

PURCHASING POLICIES AND PROCEDURES

TOWN OF ATKINSON, NEW HAMPSHIRE

JULY 15,2019

Please note: These Town of Atkinson, New Hampshire Purchasing Policies will be reviewed periodically and modified as necessary to maintain consistency with current business practices. In addition, the purchasing Policy may change with or without prior notice to staff at any time. However, the Town of Atkinson will make a reasonable effort to seek input from staff prior to any changes.

**TOWN OF ATKINSON, NH
21 ACADEMY AVE
ATKINSON, NH 03811**

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 Atkinson. 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.
- Apply to all Town Departments under the authority of the Town Administrator.

2. Purchasing Procedure

Spending in excess of the annual department budget must be approved by the Board of Selectmen.

- All purchases require prior approval by the Department Head.
- All purchases and expenditures for service shall have the approval of the Board of Selectmen, Town Administrator, Department Head and/or Board, Commission or Committee (see table on page 3).
- Some of the factors considered when determining the “best overall value” are:
 - Price
 - Quality
 - Warranty
 - Service
 - Availability
 - Past Performance with Town of Atkinson
 - References

Procurement guidelines are as follows:

Dollar Range	Expense Approval Level
\$0 - \$500	Department Head <u>or Board, Commission or Committee</u>
\$501 - \$2,500	Town Administrator
Spending above \$2,500	Board of Selectmen – 3 quotes required
Above \$5,000	<u>Board of Selectmen</u> RFP and sealed bids required

If it is anticipated that a budgeted line item will be overspent, it is the responsibility of the department head to fill out an over-expenditure form and submit it to the Town Administrator, along with a description of, and reason for, the purchase. If possible, purchases should be made using the Town's approved vendor list.

3. Cases not Requiring Bidding Procedure

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; Written documentation supporting the sole source must be provided
- 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; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided.
- An item or service that is required on an emergency basis
- An item previously awarded within the past twelve (12) months;

4. Competitive Bidding

All purchases in excess of five thousand dollars (\$5,000) 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
- Adequate public notice, of a minimum of ten (10) working days prior to the date set for the opening of the bids; notice shall include publication in newspaper of general circulation
- Sealed bids shall be opened publicly by the Town Administrator with a witness at the time and place designated in the invitation for bids and such bids shall be recorded.

- The Board of Selectmen's award of bids shall be formalized through the execution of a formal written contractual agreement

5. Emergency Purchasing Process

Emergency Procurements Definition: 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, the Board of Selectmen hereby authorizes the Department Heads 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. A written determination for the basis of the emergency and for the selection of the particular contractor or vendor shall accompany the purchase receipt and voucher. As soon as is practicable, standard purchasing procedures will be reinstated.

6. 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 shall precede the issuance of invitations to bid. Invitations to bid shall be issued 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

7. Cancellation/Rejection of bids

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. The reasons shall be made part of the formal bid file.

8. Professional Services

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, shall not require

bidding. The Board of Selectmen shall be empowered to appoint the Town Attorney(s) and other professional consultants.

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 of Atkinson employee, or for any Town of Atkinson 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.
- Failure to comply with the provisions of this policy will result in disciplinary action.
- Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit

10. Local Advantage

The Town of Atkinson will make every effort to purchase from businesses located within the local area if the purchase fits into the category of "best overall value." The Town of Atkinson 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. Authority

These policies are adopted by the Board of Selectmen in accordance with RSA 41:8 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

14. Invoicing

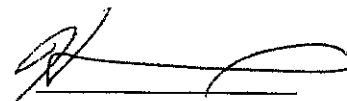
Invoices received in the accounting office will be stamped requesting the date, proper budget code, date, signature and description of the item bought and sent to the individual with the appropriate authority. That individual should promptly compare the invoice to the bid for the product or service purchased, fill out the appropriate information, review the invoice for accuracy and return it to the accounting office for payment.

Addendum 1 – Budget Over-Expenditure Form

- Purpose: The Budget Over-Expenditure Form is to be filled out by a department head when a purchase will exceed the funds remaining in a particular budget line or cause the department's budget to be exceeded.
- Authority: Only the Board of Selectmen may authorize budget over-expenditures which cause a Department to exceed its Department total. The Town Administrator may authorize line-item over-expenditures provided the requesting Department agrees to reduce spending in another line item.
- Procedure: The "Approval to Over-Expend" form shall be utilized at all times. The over-expenditure form may be picked up at the Accounting office or Town's Shared File. The form is to be filled out and submitted to the Town Administrator who will then, if necessary, schedule time at the next Board of Selectmen meeting to discuss and seek approval for the spending. Purchase of over-expenditure item(s) should not be made prior to approval. The expense is not approved until signed by the Selectmen or their designee.

William M. Baldwin


William G. Friel, Chairman


Harold Morse

Gregory S. Spero


Jason Grosky, Vice Chairman

Update History

Last Update	Action Taken	By Whom
2/7/12	Final Draft – Sent to Selectmen for review	B. Innes
2/27/12	Policy approved	BoS
4/21/14	Policy updated – removal of purchase order process; update approval wording	BoS
2/22/16	Policy updated- reinforced need to get approval prior to over-expending and updated form to better define over-expenditures	BoS
7/29/2019	Proposal to update policy to clarify authority & responsibilities	BoS

**Town of Atkinson
Office of the Selectmen
Budget Over-Expenditure Request**

Department: _____ Date: _____

Budget Code: _____ Description: _____

Projected Over-Expenditure \$ _____

Budget \$ _____ Expended YTD \$ _____ Thru ___/___/___

Reason/Notes: _____

Where will funds come from to cover? (Reference line #) _____

Second line # (if needed) _____

Submitted By: (Print) _____ (Sign) _____

TOWN ADMINISTRATOR

Approved: _____ Date: _____

BOARD OF SELECTMEN

Approved: _____ Date: _____

