

TOWN OF FRANCESTOWN
OFFICE OF SELECTMEN
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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 Francestown. This policy is designed to:

- A. Ensure that efforts shall be made to see that prices for supplies, equipment, and services reflect optimum utilization of funds;
- B. Ensure that expenditures represent the best overall value for the Town, acknowledging that may not mean the lowest price in all cases. Some of the factors considered when determining the “best overall value” are:
 - a. Price
 - b. Quality
 - c. Warranty
 - d. Service
 - e. Availability
 - f. Past Performance with Town of Francestown
 - g. References
- C. Provide a consistent procedure for the procurement of materials, equipment, supplies, and services; and
- D. Apply to all Town departments.

2. References & Authority

This policy is consistent with and supplements Town Meeting Warrant Articles regarding purchasing policies, most recently amended by Warrant Article 17 of the 2001 Annual Town Meeting, which reads:

Efforts shall be made to see that prices for supplies, equipment, and services reflect optimum utilization of funds. Requests for two or more bids shall be posted in two public places, advertised, and/or solicited for capital items, contract services, materials, repairs, or renovation exceeding Five Thousand Dollars (\$5,000) except in cases of emergency, proprietary product or service, or when costs are comparable to previous bids obtained within two (2) years. The Selectmen have the right to reject all bids and to select the best qualified bid. Where bids are not obtained and/or the lowest bidder is not used, information to this effect shall be available.

The Board of Selectmen is responsible for adopting and executing this Town policy in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

3. Policy

- A. This policy shall apply to all expenditures for goods or services and sets minimum requirements. Additional due diligence is encouraged for purchases whenever possible and practical.
- B. For expenditures under \$5,000 Department Heads shall make reasonable efforts to ensure that prices paid reflect the best value for the Town. Whenever possible, this should include as much documentation as can be provided including but not limited to estimates, quotes, bids, or summaries of verbal prices. Request for proposals or other formal processes may be used at the Department Head's discretion.
- C. For expenditures over \$5,000 two or more written proposals, quotes, or bids must be obtained and provided prior to procurement. Whenever possible or when required, expenditures over \$5,000 should be approved by the Board of Selectmen in advance.
- D. Any formal bidding conducted will be performed in accordance with all applicable statutes and relevant court cases.

4. Exceptions

The following are acceptable exceptions to waive the requirement under Section 3 Part C for two or more written proposals, quotes, or bids for expenditures over \$5,000:

- A. **Emergencies-** In the event of an emergency that requires an expenditure of \$5,000 or more the Board of Selectmen Chair or Town Administrator may waive the two price requirement. It will be incumbent on the Department Head to demonstrate that the emergency and the expenditure could not be anticipated.
- B. **Combination of Small Expenditures-** In the event that a combination of smaller expenditures (either over time or a variety of items / services on the same invoice) add up to exceed \$5,000 the two price requirement may be waived. Expenditures shall not be artificially broken up to avoid this policy.
- C. **Comparable Prices-** For expenditures where multiple prices were previously documented (or for vendors in use prior to the adoption of this policy) if the prices for a purchase of an item, or the cost of a service, from one year to the next increases no more than 5%, and the Town is satisfied with the vendor, the Department Head may decide to continue using the vendor without soliciting additional prices.
- D. **State Bid-** The State of New Hampshire offers municipalities the opportunity to purchase some items and services at prices negotiated by the State. Expenditures for items or services bought using a State Bid contract (or purchased at a price lower or equal to State Bid price) do not require two prices.
- E. **Sole Provider-** In the case when there is only one known source of purchase and there is no comparable substitute product or service the requirement for two prices shall be waived. Written documentation supporting the sole source should be provided, such as an effort to solicit prices that failed to garner more than one price.

- F. **Proprietary**- In the event that an expenditure must be a specific brand or provided by a specific vendor the two price requirement may be waived by the Department Head. Such circumstances may be based on a warranty; an addition or repairs to a current piece of equipment; or a purchase or additional service related to an expenditure where two prices were obtained.
- G. **Professional Services**- The procurement of certain services where technical expertise or knowledge of a specialized field is critical to the performance of that service (including but not limited to attorneys, engineers, planning consultants, architects, accountants, auditors, and other similar professionals,) shall not require two prices. The Board of Selectmen shall be empowered to appoint the Town Counsel and other professional consultants.

5. Local Advantage

The Town of Francestown will make every effort to purchase from businesses located within Francestown if the offer fits into the category of “best overall value.”

6. Conflict of interest/Ethics in Purchasing

- A. It is unethical for any Town employee or official involved in making procurement decisions to have personal investments or interests in any business entity that will create a substantial conflict between their private interests and their public duties.
- B. It is unethical for any person to offer, give, or agree to give any Town of Francestown employee or official, or for any employee or official 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.
- C. 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.
- D. Failure to comply with the provisions of this policy will result in disciplinary action.

7. Periodic Review

From time to time the Board of Selectmen may review this policy to ensure that it is meeting the Town’s needs and revise it as necessary.

Approved on June 23, 2014

Board of Selectmen Chair Abigail Arnold

Selectman Scott S. Carbee

Selectperson Betsy Hardwick