

TOWN OF WILLISTON

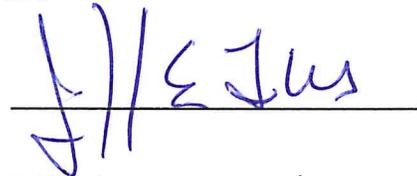
PURCHASING POLICY

Adopted: September 3, 2019

Williston Selectboard



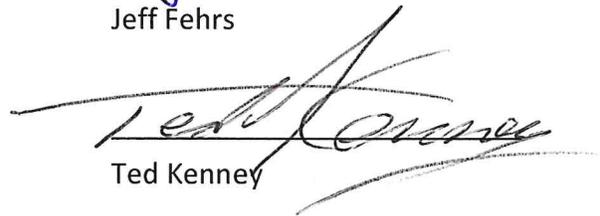
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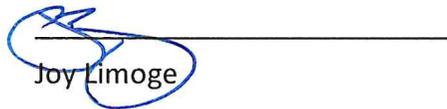
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Abstract:

The purpose of this policy is to establish procedures and guidelines for procurement of supplies, materials, and services for the Town of Williston.

Purchasing Policy

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TOWN OF WILLISTON
Purchasing Policy

1. INTRODUCTION

Under the Town Charter, the Town Manager is designated as the general purchasing agent for the Town. (Section 16 (h) (3) (A)) The purpose of this policy is to establish procedures and guidelines for procurement of supplies, materials, and services for the Town of Williston consistent with the objectives identified below.

In order to keep current with developments in purchasing, the manual will be reviewed biennially by the Town Manager and if changes are needed these will be presented to the Selectboard for consideration.

2. OBJECTIVES

Objectives serve as a set of guidelines to be used by employees to reach responsible and intelligent decisions relative to purchases. The primary objectives of the Town of Williston purchasing policy are as follows:

- 2.1. Enable uniform procurement policies throughout the organization;
- 2.2. Build public confidence in public procurement;
- 2.3. Ensure the fair and equitable treatment of everyone who deals with the procurement system;
- 2.4. Provide for increased efficiency, economy, and flexibility in Town procurement
- 2.5. activities and maximize to the fullest extent the purchasing power of the Town;
- 2.6. Foster effective broad-based competition from all segments of the supplier community;
- 2.7. Safeguard the integrity of the procurement system and protect against corruption, waste, fraud, and abuse;
- 2.8. Ensure appropriate public access to contracting information; and
- 2.9. Foster equal employment opportunities that are in line with legal requirements, in the policies and practices of suppliers and subcontractors wishing to do business with the Town.

3. PURCHASING AUTHORITY

- 3.1. Application - This Policy applies to the procurement of supplies, services, contracts, furniture, equipment and vehicles. This Policy shall apply to all 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 Policy shall prevent any public agency from complying with the terms and conditions of any grant, gift, or bequest that are otherwise consistent with law.

- 3.2. Delegation Authority - Each Department Head has the authority and is responsible for the purchasing of goods and services within his/her department in a manner consistent with the contents of this policy and with regard to the amounts authorized in their respective annual budget. Department Heads may further delegate the authority to purchase to other employees within the department, but the responsibility and accountability for the purchases remains with the Department Head.
- 3.3. Leasing - All leasing and service agreements must be approved by the Town Manager.
- 3.4. Contracts - Only the Town Manager is authorized to sign contracts on behalf of the Town. The Town Manager, however, may delegate this authority, including the authority to make payments under contract, on a case by case basis.
- 3.5. Contracts already in effect at the time of adoption of this policy will remain in effect until the contract completion date.
- 3.6. 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.
- 3.7. 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.

4. GENERAL POLICIES

- 4.1. 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 1 V.S.A. Chapter 317 (b)(9) shall be kept confidential.
- 4.2. Records - Each department will maintain appropriate records for every purchase and contract (i.e., purchase order). A copy of all contracts shall be given to the Finance Manager who will maintain a contract file for the Town.
- 4.3. Certificates of Insurance - All contractors hired by the Town shall name the Town as an additional insured on their insurance policy and provide the Town with proof of insurance to the commencement of any work under their contract with the Town.
- 4.4. Discounts - It is the Town's intent to take advantage of discounts when properly

earned.

