

Town of Livermore Municipal Purchasing Policy

Section 1 – Purpose

The purposes of the regulation are to standardize the purchasing procedure of the Town of Livermore, thereby securing for the Town the advantages of a centralized and uniform purchasing policy saving the taxpayers money and increasing public confidence in the procedures for municipal purchasing; to promote the fair and equitable treatment of all suppliers of goods and services; and to set forth the duties and responsibilities of the Department Heads and the Town Administrator thereby fostering interdepartmental cooperation and trust in the purchasing system.

Section 2 – Definitions

Approved Vendors – means those vendors identified by each Department Head to the Town Administrator, who maintains a list of approved vendors for bidding purposes. The Town Administrator shall keep detailed lists for each department on file at all times.

Bid most advantageous to the Town – means a bid chosen on the basis of price, quality of merchandise, suitability of merchandise, the service reputation and experience of the vendor, and therefore may not necessarily mean the lowest bid received.

Capital Expenditure – shall mean all major expenditures of a non-recurring nature such as new buildings, major remodeling projects and major equipment purchases. Excluded from this definition shall be all in-house projects unless the cost of the materials alone exceeds \$5,000.00

Competitive Bidding – means the process of obtaining the bid most advantageous to the Town for any purchase, whether through formal or informal bidding procedures.

Cooperative purchase – means a purchase made by the Town in conjunction with or from another governmental or quasi-governmental agency such as, but not limited to, the State of Maine, Androscoggin Valley Council of Governments, MSAD 36 (or its successor), or another municipality.

Field Purchase – means an informal purchase of supplies needed in small quantities for day-to-day operation made directly by a Department Head or his/her designated representative from any vendor.

Formal bid – means a written quotation obtained in a sealed envelope from an approved vendor or through advertisement and opened at a specific day, place and time.

Informal bid – means written or oral quotation obtained from an approved vendor, but not required to be opened publicly at a specified day, place and time.

Purchase – means buying, renting, leasing or otherwise acquiring supplies or services for a price.

Services – means the lease or rental or all grounds, buildings, offices, space or equipment required by the Town, the repair or maintenance of all equipment or real property owned by or the responsibility of the Town and all labor furnished to the Town by persons, firms, individuals or corporations not part of or connected with Town Government.

Specifications – means standards, including quality, set by Department Heads as a guide to the Town Administrator as a measure of that which successful vendors must achieve. Specifications shall be either technical specifications for bids, which shall state formulations as broadly as practicable, yet shall be specific enough to describe the requirements of the department or non-technical specifications for bids, which shall state the quality required in general terms.

Supplies – shall mean all supplies, materials and equipment.

Section 3 – Applicability

This regulation shall apply to all purchases made by departments and agencies of the Town, except as otherwise specified herein.

Section 4 – Purchase Limits

A. Formal Advertising. Purchases shall be made by formal advertising whenever such method is feasible and practical under existing terms and circumstances.

B. Record of Bids. The Town Administrator shall keep a record of all bids submitted and such record shall be open to proper inspection by an interested party.

C. Approval

1. No single purchase of supplies or services exceeding \$1,000.00 shall be made without written approval of the Town Administrator.
2. No single purchase of supplies or services exceeding \$2,500.00 shall be made without the approval of the Board of Selectpersons.

D. Exclusions. The Town Administrator may approve certain expenditures greater than \$2,500 when, in his/her judgment, no alternate suppliers exist or buying in bulk creates a purchase in excess of the stated limits.

E. Negotiation. Notwithstanding the basic policy that negotiated procurements shall be on a competitive basis to the maximum practical extent (see Section 4F), purchases may be negotiated when one of the following circumstances is present:

1. Small Purchases – When the total dollar value of the purchase does not exceed \$2,500.00.
2. Emergencies – When the public welfare will not permit the delay incident to advertising. In such emergencies, the Town Administrator may authorize immediate negotiated purchases of supplies or services, not to exceed \$5,000.00, that are needed to protect the best interests of the Town.
3. Formal Advertising Impractical – When the purchase of supplies or services for which it is impracticable or impossible to obtain competition.

