

Town of Mercer, ME Purchasing Policy

Section 1. Purpose

Municipalities expend substantial sums of money each year carrying out the many functions and services that they provide. They also must dispose of surplus property from time to time. Taxpayers have a right to expect that the municipality's operations be carried out efficiently and expeditiously with adequate financial control and accountability. At the same time vendors should have a reasonable right to equal opportunity to provide the goods and services that are used by the government if they can provide an equivalent product or service and a competitive price.

The objective of this policy is to attempt to strike a balance between the need for department operating efficiency and flexibility, the need for financial control and accountability and the need to provide reasonable opportunity for all qualified vendors and citizens to compete for the Town's business and/or purchase its surplus materials or property. It is also the purpose of this policy to encourage joint and bulk purchasing among departments and agencies wherever such purchasing practices achieve better pricing without significantly degrading quality or operational efficiency.

This policy shall be known as the "Town of Mercer, ME Purchasing Policy" and may be cited as such.

Section 2. Definitions

For the purposes of this Policy, the following terms, phrases, words and their derivations shall have the meanings ascribed to them in this section:

2.1 BID MOST ADVANTAGEOUS TO THE TOWN - Not necessarily the low bid; in addition to price, the quality of the commodity, the bid meeting Town specifications, the commodity's warrantee, speed of delivery, and the demonstrated service record of the vendor must be considered in determining the "bid most advantageous to the town."

2.2 COMPETITIVE BIDDING - The documented process of achieving the lowest bid or the bid most advantageous to the town for the goods and services desired by the town as described in Section 7.

2.3 EMERGENCY PURCHASE - A purchase necessitated by a threat to public health, safety or to property.

2.4 FIELD PURCHASES- The direct purchase by a department head from a vendor of supplies needed in small quantities for day-to-day operation.

2.5 GOODS AND SERVICES - The complete array of purchases of the town, including but not limited to; supplies, commodities, equipment, construction materials and labor, consulting services, and training.

2.6 INFORMAL PRICE QUOTES – Quotations, written and oral, received from a vendor by means other than a formal Request for Proposal (RFP) or Request for Quotation (RFQ) process.

2.7 LIST OF APPROVED VENDORS - The list of vendors who have qualified to bid on town purchases on the basis of responsibility, quality, delivery and performance.

2.8 PURCHASE AMOUNT - The total cost of goods or service including all determinable associated costs, e.g. construction, engineering, delivery, setup and training.

2.9 FORMAL BIDS - Quotations from all vendors that are submitted in sealed envelopes, by email or other electronic means properly labeled and received by the Town prior to any specified deadline.

2.10 SPECIFICATIONS - The qualitative standards set by department heads as a guide to the Select Board and as a measure of quality and quantity that successful vendors must achieve to be considered for award. Specifications shall not restrict purchases as to trade name or eliminate bids being submitted on items that have the same specifications but not as to a specific trade name.

Section 3. Appropriations

3.1 No purchases shall be made until such time as the Town of Mercer has approved the necessary appropriation at town meeting or in the case of federal or state grants to the Town, the grant award has been received.

3.2 Field Purchases for up to one hundred dollars (\$100) may be executed by informal, direct purchasing as directed by the Department Head. These purchases may be made without a purchase order made out for the purpose intended.

3.3 Field Purchases in excess of one hundred dollars (\$100) may be made by the department head, without specific pre-approval by the Select Board, but will require a purchase order that will be filled out and signed by the Department head and countersigned by the Select Board prior to being placed on the warrant.

3.4 All requests goods and services in an amount greater than one thousand dollars (\$1,000) but less than five thousand (\$5,000.00) shall be submitted by department head to the Select Board for approval prior to purchase. Verbal approval followed by written signature is acceptable.

3.5 In addition, Purchase Orders may be executed for emergency purchases up to, but not exceeding five thousand dollars (\$5,000) by the department head. A report of such emergency purchases must be sent to the Select Board within seventy-two (72) hours of the emergency.

