

## **Purchasing Policy Town of Fairfax, VT**

**1. PURPOSE.** The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Fairfax (hereafter the Town) at the lowest possible price, to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide for increased public confidence in the procedures followed in public purchasing. It is the policy of the Town to purchase its goods and services locally whenever possible to support the Town's local businesses provided that these local purchases offer the best overall value to the community, except when prohibited by Federal grants. Qualified small, minority and women-owned businesses shall be included in the solicitation lists for bids or non-bid purchases for federally funded projects and whenever possible in all other cases.

**2. CODE OF CONDUCT.** Employees, officers and agents of the Town who are involved in the procurement and selection of bids and purchases shall make reasonable efforts to avoid real, apparent, or potential conflicts of interest. No employee, officer or agent of the Town shall participate in selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or personal interest in the firm/vendor selected for award.

An employee, officer or agent of the Town who is involved in the procurement and selection of a bid or purchase and who has a real or apparent conflict of interest must disclose that conflict of interest to the Town Manager before the bid selection or purchase takes place to provide for the removal of the person from the bid/purchase with a real conflict of interest.

Officers, employees and agents of the Town will not solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub -agreements.

Officers, employees and agents who fail to follow the above Code of Conduct shall be sanctioned or disciplined, to the extent permitted by law, for violations of the above standards.

**3. APPLICABILITY.** This purchasing policy applies to the acquisition of goods, and services by the Town with funding from any source including but not limited to funding approved by the voters in adopting annual Town Budgets: expenditures from capital plans; and State and Federal Grants awarded to the Town. It does not apply to inter- and intra-governmental agreements, equipment and software maintenance agreements with vendors from whom the equipment or software was purchased, utilities/regulated services, real estate acquisition, legal services and auditing services designated by the Selectboard and all insurances purchased by the Town to cover property, health and employee liabilities.

**4. PURCHASING AUTHORIZATION.** Each Department Head shall have the authority to purchase goods and services up to the amount authorized in their respective annual budget or capital budget for which they are responsible in conformance with this policy. Purchase requisitions shall be completed and submitted to the Treasurer prior to purchase. In extenuating circumstances, such as an emergency, a Department Head may seek a waiver from the Town Manager prior to purchase. Each waiver shall be documented by the Manager. All procurement information shall be public record and shall be made available to the public.

**5. PRICE QUOTES.** Vendors shall be selected based on cost, the quality of the goods and services offered, and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the Town. All purchases should be shall be made in accordance with the following:

- A. \$0-\$1000 items may be purchased as incidental with general knowledge that the items are reasonably priced and are of good value for the cost incurred.
- B. \$1,001-\$5,000 competitive quotes from at least two vendors shall be obtained.
- C. \$5,001-\$25,000 three written competitive quotes from vendors shall be obtained. If federal funding is used for purchases between \$10,000 (\$2,000 in the case of construction projects subject to Davis Bacon requirements) and \$250,000, price or rate quotes must be obtained from two or more qualified sources following the affirmative action provision of this policy and all provisions regarding fair and unrestricted competition.
- D. All purchases of \$25,000 or more shall be subject to a bid process.

## **6. BIDS**

**A. BID PROCESS.** The sealed bid process shall be initiated by the issuance of a request for bids prepared by the Town Manager or designee. Notice of the request for bids shall be made by letters to known providers soliciting bid responses, advertisements posted in three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region.

**B. BID SPECIFICATIONS.** Once a request for bids has been issued, the bid specifications will be shall be available for inspection at the Town office. Bid specifications shall include:

- (1) Bid name.
- (2) Bid submission deadline.
- (3) Date, location, and time of bid opening.
- (4) Specifications for the project or services including quantity, design, and performance features.
- (5) Bond and/or insurance requirements.
- (6) A copy of the proposed contract.
- (7) Any special requirements unique to the project or purchase.
- (8) Delivery or completion date.
- (9) For construction projects, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all bidders, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid. The bidders must also include costs for Davis Bacon compliance if that is a requirement of the agency providing the funding.

(10) For construction projects over \$2,000, a statement that contractors will be provided with a copy of the most current wage determination (from the DOL website at <http://www.wdol.gov/dba.aspx>) and must comply with the Davis Bacon Act if that is a requirement of the agency providing the funding.

(11) Language that reserves for the Town Manager 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. The Town Manager reserves the right to investigate the financial condition of any bidder to determine his or her ability to assure service throughout the term of the contract.

**C. BID SUBMISSION.** All bids must be submitted in sealed envelopes, addressed to the Town in care of the Town Manager or designee, and plainly marked with the name of the bid and the time of the bid opening. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

Bidders shall bid to specifications and any exceptions must be noted by the bidder. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same work, and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or firm.

**D. BID OPENING.** Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Town Manager or designee. The bid opening will include the name and address of bidder; for lump sum contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid if required.