- 4.5. Tax-Exempt - The Town of Williston, a municipality, is exempt from all Federal and State sales tax, therefore sales tax should not be charged on any purchase. Vendor should receive the Vermont Sales Tax Exemption Certificate prior to purchase.
- 4.6. Invoices – All invoices shall be signed by the Department Head after satisfactory receipt of the goods or services and timely remitted to Accounts Payable for payment. Purchases must be charged to the proper general ledger account, regardless of budget availability in the particular line item.
- 4.7. Multi-Year Obligations – No multi-year obligations such as the space rental or copier leases may be entered without the review and concurrence of the Finance Director and Town Manager.
- 4.8. Unauthorized Purchases - Any purchase of supplies, materials, equipment or services without proper authorization is prohibited including personal purchases using Town funds

5. CONFLICT OF INTEREST

All purchases of town equipment, supplies and services must be in compliance with section 6.2 of the Personnel Policy, Employee Conduct and Ethics.

6. CREDIT ACCOUNT PURCHASES

Credit accounts can be set up with selected vendors to expedite the procurement of frequently needed low cost supplies. Each Department Head will determine who in the department has authority to pick up supplies from the vendor to be billed directly to the Town. The credit slip should be attached to the invoice upon receipt from the vendor. The Department Head will work with the Finance Department to complete any credit reference applications.

7. PRICING GUIDELINES

It is the intent to ensure that goods and services procured by the Town are competitively priced while purchasing the best quality goods and services. In so far as practicable, purchases shall be made on the basis of competitive prices, considering quality, suitability, delivery, service, integrity, reputation and experience of the vendor.

Department Heads are encouraged to 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 in determining the extent of effort needed to obtain competitive prices:

- 7.1. A minimum of two (2) vendors shall be contacted. It is recommended that three (3) contacts be made.
- 7.2. Purchases under \$2,000 do not require quotes.
- 7.3. \$2,000 to \$5,000: verbal quotes shall be obtained, documented and filed including name of vendor, date, and amount of quote.
- 7.4. \$5,000 to \$15,000: written quotations shall be obtained.
- 7.5. \$15,000+: bids shall be obtained unless waived by the Town Manager when a purchase is an emergency as defined in Section 10. Bids may be used for purchases under \$15,000 if the Department Head or Town Manager deems it to be in the best interest of the Town.
- 7.6. Purchases of goods made through the State of Vermont contracts will not require formal bids or quotations since those contracts were awarded through competitive bids.

8. BIDDING PROCESS

- 8.1. Invitation for Bid - All contracts and all purchases advertised through an Invitation for Bid (IFB) require sealed bids. The Town Manager and Department Head shall determine if advertising is necessary. The IFB will contain a general description 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.
- 8.2. Bid Opening - All sealed bids will be opened in public in the presence of at least one witness at the time and place stated in the IFB. Bids received after the specific time, are not eligible for consideration. A tabulation of all bids received will be signed by at least one (1) Town employee or a designated person and sent to all bidders.
- 8.3. Bid deposits, performance bonds, letters of credit, or certified checks - may be required for contracts in such 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 deposit with the Town.
- 8.4. Bid Acceptance and Bid Evaluation - Bids shall be unconditionally accepted without alternation 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.
- 8.5. Award - The contract shall be awarded 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. If the low bid is found unacceptable because of some factual circumstance, the department head should write a clear, concise, and factual justification for not accepting the lowest bid.

- 8.6. Cancellation - An invitation for bids, a request for proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part, when it is found to serve the best interest of the Town. The reasons therefore shall be made part of the contract file. All specifications issued by the Town shall state that the solicitation may be cancelled 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.
- 8.7. Bid Protest - Any bidder who is aggrieved with the awarding of a contract may protest in writing to the Town Manager. All protests must be submitted in writing within three (3) business days after the bid award. The Town Manager shall send the aggrieved party a written decision within ten (10) business days.

9. 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 interests of the Town. When selecting a vendor, in addition to price the following may be considered:

- 9.1. Ability, capacity, and skill of vendor to perform the contract or provide the material or service required.
- 9.2. Whether the vendor can perform the contract or provide the material or service promptly, including all necessary paper work, or within the time specified, without delay or interference.
- 9.3. Integrity, reputation, experience and efficiency of the business and staff.
- 9.4. Quality of performance on previous contracts, orders, or services to the Town and others.
- 9.5. Previous and existing compliance by the vendor with laws and ordinances related to the contract, order, or service.
- 9.6. Ability of vendor to provide future maintenance and service for the product or contract.
- 9.7. Compatibility with existing equipment or products.
- 9.8. Where possible and without conflicting with other local, state or federal regulations or other provisions of this policy, the Town shall make an attempt to utilize local vendors.
- 9.9. There is no conflict of interest with the vendor.

10. PURCHASE ORDERS

- 10.1. Each department will create and number an electronic Purchase Order for purchases over \$2,000; Department Heads have approval authority up to \$2,000,

amounts over \$2,000 must be approved by the Town Manager. An approved Purchase Order should be printed and attached to the corresponding invoice which is then sent to Finance for payment. No invoice over \$2,000 will be paid unless an approved purchase order is attached.

