



## **PURCHASING AND CONTRACT POLICY**

*(adopted May 1999, affirmed April 8, 2015, updated October 2015, January 2016)*

### **I. Authority**

This policy is authorized under Section 5.12 of the Charter of the Town of Bedford, NH.

Effective Date: **This policy and its amendments** shall be effective immediately upon its adoption by the Town Council.

### **II. Purpose**

The primary purpose of this policy is to prescribe the manner in which materials, supplies, equipment and contracted services are obtained for the Town. In providing a framework for purchasing activities, the policy also makes clear the Town's position that all qualified vendors have an opportunity to do business with the Town. This policy shall also provide direction that, whenever possible, the Town will direct its business to those vendors, which are located in Bedford or whose principals are Bedford residents.

The policy is intended to provide sufficient flexibility to allow for small individual purchases and purchases of an emergency nature. There should be no deviation from the policy except in an emergency. The Department Head in writing must explain any deviation to the Town Manager with a copy to the Purchasing Agent.

### **III. Purchasing Agent and Contract Authorization**

The Finance Director, subject to the Charter Authority of the Town Manager in purchasing, shall serve as the designated Purchasing Agent, when available. The Town Manager, through the Town Council's authorization of this policy, can authorize and execute Purchase Orders and Contracts up to the limits provided below.

### **IV. Powers and Duties**

The Purchasing Agent shall have the following powers and duties:

- To purchase materials, supplies and equipment, and the procurement of contracted services requisitioned by any agency of the Town, subject to the provisions of federal, state and local regulations
- To maintain high standards of quality in materials, supplies, equipment and services for the lowest reasonable cost.
- To take advantage of bulk, seasonal or cooperative purchasing, where possible.
- To dispose of obsolete or unusable personal property of the Town, and;
- To coordinate and assist departments and agencies of the Town in purchasing and contract matters, and otherwise observe practices in the best interest of the Town.



## **V. Purchasing Procedure**

In order to achieve the goals of the purchasing policy, the following set of procedures is established. The guidelines recognize the need for convenience and flexibility in making routine and small individual purchases. This is balanced with the principles of effective budget management at the department and agency level, and the interests of the Town in making purchases with consistently high standards of quality at reasonable prices.

The following items shall be exempt from the purchasing procedures contained in this policy:

- Utility Bills
- Fuel Purchases (vendors will be contacted to ensure purchases are made at lowest price possible)
- Expense reimbursements
- Office equipment maintenance and repairs
- Vehicle and equipment maintenance and repairs (except major repairs exceeding \$2,500 which shall require a purchase order)
- Equipment lease payments under an approved original lease agreement
- Identical recurring purchases such as uniform rental, cleaning services, etc. (except that the original contract must be authorized prior to any payments)
- Service or maintenance contracts payments (except that the contract or agreement must be authorized prior to any payments)
- Town attorney, appointed by the Town Council

All contracts that were budgeted up to \$100,000 and any contract not budgeted up to \$25,000 shall be signed by the Town Manager. Any contract that exceeds these amounts require Town Council authorization. In no case will any purchase be split to avoid the limits of this policy. In the case where a contract is present, no purchase order shall be issued without the signed contract.

## **VI. Purchase Order**

Purchase orders must be requested, and approved by the Purchasing Agent prior to the placement of an order.

1. Purchase orders shall be required for individual purchases of more than \$2,500, The distribution of copies of the approved completed purchase order is as follows:

- A) Original copy to vendor, where necessary
- B) One copy for requesting department files, and
- C) One copy for Finance Department files

2. The following information must be included on the purchase order:

- A) Date



- B) Vendor's name and address
- C) Quantity and description of item(s); and
- D) Department and account to be charged

The Purchasing Agent may request further information about the purchase.

3. Approved purchase orders shall either be returned to the department or agency placing the order, or mailed directly to the vendor, as appropriate. Direct mail purchase orders must be accompanied by vendor forms where necessary.
4. Purchase orders that are not approved by the Purchasing Agent shall be returned to the department or agency placing the order accompanied by a memorandum explaining why the purchase order was not approved.
5. Purchase orders over \$4,999 shall require the signature of the Town Manager.
6. Purchase orders under \$100,000 that were budgeted and does not require budgetary transfers shall require the approval of the Town Manager.
7. Purchases over \$25,000 that were not budgeted and require budgetary transfers, and all purchases over \$100,000 or more shall require a vote of the Council.

