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TOWN OF RICHMOND

MUNICIPAL PURCHASING POLICY

PURPOSE: To set purchasing guidelines for spending limits, to identify the authority for approving purchases, and to establish purchase order and bid thresholds.

POLICY:

PURCHASE ORDER (PO)

The Finance Director shall maintain a supply of prenumbered, 3-part, PO forms to be utilized by all town departments, commissions, and committees.

POs are to be completed by Department Heads, Committee Chairs, and the Town Manager accordingly and must be approved **PRIOR TO** ordering supplies or services. The exception to this rule is if there is an emergency and the appropriate approver(s) is not available:

The thresholds for who has the authority to sign a PO are:

\$ 0 - \$ 3,000	- No PO Required
\$ 3,001 - \$15,000	- Town Manager
\$15,001 or greater	- Selectboard

NOTE: Purchases shall not be broken down into multiple invoices in order to avoid the requirement to secure a PO.

Once approved the pink copy of the PO shall be given to the person requesting the PO approval and the white and yellow copy shall be given to the Finance Department.

A copy of the PO shall accompany approved invoices when given to the Finance Department for inclusion on the Warrant request to the Selectboard for payment.

MODIFICATIONS TO PURCHASE ORDER APPROVAL

Modification requests must be made by Department Heads and Committee Chairs. This includes such items as: changing the amount approved, vendor selection modification, or account codes identified on a previously approved purchase order. Modifications to purchase orders which have a final total of \$15,000 or less will be reviewed for consideration of approval by the Town Manager, over \$15,001 must go back to the Selectboard for consideration of approval.

BIDDING THRESHOLDS

The below bid thresholds and requirements are based on the total anticipated cost of an item or service:

- | | |
|-----------------------|--|
| \$ 0 – \$ 3,000 | Department Head or designee may purchase with multiple quotes. Both quality and price shall be considered. |
| \$3,001 - \$15,000 | Department Heads, Town Manager, or their designee shall obtain written quotes or estimates from three vendors. If three vendors are not available, a written explanation shall be written on the PO. |
| \$15,001 – or greater | Department Heads, Town Manager, or their designee shall issue a request for proposal for sealed bids, with a date and time certain for bid opening, which will be conducted in public. The Department Head or Town Manager shall open and maintain a copy of the bids. The name of who opened the bids, and the date and time opened shall be written on the PO. All decisions must be reviewed and approved by Selectboard. |

EXCEPTIONS TO THE BID THRESHOLDS:

1. A recognized emergency purpose exists, in which case the department head must coordinate all purchases with the Town Manager.
For this policy, “Emergency Purpose” is unplanned activities possibly using multiple vendors with no reasonable time permitted to receive PO 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 shall be submitted with the invoice specifically and marking the purchase order with the words “Emergency PO – Town Manager notified on (date)”.

OR

2. A competitive proposal procedure for qualifications-based procurement of architectural/engineering (A/E) professional services is conducted.
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.

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 vendor will be chosen to contract under a Federal grant or award, the Grant Program Manager must take all necessary affirmative steps to include minority, women's, and labor surplus businesses.

Affirmative steps must include:

- Placing qualified small and minority and women's businesses on solicitation lists;
- Assuring that small and minority and women's businesses are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority, and women businesses;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small, minority, and women's businesses;
- 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
- 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 PO.

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