

**TOWN OF STOWE  
SELECTBOARD**

**PURCHASING POLICY**

**1. AUTHORITY & PURPOSE**

In accordance with Selection 153-408 of the Stowe Town Charter, the Stowe Selectboard shall authorize the expenditure of all town money, except where such powers are expressly conferred upon another by the Stowe Town Charter. The purpose of this policy is to outline the guiding principles for personnel to follow in the expenditure of public money and the disposition of public assets. It is understood that the Town Manager serves as the Town of Stowe Purchasing Agent (Section 703 of Stowe Town Charter) and he/she may further outline procedures for expending public money by employees and establish further financial controls.

**2. POLICY OBJECTIVES**

The primary objectives of the Town of Stowe Purchasing Policy are as follows:

- a. To promote and effect, in the best interest of the Town of Stowe, open, effective and intelligent purchasing of supplies, equipment and services, which will result in the maximum value received for each dollar spent.
- b. To assure the realization of the principles of competitive purchasing.
- c. To assist management in reaching responsible and cost-effective decisions in the procurement of quality supplies and services for Town use.
- d. To ensure that all vendors will have an equal opportunity to do business with the Town and promote good will and clear communication in Town/vendor relations; however, local vendors should be supported to the greatest extent possible without sacrificing quality or price.
- e. To ensure emergency purchases are made in the fastest and most efficient basis necessary to protect life and property.

**3. USE OF PUBLIC MONEY**

- a. Public money shall be spent for public purposes. This includes the purchase of municipal assets, purchase of professional services, making public property improvements, payroll for personnel, community and economic development activities.
- b. Any use of public money that has a direct private benefit, including a benefit to a non-profit organization, must have an overriding public benefit and be approved by the Selectboard or the electorate.
- c. The Town shall not discriminate in its selection of vendors on the basis of race, gender, sexual orientation, political affiliation, family relations, friendship or business affiliation. Employees shall not make any purchase from a vendor in which that employee has an ownership interest other than stock in a publicly traded company, except when specifically authorized by the Selectboard. Employees and Selectboard members should publicly disclose all potential purchase conflicts prior to any purchasing decisions being made.

- d. All purchasing decisions shall adhere to the Selectboard Ethics & Fraud Policy for Public Officials, Employees and Volunteers.
- e. All purchases shall be limited to those items and services that have been budgeted in advance to the greatest extent possible. All purchases that do not meet this criterion must be essential to fulfilling the mission of the Town.
- f. Department Heads are encouraged to look for joint purchasing opportunities in order to receive economies of scale that does not sacrifice quality or take an inordinate amount of time to administer.

#### 4. DEFINITIONS

- a. Simplified Bid – a collection of two or more price quotes for a product or service that does not involve a publicly advertised formal bid process. Catalog prices shall be considered acceptable in lieu of a written price quote.
- b. Sole Source: Procurement from a single source without obtaining multiple quotes or going through a formal bid process because it is automatically exempted or otherwise authorized by the Selectboard or Manager in accordance with this Policy. Unless it is specifically authorized by this Policy, a request for a sole source vendor for major or moderate purchases must be documented in writing identifying the basis of the request
- c. Construction: The hiring of a contractor to make improvements to a building or land. Also, to hire a contractor to replace elements of a building.

#### 5. SCHEDULE OF PAYMENTS:

- a. Advance payments are discouraged unless the vendor provides security agreeable to the Town Manager. The Town Manager may also approve advanced payment when necessary because there is no other reasonable option (e.g. sole source). Department Heads may approve partial payment for completed work or for materials received on-site and for delivered vehicles. Also, deposits for entertainment vendors or equipment rentals are permissible.
- b. Any advance payment over \$20,000 shall require prior approval of the Selectboard. Emergency purchases shall fall under Section 11.
- c. The Selectboard must approve all warrants at their regular meeting. With this being said, Department Heads may authorize payments in advance of the warrant approval to take advantage of discounts. In addition, the Town Manager may authorize the Town Treasurer to issue payment in advance of the warrant approval when time is of the essence and it is in the municipalities interest to do so

#### 6. APPROVAL FOR EQUIPMENT, PRODUCTS AND NON-CONSTRUCTION PROCUREMENT

- a. \$20,000: Unless a sole source procurement is approved by the Selectboard or the procurement is exempted by this Policy, major purchases expected to be over \$20,000 shall require a formal bid process for the purchase of goods or a qualification based selection process for the purchase of professional services. The Manager may approve the pre-qualification of bidders. Contracts for major purchases are to be awarded by the Selectboard.

