

TOWN OF ST. ALBANS PURCHASING POLICY
Table of Contents

I.	Introduction	2
II.	Applicability.....	2
III.	Objectives	2
IV.	Application	2
V.	General Policies.....	3
	A. Public Information	3
	B. Tax Exempt.....	3
	C. Basis of Award.....	3
	D. Purchase Authorization.....	3
	E. Invoices.....	3
	F. Town Manager Approval.....	3
	G. Budget Amendment	3
	H. Records	3
	I. Gifts.....	3
	J. Discounts	3
	K. Unauthorized Purchases	3
	L. Personal Purchases	3
VI.	Procedures	3
	A. Vendor Selection	3
	B. Competitive Pricing.....	4
	C. Purchase Orders	4
	D. Charge Account Purchases	5
	E. Request for Proposals.....	5
	F. Emergency Purchases	6
	G. Sole Source Purchases.....	6
VII.	Miscellaneous	6
	A. Employee Suggestions	6
	B. Prepayments	6
	C. Employee Reimbursement.....	6
	D. Contracts for Services, Leasing of Equipment & Construction	7
	E. Cooperative Purchasing.....	7
VIII.	Departmental Purchasing Policies	7
	A. Public Works, Buildings, Parks and Recreation Exemptions	7
	B. Personnel Training.....	8
IX.	Contracts	8
X	Waivers	8
XI.	Appendices.....	8

I. Introduction

It is the policy of the Town of St. Albans (Town) to purchase its goods and services locally whenever possible to support the Town's local businesses provided that these local purchases offer the best overall value to the community. The objectives and procedures stated in this manual will help to assure Town residents, the Board of Selectmen, and Town employees that the Town is receiving maximum value for each tax dollar spent. In order to keep current with developments in purchasing, the manual will be reviewed annually by the Town Manager in a timely manner.

II. Applicability

This purchasing policy applies to the acquisition of products and services approved by the voters in adopting annual Town Budgets: expenditures from capital plans; expenditures from Restricted Funds: State and Federal Grants awarded to the Town with the exception of all insurances purchased by the Town to cover property, health and employee liabilities. The purchase of these services shall be considered by the Selectboard for rebid at least every five years following these purchasing guidelines. Contracts for municipal facility projects funded by voter approved bonded indebtedness will be approved by the Selectboard.

III. Objectives

Objectives serve as a set of guidelines to be used by employees to reach responsible and intelligent decisions relative to daily purchases. The primary objectives of the Town of St. Albans's purchasing manuals are as follows:

1. Maximizing the purchasing value of public funds in the procurement of goods and services necessary for local government;
2. Foster public confidence in government efficiency, integrity, and accountability;
3. Introduce policies and written procedures to increase the efficiency of the Town's procurement process and assure procurement in a timely and proper manner;
4. Promote good will, equal opportunity, and clear communication between the Town and vendors;
5. Procure supplies and equipment best suited to provide Town services;
6. Provide proper quantities of supplies and equipment;
7. Introduce and maintain a greater measure of responsibility and accountability over the formulation and implementation of the annual budget;
8. To receive necessary goods and services in a timely manner.

IV. Application

The policies in this manual apply to the procurement of supplies, services, service contracts, furniture, equipment and vehicles. They shall apply to every expenditure of public funds by the Town for public purchasing irrespective of the source of the funds. When the procurement involves the expenditure of federal/state assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal/state laws and regulations. Nothing in this manual shall prevent any public agency from complying with the terms and conditions of any grant, gift, or bequest that are otherwise consistent with law. Each Department Head has the authority and is responsible for purchasing goods and services within his/her department in a manner consistent with the contents of this manual. When situations arise which may conflict with the purchasing policies, the Department Head shall seek a waiver from the Town Manager prior to purchase. Each waiver shall be documented and filed (see Appendix A: Purchasing Policy Waiver).

A Department Head may delegate the authority to purchase to other employees within their respective department, but the responsibility and accountability for the purchases remains with the Department Head. A signed Purchase Requisition Authorization Form from the Department Head delegating purchasing authority to an employee(s) and a purchase limit, if applicable, must be submitted to the

Town Manager's Office (see Appendix B: Purchase Requisition Authorization).

