

**TOWN OF STOWE
ADMINISTRATIVE
PURCHASING PROCEDURES**

I. PURPOSE: To implement the Selectboard's Purchasing Policy in an efficient and consistent manner so as to achieve the objectives contained therein.

II. PROCEDURES:

1. Authorization for Equipment and all other Non-Construction Procurement

Federal Funds \$25,000+: Contracts for goods and services using Federal funds equal or greater than \$25,000 shall be subject to verification that the recipient is not a suspended or debarred entity. Refer to Excluded Parties List Systems at sam.gov.

\$20,000+: Unless the bid process is waived by the Selectboard or waived by the Purchasing Policy, the Town Manager shall assign a Department Head to prepare a bid package and approve the bid package prior to advertising the invitation to bid. After award by the Selectboard, a contract shall be executed by the Manager and a copy provided to the Finance Department prior to any draw down of money.

\$5,000 and \$19,999: Unless price quotes are waived by the Town Manager, a purchase expected to be between \$5,000 and \$19,999 shall require the submittal of a requisition and a copy of at least two written price quotes to the Finance Department for their review and for the Town Manager's approval prior to ordering. If the purchase is not recommended to be awarded to the lowest bidder, a memo shall accompany the requisition and price quotes explaining why the low bidder is not recommended.

2. Authorization for Construction or Design Related Procurement

\$50,000+: Unless the bid process is waived by the Selectboard or waived by the Purchasing Policy, the Town Manager shall assign a Department Head to prepare a bid package and approve the bid package prior to advertising the invitation to bid. After award by the Selectboard, a contract shall be executed by the Manager and a copy provided to the Finance Department prior to any draw down of money.

Federal Funds \$25,000+: Contracts for goods and services using Federal funds equal or greater than \$25,000 shall be subject to verification that the recipient is not a suspended or debarred entity. Refer to Excluded Parties List Systems at sam.gov.

\$10,000 and \$49,999: Unless price quotes are waived by the Town Manager, a purchase expected to be between \$10,000 and \$49,999 shall require the submittal of a requisition and a copy of at least two written price quotes to the Finance Department for their review and for the Town Manager's approval prior to ordering. If the purchase is not recommended to be awarded to the low bidder, a memo shall accompany the requisition and price quotes explaining why the low bidder is not recommended.

3. Bid Packages:

For any equipment purchase anticipated to be over \$20,000 or construction services over \$50,000, the appropriate Department Head as determined by the Town Manager shall prepare a bid package for the purchase of goods or request for qualifications to include the following:

- a. An invitation to bid including the location, time and place for receiving and opening of sealed bids.
- b. Information on how to obtain bid packages or request for qualifications.
- c. A description of the minimally acceptable supplies, materials, equipment of services for which the bids are to be received.
- d. A statement indicating, "Through its Town Manager, the Town of Stowe reserves the right to reject any or all bids, in part or whole, to waive any irregularities or informalities therein, or to negotiate with any qualified source if doing so is in the best interest of the Town."
- e. A request for at least three (3) qualified references.
- f. Notification of the Town's insurance requirements.
- g. Unless otherwise agreed to or instructed by the Town Manager, any building or construction project estimated to cost over \$500,000 shall include a requirement for a performance and payment bond equal to the value of the project.
- h. Any requirements for delivery of product(s) or required start and completion date of project(s).

4. Pre-Qualification:

A Department Head may request the Town Manager approve pre-qualification of bidders for a project. If approved, the Department Head shall submit an invitation to submit a pre-qualification statement for the Manager's approval prior to its release and advertisement by the Executive Assistant. The invitation to submit pre-qualification statements shall include:

- a. The location, time and place for receiving pre-qualification statements.
- b. A general description of the project, including a general estimate of project costs.
- c. Require the general contractor to submit an AIA document A305 for

- d. A statement indicating, "Through its Town Manager, the Town of Stowe reserves the right to reject any or all bids, in part or whole, to waive any irregularities or informalities therein, or to negotiate with any qualified source if doing so is in the best interest of the Town."