- b. \$5,000 to \$19,999: Unless a sole source procurement is approved by the Town Manager the procurement is exempted by this Policy, moderate purchases expected to be between \$5,000 and \$19,999 must be accomplished through a simplified bid process.
- c. \$1 to \$4,999 may be accomplished without the solicitation of bids or quotations if the purchase is estimated to cost between \$1 and \$4,999.
- d. In recognition of the state bid process, goods and services may be purchased without a formal bid process or competitive solicitation if purchased through the state bid. If purchasing through the state contract is proposed, the department head must provide written documentation with the requisition demonstrating the vendor has the state contract for the product proposed to be purchased.

## 7. APPROVAL FOR CONSTRUCTION OR DESIGN RELATED PROCUREMENT

- a. \$50,000 +: Unless a sole source procurement is approved by the Selectboard or the procurement is exempted by this Policy, purchases expected to be over \$50,000 shall require a formal bid process for the purchase of goods or a qualification based selection process for the procurement of professional services. The Town Manager may approve the pre-qualification of bidders. Contracts for major purchases are to be awarded by the Selectboard.
- b. \$20,000 to \$49,999: Unless a sole source procurement is approved by the Town Manager the procurement is exempted by this Policy, purchases expected to be between \$10,000 and \$49,999 must be accomplished through a simplified bid process.
- c. \$1,000 to \$19,999: May be accomplished without the solicitation of bids or quotations for procurement anticipated to be between \$1,000 and \$19,999.

## 8. INSURANCE

- a. The standard insurance coverage and limits is as follows:
  - Commercial General Liability: Contractors and service providers are required to maintain commercial general liability insurance including but not limited to Bodily Injury, Personal/Advertising Injury, Broad Form Property Damage, Products and Completed Operations and Contractual Liability with limits of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate annually.
  - Workers' Compensation: Contractors and service providers who perform work on-site are required to maintain workers compensation and Employers Liability insurance of at least one hundred thousand dollars (\$100,000) per occurrence and five hundred thousand dollars (\$500,000) in the aggregate annually.
- b. Certificates of Insurance:
  - Contractors and service providers shall be required to provide the Finance Department with a Certificate of Insurance showing evidence of the coverage's and limits as listed above. Any construction contract over \$50,000 shall also name the Town of Stowe as an Additional Insured on the certificate of insurance. In lieu of a providing a certificate of insurance for workers compensation a sole proprietor or partnership of an unincorporated business or S-Corporation may provide a Non-employee work agreement if they meet its conditions (See Appendix A). No insurance certificate shall be required of delivery

people, performers, guest speakers, bands or other artist contracted for by the town or as a volunteer.

- c. Waiver:
  - The Town Manager may reduce or eliminate insurance coverages and limits for services that offer minimal risk. The Town Manager also has the authority to add additional insurance coverage's and require higher limits for projects that involve substantial risk.
- d. The Town Manager may require bonds and/or such other sureties (such as retainage).

## 9. VENDOR SELECTION

Vendors will be selected on a competitive basis. However, it is recognized that the lowest bid in terms of price is not always in the best interest of the Town and factors should be taken into consideration other than price. Purchases shall be awarded to the lowest, best qualified, responsive and responsible vendor.

In determining the “lowest, best qualified, responsive and responsible vendor,” in addition to price, the following shall be considered:

- a. The substantial performance of the bidder in meeting the specifications and other terms and conditions of the solicitation.
- b. The ability, capacity and skill of the vendor to perform the contract or provide the material or service required, and to do so promptly or within the timeline specified.
- c. The experience, financial resources and performance under previous contracts of the vendor.
- d. The quality, availability, and adaptability of the service or product being purchased and the ability of the vendor to provide future maintenance and supply parts, if necessary.