V. General Policies

- a) Public Information. Procurement information shall be public record and shall be made available to the public. At the request of a vendor, information constituting trade secrets pursuant to I V.S.A. Chapter 317(b) (9) shall be kept confidential.
- b) Tax Exempt. Town of St. Albans, a municipality, is exempt from all Federal and State sales and excise taxes.
- c) Basis of Award. Town of St. Albans businesses shall be given priority when they meet the purchasing criteria and their cost is within 5% or \$300 whichever is less, to the lowest bidder. Purchases shall be awarded on the basis of quality, compatibility, availability, price, and repair record, taking into consideration past performance of the vendor and its suppliers.
- d) Purchase Authorization. Each Department Head shall have the authority to purchase goods and services up to the amount authorized in their respective annual budget. Department Heads may establish purchase limits up to the authorized budget amount for employees who have been delegated the authority to purchase departmental goods and services.
- e) Invoices. All invoices shall be signed by a Department Head after the good or service is received and meets or exceeds required specifications.
- f) Town Manager approval on all purchase requests that exceed a line item within a Department's annual budget authorization must be approved by the Town Manager.
- g) Budget Amendment. Department Heads may submit a line item Budget Amendment Form to correct a potential line-item deficit when an expenditure Purchase Requisition amount exceeds budget authorization in the expenditure account (see Appendix C: Budget Amendment Request).
- h) Records. The Town Manager's Office will maintain all contracts and associated records.
- i) Gifts. Town employees shall not solicit or accept any rebate, money, gift or gratuity from any person, company, or corporation to which any purchase order or contract is or might be awarded. Refer to Section III of the Town Code of Ethics for further guidance.
- j) Discounts. It is the Town's intent to take advantage of discounts when properly earned. Faulty invoicing or delay in postal service will not be considered as cause for losing discounts.
- k) Unauthorized Purchases. Any purchase of supplies, materials, equipment or services without proper authorization is prohibited.
- l) Personal Purchases. Personal purchases on Town accounts are strictly prohibited whether charged to the Town and later reimbursed or paid in cash.

VI. Procedures

Section VI outlines the Town's normal procedures for requisitioning of goods and services. Adherence to the following procedures will ensure that the Town is purchasing the best quality goods and services at the least possible cost.

A. Vendor Selection

Vendors will be selected on a competitive basis. The Town reserves the right to waive any formalities or technicalities in the purchase of goods and services and to accept or reject any or all quotations/bids as deemed in the best interest of the Town. In addition to price, the following factors will be considered when selecting a vendor:

- 1) Ability, capacity, and skill of vendor to perform the contract or provide the material or service required whenever possible.
- 2) Whether the vendor can perform the contract or provide the material or service promptly, including all necessary paperwork, or within the time

- specified, without delay or interference.
- 3) Integrity, reputation, experience and efficiency of the business.
 - 4) Quality of performance on previous contracts, orders, or services to the Town and others.
 - 5) Previous and existing compliance by the vendor with laws and ordinances related to the contract, order, or service.
 - 6) Ability of vendor to provide future maintenance and service for the product' or contract.
 - 7) Compatibility with existing equipment or products.
 - 8) The Town shall make an attempt to utilize local vendors where possible and without conflicting with other local, state or federal regulations or other provisions of this policy.
 - 9) There is no conflict of interest with a vendor.

B. Competitive Pricing

It is the intent to insure the goods and services procured by the Town are competitively priced. Department Heads and designees shall seek competitive prices on all purchases, with the understanding that the higher the cost of the item being purchased, the greater the need for formal bidding procedures.

The following guidelines have been established to assist Department Heads and designees in determining the extent of effort needed to obtain competitive prices:

- 1) A minimum of three (3) vendors shall be contacted, except as noted.
- 2) \$0 - \$999: No bids required.
- 3) \$1,000 to \$5,000: Verbal quotes shall be obtained, documented and filed including name of vendor, date, and amount of quote.
- 4) \$5,001 to \$7,500: Written quotations shall be obtained from three vendors. Bids may be used for purchases under \$7,500 if the Department Head or Town Manager deems it to be in the best interest of the Town.
- 5) \$7,500>: Bids shall be obtained unless waived by the Town Manager when such a purchase is an emergency per Section V. F. A copy of the waiver shall be provided to the Board per Section X.
- 6) Purchases of goods made through State of Vermont contracts will not require formal bids or quotations since those contracts were awarded through competitive bids.

C. Purchase Orders

A Purchase Requisition is prepared by the department after the vendor has been selected. Purchase Requisitions are submitted to the Town Manager's Office where they are verified. A Purchase Order for each requisition is then created and signed by the Town Manager or Director of Administration. The Purchase Order acts as a contract between the Town and vendor for purchase of the items listed.

