



PURCHASING POLICY

1. Introduction

This policy is intended to provide the policies and procedures necessary for the conduct of purchasing activities for the Town of Nottingham. This policy is designed to:

- Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders.
- Provide a uniform procedure for the procurement of material, equipment, supplies, and services.
- Ensure that the taxpayers are getting the "best overall value" for their dollars.

2. Authority

These policies are adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

3. Purchasing Authority

All purchases require approval by the Department Head.

- All purchases and expenditures will be reviewed and approved by the Select Board through bi-weekly manifests.
- Spending in excess of the annual total department budget must be approved by the Board of Selectmen. Department heads have the authority to exceed individual budget line items.

Spending authority for budgeted items are as follows:

Dollar Range	Expense Approval Level	Exceptions
\$0 - \$5,000	Department Head	
\$5,000 - \$10,000	Department Head and Town Administrator, quotes or bids required	Expenses for pre-approved contracts, also items #5-7 below
Above \$10,000	Select Board, RFP or bids required	
Spending in excess of department budget	Select Board	

The Town Administrator shall notify the Select Board of unanticipated or unusual purchases in excess of \$5,000.

4. Quotes and Competitive Bidding

For purchases between five thousand and ten thousand dollars (\$5,000-\$10,000), department heads will solicit at least three verbal or written quotes for written submission to the Town Administrator for approval prior to purchase.

All purchases in excess of ten thousand dollars (\$10,000) shall be made by competitive sealed bidding and contracts shall be awarded to the lowest *responsible* bidder or the bidder that provides the best value

to the Town. Competitive sealed bidding procedures shall at a minimum incorporate the following features:

- Formal bid specifications which shall, at a minimum, include the general terms and conditions of the proposed purchase, requirements of the bidder, form of contract and the forms for submission of bids
- Product or service specifications
- Notice of bid availability posted on town web site, with other publication or solicitation as appropriate; a minimum of ten (10) working days prior to the date set for the opening of the bids;
- Sealed bids shall be opened publicly at the time and place designated in the invitation for bids
- The award of bids shall be formalized through the execution of a formal written contractual agreement

Department heads shall select the bid producing the best overall value for the town, for recommendation to the Select Board. Some of the factors considered when determining the "best overall value" are:

- Price
- Quality
- Warranty
- Service
- Compatibility with existing equipment, systems, or processes
- Availability and timeliness
- Past Performance with Town of Nottingham
- References

An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of the Town.

5. Cases not Requiring Quotes or Bids

The Town Administrator or Selectmen may approve a purchase without bid under the following conditions:

- Item is to be purchased under State or Federal Bid lists
- Only one known source of purchase, and there is no comparable substitute product or service;
- Specific type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device;
- An item or service that is required on an emergency basis, per #6 below;
- Insurance and employee benefit expenses;
- An item previously awarded by a bid process within the past twelve (12) months;
- Vehicle repairs which reach authorization limits in #3 above only after work has started or the vehicle is off-site for diagnosis.
- Upon recommendation of department heads and the Town Administrator, the Select Board may waive bid requirements for the procurement of certain services where technical expertise or knowledge of a specialized field are critical to the performance of that service including but not limited to attorneys, engineers, planning consultants, architects, accountants and other similar professionals.

Some commodity purchases may meet spending authority limits in #3 above, in the aggregate on an annual basis, but are not available on a fixed-cost basis. (E.g., motor vehicle fuels and sand/stone aggregates). For these commodities department heads may provide spot-checks or other comparisons to determine best overall value.

6. Emergency Purchasing

Emergency procurements may be made when a threat to public health, welfare or safety exists, provided that such emergency procurement shall be made with such competition as is practical under the circumstances.

In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, department heads are authorized to approve such emergency purchase if the situation permits. The Town Administrator and Selectmen shall be notified as soon as possible as to the emergency and the associated purchases. As soon as is practicable, standard purchasing procedures will be reinstated.

7. Major Construction Projects

In the case of contracts for the construction, reconstruction, alteration, repair or refurbishing of real property where the estimated cost of the project is in excess of twenty thousand dollars (\$20,000), a determination of responsibility of interested contractors may precede the issuance of invitations to bid. Invitations to bid may be limited to only to firms which have, in the Town's sole determination, been pre-qualified.

