

TOWN OF GRAND ISLE, VERMONT

Purchasing and Procurement Policy

SECTION I GENERAL INFORMATION

1. The Selectboard of the Town of Grand Isle hereby adopts the following policy as the rules by which purchases by all Town departments and Town officers shall be made, as of January 8th, 2024 (the "**Effective Date**"). This policy shall promote and effect open and intelligent purchasing of supplies, equipment, and services, which will result in the maximum value received by the Town for each tax dollar spent.
2. This policy shall supersede and replace all previously adopted policies pertaining to municipal purchases that may have been in effect prior to the Effective Date.
3. If 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.
4. Whenever possible, qualified small, minority and women-owned businesses should be included in the solicitation lists for bids, proposals or non-bid purchases.
5. Violations of this policy may result in a Town employee being subject to disciplinary action, up to, and including, termination.

SECTION II CODE OF CONDUCT

1. Employees, officers and agents of the Town (each, a "**Town Agent**") who are involved in the procurement and selection of bids, proposals and purchases shall make reasonable efforts to avoid real, apparent, or potential conflicts of interest. No Town Agent shall participate in the selection, award, or administration of a contract, if a conflict of interest (real or apparent) would be involved. Such a conflict would arise when: (a) the Town Agent, (b) any member of the Town Agent's immediate family, (c) the Town Agent's partner, or (d) an organization which employs, or is about to employ, any of the above, has a financial or personal interest in the firm/vendor selected for the award.
2. Town Agents who are involved in the procurement and selection of a bid, proposal or purchase and who has a real or apparent conflict of interest must disclose that conflict of interest within the context of a duly warned Selectboard meeting that occurs before the bid or proposal selection or purchase takes place. Such disclosure must be documented in the minutes for that

meeting which shall be retained as part of the official record surrounding the bid, proposal or purchase.

3. Town Agents shall not make any purchase from a vendor in which they have an ownership interest, except when the Selectboard deems such purchase to be in the best interest of the Town.

4. Town Agents shall not solicit (nor accept) gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

5. Town Agents shall not use their Town position, including information learned by virtue of such position, for their personal benefit or for the benefit of others. Personal purchases with Town accounts and/or charging accounts of Town vendors for personal purchases are prohibited.

6. Town Agents who violate this Section II (Code of Conduct) may be sanctioned or disciplined, to the extent permitted by law.

SECTION III PURCHASING AUTHORITY

1. *Purchasing Agents.* The following Town Agents are designated to act as "**Purchasing Agents**" for the Town:

Road foreman, Road Commissioner, Building Facilities Manager, Town Clerk, Recreation Committee Chair, Library Director, Selectboard Chair and Listers

2. *Purchasing Agent Responsibilities.* Purchasing Agents shall ensure that:

- a. the best possible price and quality are obtained with each purchase.
- b. all proposed procurements avoid unnecessary or duplicative purchases of equipment, supplies and services.
- c. competition is not restricted with unreasonable limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

- d. the Town complies with any terms and conditions of the funding source(s)¹ being used for the purchase (the “**Funding Terms and Conditions**”). If there is any conflict between this policy and the Funding Terms and Conditions, the Purchasing Agent should consult with the Town Attorney for an opinion on how to resolve such conflict.

3. *Incidental Purchases.* Purchasing Agents may make purchases of up to \$2,000.00 (“**Incidental Purchases**”) without prior approval, provided those purchases are limited to the amount of the budget authorized by the Town.

4. *Minor Purchases.* Purchasing Agents may make purchases with a value between \$2,000 and \$5,000.00 (“**Minor Purchases**”) only with prior approval of the Selectboard. Competitive quotes from at least two (2) vendors should be obtained, whenever possible. Written, oral, phone or catalog quotes are acceptable provided they are documented.

5. *Major Purchases.* All purchases over \$5,000.00 (“**Major Purchases**”) require prior approval of the Selectboard. For Major Purchases, the Selectboard shall have the responsibilities outlined in Section III.2 above. For such Major Purchases, the Town shall obtain price and rate quotations from at least two (2) vendors to ensure that the Town has received a fair and reasonable price.