## 10. LEASE PURCHASES

- a. The purchase or lease of any equipment, vehicle or materials which require periodic payments over a course of one year or more shall be subject to all applicable provisions of this policy in accordance with the dollar values set forth herein.
- b. All lease purchase agreements shall contain a non-appropriation clause whereby the Town shall not be obligated under the terms of the lease if the necessary funds are not appropriated at a future Town Meeting.

## 11. PROFESSIONAL SERVICES

- a. Attorneys – The Selectboard shall select the legal counsel for the municipality with the advice of the Manager. The selection of legal services shall be a qualification based selection process, but shall not be subject to annual solicitation requirements. The Manager shall have the authority to obtain outside legal counsel if the town’s legal counsel has a conflict of interest or he / she determines it is in the best interest of the town.

The Selectboard shall have the ultimate authority for deciding whether any other Town official, elected or appointed, shall be allowed to initiate judicial proceedings, defend against a legal action, settle suits, or otherwise obligate resources for legal purposes on behalf of the Town, except as otherwise prescribed by law.

Notwithstanding the other provisions of this Article, it shall be permitted for the Town Manager, Police Chief, Planning Director, Zoning Administrator, Public Works Director or Town Clerk to contact the Town Attorney in the judicious exercise of the responsibilities of the position for which they have been appointed with the understanding that they will keep the Manager fully informed regarding all legal matters. Except for emergency circumstances when the Manager is not available, all other department heads shall seek the Manager's approval prior to seeking legal counsel, with the understanding that they will advise the Manager as soon as possible thereafter.

- b. Auditors – In accordance with the Town Charter, “The Selectboard shall provide for an annual independent audit by a certified public accountant.” The selection of the audit firm shall be a qualification-based selection process, but shall not be subject to annual solicitation requirements.
- c. Insurance - All liability and health insurance providers shall be decided upon by the Selectboard with the advice of the Manager and be based on a qualification based selection process, but shall not be subject to annual solicitation requirements.
  - Engineers – Should be hired primarily based on their professional qualifications. It is recognized that it is administratively efficient and important for continuity purposes not to change engineering firms on a frequent basis and factors other than price must be taken into consideration. It is recognized that it may be advantageous to the Town to continue using an engineer throughout a project even though the project may involve multiple phases and contracts. The Town Manager may decide if a contract extension should be negotiated with the existing professional consultant (subject to approval of the contract by the Selectboard for major purchases) or if a new request for proposals should be issued.
  - The Public Works Director with the approval of the Town Manager may name an outside engineering consulting firm for the water, sewer and highway departments in lieu of putting individual projects out for design proposals. The engineering firm may be the same firm for all departments or separate firms for each department. The Public Works Director with the approval of the Town Manager may seek a different engineering firm if the designated engineering firm has a conflict of interest or he/she determines it is in the best interest of the town.
  - Architects and Other Professional Services - Shall be procured in accordance with – the approval process outlined in Section 7 of this policy, but be based on a qualification based selection process. It is recognized that proposals for professional services are difficult to compare and that weight must be given too many considerations other than price. It is also recognized that it may be advantageous to the Town to continue using an architect, engineer or other professional consultant throughout a project even though the project may involve multiple phases and contracts. The Manager may decide if a contract extension should be negotiated with the existing professional consultant (subject to approval of the contract by the Selectboard for major purchases) or if a new request for proposals should be issued.