Prequalification of firms shall be based on:

- The ability, capacity and skill of the bidder to perform the contract or service
- How promptly can the service be provided – can it be done within the specified timeframe
- The character, integrity, reputation, judgment, experience and efficiency of the bidder
- The quality of performance of previous contracts or services
- The sufficiency of financial resources of the bidder
- The ability of the bidder to perform warranty or future maintenance
- Others as required

8. Town Issued Credit Cards

Department Managers may be authorized to use a Town credit card upon issuance approved by the Select Board. The use of these credit cards is subject to the following terms and conditions:

1. Credit card purchases shall be subject to all spending requirements and limitations as set forth in these Purchasing Procedures. In addition, the spending limit shall be set at five thousand dollars (\$5,000.00) per billing period.
2. Credit cards may be used for Town purchases only. They shall not be used under any circumstances for personal purchases or cash advances.
3. Employees are responsible for the security of their credit card. All precautions shall be used to maintain confidentiality of the account number, security codes and expiration date of the credit card. Employees shall notify the Town Administrator immediately upon discovery of a lost or stolen credit card, in which case they shall not be personally liable for any unauthorized purchases made with the card; however, employees may be personally responsible for unauthorized purchases resulting from inadvertence, carelessness, or intentional misuse.
4. Employees must ensure that the use of a credit card for telephone or internet purchases is secure and from a reputable company. Do not use a Town issued credit card if there is any doubt about the validity of the transaction.
5. Credit cards may be used to purchase goods and services and for travel expenses, (not including fuel for a personal vehicle), provided that the expenditures have been budgeted and are otherwise allowable.

6. Original receipts for credit card purchases shall be forwarded to the bookkeeper as soon as practical with a purchase description and notation of the account to be charged. Lost or missing slips must be reported immediately.
7. In the event that an item purchased with a credit card must be returned or exchanged, it shall be the responsibility of the card holder to ensure a proper credit is issued and copies of such documentation are provided. Under no circumstances should a cash refund be accepted when a credit card was used for the initial purchase.
8. Notwithstanding any legal rights available to the Town pertaining to the misuse of Town funds, the failure to comply with these terms and condition for the use of a Town issued credit card may result in disciplinary action, collections proceedings, and/or loss of credit card privileges as may be determined by the Town Administrator.
9. Credit card holders shall be required to sign an acknowledgement that they have read and understand this credit card policy along with a receipt to indicate acceptance of the Town issued credit card.
10. A card holder must immediately relinquish their credit card upon demand of the Town Administrator or upon notice of pending separation of employment, whether voluntary or otherwise.

9. Conflict of interest/Ethics in Purchasing

- It shall be unethical for any Town 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 employee, or for any Town 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.
- Elected officials are only permitted to buy or sell goods, commodities, or real property to/from the town in excess of \$200 under open competitive bids, pursuant to RSA 95:1. Additionally, any purchase of services from elected officials shall be approved in advance by the Select Board.

10. Local Advantage

The Town make every effort to purchase from businesses located within the Town and local area if the purchase fits into the category of "best overall value." Town employees have a responsibility to the taxpayers of the Town to ensure that bids are awarded to vendors offering their products or services at the "best overall value" to the Town.

11. Artificial Division

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed purchase constitutes artificial division shall be determined by the Town Administrator.

12. Exceptions


Exceptions to the policy will be determined on a case-by-case basis by the Town Administrator or Selectmen

13. Invoicing

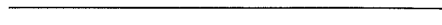
All invoices should be brought to the bookkeeper in a timely manner. The head of each departments is to review the invoices for accuracy and note the correct expense account before submitting for payment.

14. Adoption

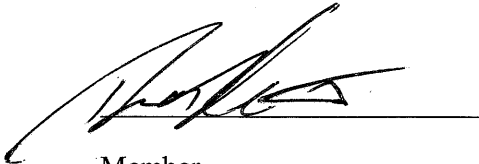
This policy takes effect with its adoption by vote of the Select Board, July 25, 2022.



Select Board Chair



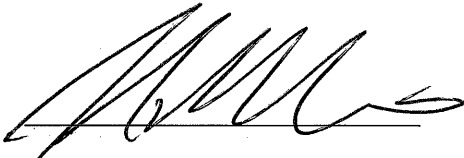
Member



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