
**TOWN OF RICHMOND
MUNICIPAL PURCHASING POLICY AND PROCEDURE**

PURPOSE:

The purpose of this policy is to ensure that we are being consistent in reviewing alternatives for projects and items that the Town needs. The purpose of this policy is not to always chose the least expensive vendor or contractor.

POLICY & PROCEDURE:

SECTION 1. OFFICIAL PURCHASE ORDER (P.O.) FORM

The Finance ~~Director~~ Department shall maintain a supply of P.O. forms to be utilized by all town departments. Department Heads, or designees, are responsible for the proper administration and adherence to this policy.

SECTION 2. PURCHASE ORDER PROCEDURE

P.O.s are to be completed by Department Heads, or designees, and shall be approved PRIOR TO:

1. Ordering supplies, equipment or services, or,
2. Payment of invoices in the case of a recognized emergency situation, ~~and~~
3. ~~Exceeding the budgeted line item expense amount.~~

Step One - Submission of P.O. for Approval

Items to be included on P.O. are identified in **Section 3**. All P.O.'s must be submitted by the Department Head, or designee, and approved by the below authorities:

\$ 0 - \$ ~~999,992,999~~ = No P.O. Required
\$ 4,0003,000 - \$ ~~40,00012,999~~ = Town Manager
\$ ~~40,00413,000~~ and greater = Selectboard

NOTE: Purchases over \$ ~~999,992,999~~ shall not be broken down into multiple invoices in order to avoid the requirement to secure a purchase order. If there are multiple vendors being used for one project the P.O. should state "Various Vendors" at the top of the P.O. and potential Vendors should be listed in the description area of the purchase order.

Step Two - Submission of P.O. with Invoice to Finance ~~Director~~ Department

After approval, the P.O. is given to the Finance ~~Director~~ Department, ~~and the pertinent information is entered into the data base to encumber the projected expense.~~ The white copy of the P.O. is filed by the Finance ~~Director~~ Department for reference when processing invoices.

The Finance ~~Director~~ Department gives the pink copy to the appropriate Department Head for retention and the Department Head attaches a copy of the P.O. to pertinent invoices. In the event of electronic meetings where the purchase order is electronically signed, the Finance Department will forward the signed P.O. order in pdf format to the appropriate Department, and will attach a copy of the signed P.O. to the invoice for filing.

Once the purchase order has been expended, the white copy is filed in front of the invoices for the current fiscal year.

If the P.O. has not been expended after the first invoice, the P.O. is filed in the Finance Department. Each time a new invoice is being paid that pertains to that

P.O., the Finance Department will attach a copy of the P.O. and a status report to the invoice for review. The Finance Department will review each purchase to make sure all purchases have not exceeded the amount on the P.O. If the project is not complete, and the P.O. is fully expended, the Finance Department will provide the appropriate Board or Commission with a pdf of the purchase order and request that the amount on the P.O. be amended, and the P.O. signed, and dated. The amended P.O. will be returned to the Finance Department, attached to the invoice it pertains to, a copy filed in the Finance Department, and a copy will be sent to the pertinent Department Head.

Step Three - Submission of Invoice to Selectboard for Payment

The ~~Financial Finance Director Department~~ will submit all invoices with required P.O.s and a warrant to the Selectboard for review. **Invoices without the required P.O. will not be processed for payment by the Finance Director Department, and the P.O. will be returned to the Department Head for corrections.** ~~The Board will review and approve or deny payment of all invoices.~~

SECTION ~~UIB~~ 3. CHECKLIST

Vendor name	Description of product/service utilized
Funding Source: Budget line item	Description of bid process if bid required Balance
Project name	Total of P.O. Over budget amount & code to pay for it
Quantity	Authorized signature and date

SECTION 4. BID THRESHOLD PROCEDURE

The following forms of bids are required based on the total anticipated cost of the item, unless

1. a recognized emergency purpose exists, in which case the ~~D~~department ~~H~~head must coordinate all purchases with the Town Manager. Or
2. a competitive proposal procedure for qualifications-based procurement of architectural/engineering (A/E) professional services ~~is~~ has been conducted

~~\$0 - - \$ 999-2,999~~ Verbal communication between Department Head and Vendor. Both quality and price shall be considered. The Department Head, or designee, should seek pricing from three sources if possible. The information may be obtained via email or verbal communication.