## 12. EXEMPTIONS & WAIVERS

- a. **Emergency Purchases:** Emergency purchases can be costly. They are usually on a non-competitive basis, and may not be at the best price; however, in event of a genuine emergency, a Department Head may procure items and services without adhering to the procedures described herein, provided that they submit a written explanation to the Town Manager within forty-eight (48) hours of the transaction dealing with the nature of the emergency, the services procured and the cost. The Manager shall advise the Board of any emergency purchase over \$20,000. An emergency situation shall be defined as one that threatens the lives, the property of the municipality or its citizens, a major permit violation that could result in significant fines to the municipality, significant environmental damage, or the delivery of necessary services to the citizens of Stowe. In the absence of the Town Manager, or if directed to do so by the Town Manager, Department Heads should follow the direction of the Stowe Emergency Management Director or other authorized emergency management official during a bona fide emergency.
- b. **Cooperative Purchasing:** For a project, product or service that is included in an approved operating or capital budget, a Department Head may participate in a consortium of governmental agencies for joint bidding purposes upon advanced approval of the Town Manager. The purchasing policy of the lead agency shall be followed and the Stowe Selectboard shall not be required to approve the bid.
- c. **Transportation:** The Town does not have to bid for transportation services provided that it uses the same company as the school's and is given the same contract price.
- d. **Maintenance of Buildings, Vehicles and Equipment:** It is recognized that the municipality uses certain qualified contractors to maintain its buildings, vehicles and equipment. If the cost appears to be rising faster than the rate of inflation, Department Heads should reevaluate the contractual relationship and determine if the existing contractor is still providing the best value. Any single maintenance project over \$-50,000 shall be put out to bid, unless otherwise waived by the Selectboard, it is an emergency, or if the service is only available through a sole vendor.
- e. **Repair Parts:** Purchase of repair parts is acknowledged to often be a unique purchase requirement because the make and model of the equipment or vehicle often necessitated by the need to purchase from a sole vendor and employees are authorized to do so.
- f. **Salt:** Bidders first determine if they are going to receive any State supply contracts prior to offering a price and guarantying a quantity to local governments. The price and guarantee of quantity may be for a limited time period that does not lend itself to time required for an advertised bid and Selectboard award process. Therefore, the Public Works Director shall annually obtain written price quotes for salt for award by the Town Manager. The Town Manager shall notify the Selectboard in writing of the basis of award.
- g. **Fuel:** Due to the volatility of the market, fuel (e.g. propane, #2 fuel oil, diesel and gas) does not lend itself to the time required for an advertised bid and Selectboard award process. Bidders are only willing to guarantee a price for the business day they provide the bid. Therefore, the Public Works Director shall annually obtain written price quotes for propane, #2 fuel oil, diesel and gas for award by the Town Manager. The Town Manager shall notify the Selectboard in writing of the basis of award.

### 13. BID REJECTION

The Town Manager or Selectboard may:

- a. Reject all bids when deemed to be in the Town's best interest; and
- b. Reject a bid not accompanied by any bid security, or by other omissions required by the bid documents; and
- c. Reject a bid which is in any way not responsive, responsible, incomplete, irregular, amplified, qualified or otherwise not in compliance with bid documents in material respects or reasonable interpretation thereof; and
- d. Reject a bid from a debarred vendor/bidder; and
- e. Waive any informality, irregularity, immaterial defects or technicalities in any bids received; and
- f. Advertise for new bids where the acceptance, rejection, waiving or re-advertising is determined through the Town Manager to be in the Town's best interest.

#### 14. BID PROTEST

- a. Any bidder who is aggrieved with the awarding of a procurement decision by a Department Head must notify the Town Manger in writing within five (5) business days from the date of the notice of award. If the party is aggrieved with the Manager's decision, they must appeal in writing to the Selectboard within five (5) business days of their receipt of the Manager's decision. The Manager's decision shall be sent to the aggrieved party in writing by certified mail.
- b. Any bidder who is aggrieved by an award of a bid by the Selectboard must appeal to them in writing within (5) business days of their receipt of the notice of award.
- c. It is recognized that it may be difficult to overturn a contract; therefore, while the aforementioned may listen to the grievance, it may not necessarily lead to an overturning of an awarded contract. It may be used in the evaluating of personnel or taken into consideration in the awarding of future contracts.

#### 15. CREDIT CARD USE

- a. The Town Treasurer may open one credit card account for multiple cardholders with various departmental spending limits approved by the Manager. The Town credit card should not be used for personal purposes.
- b. No other individual, including Department Heads, has the authority to open a credit card account in the Town's name.
- c. Within ten (10) business days of each credit card transaction the Department Head shall furnish the Finance Department with a signed receipt and purchase record detailing exactly what was purchased.

