

## Purchasing Policy

### TOWN OF CANAAN

Adopted November 28, 2022

**PURPOSE.** The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Canaan at the lowest possible price, 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.

#### **OBJECTIVES FOR THE TOWN OF CANAAN.**

1. To promote in the best interests of the Town of Canaan, open and intelligent purchasing of supplies, equipment, replacement parts, and services, which will result in the maximum value received for each tax dollar spent.
2. To assure realization of the principles of competitive purchasing and best buy at least cost.
3. To assist management on reaching responsible and cost-effective decisions in the procurement of quality supplies and services for Town use.
4. To ensure that all vendors will have an equal opportunity to do business with the Town of Canaan and promote good will and clear communications in Town/Vendor relations.

**CODE OF CONDUCT.** 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. No employee, officer or agent of the Town shall participate in selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or personal interest in the firm/vendor selected for award.

An employee, officer or agent of the Town who is involved in the procurement and selection of a bid or purchase and who has a real or apparent conflict of interest must disclose that conflict of interest within the context of a duly warned Selectboard meeting **that occurs before the bid selection or purchase takes place**. Such disclosure must be documented in the minutes for that meeting which shall be retained as part of the official record surrounding the bid or purchase.

Officers, employees and agents of the Town will not solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

Officers, employees and agents who fail to follow the above Code of Conduct shall be sanctioned or disciplined, to the extent permitted by law, for violations of the above standards.

**DOCUMENTATION.** Records documenting the procurement process for any minor or major purchases, as those terms are defined below, 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 the date of the submission to the Federal government of the final expenditure report if the purchase or project was funded with federal grants, or until the completion of any litigation, claim, negotiation, audit, or other action involving the records, whichever is longer.** Otherwise, records shall be maintained by the Town in accordance with the retention and disposition schedules as set by the Vermont State Archivist.

### **PURCHASING AUTHORITY.**

**Purchasing Agents.** The following employees are designated to act as Purchasing Agents for the Town: Town of Canaan Selectboard, Town Clerk, Treasurer, Assistant Clerk, Assistant Treasurer, Chief Water Operator, the Highway Agent, and any other individual or department head that the Town of Canaan Selectboard deems appropriate, of which a formal vote at a warned meeting must be made stating such.

Purchasing Agents are responsible for ensuring that the best possible price and quality are obtained with each purchase. Purchasing Agents shall review all proposed procurements to avoid unnecessary or duplicative purchases of equipment, supplies, and services. Purchasing Agents shall also ensure that competition is not restricted with limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

**Routine Purchases.** Those purchases calling for delivery of goods or services of less than \$4,999.99. Routine Purchases may be accomplished without solicitation of bids or quotations. However; if practicable on a periodic basis, quotations should be solicited. The Department Head shall act as the Purchasing Agent for routine purchases. The purchase may then be completed in a manner consistent with the procedures adopted by the Town of Canaan Selectboard.

**Moderate Purchases.** Those purchases calling for delivery of goods or services in the amount of \$5,000.00 to \$11,999.99. Moderate purchases must be accomplished through competitive solicitation, but not necessarily through formal bids. The Department Head shall act as Purchasing Agent for moderate purchases, under direct advisement of the Selectboard. Moderate purchases may be made through formal bid or written or verbal quotation at the discretion of the Selectboard or Purchasing Agent in consultation with the department head for whose department the purchase is being made. Bids or quotations, written or verbal, should be sought from at least three vendors unless a sole source is approved by the Town of Canaan Selectboard.

**Major Purchases.** Those purchases calling for the delivery of goods or services in the amount of \$12,000 or greater. Major purchases shall require a formal bid process, unless waived by the Town of Canaan Selectboard. The Town of Canaan Selectboard shall act as Purchasing Agent for major purchases. The Purchasing Agent shall prepare or cause to be prepared, specification or a request for proposal for the article or services required and shall advertise an Invitation to Bid at least once in a

newspaper of general circulation in the Canaan readership area.

**VENDOR SELECTION** Vendors/Bidders will be selected on a competitive basis. Purchases shall be awarded to the lowest, best qualified, and responsible vendor. Any or all bids, quotations, or proposals may be rejected if such action is deemed to be in the best interest of the Town.

In determining the “lowest, best qualified and responsible vendor,” in addition to price, the following may be considered:

1. The substantial performance of the bidder or vendor in meeting the specifications and other terms and conditions of the solicitation.
2. The ability, capacity, and skill of the vendor to perform the contract or provide the material or service required, and to do so promptly or within the time specified.
3. The character, integrity, reputation, experience, financial resources, and performance under previous contracts with the vendor or bidder.
4. The quality, availability, and adaptability of the service or product being purchased and the ability of the vendor or bidder to provide future maintenance if necessary.
5. If all other things are equal and price is the only consideration the local vendor<sup>1</sup> would receive a 5% preference or \$1,000, whichever is less. The subsection shall not apply to contracts involving Federal or State grants or loans. Contracts involving Federal or State grants shall be awarded to the lowest qualified vendor or bidder.
6. Consider purchasing recycled products when they meet our requirements for the products being purchased.

**BID INVITATIONS.** The invitation to Bid shall include the following information:

1. The location, time, and place for receiving and opening of the bids.
2. Information on how to obtain bid specification and bid forms, or the request for proposal forms.
3. A description of the supplies, materials, equipment, or services being placed out to bid.
4. The disclaimer that the Town of Canaan retains the right to reject any or all bids if such action is deemed to be in the best interest of the Town.
5. A requirement that all bids shall be a fixed fee basis, unless otherwise required by a funding agency or waived by the Town of Canaan Selectboard.

**SEALED BID PROCESS.** The sealed 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 advertisements posted in at least three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region, at least two weeks prior to the due date.

**BID SPECIFICATIONS.** A list of bid specifications shall be prepared for each purchase equal to and over \$12,000.00 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.
4. Specifications for the project or services including quantity, design, and performance features.
5. Bond and/or insurance requirements

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<sup>1</sup> Local vendor: A party who owns real property in Canaan and pays property taxes to the Town.

6. Any special requirements unique to the project or purchase.
7. Delivery or completion date
8. 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.

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 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 their 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, not less than fourteen (14) calendar days following the date of the first advertisement, at the time and place specified in the published notice. Late bids shall not be accepted. 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:

- Price.
- Bidder's ability to perform within the specified time limits.
- Bidder's experience and reputation, including past performance for the Town.
- Quality of the materials and services specified in the bid.
- Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
- Bidder's financial responsibility.
- Bidder's availability to provide future service, maintenance, and support.
- Nature and size of bidder.
- Contract provisions that are acceptable to the Town.
- 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>).

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

**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.

**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.

**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, risk management, and insurance services with a value of up to \$5,000.00



The foregoing Policy is hereby adopted by the Selectboard of the Town of Canaan, Vermont, this 28 day of November, 2022 and is effective as of this date until amended or repealed.

## **SIGNATURES**

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Canaan Selectboard

/s/ Haven Haynes Jr., Selectboard Chairperson

/s/ Alfred Buckley

/s/ Mark Bullard