

TOWN OF SKOWHEGAN PURCHASING POLICY

Office of Purchasing Agent

Authority and duties of the Purchasing Agent:

The Town Manager will serve in the position of Purchasing Agent for the Town, and shall be responsible for the procurement of supplies, services, equipment and construction in accordance with this Policy as well as management and disposal of supplies and equipment.

In accordance with the Policy, the Town Manager Shall:

- A. Procure and/or supervise the procurement of all supplies, services, equipment, and construction needed by the Town;
- B. Exercise general supervision over all inventories of supplies belonging to the Town;
- C. Sell, trade, or otherwise dispose of surplus supplies belonging to the Town in accordance with the Town Meeting Warrant;
- D. Establish and maintain a process for specification development, purchasing administration and inspection and acceptance in cooperation with the departments using supplies, services, equipment and/or construction.

Tax Exemption

The Town Manager will act to procure for the Town all Federal or State tax exemptions to which the Town is entitled.

Operational Procedures

Consistent with this Policy, the Town Manager may adopt operational procedures relating to the execution of their duties as Purchasing Agent.

Delegation to other Town Officials

The Town Manager may delegate authority to purchase supplies, services, equipment or vehicles to other Town officials, if delegating is deemed necessary for the effective procurement of those items. Procurement guidelines may be waived for the purchase of used vehicles or equipment after coordination with the Town Manager. Written documentation consistent with the Town's purchasing guidelines must be available for such purchases.

Minor Procurement and Informational Bid Process

The Town Manager is authorized to approve expenditures for services, supplies, materials and equipment when total expenditures are **\$10,000.00** or less without resorting to the competitive bidding process and without Board of Selectmen approval.

Quotes shall be sought by at least three (3) eligible providers, if available. For purchases between **\$2,500.01** and **\$5,000.00** these quotes may be verbal. For purchases between **\$5,000.01** and **\$10,000.00** quotes must be in writing or may be verbal with explanation. All expenditures over **\$10,000.00** must be approved by the Board of Selectmen and shall be presented with short and long term goals where applicable.

Exception: Repairs and maintenance do not require quotes or a Purchasing Form unless over \$5,000.00.

In procuring items, it is not necessarily in the best interest of the Town of Skowhegan to purchase the lowest priced item. Some of the items that should be considered are cost, service, warranty, distance and time.

Statement of Purpose

The purpose of competitive bidding is to allow the Town to compare products, service, reputation and cost of each bidder for expenditures over **\$10,000.00**. Whenever possible, requests for bids will be thorough enough to give potential bidders a clear idea of what the Town requires while allowing bidders to propose options or alternatives that they believe will be beneficial for the Town.

Competitive Bidding Defined

Competitive bidding shall mean the transparent procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract, service, or product. Competitive bidding aims at obtaining goods and services at the lowest prices or in the best interest of the Town by stimulating competition and by preventing favoritism. The Town conducts open bidding, in which sealed bids are opened in full view of all who may wish to witness the bid opening.

Competitive bids are advertised through the following methods:

- A. Town’s website;
- B. Town’s Facebook page;
- C. At the Municipal Building and the Community Center in public and conspicuous places;
- D. On the electronic sign in front of the Municipal Building.

Purchases by Competitive Bidding

- A. Except otherwise stated herein, all departments and appointed or elected committees having their own budgets shall refer all competitive bidding through the Town Manager to the Selectmen who shall vote for such services, supplies, materials and equipment. Goods and services purchased annually, with an expected amount not to exceed \$25,000.00, may be put out to bid with the Town Manager’s authorization. Award of any bid and expenditure must still be approved by the Selectmen.
- B. A bond and/or insurance for proper performance of contract or bid may be required at the discretion of the Town Manager.

Exemptions

- A. Exempt from the competitive bid process is maintenance and servicing of equipment that must be serviced by the supplier or dealership. However, the Board of Selectmen must approve amounts exceeding **\$10,000.00**.
- B. Once a contract to purchase equipment, goods, or services has been established by the competitive bid process an amendment may be added for additional services or annual renewal of contract without competitive bidding if deemed in the best interest of the Town by the Board of Selectmen.
- C. Exempt from the competitive bid process is the purchase of gasoline, diesel, heating oil and electricity. The Town Manager has the authority to secure the lowest price for the purchase of gasoline, diesel, heating oil and electricity.

Emergency Purchases

In case of an emergency which requires immediate purchase of supplies, services or improvements, whose immediate procurement is essential to prevent delays in the work of any department which may vitally affect the life or convenience of citizens or employees, the Town Manager shall be empowered to secure at the lowest obtainable price, any supplies or services regardless of amount. A written report of the circumstances of the emergency purchase shall be submitted by the Town Manager to the Board of Selectmen at the first meeting following the purchase.

