

TOWN OF SHARON
PROCUREMENT AND SURPLUS PROPERTY POLICIES
Revision 1 – May 18, 2020

1. PURPOSE. The purpose of this policy is to codify processes and procedures for obtaining goods and services required by the Town in order to ensure best value for taxpayer as well as assure transparency, fairness, and accountability in the conduct of the Town's affairs. Note that these policies do not relate to the acquisition and sale of real property (i.e., buildings and lands).

2. PURCHASING AUTHORITY

2.1. **Application.** This policy applies to the procurement of supplies, services, contracts, vehicles, equipment, furniture, fuels, and utilities. This policy specifically applies to procurement using public funds by the Town. When procurement involves expenditure of federal/state assistance, contract funds, or grants from non-governmental sources, procurement shall be conducted in accordance with applicable laws and regulations. Nothing in this policy shall prevent the Town from complying with the terms and conditions of any grant, gift, or bequest that are otherwise consistent with law.

2.2. **Authority.** Unless specifically provided for by covenant or law, authority to make purchases on behalf of the Town must be explicitly conferred by the Selectboard to other elected, appointed, and hired officials of the Town.

2.3. **Town Budget.** Line items included in the budget as approved or amended by the taxpayers shall not imply or confer authority to make purchases. Unless specifically provided for by covenant or law, the Selectboard must authorize all purchases and may rescind or otherwise alter budgeted procurements within its statutory powers.

2.4. **Leases.** All leasing and service agreements must be approved by the Selectboard and are subject to the procedures and conditions of this policy.

2.5. **Contracts.** Only the Selectboard may sign contracts on behalf of the Town.

3. GENERAL POLICIES

3.1. **Public Information.** Procurement information shall be a matter of public record and shall be made available to the public in a timely manner. At the request of a vendor, information constituting trade secrets pursuant to 1 V.S.A. Chapter 317 (b) (9) shall be kept confidential. For purposes of public dissemination, the Selectboard may redact information likely to prejudice pending or future procurements. Appropriate records for all purchases and contracts shall be maintained by the Selectboard for a period of at least seven (7) years but in no event for less than the warranted or useable life of the purchase.

3.2. **Certificates of Insurance.** All contractors hired by the Town shall name the Town as an additional insured on their insurance policy and provide the Town with valid proof of insurance prior to the commencement of any work under performed for the Town.

3.3. **Discounts.** It is the Town's intent to take advantage of discounts when properly earned. All discounts shall be to the benefit of the Town and no employee or town official shall be the

beneficiary of any discounts, gifts, or other advantages offered by vendors as a result of the financial dealings with the Town.

- 3.4. **Shipping, Delivery, Paid Staff Travel Time and Paid Mileage** shall be considered part of procurement.
- 3.5. **Tax-Exempt.** The Town of Sharon, a Vermont municipality, is exempt from all Federal and State sales and excise taxes.
- 3.6. **Unauthorized Purchases.** Any purchase of supplies, materials, equipment or services without proper authorization is prohibited and subject to disciplinary action.
- 3.7. **Waivers.** The Select board may waive the requirements of this policy whenever conformance is not possible, or whenever conformance would significantly impair the Town's ability to carry out its responsibilities such as in emergencies. All waivers shall be documented in the Selectboard's minutes.

4. PROCEDURES.

- 4.1. **Formal Bid Required (above \$5,000.00)** Any procurement of goods or services in an amount that may exceed \$5,000.00 shall use the formal bidding procedure outlined in this policy. The Selectboard may waive or alter this procedure in the event no competitive sources can be reasonably identified (*see Sole Source Vendor below*) or when a formal bidding process would hinder effective operation of the Town. The Selectboard shall fully document exceptions to this policy in its minutes.
 - 4.1.1. **Bid Specifications.** For all purchases, a detailed uniform description shall be prepared specifying the supplies, materials, equipment, or services required; credentials and insurance requirements for the bidder; place and deadline for receipt of sealed bids; and other selection criteria. A statement of the Town's right to reject any and all bids if deemed in the Town's best interests shall be included.
 - 4.1.2. **Advertisement** of an invitation to bid (ITB) or a request for proposals (RFP) in a newspaper of general circulation designated by the Town shall be done at least one week prior to the submission deadline. Notice shall also be posted in at least three (3) public locations designated by the Selectboard.
 - 4.1.3. **Bid Opening.** All sealed bids will be opened in public in the presence of at least one witness during a warned public meeting at the time and place stated. Bids received after the specific time, are not eligible for consideration.
 - 4.1.4. **Bid deposits,** performance bonds, letters of credit, or certified checks may be required for contracts in such amount necessary to protect the Town's interests. A successful bidder who fails to enter into a contract within the time specified after notification of the bid award will forfeit any surety deposit with the Town.
 - 4.1.5. **Bid Acceptance and Bid Evaluation:** Bids shall be unconditionally accepted without alternation or correction. Bids shall be evaluated based on the requirements set forth in the specifications, which may include criteria such as quality, workmanship, delivery, and suitability for a particular purpose.