3.6 Department Heads shall take the appropriate steps to attain the best pricing practical when using a Purchase Order.

Section 4. Bidding Requirements

4.1 INFORMAL PRICE QUOTE REQUIREMENTS.

The Department Head, shall conduct and document informal, competitive price quotes for purchases over one thousand dollars (\$1,000) and under five thousand dollars (\$5,000). These price quotes will be documented in a brief memo attached to the PO. A minimum of three quotes verbal or otherwise will be solicited whenever possible. A written quote from at least three vendors shall be required for purchases from five thousand dollars (\$5,000) and under ten thousand dollars (\$10,000). The informal price quotations will be submitted to the Select Board for review and approval.

4.2 FORMAL BIDDING REQUIREMENTS.

Each Department Head in conjunction with the Select Board shall advertise and conduct competitive, formal, sealed bidding pursuant to specifications on file in his/her office for purchases of goods and services of ten thousand dollars (\$10,000) or more in accordance with section 7 of the Purchasing Policy.

4.3 OPTIONAL PURCHASING METHODS.

Notwithstanding any other provision of this policy to the contrary, the following methods may be employed for the purpose of purchasing goods and services.

4.3.1 EMERGENCY WAIVER OF BIDDING REQUIREMENTS - The bidding procedures may be waived by the Board of Selectmen when there exists an emergency as determined by the Select Board and Board of Selectmen. All attempts shall be made to obtain the most competitive price within the time available.

4.3.2 PURCHASES MADE THROUGH STATE; STATE BID PRICES - The Department Head may, with approval by the Select Board, waive bidding procedures when purchasing through the State of Maine or at State bid prices but not superseding Section 6.1. The bid requirements may apply, at the discretion of the Select Board and/or Board of Selectmen.

4.3.3 REQUESTS FOR PROPOSALS (RFP) - The Select Board may solicit competitive proposals if he/she determines that compiling detailed technical specifications is not feasible or advantageous and with the . Solicitation and award of RFPs is subject to other provisions of the Purchasing Policy.

4.3.4 REGIONAL PURCHASING - The Select Board and Department Heads may participate in solicitations to bid conducted by the Town or another town or Select Board

where the goal is to bid for goods and services for more than one town or town subject to other provisions of the Purchasing Policy and approval of the Board of Selectmen.

Section 5. Exceptions

5.1 EXCEPTION REPORTING - The Department Head shall report apparent exceptions to the bidding and award requirements to the Select Board who will inform the board of the exception.

5.2 EXEMPTIONS TO BIDDING AND APPROVAL REQUIREMENTS. - Payments exempt from the bidding and Select Board approval requirements due to their nature or other statutory provisions include: Utility consumption costs including electrical, natural gas, fuel, heating oil, water and sewer; Telephone and cell phone call charges; Advertising; Postage; Federal, state and local taxes; Court judgments; Workers Compensation claims; Debt service payments; Police special investigative costs where disclosure may jeopardize an investigation; and Legal and professional services

Section 6 Approval of Purchases by the Board of Selectmen

6.1 All purchases of goods and services of ten thousand dollars (\$10,000) or more shall be approved by majority vote of the Board of Selectmen prior to the awarding of such bids.

Section 7 Competitive Bidding Procedure

7.1 Competitive bidding will open with notice from the Select Board by notice of solicitations for bidding, which shall be sent to vendors, and/or by advertising. The notice shall contain specifications as to the quantity and quality, date and time at which bidding shall be closed and the date and time at which bids shall be opened and read and the purchase awards made. All solicitations shall note that all purchases are subject to the conditions set forth in the Town Purchasing Policy.

7.2 The Department Head in conjunction with the Select Board shall solicit at least three (3) vendors on every purchase requiring bidding; provided, however, that in all cases a bid most advantageous to the town shall be awarded. In the event that less than three (3) bids shall be received, the Select Board may either award the purchase on the basis of the best bid of those submitted or shall order a re-bid on that item.

7.3 Technical specifications for bids shall state information as broadly as practicable, yet shall be specific enough to describe the requirements of the department. Non-technical specifications for bids shall state the quality required in general terms.

7.4 Formal bids shall be submitted by qualified vendors before the stated deadline, and may be withdrawn by any bidder before the deadline. After the deadline the Select Board shall receive no further bids, and no bidder shall withdraw a bid. The town shall have custody of all bids submitted pursuant to this policy.

