TOWN OF NEWTON
NEW HAMPSHIRE

PURCHASING
POLICIES AND PROCEDURES

Adopted by the Board of Selectmen on April 8, 1985

Amended 02/21/1989
Amended 04/28/1994
Amended 04/19/2004
Amended 06/22/2009
Amended 07/19/2010
(Amended & added requisition procedure September 1, 2020)

MATTHEW A. BURRILL, CHAIRMAN **LAWRENCE B. FOOTE, VICE-CHAIRMAN**

LISA L. GONYER **KATHRYN MICHAELS** **CHARLES R. MELVIN SR.**
BOARD OF SELECTMEN

Recorded with the Newton Town Clerk on _____

_____
Mary Jo McCullough, Town Clerk

TOWN OF NEWTON
PURCHASE POLICY

Purpose:

This policy, known collectively as the Purchase Policy of the Town of Newton is to assure efficiency and quality in spending of public funds and to demonstrate to the public that they are receiving the best product / service for the best possible price as well as ensure that the goods and services required by the departments of the Town are acquired in a timely manner and at the most economical price.

Policy:

1) **Board, Committee and Commission meeting minutes shall reflect the authorization of said purchase or service.**

2) Any product/service **from $0 to $1,500** does not require a requisition, however, must be authorized by the Department Head or Committee Chair/Vice-Chair. *(Refer to requisition procedure at the end of this policy.)*

3) Any product/service that is not considered as incidental or minute, (*****see below*) **over $1,500 but not to exceed $2,500** does require a requisition submitted to the Board of Selectmen by the authorized purchasing agent for approval. This request will be a minimum of (1) written quotes that the purchasing agent will acquire either by phone, by mail, by email or by fax. They may be submitted to the Selectmen in the purchasing agent's own hand writing showing the item(s) to be purchased, the description(s), with the cost of each, the grand total and from where the quotes were acquired. The only time that (3) quotes will not be needed is when they are not available. All quotes must be for like item(s). *(Refer to requisition procedure at the end of this policy.)*

   EXAMPLE: *Only one or two places within this local vicinity that either carries said item or it would be too costly to travel a great distance to retrieve said item. Traveling could make the item more costly. Also, convenience is a factor.*

*** Incidental or minute items could be a number of small items that may add up to more than $1,500 but really doesn't need to be quoted. (**EXAMPLE: cleaning supplies, pens, bathroom supplies, etc.)

4) Any product/service **over $2,500 but not to exceed $5,000** does require a requisition and a minimum of (3) written quotes. *(Refer to requisition procedure at end of this policy.)* These quotes will be acquired by the authorized purchasing agent, from the vendor in writing, on proper vendor letterhead and will show:

   The item(s) to be purchased, quantity, description, cost of each, grand total, and the length of time that the price quote(s) are good for.

5) Any product and/or service **over $5,000 require a sealed bid**, excluding State Bid items. The following is required:

A) Department Head is to design the specifications.
B) Specifications are to be approved by the Board of Selectmen.
C) Advertisement seeking sealed bids shall be required.
D) Advertisement shall be placed in newspaper(s) of general circulation. The specifics of the advertisement is to be decided by the Department Head.
E) Advertisement must include the following:
    1. Item(s) to be bid. (Brief description of the specifications; detailed specs. may be obtained from the Department Head upon request.)
    2. Date and time sealed bids are due back.
    3. Location of where sealed bids are to be sent.
    4. Date and time of public meeting when sealed bids will be opened.
    5. The Board of Selectmen reserve the right to reject any and all bids
    6. Selectmen reserve the right to negotiate.
    7. Selectmen reserve the right to award on the best arrangement for the Town of Newton, price and other factors considered.
    8. Bond and/or insurance requirements.
    9. Faxed bids will not be accepted.
F) Award of Contract shall be by public vote of the Board of Selectmen.

EXCEPTIONS to the Bid Process: 1) If the product / service have already gone through the advertised, sealed bid process, but to no avail, the Board of Selectmen reserves the right to not advertise a second time, but to contact vendors either by phone, by mail, by email or by fax in order to purchase the product / service. The Selectmen will still maintain the right to reject any and all bids and have the right to negotiate for the best interest of the town.