The following guidelines govern the use of Purchase Requisitions and Purchase Orders, in addition to the General Purchasing Policies outlined in Section V.:

- 1) Purchase Requisitions are required for all purchases of \$250 or above and when a vendor requires a Purchase Order. Purchase Requisitions are not required for purchases less than \$250.
- 2) A Purchase Requisition must be completely filled out and include the following information:

- a. Name and address of vendor.
 - b. Date of order and date payment is required (if known).
 - c. Account number to which the product or service will be charged.
 - d. Accurate description of product or service. Attach written description if necessary.
 - e. Quantity ordered.
 - f. Unit cost (if appropriate) and total cost.
 - g. Signature of an authorized employee or Town Manager.
- 3) All Purchase Requisitions must be sent to Town Manager's Office. The Town Manager's Office will return a copy of the Requisition and the Original Purchase Order to the requesting department.
 - 4) A Purchase Order must contain all the information included in this section and:
 - a. A Purchase Order number.
 - b. Signature by the Director of Administration or the Town Manager.
 - 5) Town Manager's Office shall be notified whenever a change or cancellation of a Purchase Requisition or Purchase Order occurs.

D. Charge Account Purchases

Charge accounts can be set up with selected vendors to expedite the procurement of frequently needed low cost supplies. Town Treasurer, Department of Public Works and Town Manager may use or authorize use of Town issued credit cards.

When charging supplies, the vendor's invoice must be signed by the authorized Town employee receiving the supplies. All invoices are to be submitted to the Town Manager's Office within three (3) working days after receipt of invoice.

E. Request for Proposals/Quote

- 1) **Request for Proposal (RFP)**. All contracts and all purchases advertised through an RFP require sealed bids. An RFP will be published in The St. Albans Messenger and, if applicable, an appropriate trade journal and online website and Facebook. The RFP will contain a specific Scope of Work of the service or product required, if a bid deposit or performance bond is required, where specifications can be obtained, and the time and date of the bid opening. The Department Head shall be responsible for outlining all formalities of this project, the design-build process and the requirements of the successful vendor including completion date and liquidated damages. A record of all efforts must be maintained with the project file:
- 2) **Bid Opening**. All sealed bids will be opened in public in the presence of at least one (1) witness at the time and place stated in the RFP. Bids received after the specified deadlines are not eligible for consideration. A tabulation of all bids received will be signed by one (1) Town employee or a designated person and sent to all bidders.
- 3) **Bid deposits or performance bonds or certified checks** may be required for contracts in such a amount necessary to protect the Town's interests. A successful bidder who fails to enter into a contract within the time specified after notification of the bid award will forfeit any surety deposited with the Town.
- 4) **Bid Acceptance and Bid Evaluation**. Bids shall be unconditionally

accepted without alteration or correction. Bids shall be evaluated based on the requirements set forth in the specifications, which may include criteria such as quality, workmanship, delivery, and suitability for a particular purpose.

- 5) **Award**. The contract shall be awarded following bid specifications with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the specifications. All other bidders will be promptly notified of the contract award.
- 6) **Cancellation**. Invitation for bids, request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part, when it's found to serve the best interest of the Town. The reasons shall be made part of the contract file. All specifications issued by the Town shall state that the solicitation may be canceled and that any bid or proposal may be rejected in whole or in part when rejection or cancellation is in the best interest of the Town. Notice of cancellation shall be sent to all vendors solicited.

F. Emergency Purchases

Department Heads shall use good judgment when making emergency purchases. An emergency is defined as an unexpected situation or sudden occurrence of a serious and urgent nature that demands prompt action. The Department Head shall determine if a true emergency does exist and not let negligence be the cause of an emergency. Emergency purchases do not require quotes from three vendors. However, the Department Head should use an established vendor and limit the purchase to those items which are truly emergency related.

G. Sole Source Purchases

A contract may be awarded without competition when the Department Head determines, after conducting a good faith review of available sources, that there is only one qualified source for the required supply, service, or construction. A memorandum will be prepared and signed by the Department Director, forwarded to the Town Manager within seven days of the decision specifying the reasons for the sole source acquisition. The Department Head shall conduct negotiations, as appropriate, as to price, delivery, and terms.

VII. Miscellaneous

- A. Employee Suggestions - Suggestions that help reduce costs, promote efficiency, or improve supplies or services are encouraged and should be presented in writing to the Town Manager. Cost reduction ideas should reduce costs without a corresponding reduction in quality or service.
- B. Prepayments - Prepayments may be used only when necessary if a new vendor requires prepayment, to take advantage of short-term price reductions, for employee reimbursements, and when purchases have been pre-approved (i.e. construction contracts).
- C. Employee Reimbursement - Employees are discouraged from expending personal funds for Town expenses. However, it is recognized that there are many instances where it is necessary for an employee to spend their own money to obtain needed goods, because it would be difficult, if not impossible, to obtain a purchase order in a timely fashion. For example, small items such as drinks, paper plates, and other sundries are often needed for committee meetings or Town events that are held after

business hours.

When it is necessary for an employee to use their own funds to purchase goods or services for the Town, the employee must submit a receipt for the purchase and corresponding charge receipt, if applicable, to the Finance Office within one month after the purchase.