6. *Recurring Purchases.* For recurring purchases of a good or service during any fiscal year, the anticipated total value should be used to determine whether it is an Incidental Purchase, Minor Purchase or Major Purchase. Once a vendor selection has been made, all future purchases may be made from that vendor for the accepted price/rate without necessity of additional procedures.

- a. *Procurement of Bulk Materials.* Notwithstanding anything herein to the contrary, on at least an annual basis, the Town should solicit sealed bids for the procurement of materials that are regularly purchased in bulk quantities such as sand, salt, chemicals, fuel, bituminous concrete, hoses, and fittings, etc.

SECTION IV SELECTION CRITERIA

1. In evaluating bids or proposals, the Town may consider the following criteria:
 - Price.
 - Vendor’s ability to perform within the specified time limits.
 - Vendor’s experience and reputation, including past performance for the Town.
 - Quality of the materials and services specified in the bid or proposal.

¹ NOTE: Federal funding generally has terms and conditions related to: prohibitions on preference for local contractors or suppliers sealed bids; number of price or rate quotes; qualifications of vendors; affirmative action; prohibitions on selecting vendors from an exclusion list; and other miscellaneous provisions regarding fair and unrestricted competition.

- Vendor's ability to meet other terms and conditions, including insurance and bond requirements.
- Vendor's financial responsibility.
- Vendor's availability to provide future service, maintenance, and support.
- Nature and size of vendor.
- Contract provisions that are acceptable to the Town.
- Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or service.

2. The Town should seek to obtain the best quality products and services at the lowest possible price in the most convenient manner. However, unless prohibited by any Funding Terms and Conditions, the Town may exercise a preference for local businesses, but only if such a preference does not result in unreasonable prices or rates due to a lack of competition.

SECTION V SEALED BID PROCEDURES

1. *Sealed Bid Process.* Whenever required (or desired), the sealed bid process shall be initiated by the issuance of a Request for Sealed Bids prepared by the Selectboard (or its designee). Notice of the Request for Sealed Bids shall be made by letters to known providers soliciting bid responses, advertisements posted in three (3) public locations within the Town, and advertisement(s) placed in a newspaper of general circulation in the region.

2. *Sealed Bid Specifications.* A list of bid specifications must be prepared for all sealed bids and shall be available for inspection at the Town office immediately after a Request for Sealed Bids is issued. At a minimum, sealed bid specifications shall include:

- Bid name.
- Bid submission deadline.
- Date, location, and time of bid opening.
- Specifications for the project or services including quantity, design, and performance features.
- Bond and/or insurance requirements.
- A copy of the proposed contract.
- Any special requirements unique to the project or purchase.
- Delivery or completion date.
- For construction projects, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all vendors, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid. (The vendors must also include costs for Davis Bacon compliance if that is one of the Funding Terms and Conditions.)

- For construction projects over \$2,000, a statement that contractors (i) will be provided with a copy of the most current wage determination (from the DOL website at <http://www.wdol.gov/dba.aspx>) and (ii) must comply with the Davis Bacon Act.
- Language that reserves for the Selectboard the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any vendor, and to make an award which in its sole and absolute judgment will best serve the Town's interest.
- Language that reserves for the Selectboard the right to investigate the financial condition of any vendor to determine such vendor's ability to assure service throughout the term of the contract.

3. *Sealed Bid Submission.*

- a. All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, and plainly marked with the name of the bid and the time of the bid opening. Faxed or emailed bids are not considered sealed bids.
- b. Bid proposals will be date-stamped on the outside of the envelope immediately upon receipt. Any bids received after the time and date specified shall not be considered and shall be returned to the vendor unopened.
- c. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids.
- d. Vendors shall bid to specifications and any exceptions must be noted by the vendor.
- e. A vendor submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other vendor for the same work, and that the vendor is competing solely on such vendor's behalf without connection with, or obligation to, any undisclosed person or firm.

4. *Sealed Bid Opening.* Every sealed bid received prior to the bid submission deadline will be publicly opened by the Selectboard. Upon each bid's opening, the following will be read aloud: the name and address of vendor; for lump sum contracts, the lump sum base bid and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid, if required.