## **VII. Competitive Purchasing**

In order to represent the interests of the Town, some purchases should be made competitively, but without the more time-intensive formal bid process. The purpose of competitive purchasing is to assure the highest quality goods or services at the lowest cost. As outlined below, competitive purchasing is required only for purchases over \$2500, but may be used for any purchases as a means of gaining the best value.

### **1. Verbal Quotations.**

Verbal quotations from at least three (3) qualified vendors are required for individual purchases from \$1,500 - \$4,999. The amount, source, date, and subject of verbal quotation must be noted as proof for this level of competitive purchasing. In the event that a qualified vendor from Bedford is not selected, a brief explanation of why the local vendor was not chosen shall be provided.

### **2. Written Quotations.**

Written quotations from at least three (3) qualified vendors are required for individual purchases of \$5,000 - \$9,999. Copies of written quotations must be submitted with the purchase order requisition as proof for this level of competitive purchasing. In the event that a qualified vendor from Bedford is not selected, a brief explanation of why the local vendor was not chosen shall be provided.



### **3. Request for Proposal (RFP)**

Any purchase in excess of \$9,999 requires an advertised competitive process. Professional services may be exempt at the Town Manager's discretion.

### **4. Exceptions.**

RFP's or Quotations may not be required if the department or agency placing the order can demonstrate good reason or that competitive purchasing requirements have already been satisfied through other means (i.e. state contract, federal contract) or is sole source. The department requesting an exception on a particular purchase must file a request with the Purchasing Agent, with a copy to the Town Manager stating the reasons for the exception. The request for an exception must be approved by the Town Manager prior to making the purchase.

## **VIII. Emergency Purchasing**

Under certain circumstances such as, but not limited to, a declared emergency the interests of the Town are best served by quick action. To that end, observance of these purchasing policies may be temporarily suspended as a means of satisfying an immediate need.

In the event of an emergency, the Department Heads shall have the authority to make such immediate purchases as deemed necessary, provided that all reasonable efforts to contact the Purchasing Agent or Town Manager have failed. Once the emergency had been resolved, the Department Head shall submit a detailed report of all emergency expenditures, the circumstances, and justification for all purchases to the Town Manager. The Town Manager shall provide a detailed report to Town Council for emergencies whose expenditures are \$100,000 or more.

## **IX. Advertised Competitive Selection**

For some equipment, materials or supplies purchases, or contracting for professional or other services, advertised competitive selection of the vendor provides a greater level of choice and a better overall value for the Town. While situations and the approach demanded will vary, the following is included as recommended outline for this process:

1. Following the development of specifications or the scope of work, as appropriate, the timetable for the competitive selection process is set up by the Department Head and Purchasing Agent. The Purchasing Agent will review bid documents prior to advertisement.
2. A notice is placed in the legal classified section of a newspaper of general circulation or other relevant public forum and posted in at least two (2) public places with the following information:
  - A) Brief description of the item or service desired;