- 4.1.6. **Award.** A contract shall be awarded with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the specifications. If the low bid is found unacceptable because of some factual circumstance, the department head should write a clear, concise, and factual justification for not accepting the lowest bid.
- 4.1.7. **Cancellation.** A bid process may be cancelled, or any and all bids may be rejected in whole or in part, when it is found to serve the best interest of the Town. Notice of cancellation shall be sent to all known vendors.
- 4.1.8. **Grievance.** Any bidder who is aggrieved with the awarding of a contract may protest in writing to the Selectboard. All protests must be submitted in writing within three (3) business days after the bid award. The Selectboard shall send the aggrieved party a written decision within ten (10) business days.
- 4.2. **Competitive Solicitation of Quotes Required (\$1,000.00 to \$5,000.00).** Any procurement of goods or services in an amount exceeding \$1,000.00 requires competitive solicitation of vendors requiring contacting at least two vendors (in writing where practical) requesting quotes based on a uniform description of the goods or services to be purchased. Where practical, written quotes shall be required. Verbal quotes will be documented and a record maintained. Selection of a vendor shall be based on cost, quality of the goods and services offered, ability of the vendor to provide future services (where applicable), and the ability, capacity and skill of the vendor demonstrated under prior contracts with the Town or through supplied references.
- 4.3. **Other Purchases (less than \$1,000.00)** do not require bids or quotes but reasonable diligence shall be taken to ensure that the Town receives the highest value and utilizes an open selection process. This includes comparison of multiple sources and vendors; an objective assessment of quality, serviceability, and terms; and preservation of records such as competitive prices, notes and product information.
- 4.4. **Sole Source Vendor.** In the event no competitive sources can be reasonably identified, the Selectboard may approve a sole source vendor for purchases. The selection of a sole source vendor 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 Town. The Selectboard shall fully document exceptions to this policy in its minutes.
- 4.5. **Emergency purchases** are those urgent purchases of goods and services that are required to protect public health, safety, welfare or town-owned property, and that need to be made without delay. Under such circumstances, the Selectboard, Health Officer, Road Commissioner, Fire Chief, Police Chief, Constable, Service Officer, Emergency Management Chairperson, or Fire Warden shall have the authority to purchase emergency supplies and services while acting in the best interests of the town. Whenever possible, notification of the Selectboard about the need for emergency purchases shall be made in advance and, when not possible, shall be made at the earliest possible opportunity.
- 4.6. **Leasing.** The Selectboard shall approve in advance all leasing and rental of vehicles or equipment and shall sign all leasing contracts.
- 4.7. **Cooperative Purchasing.** The Town may enter into cooperative lease or purchase agreements with other municipalities when deemed to be in the best interest of the Town. Such cooperative

purchases shall be consistent with these policies subject to modification by the Selectboard as shall be required.

- 4.8. **Local Vendors.** Where practical and without conflicting with other local, state or federal regulations or other provisions of this policy, the Town shall give reasonable opportunity for local vendors to supply the Town with needed goods and services.
- 4.9. **Open Competition.** In no circumstance will any Town official provide any potential vendor with information or any other advantage that may appear to provide an advantage in the selection of vendors. Where applicable, any violation of this policy is subject to disciplinary proceedings.

5. Disposition of Surplus Property

- 5.1. **Responsibility:** Disposition of capitalized (i.e., designated as a capital purchase according to Town policy) property deemed to be surplus is the responsibility of the Selectboard and shall be done in a manner that is in the Town's best interest.

5.2. Disposal Process:

- 5.2.1. When Town property is no longer needed, useful or usable, the Selectboard shall determine a process for trade-in, resale, recycling, or disposal.
- 5.2.2. The Selectboard shall determine the value of surplus property by an objective method taking into account current market conditions, wear-and-tear, trade-in value, and other conditions.
- 5.2.3. For any item with an assessed value of \$5,000 or more, the Selectboard shall advertise the disposition process in a newspaper of general circulation at least one week prior to the submission deadline. At its discretion, the Selectboard may sell items at public auction, by sealed bid, or other competitive sales process.
- 5.2.4. For any item with a value of \$200 or more, the Selectboard shall post a public notice of its intended plan of disposition. At its discretion, the Selectboard may sell the item at public auction, by sealed bid, or other competitive sales process.
- 5.2.5. For items with a value of less than \$200, the Selectboard shall post a public notice of its intended plan of disposition. At its discretion, the Selectboard may sell the item at public auction, by sealed bid, other competitive sales process, or first-come-first served
- 5.2.6. Item may be sold without a competitive bid when the item is so specialized that only one potential buyer can be identified. In such cases, the item may be sold at a negotiated price.
- 5.2.7. If the Selectboard determines that the item has no cash value, the item may be disposed of in whatever manner is in the best interests of the Town.

Approved by the Town of Sharon Selectboard on July 8, 2010