5. *Specification Changes.* If the Town makes specification changes prior to the close of the bid process, the Request for Sealed Bids will be amended, notice shall be sent to any vendor who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard will prepare a change order

specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

SECTION VI COMPETITIVE PROPOSALS PROCESS

1. If time does not permit the use of sealed bids, or if the award will be made on the basis of non-price related factors, a competitive proposal process may be initiated by the issuance of a Request for Proposals (RFP) or Request for Qualifications (RFQ) prepared by the Selectboard (or its designee) that includes the factors that will be used to evaluate and compare the proposals.

2. Proposals or qualifications shall be obtained from at least two (2) vendors to ensure that the Town has received a fair and reasonable price and all notification and record keeping requirements of the sealed bid process shall be followed.

3. If competitive proposals are used, all of the above steps in Section V above should be followed except that: 1) the bid submission need not be sealed; 2) a formal bid opening is not required and 3) price doesn't need to be the primary factor in the proposal selection.

SECTION VII RECORDS

Records documenting the procurement process for any Minor Purchase or Major Purchase is required. Such documentation shall include the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process.

SECTION VIII CONTRACTS FOR LABOR SERVICES/PROFESSIONAL SERVICES

1. *Process.* Section VI above shall apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, risk management, and insurance services.

2. *Written Agreement.* The procurement of labor services/professional services with a value of \$4,000.00 or more per project shall require a written agreement between the Town, and the service provider. Any agreement requires approval from the Selectboard. Copies of agreements shall be furnished to the Selectboard and the Treasurer.

3. *W-9.* The Treasurer shall possess a duly executed W-9 Form for each vendor that provides services with a value of \$600.00 or more per calendar year.

4. *Bonds.* The Selectboard may require such bonds and/or cash sureties (such as retainage), as appropriate and as allowed by law, for projects/professional service.

5. *Indemnification.* In so much as possible, as a condition of performing contracted services to the Town, all contractors, subcontractors, and persons other than Town employees who perform services for the Town (“**Vendors**”) shall be required to indemnify and hold harmless the Town of Grand Isle for damages, claims and liabilities which may arise because of the work to be performed.

6. *Warranties.* Except for written manufacturer's exclusions allowed by law, all contracted services for construction or installation of equipment, parts and materials shall be warranted to the Town for at least one (1) year from date of final completion of work, to include replacement and/or repairs at no cost to the Town.

7. *Insurance.* In so much as possible, the Town shall require (i) all Vendors to maintain insurance coverage with the minimum amounts listed below and (ii) all Vendors that perform labor services for the Town to list the Town as an additional insured.

- a. Commercial General Liability insurance coverage providing coverage on an “occurrence” rather than on a “claims made” basis, which policy shall include, but not be limited to, coverage for bodily injury, property damage, personal injury, contractual liability (applying to the contract), independent contractors, and products-completed operations liability (if applicable): \$1,000,000 per occurrence / \$2,000,000 aggregate
- b. Business automobile liability insurance including coverage for owned, leased, hired, and non-owned vehicles: \$2,000,000 combined per accident or incident.
- c. Workers’ compensation insurance in compliance with all applicable statutes including an all states or universal endorsement where applicable: Statutory requirements, plus employer’s liability coverage in an amount of no less than \$500,000 unless the statutory requirements are higher.

Prior to the start of any work, the Town must be furnished with an insurance certificate as proof that coverage is in place. Certificates shall be placed on file with the Treasurer.

NOTE: Nothing in this Section VIII.7 shall be deemed to prohibit the Selectboard from requiring coverage amounts at a higher level or imposing additional types of coverage up to the value of the entire project, as may be in the best interest of the Town.

SECTION IX LEASE PURCHASES

1. *Applicability.* The purchase or lease of any equipment, vehicles or materials which require periodic payments over a course of one (1) year or more shall be subject to all applicable provisions of this policy in accordance with the dollar values set forth herein, on the basis of the total of all potential periodic payments.

2. *Non-appropriation Clause.* 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.

