

Town of Andover, NH

Procurement Policy



I) PURPOSE

The purpose of this Policy is to obtain goods and services for the Town of Andover at the lowest possible price consistent with the quality needed, to exercise financial control over purchases, to clearly define authority for the purchasing function, to assure the quality of purchases, to allow fair and equal opportunity among qualified suppliers and to provide for increased public confidence in the procedures followed in public purchasing

II) PROCUREMENT THRESHOLDS

Purchases up to \$1000 can be approved by the Department Head. Purchases from \$1000.01 to \$5,000 can be approved by the Town Administrator. Purchases greater than \$5,000 must be approved by a majority of the Select Board. These purchases will be coordinated through the Town Administrator and can be approved by signature of the Select Board or by verbal consent of a majority of Board Members recorded in minutes of a public meeting.

Purchases for goods and services that are \$5,000 to \$10,000 must have three written quotes obtained by the Department Head or the Town Administrator. Written quotes received via fax or email will be acceptable.

Purchases for goods and services for which the cost is greater than \$10,000 must be competitively bid. A bid specification will be prepared. A minimum of three bidders will be contacted. If three bidders are not available, a written justification must be on file. A bid deadline date will be established. Advertising for the bid in a newspaper serving the community will be placed at least two weeks prior to the bid opening. Bids will be opened and read aloud at a Select Board meeting.

III) BID PROCESS

1. All major purchases authorized by the Select Board and / or the Town Meeting shall be subject to the bid process.
2. The bid process shall be initiated by the issuance of a Request For Bids.
3. Notice of the request for bids shall be made in the following ways:
 - a. Letters directly to known providers soliciting bid responses.
 - b. Individuals and firms interested in being informed of competitive purchasing opportunities may contact the Town Administrator and be placed on the Town's bid list.
 - c. Advertisements shall be posted in three (3) public locations within the Town of Andover
 - d. Advertisements shall be placed in a local newspaper or media of general circulation, soliciting bid.
4. The Department Head is responsible for establishing the bid specifications, which shall include the following:
 - a. Bid name, Bid Submittal Deadline
 - b. Date, location and time of bid opening
 - c. Actual specifications for the project or services, including quantity, design and performance features, etc.

- d. Bond and/or insurance requirements
 - e. Any special requirements
 - f. Desired delivery or completion date.
5. Once the request for bids has been issued, the bid specification shall be available for inspection at the Select Board's office.
 6. All bids must be submitted in sealed envelopes, addressed to the Town in care of the Town Administrator, and plainly marked with the name of the bid and the time of the bid opening.
 7. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt.
 8. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids.
 9. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.
 10. Every bid received prior to the scheduled closing time for receipt for bids shall be publicly opened and read aloud by a representative designated by the Select Board. All bidders and other interested persons shall be invited to be present.
 11. The public opening and reading of each bid shall be at the time specified and shall include at least the following:
 - a. Name and address of bidder
 - b. For lump sum contracts, the lump sum base bid and the bid for each alternate
 - c. For unit price contracts, the unit price for each item and the total, if stated
 - d. The nature and the amount of security furnished with the bid if requested.
 12. The Selectmen shall have the option of choosing up to three (3) bidders. If the successful bidder reneges, the Town can proceed with a contract with a second bidder. Up to three bids shall remain open until a contract is signed.

IV) CRITERIA FOR BID SELECTION

In evaluating bids, the Board of Selectmen, Town Administrator and Department Head shall consider the following:

1. Price
2. Bidder's ability to perform within the specified time limits
3. Bidder's experience and reputation, including past performance for the Town
4. Quality of the materials and services specified in the bid
5. Bidder's ability to meet other terms and conditions, including insurance and bond requirements
6. Bidder's financial responsibility
7. Bidder's availability to provide future service, maintenance and support
8. Nature and size of bid
9. Any other factors that the Select Board determines are relevant and appropriate in connection with a given project or service.

The Select Board reserves the right to reject all bids and issue a new Request for Bids if less than three bids are received. The Select Board also reserves the right at their 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 bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest.

Bidders shall bid to specifications and any exceptions must be noted. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other bid for the same work; and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or firm.

The Town reserves the right to investigate the financial responsibility of all bidders to determine the ability of the bidder to assure service throughout the term of the contract.

The minutes of the meeting at which the selection is made shall indicate the bid selected and the factors upon which the selection was made.

All major bids submitted must specify time frame of bid quote amount and must guarantee bid amount for a minimum of thirty (30) days from bid opening date. This requirement must be included in all advertisement and written specifications issued by the Town of Andover.

Any increase in cost estimates following the bid award or signing of a contract shall be absorbed by bidder.

(Changes in specifications that result in the necessity of a work order revision resulting in a cost increase are addressed in Section VI.)