Employees are expected to exercise good judgment when using their own funds to purchase small items for Town services or events.

- D. Contracts for Services. Leasing of Equipment & Construction - All leasing and service agreements must be approved by the Town Manager.

All contracts for services or construction shall contain the following indemnification and hold harmless language:

"The contractor shall and does hereby agree to indemnify, save harmless and defend the Town from the payment of any sum or sums of money to any person whomsoever on account of claims or suits growing out of injuries to persons, including death, or damages to property caused by the contractor, the Contractor's employees, agents or subcontractors or in any way attributable to the performance and prosecution of the work herein contracted for, including (but without limiting the generality of the foregoing), all claims for service, labor performed, materials furnished, provisions and supplies, injuries to persons or damage to property, liens, garnishments, attachments, claims, suits, costs, attorneys' fees, costs of investigation and of defense. It is the intention of this paragraph to hold the Contractor responsible for the payment of any and all claims, suits, or liens, of any nature and character in any way attributable to or asserted against the Town, or the Town and the Contractor, or which the Town may be required to pay. In the event the liability of the Contractor shall arise by reason of the sole negligence of the Town and/or the sole negligence of the Town's agents, servants or employees, then and only then, the Contractor shall not be liable under the provisions of this paragraph."

- E. Cooperative Purchasing

The Town Manager is authorized to join with other units of government in cooperative purchasing plans when the best interests of the Town are served.

VIII. Departmental Purchasing Policies

The Town recognizes that each department has specific purchases, which are particular to that department. The Town also recognizes that in certain circumstances adherence to the procedures and policies in this manual may not maximize the purchasing value of public funds. The following guidelines apply only to the department indicated and supersede all policies mentioned within this manual.

- A. Public Works. Buildings. Parks and Recreation Exemptions:

- 1) **Road Gravel/Winter Sand:** Due to the limited number of available pits with material that meet specifications, the Town will periodically obtain analyses of the various pit materials, obtain quotes on the basis of a cost/cubic yard or ton at the pit and also delivered to the Town. The Town will then make a decision for purchase based upon quality of material, availability, cost, workload of Town trucks, etc.

- 2) **Winter Road Salt:** The price of this material is set within each State Highway District by State competitive bid. All vendors operating in the District charge the same price for road salt. The Town will purchase salt from the vendor that best meets its needs as related to deicer performance and delivery.
- 3) **Repair Parts:** Purchase of repair parts is acknowledged to be a unique purchase requirement, often necessitated by the need to purchase from a sole source vendor in an emergency situation. The requirement for sealed bids is waived and it is understood that the department will make a good faith attempt to follow the guidelines with respect to other purchase limits.

B. Personnel Training

Training and personnel development shall be exempt from the competitive bidding provisions of these policies.

IX. Contracts

- A. Contracts already in effect at the time of the adoption of this policy will remain in effect until the contract completion date
- B. Only the Town Manager or Director of Administration in his/her absence is authorized to sign contracts on behalf of the Town.
- C. A copy of all contracts shall be given to the Town Manager and will be maintained by the Director of Administration.

X. Waivers

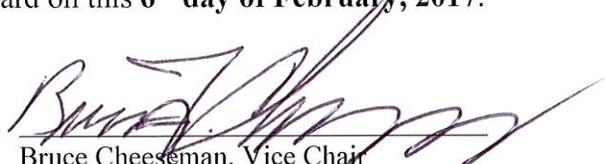
The Town Manager shall be authorized to waive the requirements of this manual whenever conformance is not possible, or whenever conformance would significantly impair the ability of a Department to carry out its responsibilities. All waivers shall be documented and filed and provided to the Selectboard in the Board Meeting organizational notes.

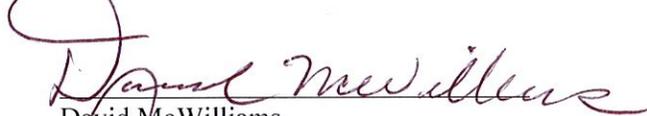
XI. Appendices

The Purchasing Policy Waiver, Purchase Requisition Authorization, and Budget Amendment Request are attached.

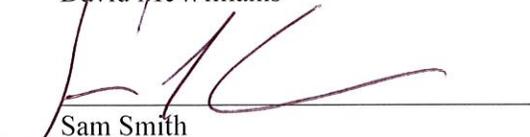
As authorized by the Town of St. Albans Selectboard on this **6th day of February, 2017.**


 Stan Dukas, Chair


 Bruce Cheeseman, Vice Chair


 David McWilliams


 Bill Nihan


 Sam Smith

2-6-2017
 Date