2) The Board of Selectmen may approve a purchase without requiring adherence to the bidding process when the purchase is to be made from the State or Federal bid lists; when there is only one known source for the item to be purchased; when a specific item is necessary to adhere to warranty or maintenance contract; or in cases of emergency.

3) If the Department Head is satisfied with the service that is being provided and the bid price has not increased more than 2% from the previous year, the Department Head is not required to go out to advertised, sealed bid for any service over the $3,500 requirement for a total of 2 years. After the two years, the Department Head is required to re-advertise any service over the advertised, sealed bid price of $3,500. *(amended 07/19/10)*

EMERGENCY PURCHASES

An emergency purchase may be made by a Department Head only if the normal operations of the department are in jeopardy. This shall generally mean or relate to emergency repairs to equipment or facilities which must be kept operating to protect the health, welfare and/or safety of persons, or property. In addition, the emergency expenditure shall be limited to the purchase of those goods or services needed to prevent the immediate harm. Any additional goods or services required to remedy the situation or prevent future harm shall be subject to the bid

process. A requisition shall be prepared and marked as "EMERGENCY". The requisition shall then be given to the Board of Selectmen to approve the request in accordance with the limits outlined in this Purchase Policy. *(Refer to requisition procedure at end of the policy.)*

REQUEST FOR PROPOSALS (RFP): Certain professional services, such as architectural and engineering, auditing and legal services are more appropriately solicited through a Request for Proposal (RFP). This is due to the need to consider factors other than price, such as professional qualifications, previous experience in related projects and review of support staff's backgrounds.

When soliciting for RFP's the specifications must contain the following information: scope of services to be performed, timing, evaluation criteria, minimum qualifications of professional experience and price.

The Town shall solicit proposals from at least three (3) vendors providing the professional service on a 3 year recurring basis. Bids can be sought on an as needed basis. Selection should be made by utilizing the following criteria: proposal review, interview of individual or firm, and reference checks, including site visits, if applicable.

DISPOSAL OF SURPLUS PROPERTY

Any property which is considered to be surplus and valued at over $100 must be presented to the Board of Selectmen by the Department Head with a recommended method of disposition for approval. Various possible disposition means are as follows:

A) Sealed bid
B Auction process
C) State surplus auction
D) Transfer to another Town Department

Any surplus items with a value of less than $100 may be disposed of by the Department Head as they deem appropriate, given the consensus of the Board of Selectmen. If the means of disposition is either the sealed bid or auction process, the Selectmen's Office Manager shall be responsible for publishing the necessary public notices to comply as closely as possible with the intent as set forth under item 4 in this Purchase Policy.

ETHICS IN PUBLIC PURCHASING AND CONTRACTING

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

It shall be unethical for any person to offer, give, or agree to give any Town of Newton employee, or for any Town of Newton employee to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval or recommendation concerning a solicitation.

Inexpensive advertising items bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.

REQUISITION PROCEDURE

1. Complete the requisition form to include:
    a. Requisition number, department, date, name of person initiating the request and signature of Department Head or Committee Chair or Vice-Chair authorizing the purchase,
    b. Quantity and detailed description of the product/service,
    c. Exact price of the purchase/service,
    d. The date needed,
    e. The source/vendor from where the item is being purchased,
    f. Operating budget account number or fund to which expense will be charged,
    g. Any other notes/details/specifications.

2. Attach the quote prepared by the vendor specifying the product or service to the requisition.

3. Submit the requisition and supporting documentation to the Bookkeeper's office no later than the Thursday prior to the Select Board's Tuesday meeting to allow time for adequate review of the documents.

4. The Bookkeeper will review the requisition for completeness and compliance with the Town's purchase policy. Any incomplete requisition or one that is in noncompliance will be returned to the person initiating the request to address the outstanding issue.

5. Once deemed complete, the requisition will be added to the Selectmen's meeting agenda for the Board's approval.

6. If approved, the signed requisition and supporting documentation will be provided to the Bookkeeper. Only upon receipt of the authorized invoice, will payment for the product or service be processed according to the vendor manifest schedule.