7.5 Select Board shall require security from vendors for construction projects estimated to be in excess of \$25,000. The elements of a purchase to be secured include, but are not limited to, the following:

7.5.1 BID PRICE - To insure a margin above the bid price, from the time of bid opening until signing of the contract, in case of default by the bidder. The amount is used to offset the cost of accepting the next lowest qualified bidder. Minimum of 10% of bid price.

7.5.2 PERFORMANCE - To insure compliance with and completion of the contract. 100% of contract.

7.5.3 LABOR AND MATERIAL PAYMENT - To insure payment to suppliers and subcontractors by the contractor. 100% of contract.

7.6 The form of the security will be prescribed by the Select Board and acceptable by the Town Attorney and Board of Selectman and can consist, but is not limited to, bonds issued by surety companies licensed within the United States, certified checks and irrevocable letters of credit at banks acceptable to the Town.

7.7 The Select Board may include security requirements for projects less than \$25,000 and in other types of purchases where doing so is determined to be in the best interests of the Town.

7.8 In the event of a tie for low bid by equally qualified bidders where one bid is not considered a bid most advantageous, the following rules shall apply to the tied bidders:

7.8.1 Preference for award shall be given first to any bidder who is located within Mercer. If none of the bidders are located in Mercer preference shall then be given to any bidder located within the State of Maine.

7.8.2 If preference cannot be determined the Select Board shall, in the presence of such bidders if possible or in the presence of a witness, draw lots to determine who shall be awarded the bid in accordance with the Town Purchasing Policy.

7.9 The Board of Selectmen shall open bids, read them in public. In determining the low bid or the bid most advantageous, the Select Board shall, whenever possible, analyze the bids so that the bids are compared on an equal basis and award the bid most advantageous to the Town as described in section 2.1.

7.10 The competitive bid procedure may be waived by a majority vote of the Board of Selectmen.

Section 8. Re-bidding

8.1 The Select Board is authorized to solicit the re-bid for any or all items that have been noticed for bidding where less than three bids have been received, notwithstanding solicitations seeking the same, or where no bid most advantageous to the town has been received.

Section 9. Contract Processing

9.1 The contracting officer is the Board of Selectmen. Execution of a contract or contract change order shall occur only after the contract has been reviewed as to form by the Town Attorney at the request of the Select Board and funding confirmed by the Treasurer. Purchases involving contracts are subject to all other provisions of the Purchasing Policy.

Section 10. Conditions of Purchase

10.1 All purchases made by the town shall be subject to the following conditions:

10.1.1 All purchases shall be awarded on the basis of the lowest bid meeting specifications or the bid most advantageous to the town and meeting specifications.

10.1.2 All purchases shall be subject to the reservation of the right by the town to accept or reject any or all bids.

10.1.3 When an award of purchase shall be recommended to other than the lowest qualified bidder or the bid most advantageous to the town, the Select Board shall submit such recommendation to the Board of Selectmen for approval or disapproval. Should the Board of Selectmen reject such recommendation, the award shall be made to the bid deemed to be the most advantageous to the Town, unless all bids are rejected.

Section 11 Obsolete Fixed Assets

11.1 All department heads shall report, annually (or other such deadline as determined by the Select Board) to the Select Board obsolete and excess fixed assets, including:

11.1.1 Items beyond use.

11.1.2 Items being replaced or to be replaced and are not traded.

11.1.3 Obsolete items.

Section 12 Exchange for Goods and Services

12.1 Any transfer of town assets, waiving or abatement of fees, or performance of town services in exchange for goods and services to be received by the town shall be deemed a purchase and shall be subject to the provisions of the Purchasing Policy as determined by the fair market value of the town assets, fees, and/or services being exchanged.


Section 13 Conflicts of Interest

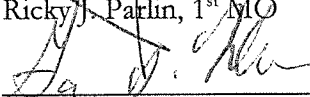
13.1 No employee of the town shall solicit the favorable treatment of himself or others with vendors customarily bidding for town purchase awards, nor shall any employee accept any gift from any vendor interested in obtaining town purchases, except for an advertising token of insignificant value.


Section 14 Implementation

14.1 To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to town officials, employees, volunteers, board and commissions upon hiring, appointment or election to office and at such other times as may be necessary.

Adopted by vote of the Board on this date, 12/22/2022


Ricky J. Parlin, 1st MO


Gary D. Mosher, 2nd MO


Mary E. Burr, 3rd MO