Suppliers

Proposals or invitations to bid shall be sent to at least three eligible providers, if available, within reasonable proximity to the Town of Skowhegan, or advertised, as may be appropriate, at least ten (10) business days prior to the time set for public opening of sealed bids. It is recommended that the department head make a good effort to contact local suppliers when posting a bid. Any supplier desiring to have their name on a registry of suppliers in order to receive bid postings shall sign up for these notifications on our website. If assistance is needed with this process, a supplier may contact the Town Manager’s Office or the Economic and Community Development Office.

Bids

Bids will be in a sealed envelope and shall either be sent by mail or hand delivered to the Town Manager’s office. It shall have the bid name appear on the outside of the envelope. As they are received, each bid envelope will be initialed and marked with the received date and time. A minimum of two copies of bids will be requested in each bid proposal, but the absence of a duplicate bid will not disqualify the bidder.

Records of Bids

Each bid with the name of the bidders shall be entered into the record. Each record shall be open to public inspection.

Awards

In the competitive bid process in awarding bids or contracts, it is not necessarily in the best interest of the Town of Skowhegan to award the bid to the lowest bidder.

Local Preference

A local preference shall be given to any primary bidder, excluding subcontractors, whose business is located and operating within Skowhegan town lines. This local preference shall be based on the following scale:

Purchases under	\$10,000	10% not to exceed \$500
Purchases from	\$10,000 to \$50,000	5% not to exceed \$1,000
Purchases over	\$50,000	2% not to exceed \$2,000

Location and operation shall be defined as owning, leasing, or renting physical space within the town lines and staffing the same at least twenty (20) hours per week during a period commencing thirty days prior to the bid deadline and continuing through the end of the bid agreement.

The Board of Selectmen reserves the right to adjust or suspend this percentage for any purchase.

Rights Reserved

The Town of Skowhegan reserves the right to reject any and all bids in whole or in part, to waive any formality and technicality in any bid and to accept or reject any item or items in any bid.

Tie Bids

If tie bids are not resolved by preferential treatment for local vendors, ties shall be awarded by the Board of Selectmen after review of the Department Head’s recommendation.

Cancellation of Invitation for Bids/RFP

An Invitation for Bids or a Request for Proposal or other solicitation may be cancelled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is for the good cause and best interests of the Town.

Sole Source Procurement

A purchase not exceeding \$10,000.00 may be awarded without competition when the Town Manager determines that there is only one source available. The Town Manager or their designee shall conduct negotiations, as appropriate, as to price, delivery and terms.

Cooperative Purchasing

The Town Manager shall have the authority to join other units of Government to include Federal, State, County, Municipal and Municipal Subdivision, such as Water Districts, Sewer Districts, School Districts and Council of Governments along with Fire or Police Associations in cooperative purchasing plans when the best interests of the Town would be served thereby and when such action is in accordance with present law.

Qualification Based Selection

The Town of Skowhegan periodically receives federal funds, which may be used to fund engineering and design related consultant services, construction, and construction engineering services. The procedures as described herein for Qualification Based Selection (QBS) will meet the requirements of 23 CFR 172 and the Brooks Act. The QBS process may also be used for projects that are not federally funded, when deemed in the best interests of the Town, typically with a preliminary estimate of greater than \$100,000.00.

QBS must use the following process:

- A. Initial Administration – This policy assigns responsibility of Project Manager to the Town Manager or department head delegated by the Town Manager.
- B. Project Description – The Town will use the following items when developing the project description and may include additional items when unique circumstances exist.
 - Describe in general terms the project background, purpose, need, and objective or goals of the project
 - Identify the various project components
 - Establish the desired timetable for the effort
 - Identify any expected problems or unusual circumstances
 - Determine the total estimated project budget
- C. Public Notice - The Town will advertise the Request for Qualifications (RFQ) through the same methods as competitive bids, as outlined above. The item will be advertised for at least 14 calendar days on a continuous basis prior to the acceptance of proposals.