- B) Identify a contact for questions or copies of specifications, scope of work, request for proposal (RFP) or request for qualifications (RFQ);
  - C) The mailing address for response to the notice (Town of Bedford, Finance Office, 24 North Amherst Road, Bedford, NH 03110);
  - D) Other applicable information about the form in which submissions should be made (i.e. how packages are to be labeled, specific items to be included);
  - E) The deadline for receipt of responses to the notice;
  - F) Information about the opening of responses (i.e. date, time, place);
  - G) Statement reserving the exclusive right to accept or reject any or all responses to the notice, and;
  - H) Statement instructing Bedford vendors to identify themselves as such if they wish this factor to be considered in the award process.
3. Notices should appear in a newspaper of general circulation or other relevant public forum at least two (2) times, and be posted in at least two (2) public places, not less than seven (7) days prior to the last date for receipt of responses. Notices of RFP or RFQ for professional services or other significant items or projects should be advertised at least fourteen (14) days, but usually not more than thirty (30) days prior to the last date for receipt of responses. In all cases, notice to potential vendors should be made early enough to provide reasonable opportunity to participate and prepare responsible proposals.
4. This method of purchasing is generally required for purchases or contracts with a value of at least \$10,000, unless competitive purchasing requirements have already been satisfied (i.e. through purchase on state contract, federal contract, or if there is a lack of qualified bidders). Advertised competitive selection may be required on purchases or contracts of less than \$10,000.
5. Following the receipt of bids or proposals, a bid list containing the names and addresses of those submitting bids or proposals, and any prices or other pertinent information shall be sent to all bidders. In some cases, the bid list may also be sent with a letter notifying bidders of the award. The Purchasing Agent will review the bid summaries prior to the award of the bid.
6. The Purchasing Agent may waive the advertised competitive selection requirements after consultation with the Town Manager.
7. Advertised competitive selection requirements for individual purchases of \$100,000 or more may be waived by a vote of five (5) members of the Town Council.

## **X. Property Disposition**

Personal property such as automobiles, office equipment and other items purchased by the Town are periodically removed from service and disposed of in light of obsolescence or unusable condition. Items should be made available to other Town departments prior to



disposition, in order to assure maximum use of the item for public benefit. Many of these items retain significant value and need to be disposed of to recover their value in a timely and equitable fashion once their usefulness to the Town has ended. If property is to be disposed of, the Town Manager must give prior approval to the disposal. The method of disposal will be determined by the Purchasing Agent and may include sealed bid, auction, trade in, or any other method deemed appropriate.

Sealed Bid: Notice should be placed in a newspaper or other relevant public forum of general circulation with the following information:

- A) A brief description of the item to be sold;
- B) Information for bidders with questions;
- C) The deadline for submission of sealed bids;
- D) Information regarding the opening of bids received; and
- E) A statement reserving the right to accept or reject any and all bids.

Auction: In situations where a large number of items are to be disposed, an auction may be held in which prospective bidders view and make bids at a specified time and place. Notice of auction shall be posted in at least two (2) public places and advertised in a newspaper not less than seven (7) days prior to the date of the auction, which notice shall include:

- A) The time and place at which the auction will be held;
- B) A brief description of the items offered at auction; and
- C) Payment requirements.

Payment: The Town of Bedford will accept payment for items awarded by sealed bid or auction in the following forms:

- A) Cash;
- B) Certified Treasurer's or Cashier's check; or
- C) Money Order

Payment made by personal check may be accepted. However, a minimum ten (10) day waiting period is recommended before the bidder takes possession of any item to allow checks to clear.

## **XI. Award**

The award of a contract or purchase, or sale of Town property, follows the competitive selection process. Consistent with the other provisions of these guidelines, the criteria for the award are flexible enough to allow consideration of all factors involved, yet still provide a clear sense of public policy intent.

Purchasing. After bids or proposals have been received through the competitive selection process, the bids or proposals must be reviewed for completeness. The bids



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or proposals must be reviewed to determine how well they meet the specifications or scope of work, the input from references, or other aspects indicating the overall ability of the prospective vendor to provide the good or service desired.

In all cases, the goal of the award shall be to select the vendor offering the best overall value to the Town; the “lowest, best” bidder. Price, quality, service, and experience, either demonstrated through other clients or with the Town of Bedford, should be included in the determination of award. Whether the business is located in Bedford or its principals are residents of Bedford shall also be considered and, all other things being equal, preference is to be given to those businesses.

Property Disposition. Bids for property being sold by the Town should be awarded to the bidder making the highest responsible bid. In making this determination, bidders may be requested to supply proof of their ability to meet their bid before the final award is made.

## **XII. Specifications**

Specifications for any purchases under the advertised competitive selection process must be reviewed with the Purchasing Agent prior to the purchasing process. Specifications must adequately define the operating characteristics, performance requirements, or scope of work to be performed. They should not be so specific as to unnecessarily restrict competition, but complete enough to represent superior value for the Town.

Any specifications maintained by individual departments or agencies for particular items or services should be reviewed periodically and revised if necessary. All specifications for products or services should be placed on file with the Purchasing Agent.