

TOWN OF DOVER
VERMONT
PURCHASING POLICY

I. Purpose

The purpose of this policy is: 1) establish adequate control over the purchasing process, 2) ensure proper accountability, 3) ensure sound purchasing decisions, and 4) provide a basis for the efficient use of public funds through maximum and open competition among vendors.

All operating departments and funding agencies making purchases through the Town of Dover's accounting system must secure its goods and services consistent with these regulations.

For the purpose of these regulations, the Board of Selectmen is the authorized purchasing officer and shall have authority to establish such rules and regulations for the purchase of goods and services for the Town of Dover.

II. General Policies

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. Purchases shall be awarded on the basis of quality, compatibility, availability, best price, and repair record, taking into consideration past performance of the vendor and its suppliers.

The Town of Dover is exempt from all Federal and State sales and excise taxes.

III. Application

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. In the event a Department Head is unavailable a designee may initiate a purchase. When situations arise which may conflict with the purchasing policy, the Department Head shall seek a waiver from the Board of Selectmen prior to the purchase. Each waiver shall be documented and filed.

IV. Code of Conduct

No town employee or agent of the Town of Dover participating in the selection of vendors or award of contracts shall have any personal interest either real or apparent in the selection process. Town employees engaged in the procurement of goods and service must maintain a proper "arms-length" business relationship with vendors. An employee who receives a gift or gratuity from any source, by virtue of the fact that he/she is a town employee shall immediately inform his/her supervisor.

V. Competitive Pricing

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

- ▶ \$500.00 to \$4,999.00: At least two verbal quotes should be documented by the department head, including a description of the work to be performed, vendor, date, and amount of quote. Department heads are empowered to make a selection when utilizing verbal quotes.

▷ \$5,000.00 to \$10,000: At least two written quotes shall be requested, documented and filed including name of vendor, date, and amount of quote. Department heads shall review the written quotes and make a recommendation to the selectboard.

▷ Over \$10,000: Solicit three written bids unless such a purchase is an emergency. Department heads shall open the bids, record their contents, seek clarification from the vendor if necessary, summarize, and make a recommendation to the board.

VI. Procedures

A. Bids

1. Request for Proposal must be solicited from an adequate number of qualified sources. The Board of Selectmen and Department Heads shall determine if advertising is necessary. A Request for Proposal (RFP) will be published in town's newspapers and, if applicable, in a trade journal. The RFP will contain a general description of 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 closing and opening.
2. Bid Opening. Department heads shall, in the presence of a second municipal employee, open and record the bids only after the bidding period is closed. A department head may if necessary seek clarification from the vendor to resolve ambiguity. The department head will submit the bids to the board along with a summary and a recommendation for their decision. Bids received after the specified times are not eligible for consideration.
3. Bid deposits or performance bonds or certified checks may be required for contracts in such amount necessary to protect the Town's interest. A successful bidder who fails to enter into a contract within the time specified after notification of the bid award may 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, but not limited to, criteria such as quality, workmanship, delivery, and suitability for a particular purpose.
5. Award. The contract shall be awarded with reasonable promptness by appropriate written notice to the bidder whose bid meets the requirements and criteria set forth in the specifications.
6. Cancellation. An RFP or bid 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.

B. Purchase Orders

Purchase orders are required for goods totaling more than \$499.99. The department prepares a purchase order after the vendor has been selected. The purchase order acts as a contract between the Town and vendor for purchase of items listed. A purchase order must be completely filled out and include the following information:

- i. Name and address of vendor.
- ii. Date of order and date payment is required (if known).
- iii. Account number to which the product or service will be charged.
- iv. Accurate description of product or service (attach a written description if necessary).
- v. Quantity ordered.
- vi. Unit cost (if appropriate) and total cost.

- vii. Signature of appropriate Department Head or Board of Selectmen.
- viii. All purchase orders must be sent to the accounts payable office within 5 days of purchase with or without an invoice or bill attached.
- ix. Department should keep a carbon copy of the Purchase Order.

Whenever a cancellation of a purchase order occurs, the cancelled purchase order shall be returned to the accounts payable office.

C. Emergency Purchases

Departments should use good judgment when making emergency purchases. The Department Head should determine if a true emergency exists. Emergency purchases do not require three quotes.

D. Contracts

All contracts for services or construction shall contain the following indemnification and hold harmless language unless waived by the Board of Selectmen:

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 suites growing out of injuries to person, including death, or damages to property caused by the contractor, his 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 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 employee, then and only then, the Contractor shall not be liable under the provisions of this paragraph.

Only the Board of Selectmen is authorized to sign contracts on behalf of the Town. The Board of Selectmen, however, may delegate this authority, including the authority to make these payments under contract, on a case-by-case basis.

A copy of the contract shall be given to the Board of Selectmen.

VII. Department Purchasing Policies

The Town recognizes that each department has specific purchases that are particular to that department. The following guidelines apply only to the department indicated.

A. Highway Department – Specific Exemptions

1. Road Gravel/Winter Sand

Due to the limited number of available pits with material that meets 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.

Highway Department – Specific Exemptions (cont.)

3. Single Source Contractor Support of Town Construction Projects

It has been shown to be cost effective on many small projects for the Town to obtain materials for a project at municipal discount and then negotiate with a contractor for installation of materials.

The intent is to utilize the specialized equipment available in the private sector, to provide work to a variety of contractors and to keep costs low through control of the work effort. This practice is acknowledged and allowed, providing the total payment to a contractor on a specific job does not exceed \$10,000.00.

4. 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. This 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.

VIII. Waivers

The Board of Selectmen shall be authorized to waive the requirements of this policy whenever conformance is not possible, deem a waiver is in the best interest of the town, or whenever conformance would significantly impair the ability of a department to carry out its responsibilities. All waivers shall be documented and filed.

Adopted by the Dover Board of Selectmen this ____ day of ____ 2006

Amended April 17, 2007

Amended October 6, 2009

Amended June 21, 2011

Amended July 17, 2012

Amended March 4, 2015



Randall Terk



Victoria Capitani



Linda Holland



Thomas Baltrus



Joseph Mahon