

I PURPOSE. The purpose of this policy is to create a process for purchasing goods and services that will increase efficiency, promote fairness, accountability and confidence, and provide necessary supplies and services in a timely and cost-effective manner.

II APPLICATION. This policy shall apply to all purchases of goods and services by the Municipality of _____ except where conditions of state or federal funds, or conditions of a grant, gift or bequest mandate otherwise.

III DEFINITIONS.

- A. *Major purchases* are those purchases of goods or services in an amount of \$_____ or more.
- B. *Regular purchases* are those purchases of goods or services in an amount of at least \$_____ but less than \$_____.
- C. *Incidental purchases* are those purchases of goods and services in an amount of \$_____ or less.
- D. *Sole source vendor* is a vendor approved by the legislative body to provide certain goods and services for the Municipality.
- E. *Emergency purchases* are those urgent purchases of goods and services which are required to protect the public health, safety and welfare.

IV PROCEDURES.

- A. **Major purchases** require a formal bid process which shall include:
 1. Advertisement of the invitation to bid or request for proposal (RFP) for at least one week in a newspaper of general circulation in the Municipality of _____;
 2. Advertisement of the invitation to bid or RFP in other newspapers at the discretion of the [municipal manager/legislative body];
 3. Direct notice of the bid or RFP to specific providers at the discretion of the [municipal manager, legislative body];
 4. Notice of the place and deadline for receipt of the sealed bids or RFPs;
 5. A description of the supplies, materials, equipment or services required and information on how and where to obtain more detailed specifications and bid or RFP forms;
 6. Information on insurance requirements for the bidder or proposer;
 7. A statement of the right of the Municipality of [_____] to reject any and all bids or RFPs if doing so is deemed by the legislative body to be in the best interests of the Municipality; and
 8. Public opening of the bids or RFPs by the legislative body at a time not less than 10 business days after the deadline for receipt.

- B. **Regular purchases** require competitive solicitation of bids or RFPs but *may be done* by the formal bid process. Competitive solicitation includes:
 1. Soliciting bids or quotations from at least two (preferably three) vendors unless a sole source vendor has been approved by the [municipal manager/legislative body]; and
 2. Selection of vendor based on quality of the goods and services offered, cost, ability of the vendor to provide future maintenance, and the ability, capacity and skill of the vendor demonstrated under prior contracts with the Municipality.

- C. **Incidental purchases** may be made without a formal bid or competitive solicitation. Such purchases may be made by [department heads, municipal manager, purchasing agent, designee of the municipal manager or legislative body]. Incidental purchasing choices shall be made based on cost, quality of goods and services, and the best interests of the Municipality.

- D. **Sole Source Vendor.** The legislative body may approve a sole source vendor for regular or incidental purchases. Approval shall be made annually at the first regular meeting of the legislative body held in the Municipality's fiscal year and shall take into account general availability of the goods or services, quality and cost of the goods and services, and the ability, capacity and skill of the vendor demonstrated under prior contracts with the Municipality.

- E. **Leasing Equipment.** The [municipal manager/legislative body] shall approve all leasing of equipment.

- F. **Purchase Of Professional Services.** The purchase of professional services for the Municipality shall be exempt from the formal bid process. Such services include, but are not limited to, legal counsel, insurance, engineering/architectural services and consulting services. The legislative body shall purchase such services according to the best interests of the Municipality.

- G. **Cooperative Purchasing.** The Municipality may enter into cooperative lease or purchase agreements with other municipalities, at the discretion of the legislative body.

- H. **Emergency Purchases.** When an emergency threatens the health, lives or property of the residents of the Town, or threatens the property of the Town or the delivery of necessary services to the residents of the Town, the [town manager/legislative body, health officer, road commissioner, fire chief, police chief, constable, service officer, water or sewer commissioners, emergency management chairperson, fire warden] shall have the authority to purchase emergency supplies and services while acting in the best interests of the town.

ADOPTED:

Signatures

Date