



Town of Northwood Purchasing Policy

Section 1. Purpose

The purpose of the policy is to establish a uniform purchasing system to assure the Town's operations be carried out efficiently and expeditiously with adequate financial control, transparency, and accountability; and vendors have equal opportunity to provide the goods and services that are used by the Town if they can provide an equivalent product or service and a competitive price.

In Northwood, purchasing authority rests with the Board of Selectmen, Police Commission, and Library Trustees. Nothing in this policy is meant to supersede existing State of New Hampshire RSA's pertaining to purchasing of goods and services by the town library.

Section 2. Objectives

The objective of this policy is to strike a balance between the need for departmental 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.

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

Section 3. 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:

- 3.1 Approved Vendor** – suppliers of supplies and services who have done business with the Town of Northwood. The Board of Selectmen shall remove certain vendors when recommended by the Town Administrator or Department Head with just cause. The Board of Selectmen may also remove a vendor without recommendation with just cause. The Finance Director shall maintain a current vendor list.
- 3.2 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.'
- 3.3 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, whether through formal or informal bidding procedures.
- 3.4 Direct Purchase** – The direct purchase by a Department Head from a vender of supplies or services needed in small quantities for day-to-day operations.

- 3.5 Emergency Purchase** – A purchase necessitated by a threat to public health, safety or to property.
- 3.6 Formal Bid** – A written quotation obtained in a sealed envelope from an approved vendor or through advertisement and opened at a specific day, place, and time.
- 3.7 Goods** – The complete array of purchases of the town, including but not limited to; supplies, commodities, equipment, construction materials and labor.
- 3.8 Group Purchase** – A purchase made by the Town by grouping two (2) or more departmental requests in one (1) purchase.
- 3.9 Informal Bids** – Quotations, written or oral, received from a vendor by means other than a formal Request for Proposal (RFP) or Request for Quotation (RFQ) process and not required to be opened publicly at a specified date and time.
- 3.10 Project** – A large or major undertaking especially one involving considerable money, personnel, and equipment that is contemplated, devised, or planned in a scheme of things.
- 3.11 Purchase** – Buying, renting, leasing, or otherwise acquiring goods or services for a price.
- 3.12 Purchase Amount** – The total cost of goods or services including all determinable associated costs, e.g. construction, engineering, delivery, setup and training. Where the purchase consists of small frequent charges, the aggregate twelve-month cost of goods or services shall be used to determine the amount of a purchase and the applicability of the specific sections of the Purchasing Policy. For multi-year lease agreements, the total multi-year cost shall be used to determine the amount of the purchase, and the total cost shall determine the applicability of the specific sections of the Purchasing Policy.
- 3.13 Purchase Order** – A document which authorizes a vendor to deliver goods or provide a service, and which assures that public funds for such goods or services will be encumbered for future payment.
- 3.14 Qualified Vendor** – A vendor who agrees to the terms of payment of the Town of Northwood and demonstrates quality, timely delivery, and quality performance.
- 3.15 Services** – The lease or rental of 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, professional services such as legal, engineering or accounting not part of or connected with the Town government.
- 3.16 Specifications** – The qualitative standards set by department heads as a guide to the Town Administrator and Board of Selectmen and as a measure of quality and quantity that successful vendors must achieve to be considered for award. Specification 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 4. Authority

This policy is adopted by the Board of Selectmen in accordance with RSA 31:39 "Powers and Duties of Towns" and in accordance with RSA 41:8 and RSA 41:9 "Choice and Duties of Town Officers" as it relates to their management of the Town's prudential affairs and their authority over expenditures.

Section 5. Category #1 - Purchase Amounts between \$0.01 and \$499.99

- 5.0 Total amount of purchase must include any applicable shipping and handling costs.
- 5.1 Purchases for Four Hundred, Ninety-Nine Dollars and 99 cents (\$499.99) or LESS may be executed by direct purchasing by the Department Head with no further approval.
- 5.2 Department Heads shall take the appropriate steps to attain the best pricing practical when using direct purchases.

