TOWN OF DEERFIELD
Purchasing Policy

The Purchasing Policy is adopted on this Eighteenth Day of April in the Year Two Thousand Eleven by a Vote of the Deerfield Board of Selectmen. This Policy Supersedes the Bid Policy/Procedure, Adopted May 18, 2009; Alternate Bid Policy, Adopted May 18, 2009; Purchase Order Policy, Adopted May 18, 2009 and the Request for Expenditure/Purchase Policy/Procedure, Adopted March 22, 2004:

John Reagan, Chairman

Alan E. O'Neal, Vice Chairman

R. Andrew Robertson

Stephen R. Barry

William A. Perron

TOWN OF DEERFIELD
BOARD OF SELECTMEN

Town Seal

Effective Date: April 18, 2011

Town of Deerfield
PURCHASING POLICY

I. PURPOSE

The purpose of this policy is to establish the various procedures and guidelines to be utilized by all Town Departments, as well as Boards, Committees and Commissions that are part of the Town of Deerfield budget appropriations.

It is the responsibility of the Town of Deerfield:
- To make purchases at the lowest possible price consistent with the quality needed;
- To allow fair and equal opportunity among qualified suppliers.

Except as otherwise provided by law, the Town shall make purchases of goods or services needed as stated in this policy.

II. APPROVAL OF PURCHASES

Purchases for goods and services that in aggregate or individually are $1,000 or more must have a purchase order.

A. Purchase up to $999 – The Department Head shall have full authority to make department purchases of goods or services up to $1,000, which are identified within the department's annual budget.

B. Purchases between $1,000 and $10,000 – The Department Head shall contact as many vendors as necessary in order to obtain at least three (3) written quotations or shall issue a request for bid if required by the Board of Selectmen and/or Town Administrator. The Department Head shall prepare a purchase order, with quote documentation attached, for authorization by the Town Administrator. In the event less than three (3) quotations are available; evidence of the attempt to obtain them should be attached.

Note: The above thresholds do not include costs for shipping and/or freight.

III. COMPETITIVE BID PROCESS

A. A competitive bid process must be followed if the goods or services expend more than $10,000.

B. Notice of the request for bids shall be made in the following ways:
   1) Letters directly to known providers soliciting bid responses.

   2) Individuals and firms interested in being informed of competitive purchasing opportunities may contact the Town Administrator and be placed on the Town's bid list.

3) Requests for bids shall be posted at the Town Office and the Town Web site.

4) Advertisements shall be placed in one local newspaper or media of general circulation, soliciting bids.

C. The Department Head is responsible for establishing the bid specifications, which shall include the following:

1) Bid name. Bid Submittal Deadline;

2) Date, location and time of bid opening; (All bids shall be opened at a regularly scheduled Board of Selectmen meeting. Meeting schedule can be obtained from Town Administrator.)

3) Actual specifications for the project or services, including quantity, design and performance features, etc.;

4) Bond and/or insurance requirements;

5) Any special requirements; and

6) Desired delivery or completion date.

D. Once the request for bids has been issued, the bid specification shall be available for inspection at the Finance Department in the George B. White Building.

E. All bids must be submitted in sealed envelopes, addressed to the Town of Deerfield in care of the Town Administrator, and plainly marked with the name of the bid on the outside of the envelope.

F. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt.

G. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids.

H. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

I. Every bid received prior to the scheduled closing time for receipt of bids shall be publicly opened and read aloud by a member of the Board of Selectmen at a regularly scheduled Board of Selectmen Meeting.

J. The public opening and reading of each bid shall be at the time specified and shall include at least the following:

1) Name and address of bidder;

2) For lump sum contracts, the lump sum base bid and the bid for each alternate;

3) For unit price contracts, the unit price for each item and the total, if stated; and

4) The nature and the amount of security furnished with the bid if requested.

K. The Selectmen shall have the option of choosing up to three (3) bidders. If the successful bidder reneges, the Town can proceed with a contract with a second bidder. Up to three bids shall remain open until a contract is signed.

IV. CRITERIA FOR BID SELECTION

In evaluating bids, the Board of Selectmen, Town Administrator and Department Head shall consider the following:

A. Price and quality;

B. Bidder's ability to perform within the specified time limits;

C. Bidder's experience and reputation, including past performance for the Town;

D. Bidder's ability to meet other terms and conditions, including insurance and bond requirements;

E. Bidder's financial responsibility;

F. Any other factors that the Board of Selectmen determines are relevant and appropriate in connection with a given project or service.

