

## **TOWN OF ST. JOHNSBURY PURCHASE ORDER POLICY**

- I. PURPOSE:** The purpose of this Purchase Order Policy is to create a process for purchasing goods & services for the Town of St. Johnsbury (“The Town”) to ensure that The Town obtains the highest quality goods and services in a timely and the most cost-effective manner; to exercise financial control over the purchasing process; to promote fairness and equal opportunity among qualified suppliers; and to provide for increased public confidence and transparency in the procedures followed in public purchasing.

**APPLICATION:** This policy shall be applied to all purchases of goods and services by the Town. The exceptions are where conditions of state or federal funds or conditions of a grant, gift, or bequest mandate dictate the procedures to be followed.

**PURCHASE ORDER FORM:** The Town Manager’s office shall maintain a supply of purchase order (PO) forms to be utilized by all Town departments. All department heads should obtain sufficient supply of forms for its use and are responsible for the proper administration and adherence to this policy outlined below.

PO should be forwarded to the accounts payable department who will match it to invoice and process for payment.

**PURCHASE AUTHORIZATION:** The Town Manager, Department Heads of Fire, Police, Public Works and Clerk’s office are authorized to make purchases.

## **II. DEFINITIONS & PROCEDURES:**

The following definitions apply to *budgeted* items only.

1. Purchases for goods and services in the amount of \$99.99 or less

Goods and services in this category tend to be incidental or smaller in nature. As such, the Department Head may place the order with a vendor based on cost, the quality of goods and services, and in the best interests of The Town. A purchase order is not required for such purchases.

2. Purchases for goods and services in the amount of \$100.00 to \$999.99

Such purchases require a Purchase Order form to be completed. Purchase Order shall include: date of request, vendor name and number, account/budget number, list the items to be ordered and job number and/or vehicle number, if applicable. All Purchase Order shall be reviewed and authorized by the Department Head. Once approved, the purchase can be placed.

3. Purchases for goods and services in the amount of \$1,000.00 or more

Such purchases require a Purchase Order form to be completed. Purchase Order shall include: date of request, vendor name and number, account/budget number, list the items to be ordered, and job number and/or vehicle number, if applicable.

All PO's for purchases of \$1000.00 or more must be authorized by both the Department Head and the Town Manager.

4. Emergency Purchases

Emergency purchases are those urgent purchases which are required to protect the public health, safety, and welfare of the residents of the Town. Emergency purchases are for those unforeseen situations that threaten the health, lives, or property of the residents of The Town; or threaten the property of The Town; and/or threaten the delivery of services to the residents of The Town.

Emergency expenditures may include immediate repair or maintenance of town property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

In these instances, a PO, formal bid, or competitive process is not required.

The Town Manager or a designated representative, department heads of Fire, Police or Public Works, health officer, or emergency management officer shall have the authority to purchase emergency supplies and services while acting in his/her official capacity as well as in the best interests of The Town.

5. Leasing Equipment of any and all leasing vehicles and/or equipment shall be approved by the Town Manager and the Selectboard.

6. Unbudgeted Purchases

Any and all purchases of goods and services which were **not** included in the Town budget cannot be made by any Town department head, officer or employee without prior approval of the Town Manager. On a Purchase Order Form, the Department Head shall document the estimates of their requirements in supplies, materials, equipment and/or contractual services. Department Heads must solicit quotes from at least two vendors unless the Town Manager has approved a sole source vendor. Vendors will be selected based on cost, the quality of the goods and services offered, and the ability, capacity, and skill of the vendor to deliver the necessary goods and services.

For unbudgeted goods and services of \$1,000.00 or more, the Department Head must follow the bid process outlined below in Section IV and approval of both the Town Manager and Selectboard is required.

### III. EXCEPTIONS

**Sole Source Purchases:** If the Town Manager determines that there is only one possible source for a proposed purchase, it may waive the bid process and authorize the purchase from the sole source vendor that is not competitive in nature, and no advantage to the Town would result from competitive bidding or competitive quotes, or the execution of such contract(s). The Town Manager, when selecting such sole source vendors, will base the contract on the quality of goods and service offered, cost, ability of the vendor to provide the necessary services required, as well as the performance of the vendor in prior contracts with the Town. PO's are still required pursuant to this policy on Sole Source Purchases.

**Recurring Purchases:** Should the Town have recurring purchase of a good or service, whether monthly or yearly, during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such time as the Town Manager may initiate a new bid process. Such recurring purchase of a good and/or service may include, but is not limited to, monthly or yearly maintenance and/or service agreements or goods used on a regular basis. PO's are still required pursuant to this policy on Recurring Purchases.

**IV. BID PROCESS.** All purchases of \$1,000.00 or more shall be subject to a bid process. The bid process shall be initiated by the issuance of a request for bids prepared by the Department Head and approved by the Town Manager. Notice of the request for bids shall be made by letters to known providers soliciting bid responses and advertisements posted in public locations within the Town. Bidders shall bid to specifications and any exceptions must be noted. 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.

**BID SPECIFICATIONS.** Bid specifications shall include: Bid name, bid submission deadline, specifications for the project or services including quantity, design, and performance features, bond and/or insurance requirements; any special requirements unique to the purchase; delivery or completion date.

**BID SUBMISSION & OPENING:** All bids must be submitted to the Town in care of the Town Manager. 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.

Every bid received prior to the bid submission deadline will be opened and reviewed by the Town Manager.

**CRITERIA FOR BID SELECTION.** In evaluating bids, the Town Manager 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. Any other factors that the Town Manager determines are relevant and appropriate in connection with a given project or service

The Town Manager reserves the right at its 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 responsibility of any bidder to determine his or her ability to assure service throughout the term of the contract.

The Town Manager reserves the right to reject any and all bids should a department head, employee and/or officer or have any financial interest, directly or indirectly in any purchase order or contract, unless the Select Board, by unanimous vote, waives compliance with this section when it finds such action to be in the best interest of the Town.

**MODIFICATIONS TO POLICY:** The Select Board may modify this policy from time to time and shall notify the Town Manager.

The foregoing Purchase Order Policy is hereby adopted by the Select Board of the Town of St. Johnsbury, Vermont, this 24th day of October 2011 and is effective November 1, 2011 until amended or repealed.

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Bryon Quatrini, Chair

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Alan Ruggles, Vice-Chair

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Rod Lamotte, Member

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Jim Rust, Member

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Bill Merrow, Member