SECTION X LEGAL SERVICES

1. *Authority.* Except as otherwise prescribed by law, the Selectboard (as a body or through its chair) is the only agent of the Town with the authority to select legal representation, solicit legal opinions, contract for legal services, initiate judicial or quasi-judicial proceedings, defend against a legal action or otherwise obligate resources for legal purposes on behalf of the Town. The Selectboard may decide, within their sole discretion, as to whether a Town Agent shall be allowed to engage the Town Attorney at Town expense.

2. *Exception.* Notwithstanding the other provisions of this Section X, it shall be permitted for Selectboard Chair and Vice Chair, Health Officer, Animal Control, BCA chair, Town Clerk, Town Treasurer, DRB Chair, Zoning Administrator and Planning Commission chair to contact the Town Attorney in the judicious exercise of the responsibilities of the position for which they hold, provided: (a) the nature of contact is for advisory purposes related to work duties only; (b) the reasons for contact are not a subterfuge for such person to circumvent the provisions of this policy; (c) the Selectboard shall be notified of the nature for requesting legal services, (d) the Selectboard shall be informed of the correspondence as soon thereafter as possible; and (e) all correspondence to and from the Town Attorney shall be in writing whenever possible with courtesy copies forwarded to the Selectboard.

3. *Confidentiality.* Written and oral communications between the Selectboard (and/or authorized Town Agents) and the Town Attorney shall be considered confidential.

SECTION XI EXCEPTIONS

The following exceptions may apply, however there must be written documentation created and maintained that outlines the process and rationale for such exceptions:

1. *Sole Source Purchases.* If the Selectboard determines that there is only one possible source for a proposed purchase, it may waive the bid procedures and authorize the purchase from the sole source.

2. *Emergency Purchases.* In the event of an emergency, a Town Agent or the Selectboard may procure items and services without adhering to the procedures described herein. Any Town Agent making a purchase pursuant to this exception must submit a written explanation to the Selectboard within one (1) business day of the transaction detailing the nature of the emergency, the services procured and the cost.

- a. Emergency expenditures may include immediate repair or maintenance of Town property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

3. *Certain Repairs.* It is understood that multiple price quote requirements will usually not be feasible when it comes to repairs to Town-owned vehicles and specialized equipment. Under these circumstances, preference shall be given to dealers approved by a manufacturer or vendors with a satisfactory history of fair pricing and superior work quality.

SECTION XII BUDGET ADMINISTRATION

1. *Planned Purchases.* All purchases shall be limited to those items and services which have been planned in advance, to the greatest extent possible. All purchases that do not meet this criterion should be essential to fulfilling the mission of the Town.

2. *Overspending.* No department shall be permitted to overspend a line item, category, or department budget without Selectboard approval. For clarification, debiting and crediting like amounts between categories, deficit spending and the purchase of items not identified in the approved budget require Selectboard approval.

3. *Unbudgeted Purchase Requests.* Requests for the Selectboard to act on unbudgeted purchase requests must be submitted in writing for pre-approval during a regular Selectboard meeting in all the following situations:

- The expenditure of grant funds or surplus revenues for unbudgeted purchases or as a means of supplementing the operating budget.
- Overspending capital budget line items.
- Overspending the bottom line of an operating budget.

SECTION XIII GRANT APPLICATIONS - ADMINISTRATION

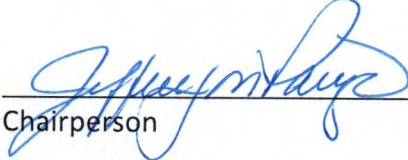
No Town Agent shall apply for a grant on behalf of the Town without first obtaining approval from the Selectboard. Thereafter, the Selectboard shall be apprised of grant activity and status. When the grant has been awarded, all grant award paperwork, including copies of the original request, shall be submitted to the Treasurer and the Selectboard. These documents shall state

exactly how much was awarded and exactly on what the grant funds will be spent. All other purchasing procedures shall be followed.

SECTION XIV WAIVER

The Selectboard may vote to waive any requirement set forth herein, as it may deem to be in the best interest of the Town. Examples of situations whereby the Selectboard may approve a waiver are the use of Vermont State Purchasing Department procurements, "piggy-backs" on to bid awards issued by other government agencies and instances where significant discounts may be obtained by prompt action.

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 8th day of January, 2024 and is effective as of this date until amended or repealed.



Chairperson

Selectboard Members:

