

TOWN OF RAYMOND

Procurement Policy

In order to ensure the safeguarding of Town resources over the procurement of goods and/or services, the following policy has been adopted by the Board of Selectmen. This policy is designed to encourage maximum competition through a fair and equal opportunity to those qualified and interested bidders. This policy provides a uniform procedure for the procurement of goods and/or services and will help to ensure the Town is adhering with all federal / state laws and regulations, as well as sound business practices. These controls will also help the Town meet its objective to ensure that taxpayer dollars are being utilized in the most efficient and effective manner.

PROCEDURES

1. All Town purchases are required to be made against an approved purchase order generated from the Town's accounting system using the following manner:
 - a. Purchase requisitions are initiated by the respective department head on forms provided by the finance department.
 - b. Purchase requisitions shall contain the following minimum information:
 - i. Vendor name and remittance address;
 - ii. Purchase description;
 - iii. Purchase amounts by line item;
 - iv. Expenditure account to apply purchase, including available balance; and
 - v. Procurement documentation items when applicable; see *Appendix A* for dollar thresholds and other specific requirements.
 - c. The department head shall remit the requisition form to the Town Manager for approval.

- d. Emergency procurements may be made when there exists a threat to public health, welfare or safety, provided that such emergency procurement shall be made with such competition as is practical under the circumstances. In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the Town Manager hereby authorizes the respective department head to approve such emergency purchase as the situation requires. The Town Manager shall be notified as soon as possible as to the emergency and the associated purchases. A written determination for the basis of the emergency and for the selection of the specific contractor or vendor shall accompany the purchase order and voucher. As soon as practicable, standard purchasing procedures shall be reinstated.
2. No purchase order requisition will be accepted if it brings an appropriation into the '90% expensed' range without first getting a budget transfer approved by the Town Manager. A unique, sequentially numbered purchase order will be generated by the accounting system for the department head to review and approve once the requisition is approved by the Town Manager.
3. Upon approval by the department head, the purchase order will be entered into the accounting system and will then be able to be expensed from.
4. Approved purchase order requisitions become official purchase orders. Each purchase order is unique and sequentially numbered. Rejected purchase order requisitions will be communicated by the Town Manager to the requisitioning department for potential revision.
5. Failure to comply with the provisions of this policy will result in disciplinary action.
6. These policies are adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

Appendix A

Procurements less than \$1000

Employees are encouraged to use sound business practices to secure competitive pricing from multiple sources.

Procurements between \$1001 and \$9,999

Informal bids from at least three sources shall be obtained. Telephone quotation bids shall document the date, vendor called, phone number and name of individual spoken to. Emails and faxes received from vendors documenting the request are encouraged. Documentation shall be attached to the requisition submitted to the Town Manager for approval.

Procurements above \$10,000

A formal sealed bid process shall be utilized. An invitation to bid must be publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the Town Manager. Formal bids must be received sealed and in writing by a posted deadline. All bids shall be opened before the public at a date, time and place designated in the bid request. The Town Manager, Public Works Director, Finance Manager or their designee and other staff members of the Town shall open all bids under dual control. Late bids will not be accepted. Award of purchase or contract requires the approval of the Town Manager. If at least three bids are not received, the Town Manager may require a re-bid:

Professional Service Contracts

Either the Request for Proposal (RFP) or the Request for Qualifications (RFQ) process (or a combination) may be used. The primary difference between the two processes is that in the RFP process a specific proposal is received and evaluated. The proposal includes a scope of work and a cost proposal. In the RFQ process, Statements of

Qualifications (SOQs) are received and selection is made upon those qualifications. In this process, a mutually acceptable scope of work and contract amount is negotiated with the successful bidder. The RFP/RFQ must be approved by the Town Manager, must be in writing and must be posted in the town's official posting place, and publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Proposals or SOQs must be submitted to the town in a sealed envelope marked with the name of the request as referenced in the instructions.

Proposals shall be opened before the public at a date, time and place designated in the RFP. All proposals shall be opened under dual control by the Town Manager, respective Department Head, Finance Manager, and other pertinent Town staff as determined by the Town Manager or the Board of Selectmen. The proposals shall be analyzed (based upon the "best overall value" to the town) including, but not limited to staff recommendation. Factors to be considered when determining the "best overall value" include, but are not limited to:

- Price;
- Quality;
- Warranty;
- Service;
- Availability;
- Past performance with the Town;
- References.

Public Auction

With the approval of the Town Manager, purchases may be made through public auction. The department must provide to the Town Manager in writing, quotes from like products in order to provide a realistic price comparison. Upon receiving this information, and verifying budget availability, written authorization indicating the amount "not to exceed" may be granted to the department head or their designee to attend the auction and bid on that specific item. If a purchase is made through a public auction, all documentation must be retained and submitted to the Finance Department.

Procurements not Requiring Bidding Procedure

The Town Manager may approve a purchase order without bid under the following conditions:

- Item is to be purchased under State or Federal Bid lists;
- Only one known source of purchase, and there is no comparable substitute product or service. Written documentation supporting the sole source must be provided;
- Type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided;
- An item or service that is required on an emergency basis;
- An item previously awarded within the past twelve (12) months.

Artificial Division Prohibited

Purchases shall not be artificially divided to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed purchase constitutes artificial division shall be determined by the Town Manager.

Exceptions

Exceptions to the policy will be determined on a case-by-case basis by the Town Manager.

Local Advantage

The Town of Raymond will make every effort to purchase from businesses located within the area, if the purchase fits into the category of "best overall value." It must be reiterated that The Town of Raymond employees have a responsibility to the taxpayers of the Town to ensure that bids are awarded to vendors offering their products or services at the "best overall value" to the Town.

Cancellation and Rejection of Bids

An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of the Town. The reasons shall be made part of the formal bid file.

Ethics in Public Purchasing and Contracting

It shall be unethical for any Town employee involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties. It shall be unethical for any person to offer, give, or agree to give any Town of Raymond employee, or for any Town of Raymond employee to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval, or recommendation concerning a solicitation.

Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.