- 10.2. Purchase orders shall be completed with the vendor name and complete address, date of order, description of item to be ordered or services to be provided, the quantity of items ordered (if applicable), per item price, total cost by item and total for order. Include the budget account number to be charged for each item. Initiation and/or approval of the purchase order by Department Head implies that there is money available in the budget for the projected expenditure.
- 10.3. Note any differences between purchase order amount and invoice amount. Invoices will not be paid until discrepancies are documented as approved.

11. SOLE SEARCH PURCHASES

A contract may be awarded without competitive bid 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 or the Town wants purchase same equipment including computers in order to streamline servicing and maintenance. The Department Head shall conduct negotiations, as appropriate, as to price, delivery, and terms. The Bid Waiver Form should be completed.

12. CAPITALIZATION THRESHOLDS

Capital purchases are furniture, fixtures, equipment, leasehold improvements, building construction and renovations, vehicles etc. that meet two criteria:

- 1) has a useful life of more than one year; and
- 2) has a cost of more than \$10,000

13. EMERGENCY PURCHASES

The Selectboard may award contracts and make purchases in the event of an emergency without complying with the bid process or requesting quotes from three vendors. An emergency situation shall be defined as one which threatens:

- The lives, health, or safety of people;
- Property of the Town, residents, businesses or private property owners;
- The delivery of necessary services to Town residents;
- Compliance with permits.

The Town Manager or designee shall approve all requests for emergency purchases over \$15,000. The Town Selectboard shall be notified of purchases under this section within 48

hours or as soon as practical. The Town Manager shall be notified of all emergency purchases without prior approval within 24 hours or as soon as practical. Department Heads shall use good judgment when making emergency purchases. The Department Head should use an established vendor and limit the purchase to those items which are truly emergency related. 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. Emergency purchases are costly and every effort should be made to avoid them.

14. EXEMPTIONS

The following items are exempt from the bidding procedure:

- Utilities
- Contracted services
- Stock office supplies
- Payments under approved contract
- Professional Services
- Library books, periodicals, etc.
- Items procured solely from a government agency
- Items which are proprietary (software etc.)
- Original Equipment Manufacturer requirements for equipment under lease, rental, warranty or maintenance.
- Items purchased under a State contract
- Design compatibility with existing equipment
- Only known source of supply (sole source)
- Emergency purchases as outlined in 10 above.

15. DOCUMENTATION

Records documenting the procurement process shall be included as part of the documentation accompanying the approved vendor invoice. (If there will be more than one invoice for the purchase, the documentation will accompany the initial invoice.) These files will be maintained according to the Town's Retention Schedule for Accounts Payable invoices as set by the Vermont State Archivist. These records will be maintained for a period of three years from the date of submission to the Federal or State government of the final expenditure report, if the purchase or project was funded with federal grants, or until completion of any litigation, claim, negotiation, audit or other action involving the records, whichever is longer.

16. DISPOSITION OF REAL PROPERTY

16.1. Responsibility: Disposition of surplus property is the responsibility of the Town Manager. Disposition of all surplus property shall be done in a manner that is in the Town's best interest.

16.2. Disposal Process:

- When a Department of the Town of Williston has property which is no longer needed, useful or usable, the Department head shall fill out a Disposition of Property form and identify the item, its inventory control number, condition, monetary value, and proposed disposition, if applicable.
- Documentation should be attached to indicate how monetary value was determined, as well as any documentation regarding unusual proposed disposition.
- This form shall be submitted to the finance department, where it will be reviewed, edited, and submitted to the Manager for approval. If the originating department cannot place a value on the property, the finance department will attempt to obtain a current market value.

16.3. Disposal Methods: Prior to offering any surplus property for sale, the Town Manager must first determine that no other department has a need for the excess item to be sold. If not, the property will be disposed of by one of the following methods, with the nature of the item determining the best method:

- The item may be advertised for public sale with the property having a price assigned to each item and sold to the public on a first come, first serve basis. Items with a value of less than \$500 may be posted publicly, rather than advertised.
- The item may be sold at public auction to the highest bidder.
- The item may be offered for sale under a competitive bidding procedure.
- The item may be sold without a competitive bid when the item is so specialized that only one potential buyer can be identified. In such cases, the item may be sold at a negotiated price.
- Items, such as vehicles, may be used as trade-ins for newer items, if the trade-in value is competitive with the market value of the item.
- If the Town Manager determines that the item has no cash value, the item may be disposed of in whatever manner is in the best interests of the Town, as determined by the Town Manager.

Approved by the Williston Selectboard on February 24, 2000.

Revised June 30, 2008

Revised September 3, 2019