steps in soliciting bids has been followed and documented by the Town's soliciting authority.
- B) CHANGE ORDERS: Whenever a change of a monetary kind occurs on the original purchase order, a new order with the updated information must be submitted by the Department Head, modifying the purchase order. The modified order will be re-routed for approval with the notation "Modifying or Changing Purchase Order No. _____".

EMERGENCY PURCHASES: An emergency purchase may be made by a Department Head only if the normal operations of the department are in jeopardy. This shall generally mean or relate to emergency repairs to equipment or facilities which must be kept operating to protect the health and/or safety of persons, or property. A purchase order shall be prepared and marked as EMERGENCY. The order shall then be given to the individual authorized to approve the request in accordance with the limits outlined in Section VI.

For purposes of this paragraph only, the competitive procurement provisions of these policies may only be waived by the Chairman of the Board of Selectmen or his/her designee. This waive shall only be considered when there exists a special emergency involving the health and safety of the people or their property.

SECTION XI : DISPOSAL OF SURPLUS PROPERTY:

Any property which is considered to be surplus and valued at over \$100 must be presented to the Board of Selectmen by the Department Head with a recommended method of disposition for approval. Various possible disposition means are the sealed bid or auction process, State surplus auction, trade in usage, retained for usage as parts, or transfer to another Town Department. Any surplus items with a value of less than \$100 may be disposed of by the Department Head as they deem appropriate, given the concurrence of the Town Administrator.

If the means of disposition is either the sealed bid or auction, the Town Administrator shall be responsible for publishing the necessary public notices to comply as closely as possible with the intent as set forth in Section VIII-B-4.

SECTION XII : AMENDMENTS:

These policies may from time to time be amended by the vote of the Board of Selectmen at a property scheduled Selectmen's Meeting. Notice of proposed changes shall be posted in at least two (2) public places, one of which must be the Town Hall, at least 14 days from the date of the meeting.

SECTION XIII : EFFECTIVE DATE:

These policies shall be effective upon a vote of the Board of Selectmen and shall replace any and all bid procedures or policies previously enacted by the Town.

Adopted by the Board of Selectmen - September 29, 1992

Amended by the Board of Selectmen - July 5, 1994

**Edward J. Milan
Frederic H. Noyles
Elizabeth A. Dunn
Charles E. McMahon
Patrick W. Wallace**
Board of Selectmen

Re-codified and affirmed by the Board of Selectmen - May 11, 1998

**Charles E. McMahon
Douglass L. Barker
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Board of Selectmen

Amended by the Board of Selectmen - November 9, 1998

Amended by the Board of Selectmen - June 2, 2003