- D. Conflict of Interest and Suspension and Debarment – The Town will coordinate with State or Federal agencies to utilize the appropriate procedures, where applicable.
- E. Evaluation Factors – The designated Project Manager will set the evaluation factors for each project. Project specific evaluation factors will be included in each RFQ. Typical weighting of the criteria, which may vary based on the specifics of individual projects, are listed below along with the range.
 - Project understanding -25% (range 10%-30%)
 - Technical approach - 25% (range 10%-30%)
 - Experience of firm/ past performance - 20% (range 10%-30%)
 - Staff capability - 20% (range 10%-30%)
 - Specialized expertise - 10% (range 10%-20%)
- F. Selection – The Town requires a minimum of a three-person selection committee. Typically, the selection committee members include some combination of the designated Project Manager, board/committee members, contracted consultants, or other staff members knowledgeable in the area. The selection committee members must certify that they do not have a conflict of interest. Selection committee members are chosen specifically for each project by the Town Manager. Each member of the selection committee must provide an independent score for each proposal prior to the selection committee meeting, using a form developed with the evaluation factors as set by the Project Manager. The selection committee members' scores are averaged for a committee score. The committee score may be adjusted by the committee based upon group discussion and information gained from presentations and interviews (if conducted) to develop a final ranking.
- G. Independent Estimate – The Town will prepare an independent in-house estimate for the cost of the services prior to contract negotiation. This estimate is used in the negotiation process.
- H. Contract Negotiation – The Town requires a minimum of a two-person team to negotiate with the highest qualified consultant. The Project Manager will select the members of the team based upon the nature of each project. If an agreement is reached with the top ranked firm on the scope of service, fee, and schedule, the Project Manager shall present a recommendation to the Board of Selectmen. If agreement cannot be reached on the scope of services and fee with the top ranked firm, negotiations shall be terminated, and the next ranked firm shall be considered for the contract. The same process will be used for the second ranked firm, and if required, for the third ranked firm.
- I. Project Administration – After obtaining approval from the Board of Selectmen, the Project Manager will execute the contract and monitor work on the project in accordance with the contract. The Project Manager will ensure adherence to procedures set forth by funding agencies, when applicable.

Delinquent Taxes/Debts

Bidders or vendors may be disqualified from bidding on or providing products or services to the Town if the bidder or vendor is delinquent with tax payments and/or debts to the Town and/or

quasi-governmental agencies such as Skowhegan Economic Development Corporation (SEDC), unless payment arrangements have been made to the satisfaction of the Town Manager.

Purchase Orders

All purchases of supplies, contractual services, and improvements estimated to be under **\$2,500.00** may be made by those department heads delegated by the Town Manager without prior approval of the Town Manager.

Requisition Procedure

The department head shall submit a signed Purchasing Form requesting purchase of items over **\$2,500.00** to the Finance Director to be certified that the funds are available in the account cited and to check if the Vendor has delinquent taxes and/or debts. The department head shall obtain three quotes for any purchase over **\$2,500.00** and justify the reason for purchase. The Finance Director shall submit the Purchasing Form to the Town Manager for approval of the purchase. The original will be returned to the department head, and a copy will be given to the Executive Secretary if reserve account funds are required for Board of Selectmen approval.

No purchases will be made until these steps are followed or without the approval of the Town Manager.

Purchase Order Procedure for Department Head approval of \$2,500.00 or less

The department head shall sign the purchase order authorizing purchase. The original purchase order will go to the vendor if necessary. The yellow and pink copies of the purchase order shall be forwarded to the Finance Director with the invoice and any receipt slips when item/service is received. Vendors must be made aware to send invoices directly to the Town Office. The Finance Director will process the invoices based on the purchase order and receiving invoices and then submit the completed Warrant to the Treasurer and Town Manager for review prior to the Board of Selectmen's review and approval.

Reserve Account Purchases

All purchases made with reserve account funds must receive prior approval from the Board of Selectmen regardless of amount unless it meets the criteria set for emergency purchases. In the case of an emergency purchase, the procedure laid out earlier in this policy must be followed.

Line-Item Reporting

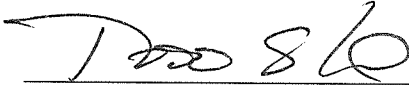
The budget set at the annual Town Meeting legally limits spending within the department/division stated in each warrant article. A department/ division account may not be over-expended without approval by the Board of Selectmen within the limits set at Town Meeting or at a special Town Meeting if outside of those limitations.

Line-item budget values are reviewed and recommendations for approval are made by the Board of Selectmen and the Budget and Finance Committee prior to annual Town meeting voting. Department heads must monitor expenditures and strive to operate within these line-item budget values. In the event of the need to over-expend a line-item, the department head must receive approval from the Town Manager after submitting a Line-item Over-expenditure Form to the Finance Director. The Town Manager must notify the Board of Selectmen, in writing, as soon as the need is discovered. This notification must include the account, the estimated amount of the over-expenditure and why the over-expenditure is required, as well as which account spending will be reduced in order to offset the overage.

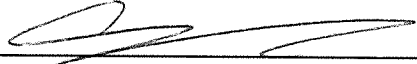
Prohibition against Subdivision

No contract or purchase shall be subdivided to avoid the requirements of this policy.

Signed and dated at Skowhegan, Maine this 27th day of December, 2022.




Todd Smith, Chairman




Charles Robbins, Vice Chairman



Harold Bigelow



Steven Goyoni



Paul York