#### 16. EMPLOYEE REIMBURSEMENT

The use of personal credit cards, cash or personal checks to make purchases for the Town is discouraged and shall be not permitted unless an emergency exists or is otherwise approved by the Town Manager. If such authorization is received, the employee may be reimbursed upon submittal to the Finance Department of a signed receipt and purchase record detailing exactly what was purchased.

## 17. GRANTS

The Town Manager shall have the authority to approve the submission of any grant that does not require a financial match (other than staff time) or one that requires a financial match, but the project and match were included in an approved operating or capital budget. Advance approval by the Selectboard shall be required for any grant request in advance of its submission that requires a financial match for a project or match that was not included in an approved operating or capital budget.

The Town will adhere to the procurement requirements of the granting agency. If there is a conflict between this Policy and the grant agreement, the grant agreement shall rule.

## 18. FUNDRAISING

The Selectboard must approve all fundraising in the name of and/or accounted for by the Town of Stowe in advance. This shall not include donations into established accounts and/or programs that have been previously approved by the Selectboard.

## 19. RESTRICTED GIFTS

Other than gifts offered and accepted by the Stowe Library Trustees to benefit the Stowe Free Library, all restricted gifts to the Town of Stowe must be approved in advance by the Selectboard. This shall include any gift that is conditioned in any way or requires something of the municipality in exchange for the gift. This shall not include gifts to non-profit organizations associated with the Town of Stowe municipal corporation (i.e. Friends of the Stowe Free Library, Stowe Firefighters Association, Inc., Stowe Rescue Squad, Inc., etc.).

## 20. DEA FUNDS

DEA funds may only be spent for uses as allowed by the U.S. Department of Justice under their guidelines for the equitable sharing of federally forfeited property for state and local law enforcement agencies.

All expenditures of DEA Funds estimated to be under \$20,000 shall be approved in advance by the Manager upon recommendation of the Police Chief. All expenditures estimated to be over \$20,000 shall be approved in advance by the Selectboard.

## 21. SALE OF SURPLUS EQUIPMENT OR PERSONAL PROPERTY

- a. The Town may determine equipment, vehicles or other personal property are obsolete, in need of upgrading or beyond its useful life. These determinations could result in the sale of Town owned equipment, vehicles or personnel property. The public should be given notice of any sale. Also, the sale should be awarded to the highest responsive / responsible bidder if put out to sealed bid or to the first person with cash or cash equivalent if offered for sale at a fixed price. No property shall be given to a town employee or anyone else without the permission of the Town Manager.
- b. Under \$999.00: Any equipment, vehicle or other personal property may be disposed of at the Department Heads discretion if it is determined to have a value under \$999.00.



- c. Between \$1,000 and \$20,000: Unless it is traded in, any equipment, vehicle or other personal property may be disposed of at the discretion of the Manager.
- d. Over \$20,000: Any equipment, vehicle or other personal property may be disposed of at the discretion of the Selectboard. The Selectboard shall be deemed to have approved the trade-in or sale of a vehicle that is publicly advertised if the vehicles replacement is included in the Equipment Fund.

## 22. SALE OF REAL PROPERTY

The sale of real property shall be approved in accordance with Section 153-202 (b) of the Stowe Town Charter.

## 23. PUBLIC RECORD

Procurement information shall be public record and shall be made available to the public. At the request of the vendor, information containing trade secrets, pursuant to 1 V.S.A., Chapter 317 (b) (9), shall be kept confidential.

## 24. MISCELLANEOUS

- a. This policy shall supersede and replace any and all previously adopted policies pertaining to municipal purchases that may have been in effect prior to the effective date of this policy as noted below.
- b. In the event that any portion of this policy is found to be in violation of federal or state law or inconsistent with any provision applicable thereto, the remainder of this policy shall remain in full force and effect.

***This Purchasing Policy is hereby amended and adopted by the Selectboard for the Town of Stowe, on April 10, 2023; to be effective immediately.***