

TOWN & VILLAGE OF LUDLOW PURCHASING POLICY

I. POLICY OBJECTIVES

The primary objectives of the Town and Village of Ludlow's purchasing policy are as follows:

1. To promote and effect, in the best interests of Ludlow, open and intelligent purchasing of supplies, equipment and services, which will result in the maximum value received for each tax dollar spent;
2. To promote waste reduction and recycling through purchases that take into consideration the use of recycled material in the manufacture of purchased products or equipment, the ability to recycle the purchased product or equipment, and the minimization of waste to be disposed of by the municipality;
3. To assure realization of the principles of competitive purchasing and best buy at least cost;
4. To assist management in reaching responsible, environmentally sound, and cost-effective decisions in the procurement of quality supplies and services for municipal use;
5. To ensure that all qualified vendors will have an equal opportunity to do business with the Town and Village of Ludlow and to promote good will and clear communication in municipality-vendor relations.

II. DEFINITIONS

1. **Major Purchases**: those purchases calling for delivery of goods or services in the amount that exceeds **\$5,000.00**;
2. **Regular Purchases**: those purchases calling for delivery of goods or services in the amount of **\$500.00 to \$4,999.99**;
3. **Incidental Purchases**: those purchases calling for delivery of goods services in the amount of less than **\$500.00**.
4. **Purchases with Federal Funds**: those purchases or acquisitions using Federal Grant Funds

III. PROCEDURES

1. **Major Purchases** require a formal bid process. The Municipal Manager, or his/her designee, shall act as Purchasing Agent for major purchases. The Purchasing Agent shall prepare or cause to be prepared, specifications or a request for proposal for the goods or services required, and shall advertise an Invitation to Bid as widely as possible, including publication at least once in a newspaper of general circulation in Ludlow. The Invitation to Bid shall include the following:
 - a. The location, time and place for receiving and opening sealed bids;
 - b. Information on how to obtain bid specifications and bid forms, or the request for proposal;
 - c. A description of the goods or services for which bids are to be received;
 - d. The right of the Town and Village of Ludlow to reject any or all bids if such action is deemed in the best interests of the municipality;
 - e. An outline, where appropriate, of the insurance requirements of the municipality in order to limit the municipality's risk.
 - f. The sealed bids will be opened in public at the time and place indicated in the "Invitation to Bid" in no event less than seven (7) days following the publishing of the bid information in the newspaper of record.
 - g. The bid opening will be conducted in the presence of the Municipal Manager, the Town/Village Clerk/Treasurer, the appropriate Department Manager, as well as any vendors, Board members, or members of the public who choose to attend.
 - h. The Municipal Manager and the Department Manager will then review the bids in detail and prepare a recommendation to the Board.
 - i. All Contracts for major purchases shall be awarded only by the Select Board, Board of Trustees, or Board of Water Commissioners.
2. **Regular purchases** must be accomplished through competitive solicitation, but not necessarily through formal bids. The Municipal Manager, or his/her designee, shall act as Purchasing Agent for regular purchases. Regular purchases may be made through formal bid or written or oral quotation at the discretion of the Purchasing Agent in consultation with the department head for whose department the purchase is being made. Bids or quotations should be sought from at least three vendors unless a sole source is approved as per Section V below. Regular purchases shall follow established procedures for requisitions, purchase orders, invoices, verification and payment.

3. **Incidental purchases** may be accomplished without the solicitation of bids or quotations. However, if practicable, quotations should be solicited. The Municipal Manager or his/her designee shall act as Purchasing Agent for incidental purchases. As with regular purchases, incidental purchases shall be accomplished in a manner consistent with procedures adopted by the Municipal Manager.
4. When purchasing with **Federal Funds**, no employee, officer or agent of the grantee or subgrantee shall participate in the selection, or in the award or administration of a contract, equipment or services supported by Federal Funds if a conflict of interest, real or apparent would be involved. Such a conflict of interest would arise when the employee, officer or agent; any member of his/her immediate family, his/her partner or an organization which employs or is about to employ any of the above, has a financial interest or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

IV. VENDOR SELECTION

Vendors will be selected on a competitive basis. Purchases will be awarded to the least costly, best qualified and most responsible vendor. Any or all bids, quotations or proposals may be rejected if such action is deemed to be in the best interests of the municipality. In determining the "least costly, best qualified and most responsible vendor," in addition to price, the following may be considered:

1. The substantial performance of the bidder in meeting the specifications and other terms and conditions of the solicitation;
2. The ability, capacity and skill of the vendor to perform the contract or provide the goods or services required, and to do so promptly or within the time specified;
3. The character, integrity, reputation, experience, financial resources and performance of the vendor under previous contracts with the municipality and elsewhere;
4. The quality, availability and adaptability of the service or goods being purchased and the ability of the vendor to provide future maintenance if necessary.

V. EXCEPTIONS

1. The Select Board, Board of Trustees or Water Commissioners may waive the bid process or approve a sole source solicitation for major purchases when they deem it to be in the best interests of the municipality. The Municipal Manager may do likewise for regular purchases. Sole source solicitations should be reviewed to determine that

the price offered is fair and reasonable or that there is only one manufacturer/supplier of the goods or services to be purchased.

2. The purchase of professional services shall normally be exempt from the formal bid process. It is recognized that proposals for professional services (including, but not limited to, legal counsel, insurance, engineering and architectural services and some other consulting services) are difficult to compare and that weight must be given considerations other than price. In any case, the purchase of professional services whose cost is expected to exceed **\$2,500.00** for a project must be approved by the Select Board, Board of Trustees or Board of Water Commissioners.
3. The following items are exempted from both the bid and quotation process:
 - a. Road salt
 - b. Repairs on equipment
 - c. Fire hydrants
 - d. Utilities
 - e. Service contracts
 - f. Chemicals used in water and wastewater treatment
 - g. Items purchased using State of Vermont Bid Program

VI. EMERGENCY CLAUSE

The provisions of this policy may be waived in the event of an emergency. An emergency situation shall be defined as one which threatens the lives or health of the people, the property of the municipality or its citizens, or the delivery of necessary services to the citizens of Ludlow.

During emergency situations, when normal procurement procedures would be impracticable, the following procedures shall be followed:

1. The Municipal Manager shall approve all requests for emergency purchases. In the event that the Municipal Manager is unavailable, the Acting Municipal Manager or the appropriate department head may approve essential purchases.
2. The Select Board, Board of Trustees or Board of Water Commissioners shall be notified, within 24 hours of the transaction, of all purchases of over **\$5,000.00** made under this emergency clause. The Municipal Manager shall be notified immediately of all emergency purchases made without his/her prior approval.

Emergency purchases can be costly. They are made hurriedly, usually without competitive bidding, and often not at the best price. Consequently, every effort should be made to avoid them.

VII. EFFECTIVE DATE

This policy shall become effective immediately upon its adoption by the Town of Ludlow Select Board, Village of Ludlow Board of Trustees and Village of Ludlow Water Commission.

TOWN OF LUDLOW SELECT BOARD

Bruce Schmidt, Chair
Brett Sanderson
John Neal
Heather Tucker
Justin Hyjek

Re-Adopted 8/5/19

VILLAGE OF LUDLOW BOARD OF TRUSTEES

Robert Gilmore, Chair
David Rose
Earl Washburn

Re-Adopted 8/6/19

VILLAGE OF LUDLOW WATER COMMISSION

David Rose, Chair
Robert Gilmore
Ronald Bixby

Re-Adopted 8/6/19