The Board of Selectmen reserves the right to reject all bids and issue a new Request for Bids if less than three bids are received. The Board of Selectmen also reserve the right at their 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.

Any increase in cost estimates following bid award or signing of a contract shall be absorbed by the bidder.

V. PUBLIC AUCTION

With the approval of the Board of Selectmen, purchases may be made through public auction. The department must provide the Board of Selectmen in writing, quotes from like products in order to provide a realistic price comparison. Upon receiving the information, and verifying budget availability, written authorization indicating the amount "not to exceed" may be granted allowing the Department Head or their designee to attend the auction and bid on that particular product.

VI. EXCEPTIONS TO BID PROCESS

A. Sole Source Purchase - If the Board of Selectmen determines that there is only one possible source for a proposed purchase, they may waive the bid process and authorize the purchase from the sole source.

B. Blanket Purchase - If a proposed purchase is not a major purchase but is anticipated to exceed $15,000 during any fiscal year, the bid process shall be initiated and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such time as the Board of Selectmen vote to initiate a new bid process.

C. Emergency Expenditures - In case of an emergency, the Town may award contracts and make purchases for the purpose of meeting the public emergency without complying with the bid process. In such cases, the Town Administrator shall promptly file with the Board of Selectmen a report that certifies the emergency nature of the incident and itemizes the purchase and their costs. Emergency expenditures may include immediate repair or maintenance of town property, vehicles or equipment only if the delay in such repair or maintenance would endanger persons or property. However, even in emergencies, an attempt shall be made to get at least three (3) quotes by telephone or fax. In addition, the emergency expenditure shall be limited to the purchase of those goods or services needed to prevent the immediate harm. Any additional goods or services required to remedy the situation or prevent future harm shall be subject to the bid process.

D. Professional Services/Consultants - The bid process shall not apply to the Town's selection of service providers for services that are characterized by a high degree of professional judgment and discretion such as, but not limited to, legal services; auditing services; medical health or social services for Town employees, engineering and/or architecture, and risk management and/or insurance services.

E. Utility purchases.

F. Advertising.

G. Postage.

H. Federal, state and local taxes.

I. Court judgments.

J. Financing or borrowing.

K. Police special investigative costs where disclosure may jeopardize investigation.

L. Maintenance contracts with manufacturers of equipment purchased.

M. Where the Town decides to contract with non-profit organizations for the provision of health, welfare, social or recreational services for the Town to the general public.

N. Where the Town decides to contract with government agencies for the provision of governmental services.

O. Sealed, publicly invited competitive bids will not be required for purchases in any situation where a contractor or supplier has defaulted upon his or her obligations to the Town and there is a security guaranteeing to the Town the performance of said obligation at no additional cost to the Town, over and above the original obligation. In such cases, the Town Administrator, with the approval of the Board of Selectmen may negotiate and award the contract to whomsoever, providing that said renegotiations and award does not exceed the amount of the security.

P. The Board of Selectmen may waive any of the above requirements in cases where it is deemed inadvisable to solicit bids because of, for example, the need of standardization of such materials, supplies, equipment or services, or for any other reasons which the Board of Selectmen deem to be in the best interest of the Town.

Q. Any major item purchase may be made without a local bid process when the service or product is available from an approved bid list awarded by the State of NH, Rockingham County, Federal Government, School District or any other entity connected with a government agency.

VII. PAYMENT FOR GOODS OR SERVICES

Request for payment for any product or service shall be sent to the Finance Department.

Payment for any purchase over $1,000 will NOT be processed without a purchase order that must accompany the invoice.

Department Heads are responsible for obtaining new vendor information through the federal form W-9.

Department Heads are responsible for obtaining any applicable certificate of insurance and/or bonding requirements from vendors for services provided prior to any service being performed and/or payment being requested.

Note: General assistance payment requests are not subject to this policy.

VIII. NON-COMPLIANCE IMPACT

Non-compliance with any section of this policy (unless authorized by the Town Administrator and/or Board of Selectmen in writing) shall result in the following:

A. Invoices will be returned to departments when purchase orders are not attached.

B. Contracts entered into without following proper procedures will be voided.