

POLICY DIRECTIVE PURCHASING

Section 1. Purpose

The purpose of this policy is to standardize the purchasing procedure for the Town of Berwick, thereby securing for the town the advantages of a uniform purchasing policy. It is designed to save taxpayers' money and increase public confidence in the procedures for municipal purchasing; to promote the equitable treatment of all suppliers of goods and services; and to set forth the duties and responsibilities of the Purchasing Agent and the department heads as those responsibilities pertain to the purchasing system.

Section 2. Definitions

1. Bid Most Advantageous to the Town: a bid chosen on the basis of price, quality of Merchandise, suitability of merchandise and service reputation of the vendor; therefore, this bid may not necessarily mean the lowest bid received.
2. Competitive Bidding: the process of obtaining the "bid most advantageous to the Town" for any purchase, whether through formal or informal bidding procedures.
 - a. Formal Bid: written quotation received in a sealed envelope from a vendor and opened publicly at a specific place/date/time pursuant to a "Request for Bids" or a "Request for Proposals"
 - b. Informal Bid: written or oral quotation received from a vendor as a result of an inquiry from the municipality, which does not have to be opened publicly at a specific place/date/time
3. Purchasing Agent: The Town Manager, or ~~Town Manager's designee.~~ Finance Director in the Town Manager's absence.
4. Purchase: buying, renting, leasing or otherwise acquiring supplies or services for a price.
5. Supplies: all supplies, materials and equipment.
6. Services: the lease or rental of all grounds, buildings, offices or equipment required by the Town; the repair or maintenance of real property or equipment owned by, or responsibility of, the Town; and all labor furnished to the Town by persons, firms or Corporations, which are not a part of, or connected with, the Town government. The Term "services" shall not include the following:
 - a. Professional services provided to the Town by lawyers, engineers, architects, Auditors and other consultants;

- b. Utilities - to include electricity, telephone, water et al.
7. Specifications: standards, including quality, as established by the Town as a measure of that which a successful vendor must achieve. Specifications may be technical specifications for bid (which shall state formulations as broadly as practical, yet specific enough as to describe the requirements of the Town) or non-technical specifications for bid.
 8. Field Purchases: a purchase of supplies, in small quantities and with a total purchase price of less than \$5,000.00, needed for day-to-day operations of a municipal department; said purchase to be made by the department head or a designated representative.
 9. Cooperative Purchases: a purchase made by the Town in conjunction with, or from, another governmental I quasi-governmental agency, such as, but not limited to, the State of Maine, York County, the Greater Portland Council of Governments, SMRPC, MSAD #60, or another municipality.
 10. Blanket Purchase: in those circumstances where the Town typically purchases some supplies and / or services on a regular basis throughout the year, the Town shall subject those purchases to competitive bidding only once each year -- referred to as a blanket purchase. The bidding process shall be clearly identified as a blanket purchase to obtain the bid "most advantageous to the Town", and should be concluded prior to the beginning of the fiscal year for which it shall be in effect (i.e., during June of any given year).
 11. Emergency: An emergency is any situation or circumstance which will inhibit the department from providing delivery of services when said services are, or may be, needed; for example, the incapacity of any fire truck at any time, the incapacity of a police cruiser at any time, the incapacity of a DPW plow truck during a winter storm (or at a time when a storm is anticipated), the break of a water service line, etc. In order to conform with the resolution of a crisis, the purchase of emergency supplies, and / or services will be subject to the blanket purchase bidding requirements, as defined herein.

Section 3. Applicability

This policy shall apply to all purchases made by all departments and agencies of the Town, except as may be otherwise specified herein.

Section 4. Appropriation

Neither the Purchasing Agent, nor any department head, shall make any purchase, or allow any purchase to be made, unless and until an appropriation therefore has been approved by the Town's legislative body.

Section 5. Purchase Limits

The following purchasing (dollar) limits shall pertain to all purchases made by, or on behalf of, the Town of Berwick; except as otherwise provided within this policy:

1. A department head, or the department head's designee, may make a field purchase when the total purchase price for the goods and services being purchased is less than \$5,000.00.
2. A department head must submit a written request, known as a "purchase requisition", to the Purchasing Agent, prior to the commitment of funds for said purchase, when the total purchase price for goods and / or services being purchased is between \$5,000.00 and \$10,000.00. Purchase requisitions may be signed by the department head only. Purchase requisitions are then converted to purchase orders prior to making said purchase:
3. All purchases totaling \$10,001.00, or more, shall be made through the formal bid process.
4. Purchases made in emergency circumstances shall be considered to be exempted from the aforementioned limits. Notification that the emergency exists is made to the Town Manager and a discussion between the Department Head and Manager takes place as to how this emergency purchase will be paid for.

Section 6. Competitive Bidding

"Competitive Bidding", in the form of formal bid, shall be required for all purchase in excess of \$10,001.00, unless otherwise provided for within this policy. Informal bidding procedures shall be followed by the Purchasing Agent in all applicable situations where the total purchase price is greater than, or equal to, \$5,0001.00, but less than, or equal to, \$10,001.00.

The Purchasing Agent may waive the requirements for competitive bidding for purchases in excess of \$5,001.00 in cases of emergency, or when the purchase is inappropriate for competitive bidding due to the nature of the time, the limited number of suppliers, time constraints or other factors. In such an instance, the Purchasing Agent shall be responsible to file a full and complete statement of the reasons for waiving the competitive bidding requirements with the Board of Selectmen, if so requested. Additionally, purchases made under a "blanket purchase" arrangement are considered to have been subjected to the competitive bid process previously and are exempted from further competitive bidding processes.