F. Negotiation Procedures & Policies. Negotiated procurements shall be on a competitive basis to the maximum practical extent. Whenever supplies or services are procured by negotiation, price quotations or other evidence of reasonable prices and other vital matters deemed necessary by the Town Administrator shall be solicited by the maximum number of qualified sources of supplies or services consistent with the nature of and requirements for the supplies or services to be purchased, in accordance with the basic policies set forth below:

1. Purchases – Not to Exceed \$1,000. When the Town Administrator considers prices to be fair and reasonable and when the total amount of a purchase does not exceed \$1,000.00, procedures and documentation will be simplified to the maximum degree possible. He/she shall establish such rules of procedure for such purchases as he/she feels necessary to ensure against abuse of the public interest.
2. Purchases -- \$1,000.00 to \$2,500.00. Negotiated purchases exceeding \$1,000.00 but not exceeding \$2,500.00 in total cost will be supported by a record of price quotations from three (3) competitive sources or an adequate explanation justifying the absence of such competition. Such quotations may be obtained in writing, verbally or by such other means as may be prescribed by the Town Administrator as appropriate to the circumstances.
3. Purchases – Exceeding \$2,500.00. Negotiated purchases exceeding \$2,500.00 in value must be approved by the Board of Selectpersons prior to award. Request for such approval will be accompanied by a full statement of facts justifying the recommendation for award. In every purchase situation, the Board of Selectpersons reserves the right to accept or reject any or all bids.
 - a. Contracts entered for purchases exceeding \$2,500.00 may, at the discretion of the Board of Selectpersons, require a performance guarantee of such form and amount deemed in the best interest of the Town.

G. Requisitions. Purchases involving the immediate encumbrance of Town funds shall be made only on a written requisition submitted by the Head of the requesting Department, in such form as required by the Town Administrator. The Town Administrator shall examine each requisition and shall have the authority to revise it as to quantity, quality or estimated cost; but revision as to quality shall be only with the concurrence of the using agency or department.

H. Conflict of Interest. No person authorized to act on behalf of the Town shall enter into any agreement, contract of purchase order with any individual, firm, corporation or organization in which said person has a financial interest. This shall also include the acceptance of any gift or gratuity, directly or indirectly, from any person, firm, corporation or organization to which any purchase order or contract is, or might be, awarded, any rebate, gift or anything of value whatsoever, except where given for the express use or benefit of the Town of Livermore.

Section 5 – Scope of the Town Administrator’s Authority

The Town Administrator shall purchase or contract for all supplies and services needed by using any department or agency which derives its support wholly or in part from the Town of Livermore, in accordance with procedures prescribed by the Regulations and such additional lawful rules, not inconsistent herewith, as the Town Administrator shall adopt for the efficient internal management and operation of the Town.

A. Exceptions Prohibited. The authority of the Town Administrator to make all purchases for all using departments and agencies shall not be abridged by excepting any using agency unless, by order of the Board of Selectpersons, such exception is granted for a specific purpose.

1. Temporary Absences. During periods of temporary absences of the Town Administrator, the authority to implement the provisions of these regulations will be held by the Chair of the Board of Selectpersons.

B. Tax Exemptions. The Town Administrator shall act to procure for the Town all Federal and State tax exemptions to which the Town is entitled.

C. Disqualification of Bidders. The Town Administrator shall have the authority to disqualify bidders who default on their bids, quotations, contracts or purchase orders from receiving further awards from the Town. Such decisions will be subject to the right of the disqualified bidder to appeal to the Board of Selectpersons for a reversal or reinstatement.

D. Rejection of Bids. The Town Administrator will have the authority to reject any and all bids received in response to the invitations for bids when bids are deemed non-responsive, token, collusive or otherwise non-acceptable and when such action is in the best interests of the Town.

E. Cooperative Purchasing. The Town Administrator shall have the authority to join other units of Government including Federal, State, County, Municipal and Municipal subdivisions, such as the Maine Municipal Association, School Districts, and Councils of Government in cooperative purchasing plans when the best interests of the Town would be served thereby and when such action is in accordance with and pursuant to law.

F. Services Excluded from Bid Procedures. The Town Administrator and Board of Selectpersons are authorized to enter into and/or renew contracts for agreements for legal, accounting and telecommunication services, and insurance coverage without formal or informal bids.

G. Other Duties. The Town Administrator shall perform such other duties related to these functions, duties and authorities set forth herein, as may be prescribed by the Board of Selectpersons and by any applicable state or local laws or ordinances.