

# **Town of Chesterfield Purchasing Policy**

## **1. Purpose**

The purpose of this regulation is to provide the policies and procedures necessary for the conduct of purchasing activities within the Town of Chesterfield, N.H.

This policy is designed to:

- A) Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders.
- B) Provide a uniform procedure for the procurement of material, equipment, supplies and services.
- C) Ensure that the taxpayers are getting the “best overall value” for their dollars, as well as increasing the public’s confidence in the procedures used for municipal purchasing.
- D) Apply to all Town Departments, Commissions and Elected Officials.

## **2. Purchasing Procedures**

- A) All purchases require prior approval by a Department Head.
- B) All purchases for services shall be backed up with an invoice or other acceptable documentation. The only exception is if the Town Administrator has a written contract or agreement on file.
- C) Purchase Authorization must be issued prior to purchase.
- D) Some of the factors considered when determining the “best overall value” are Price, Quality, Warranty, Service, Availability, Past Performances with the Town, Like or Comparable Items or Services and References.

## **3. For Purchases**

- A) Under \$500.00: Employees are encouraged to do whatever is practical to secure competitive pricing from multiple sources.
- B) Between \$500.00 and \$2,999.99: Informal bids from at least three sources must be obtained. Telephone Bids should be documented and/or written quotations from the vendors should be solicited. This documentation should be attached to the Invoices.
- C) Between \$3,000.00 and \$9,999.99: Informal Written Bids from at least three sources must be obtained. Faxed or Emailed quotations are acceptable. Purchases must be supported by written quotations from vendors. Award of a purchase commitment requires the approval of the Board of Selectmen.
- D) \$10,000.00 or more: The “formal sealed bid process” must be used for major purchases. Bid Specifications require the approval of the Board of Selectmen. Any invitation to bid must be publicly advertised by posting in public places, distribution to pre-screened vendors as may be appropriate, advertising in local news media and/or such means as may be appropriate at least (10) business days prior to the time set for submittal of sealed bids.

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Formal sealed written bids must be received by a posted deadline. All bids shall be opened before the public at a date, time and place designated in the bid request. The Board of Selectmen, Town Administrator, the Department Head and other staff members of the Town shall open all bids publicly. Late bids will not be accepted. Award of purchase or contract requires the final approval of the Board of Selectmen.

If at least three bids are not received the Board of Selectmen may require a re-bid.

The Town of Chesterfield will make every effort to purchase from businesses located within Chesterfield if the purchase fits into the category of “best overall value”. It must be noted that the Town of Chesterfield employees and elected officials have a responsibility to the taxpayers of the Town to ensure that bids are offered to vendors offering their products or services at the “best overall value” to the Town.

## **4. Cases not requiring bidding procedure**

The Board of Selectmen may approve a purchase commitment without a bid under the following conditions:

- a. Item is to be purchased under State or Federal Bid Lists
- b. Only one known source of purchase and/or there is no comparable substitute product or service. Written documentation supporting the sole source must be provided.
- c. An item or service that is required on an emergency basis.
- d. Where possible, the municipality will consider the use of State and Cooperative purchasing contracts for goods and services as such contracts and purchases may provide savings to the community.

## **5. Emergency Procurements**

Emergency Procurements Definition: Emergency procurements may be made when there exists a threat to public health, welfare or safety, provided that such emergency procurement shall be made as competitively as is practical under the circumstances.

In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the Board of Selectmen hereby authorizes the Department Heads to approve such emergency if the situation permits. The Board of Selectmen 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 particular contractor or vendor shall accompany the Invoice when submitted for reconciliation. As soon as is practicable, standard-purchasing procedures will be reinstated.

## **6. Artificial Division Prohibited**

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Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. The Board of Selectmen shall determine whether or not a proposed purchase constitutes artificial division.

## **7. Exceptions**

Exceptions to the policy will be determined on a case-by-case basis by the Board of Selectmen

## **8. Suppliers Source List**

Prospective suppliers may be pre-qualified for particular types of supplies and technical and construction services. A list of these shared sources will be maintained in each Department's Office and will be made available to Town employees when they are looking for vendor sources from which to solicit bids.

## **9. Disqualification of Bidders**

The Board of Selectmen shall have the authority to disqualify bidders who default on their bids, quotations, or contracts from receiving further awards from the Town. Such decisions will be subject to the right of the disqualified bidder to appeal to the Board of Selectmen for a reversal.

## **10. Ethics**

It shall be unethical for any Town employee involved in making procurement decisions to have personal or family investments in any business entity that will create a conflict between their private interests and their public duties.

## **11. Authority**

These policies are adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to the management of the Town's prudential affairs and their authority over expenditures.

Chesterfield Board of Selectmen

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Jon McKeon

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Robert Brockmann

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Cliff Emery

April 7, 2010