**E. CRITERIA FOR BID SELECTION.** In evaluating bids, the Town Manager or designee will consider the following criteria:

- (1) Price.
- (2) Bidder's ability to perform within the specified time limits.
- (3) Bidder's experience and reputation, including past performance for the Town.
- (4) Quality of the materials and services specified in the bid.
- (5) Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
- (6) Bidder's financial responsibility.
- (7) Bidder's availability to provide future service, maintenance, and support.
- (8) Nature and size of bidder.
- (9) Any other factors that the Town Manager or designee determines are relevant and appropriate in connection with a given project or service.
- (10) Contract provisions that are acceptable to the Town.
- (11) For construction projects over \$2,000, contractor's indication of acceptance of wages in the current wage determination provided as part of the request for bids if that is a requirement of the agency providing funding.

In addition to the above, the additional criteria shall apply if required by the agency providing funding:

- (1) There shall be no preference exercised for local contractors or suppliers.
- (2) Minority and women-owned businesses must be included in the solicitation list for the request for proposal.
- (3) The Selectboard will not select a bidder who is listed on the Excluded Parties List System website (<https://www.sam.gov>).

**F. CHANGE ORDERS.** If specification changes are made prior to the close of the bid process, the request for bids will be amended and notice shall be sent to any bidder who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard will prepare a change order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

**G. COMPETITIVE PROPOSALS.** If time does not permit the use of sealed bids, or the award will be made on the basis of non-price related factors, a competitive proposal process shall be initiated by the issuance of a Request for Bids (RFB) or Request for Qualifications (RFQ) prepared by the Town Manager or designee that includes the factors that will be used to evaluate and compare the proposals. Bids or qualifications shall be obtained from an adequate number of qualified sources (at least two vendors) to ensure that the Town has received a fair and reasonable price and all notification and record keeping requirements of the sealed bid process shall be followed. If architectural or engineering services are being solicited, this process should be used with the most qualified firm or individual awarded the bid and price or fees negotiated after the award. If competitive proposals are used, all of the above steps in the sealed bid process should be followed except that: 1) the bid submission need not be sealed; and 2) price will not be the primary factor in the proposal selection.

**7. CREDIT CARD PURCHASES.** Charge accounts can be set up with selected vendors as approved by the Town Manager for the procurement of supplies. Department Heads may submit a Purchase Requisition for use of a card to the Treasurer. All credit cards are kept in a locked cabinet in the Treasurer's Office. Cards must be signed out to be used and must be returned promptly when the purchase is completed. When charging supplies, the vendor's invoice must be signed by the authorized Town employee receiving the supplies. All invoices are to be submitted to the Treasurer's Office within three (3) working days after receipt of invoice.

## **8. OTHER PROVISIONS**

**A. Prepayments.** Prepayments are highly discouraged. Payment for verified progress on large projects is acceptable along with legal transfer of ownership of stored value, or under a bonding situation.

B. **Employee Reimbursement.** Employees are discouraged from expending personal funds for Town expenses. However, it is recognized that there are instances where it is necessary for an employee to spend their own money to obtain needed goods, because it would difficult, to obtain a purchase requisition in a timely fashion. For reimbursement, the employee must submit a receipt for the purchase and corresponding charge receipt, if applicable, to the Treasurer within one month after the purchase.

C. **Contract Execution.** Only the Town Manager or Selectboard may execute a contract on behalf of the Town. The Town Attorney may be called upon to review multi-year contracts and contracts exceeding \$25,000. The Town Manager shall approve any lease agreement with a term exceeding one year.

D. **Documentation.** Each Department Head shall be responsible for ensuring that vendors complete non-employee holds harmless agreements and submit appropriate tax forms and appropriate insurance and/or bonding documentation prior to purchases.

E. **Tax Exempt.** The Town of Fairfax, a municipality, is exempt from all Federal and State sales and excise taxes.

F. **Personnel Training.** Training and personnel development shall be exempt from the competitive bidding provisions of these policies. Any out-of-state travel for training shall require pre-authorization by the Town Manager.

G. **Public Works Materials.** Due to the limited number of available pits with material that meet 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.

H. **Repairs.** Repairs are often necessitated by the need to purchase from a sole source vendor in an emergency situation and are hereby exempted from competitive purchasing requirements but expected to adhere to a good faith attempt to follow the guidelines herein.

I. **Federal Funds.** Prior to soliciting bids, rules regarding allowability specific to the purchase shall be reviewed including and included in the bid specifications as necessary:

- the federal award guidelines, the award application, Notice of Funding Opportunity (NOFO),
- the written grant agreement and
- the 2 CFR Part 200 Subpart E -- Cost Principles
  1. Basic Considerations, 2 CFR 200.403 Factors affecting allowability of costs
  2. General Provisions for Selected Items of Cost (alphabetical listing of items of cost, their allowability and maintenance requirements)

J. All contracts procured with federal award funding shall contain the State and federal contract provisions.

**9. ADOPTION.** The foregoing Policy is hereby adopted by the Selectboard of the Town of Fairfax, Vermont, this 1st day of April, 2024 and is effective as of this date until amended or repealed and replaces all previous purchasing policies, bidding policies, and credit card policies.

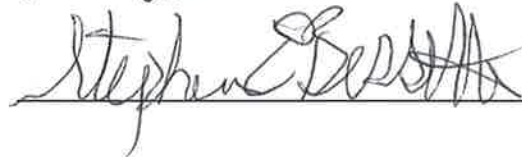
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