The deadline for submittal of pre-qualification statements shall be not less than ten (10) calendar days following the date of the first advertisement, at the time and place specified in the published notice. Late submittals shall not be accepted.

The Department Head shall determine eligible bidders in consultation with the architect or engineer and send written notice to each bidder at least thirty (30) days prior to the proposed bid opening. Contractors denied pre-qualification may appeal, in writing, to the Town Manager within five (5) calendar days of the denial of pre-qualification by the Town Manager.

5. Professional Services:

Department Heads shall utilize a quality based selection process (QBS) for the procurement of architectural or other professional services.

6. Advertising:

For any equipment purchase anticipated to be over \$20,000 or construction services over \$50,000, the Town Manager shall authorize the release of the Invitation to Bid and the Executive Assistant shall advertise the Invitation to Bid or Request for Qualifications in at least once in a newspaper of general circulation in Stowe a minimum of ten (10) days prior to the bid opening date. Whenever possible, bids should be advertised jointly to reduce costs. The cost for advertising will be billed to the appropriate department.

7. Bid Openings:

The Department Head assigned by the Town Manager to prepare the bid documents shall be responsible for opening bids for equipment purchases anticipated to be over \$20,000 and over \$50,000 for construction services. The Town Manager or their Executive Assistant shall also be in attendance to serve as a witness. The Department Head may take a copy of the bids, but at all times a copy of the bid forms will be kept in the master files. A bidder may inspect the bids in the company of a town employee.

8. Required Prior to Contract Signing

- a. Prior to the execution of any construction or other service contract the required certificate of insurance demonstrating general liability coverage shall be provided to the Finance Department. In addition, the certificate of insurance should demonstrate that they have workman's compensation coverage. If one is not already on-file in the Finance Department, they also need to provide a Form W-9 Request for Taxpayer Identification Number and Certification (see Attachment A).

9. Bid Files:

Bid files for equipment purchases over \$20,000 and construction services over \$50,000 are to be maintained by the Executive Assistant. Bid files should include a copy of the Invitation to Bid and the Bid Specifications, a list of bidders, the date or copies of any advertisements run, the actual bids received, the bid comparisons and/or recommendations made to the Selectboard, copies of correspondence with bidders and any contract documents completed for award of the bid, a project review by the project inspector and/or responsible department head. Bid files for major purchases shall be kept for a minimum of three (3) years.

The Finance Department shall keep all contracts and requisitions with accompanying documentation required to be submitted to them for equipment purchases or construction related services for a minimum of three (3) years.

10. Receipt and Inspection:

The ordering department shall be responsible for the receipt, inspection and acceptance or rejection of incoming supplies and equipment.

11. Payments:

The appropriate Department Head, or his/her designee, must approve all invoices before payment by the Finance Department.

Many vendors offer cash discounts if their invoices are paid promptly. To take advantage of these discount policies and to maintain good vendor relations, it is very important that approved invoices and receiving reports be forwarded to the Town Accounting Office without delay.

The Town of Stowe, a municipality, is exempt from all Federal and State sales and excise taxes. The Finance Department will provide the vendor with a tax exempt certificate upon request.

Unless otherwise agreed to by the Town Manager, no advance payment will be made for work or materials.

12. Project Review:

At the end of each construction project over \$50,000, the responsible Department Head shall write up a project review and submit it to the Town Manager for review prior to inclusion in the bid file. It shall stipulate the following:

- a. If the general contractor and major subcontractors are qualified to perform work for the Town in the future.
- b. If they met the bid specifications, adhered to the project budget and time frame, maintained good communication with the project inspector and general public, if they were generally cooperative, or anything else that should be noted for future reference in determining the qualifications of the contractor.

13. Sale of Surplus Property:

All surplus property valued over \$1000 that is not traded in shall be advertised for sale through the Manager's Executive Assistant or as otherwise approved by the Town Manager. Unless otherwise waived by the Town Manager, it shall be advertised in the Stowe Reporter for a minimum of ten (10) days prior to the opening of bids or the sale occurring and shall also be included on the town website. Advertisements shall indicate that it will be sold "as is."