V) EXCEPTIONS TO BID PROCESS

1. Sole Source Purchase

If the Select Board determines that there is only one possible source for a proposed purchase, they may waive the bid process and authorize the purchase from the Sole Source.

2. Blanket Purchase

If a proposed purchase is not a major purchase but is anticipated to exceed \$250.00 during any fiscal year, the bid process shall be initiated and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such time as the Select Board vote to initiate a new bid process.

3. Emergency Expenditures

In case of an emergency, the Town Administrator / Select Board may award contracts and make purchases for the purpose of meeting the public emergency without complying with the bid process. In such cases, the Town Administrator shall promptly file with the Select Board a report that certifies the emergency nature of the incident and itemizes the purchase and their costs.

Emergency expenditures may include immediate repair or maintenance of town property, vehicles or equipment only if the delay in such repair or maintenance would endanger persons or property. However, even in emergencies, an attempt shall be made to get at least three (3) quotes by telephone, fax, or email. In addition, the emergency expenditure shall be limited to the purchase of those goods or services needed to prevent the immediate harm. Any additional goods or services required to remedy the situation or prevent future harm shall be subject to the bid process.

4. Professional Services / Consultants

The bid process may not apply to the Town's selection of service providers for services that are characterized by a high degree of professional judgment and discretion such as but not limited to, legal services, auditing services, medical health or social services, for Town employees, engineering and / or architecture, and risk management and / or insurance services.

5. Utility Purchase

6. Advertising

7. Postage

8. Federal, state and local taxes

9. Court Judgments

10. Financing or borrowing

11. **Police special investigative costs** where disclosure may jeopardize investigation.

12. **Maintenance contracts** with manufacturers of equipment purchased.

13. **Where the Town decides to contract with non-profit organizations** for the provision of health, welfare, social or recreational services for the Town to the general public.

14. **Where the Town decides to contract with government agencies** for the provision of governmental services.

15. **Sealed, publicly invited competitive bids** will not be required for purchases in any situation where a contractor or supplier has defaulted upon his or her obligations to the Town and there is a security guaranteeing to the Town the performance of said obligation at no additional cost to the Town, over and above the original obligation. In such cases, the Town Administrator, with the approval of the Board of Selectmen, may negotiate and award the contract to whomever the Town Administrator sees fit providing that said renegotiations and award does not exceed the amount of the security.

16. The Select Board, on recommendation from the Town Administrator, may waive any of the above requirements in cases where it is **deemed inadvisable to solicit bids** because of for example, the need of standardization of such materials, supplies, equipment or services, or for any other reasons which the Select Board deems to be in the interest of the Town.

17. Where it is **deemed appropriate to standardize on the procurement of materials**, the Town Administrator shall maintain an up-to-date listing of such standardization items or services. The procurement of such standardized items or services will be exempt from the foregoing bidding requirements. Nevertheless, Town Departments will when reasonably possible, attempt to obtain competitive quotes from different suppliers, if any, for the standardization item or service.

18. Any major item purchase may be made without a local bid process when the **service or product is available from an approved bid list** awarded by the State of NH, County, Federal, School District or any other entity connected with a government agency.

VI) CHANGE ORDERS

If specification changes are made prior to the close of the Bid Process, the Request for Bids shall be amended, and notice shall be sent to the bidder who already submitted a bid and a new Bid Process shall be initiated.

Once a bid has been accepted, if changes to the specifications become necessary, the Department Head must prepare a change order specifying the scope of the change and the Select Board shall approve it. The Select Board shall authorize the Town Administrator to approve change orders where funds are available and the change order shall not exceed 10% of the amount of the original contract. The Select Board must approve all other change orders. Once approved, the contractor and an authorized agent of the Town must sign the change order.

VII) ADMINISTRATIVE REGULATIONS

The Town Administrator is authorized to issue purchasing requirements and procedures that the Town Administrator deems necessary to carry out the requirements of this Policy.

Under no circumstance may any Town employee, Town committee member or Town Board member use a Town of Andover account membership, account vendor number, purchase order number or any other method of making a purchase for personal use under the name of the Town of Andover. Reimbursement arrangements are not allowed under this policy.

End.

VIII) POLICY APPROVAL / AMENDMENTS

The Board of Selectmen approved adoption of the Town of Andover's Procurement Policy at their April 18, 2011 meeting. It was amended by the Board of Selectmen on April 5, 2021. The changes were not noted.

In May 2023, the document revision table below was added. An area for signatures was also added.

Rev	Revision Description	Date Adopted
1.0	Approved and adopted by the Selectboard.	April 18, 2011
1.1	Amended.	April 5, 2021
1.2	Amended. Increased thresholds. Added revision history & signatures.	April 28, 2023

IX) REVIEW & SIGNATURES

This policy was most recently reviewed and adopted on: ____April 28, 2023____

Selectman James Delaney, Sr., Chair: _____

Selectman Roland Carter: _____

Selectman Dana Swenson: _____