~~\$ 4,3,000~~ - \$15,000 Written Bids/Quotations must be requested from no less than three vendors. If three vendors are not available, a brief written explanation must be attached to the P.O. as to why less than three vendors were contacted. On P.O. note: *number of Written Bids Reviewed by Department Head.*

\$15,001 - \$25,000 ~~= Sealed~~ Sealed bids with a date certain to be opened by Department Head must be sought and maintained on file with Department Head. On P.O. note: *Sealed Bids Reviewed by Department Head.*

\$25,000 or greater Sealed bids must be requested with a written "Request for Proposals" or bid package previously reviewed by the Town Manager. Sealed bids must include a date certain to be opened in front of Department Head or the Town Manager, or designee, and a witness. All decisions must be reviewed and approved by Selectboard.

For this ~~policy~~ Policy, "Emergency Purpose" is unplanned activities possibly using multiple vendors with no reasonable time permitted to receive P.O. approval or follow the above bid procedures. Examples include, water main breaks with associated costs, repairs to emergency vehicles that must be done immediately and work done to repair roadways after storm events. However, even when work is completed for an emergency situation,

a ~~purchase order~~ P.O. shall be submitted with the invoice specifically marking the purchase order with the words "Emergency P.O. – Town Manager notified on (date)". A competitive proposal procedure for qualifications-based procurement of architectural/engineering (A/E) professional services is a process whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor, can only be used in procurement of A/E professional services. Pre-qualification lists will be updated every three years.

SECTION 5. AWARD PROCEDURE

Factors below will be considered, but not limited to, when selecting a company to provide a service or product:

- Price
- Prior performance with the Town of Richmond
- Prior product quality with the Town of Richmond
- References
- Local vs out of town or out of state contractors or vendors
- Availability of bids

_____ In the case that a company will be chosen to contract under a Federal grant or award, the _____ Grant Program Manager must take all necessary affirmative steps to assure that minority _____ businesses, women's business enterprises, and labor surplus area firms have been requested to participate in the bidding process.

_____ Affirmative steps must include:

1. _____ ~~(1)~~ Placing qualified small and minority businesses and women's business _____ eenterprises on solicitation lists;
2. _____ ~~(2)~~ Assuring that small and minority businesses, and women's business _____ enterprises are solicited whenever they are potential sources;
3. _____ ~~(3)~~ Dividing total requirements, when economically feasible, into smaller tasks or _____ quantities to permit maximum participation by small and minority businesses, and _____ women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. _____ ~~(5)~~ Using the services and assistance, as appropriate, of such organizations as the Small _____ Business Administration and the Minority Business Development Agency of _____ the Department of Commerce
6. _____ ~~(6)~~ Federal regulation requires that subcontractors also follow these steps, however, the _____ Town of Richmond prohibits any subcontracting under their own contractors for Federal _____ grants or awards.

When a contract is formerly awarded by the Selectboard, the Town Manager is authorized to sign a contract and corresponding P.O. The P.O. will be processed per section two, step two guidelines.

SECTION 6. EXCEPTIONS AND MODIFICATIONS TO PURCHASE ORDER APPROVAL

Exceptions to this policy are allowed for emergency purchases approved by the Town Manager. Modifications, if minor may be made, as determined by the Town Manager.

Modification requests must be made by the Department Head and approved by the Town Manager prior to the modification being made. This includes such items as: Changing

the amount approved, vendor selection modification, account code or changing bid procedures identified on a previously approved purchase order.

| Date: _____

| Christine Werneke David Sander Bard -Hill -Roger Brown Katie Mather
Christine Werneke June Heston Cody Quattrocci