Section 6. Category #2 - Purchase Amounts between \$500.00 and \$2,499.99

- 6.0 Total amount of the purchase must include any applicable shipping and handling costs.
- 6.1 Category #2 purchases must have approval **prior** to the purchase.
- 6.2 Purchase requests will be reviewed and approved or denied by the Police Commission for the Police Department, Library Trustees for the Library, and the Town Administrator for all the other departments of the Town, to ensure each department has requested these items in their budget.

Section 7. Category #3 - Purchases between \$2,500.00 and \$9,999.99

- 7.1 Total amount of the purchase must include any applicable shipping and handling costs.
- 7.2 Purchase requests must be initially approved by the Police Commission for the Police Department, Library Trustees for the Library, and Board of Selectmen for all other departments, boards, and committees **prior** to the purchase.

Section 8. Category #4 - Purchase Amounts of \$10,000.00 and OVER

- 8.1 Total amount of the purchase must include any applicable shipping and handling costs.
- 8.2 Any purchase request in this category is considered a capital item and must appear in the current budget as a line item, or as a capital expenditure, approved by the Budget Committee and Town Meeting. Only capital items included within the current budget will be considered unless extenuating circumstances occur, or in the case of expenditure of grant funds. The Selectmen will determine if an exception should be made. In the case of grants, all laws pertaining to the acceptance and expenditure of grant funds will be applicable.

Section 9. Category #5 – Construction Projects \$25,000 and OVER

Any purchase in this category must be accomplished using the formal bid process.

Section 10. 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.

- 10.1 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 Town Administrator and/or Board of Selectmen. All attempts shall be made to obtain the most competitive price within the time available. The Department Head shall report all such emergency purchases immediately to the Town Administrator to present to the Board of Selectmen at their next regular meeting.
- 10.2 Purchases made Through State; State Bid Prices** – The Department Head may, with approval by the Town Administrator and/or Board of Selectmen, waive bidding procedures when purchasing through the State of New Hampshire or at State bid prices but not superseding Section 8.2. The bid requirements may apply, at the discretion of the Town Administrator and/or Board of Selectmen.
- 10.3 Blanket Purchases** – The Town Administrator is empowered to bid and award blanket purchase orders for goods and services at an agreed upon price and/or quantities, but in quantities delivered and paid for as needed, subject to other provisions of the Purchasing Policy.
- 10.4 Requests for Proposals (RFP)** – The Town Administrator may solicit competitive proposals if he/she determines that compiling detailed technical specification is not feasible or advantageous. Solicitation and award of RFP's is subject to other provisions of the Purchasing Policy.
- 10.5 Regional Purchasing** – The Town Administrator and Department Heads may participate in solicitations to bid conducted by the Town or another town or Town Administrator where the goal is to bid for goods and services for more than one town or towns subject to other provisions of the Purchasing Policy and approval of the Board of Selectmen.

Section 11. Re-bidding

The Town Administrator 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, or where no bid most advantageous to the town has been received.

Section 12. Contract Processing

The Board of Selectmen are the contracting officials of the town and may designate this role to the Town Administrator. Purchases involving contracts are subject to all other provisions of the Purchasing Policy.

Section 13. Conditions of Purchase

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

- 13.1** All purchases shall be awarded based on the lowest bid meeting specifications or the bid most advantageous to the town and meeting specifications.

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

13.3 When an award of purchase shall be recommended to other than the lowest qualified bidder, the Town Administrator 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 lowest responsible bidder, unless all bids are rejected.

Section 14. Exchange for Goods and Services

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 15. Conflicts of Interest

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 16. Implementation

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

This policy will take effect upon approval.

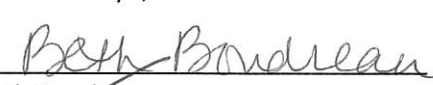
Adopted by vote of the Board of Selectmen on this date, the 15th of June 2021.



Hal Kreider, Chairman



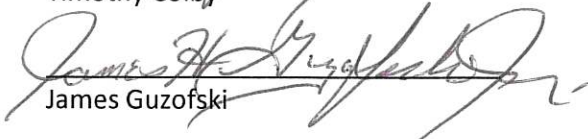
Matthew Frye, Vice-Chair



Beth Boudreau



Timothy Colby



James Guzowski