The Purchasing Agent may make cooperative purchases without adhering to the competitive bidding process if the Purchasing Agent determines that the purchase is being made after competitive bidding by the cooperative entity or at a price more advantageous than the Town would be likely to obtain by competitive bidding.

1. Procedures for Formal Bidding: Procedures to be followed in the Formal Bid Process shall be as follows:
 - a. The Department Head shall submit to the Purchasing Agent the invitation for bids, describing the Town's requirements clearly, accurately and completely; but avoiding unnecessarily restrictive specifications or requirements that may unduly limit the number of bidders. The term "invitation for bids" shall mean the complete assembly of related material (whether attached or incorporated by reference) to be furnished to prospective bidders for the purpose of submitting sealed bids.
 - b. The Purchasing Agent shall determine that the requirements of the town are clearly stated within the invitation for bids. Each invitation for bids shall note that all purchases are subject to the conditions as set forth in Section 7 of this policy.
 - c. The Purchasing Agent shall publicize the invitation for bids at the Town Hall, advertising in a newspaper with a local and / or regional circulation, or by other such means the Purchasing Agent may deem to be in the best interest of the Town.
 - d. Invitation for Bids, whether "Request for Bids" or "Request for Proposals", shall be mailed or advertised at least ten (10) calendar days prior to the time set for public opening of sealed bids.
 - e. Bidders shall submit sealed bids to the Town prior to the date and time specified for the opening of bids. Late bids shall not be accepted under any circumstance.
 - f. Bids shall be publicly opened at the place and time specified in the invitation for bids. Bids will be taken under advisement at that time, and shall be referred to the Board of Selectmen for consideration at their next meeting.
 - g. A contract, either written or verbal (as appropriate), shall be entered into with the vendor whose bid conforms to the invitation for bids and whose bid is considered to be the "most advantageous to the Town". Award of the bid may be delayed pending verification of the bidder's credentials and references, or to allow for a thorough review of all bids received by the Board of Selectmen.

2. Procedures for Informal Bidding: Procedures to be followed in the Informal Bid Process shall be as follows:

- a. The Department Head or Purchasing Agent shall solicit the informal bids from vendors either by means of a written notice or (more regularly) by telephone inquiry.
- b. The inquiry, either written or oral, shall describe the Town's requirements in a clear, accurate and complete manner while avoiding unnecessarily restrictive specifications or requirements that may inhibit the vendor's willingness to provide a quotation.
- c. Oral quotes will not be accepted. All quotes must be received on paper or electronically and signed. The department head or Purchasing Agent shall keep a record of the quotation, to include the name of the person from whom the quote was received, the date and time the quote was received, and the quoted price.
- d. The Department Head or Purchasing Agent shall attempt to obtain (not less than) three (3) quotes on every purchase subject to informal bidding procedures (if it is possible to obtain three such quotes).
- e. In all cases, the bid determined to be the "most advantageous to the Town" in terms of price, quality and other factors being considered shall be awarded.

Section 7. Administrative Procedures and Conditions

Competitive bids, either formal or informal, shall be administered by the Purchasing Agent, or his/her designee, and shall be subject to the following conditions:

1. The Purchasing Agent, or his / her designee, shall maintain a record of all bids received and such records shall be open to proper inspection by any person.
2. All bids received through the formal bid process shall be notified in writing of bid results within ten (10) days of the award.
3. Tie bids shall be resolved by either the Purchasing Agent or the Board of Selectmen, as is consistent with Section 5, Part 2, of this policy.
4. All bids will be awarded on the basis of the bid "most advantageous to the Town".

5. The Town reserves the right to reject any and all bids, to investigate the qualifications of any bidder, and to waive or not waive any and all informalities in any bids when making an award.
6. If an award is to be made to other than the low bidder, the Purchasing Agent shall be responsible to file a full and complete statement of the reasons for determining that the low bid was not the bid "most advantageous to the Town", together with all papers relating to the bidding process, upon the request of the Board of Selectmen.
7. The Town shall retain custody of all bid materials submitted to the Town pursuant to this policy.

Section 8. Duties of Department Heads

Department heads shall be responsible for identifying those characteristics, which constitute an "acceptable quality" of supplies and services to be purchased. Subsequently, the department head shall be responsible to establish specifications based upon those characteristics.

Department heads are empowered to reject any unacceptable supply of goods, and / or materials provided to the Town by a vendor -- on the ground of low quality -- and shall supply the Purchasing Agent with a written report detailing the reasons for such rejection.

Department heads shall be responsible to work with the Purchasing Agent to insure that all necessary blanket bids (especially those required for securing emergency supplies and / or services) are processed during the month of June -- so that they are in place at the beginning of the new fiscal year.

In conjunction with the annual budgeting process, department heads shall provide the Purchasing Agent with a list of the estimated annual requirements for frequently used supplies. In conjunction with this, the department head shall be responsible to maintain an inventory of the supplies within his / her department.

Department heads shall also maintain an inventory of equipment for their department. Department heads shall report to the Purchasing Agent any items, which are beyond their use, which need to be replaced and / or which are no longer of use to departmental operations.

This policy is readopted this 12th day of November 2019 by the
Berwick Board of Selectmen

R. J. Wright

Harold D. Manning

Edward L. Gannon

Mal Pendergast
[Signature]

Town of Berwick
Board of Selectmen