

TOWN OF GEORGIA, VERMONT

Purchasing Policy

ARTICLE I GENERAL INFORMATION

I.1 The Selectboard of the Town of Georgia hereby adopts the following policy as the rules by which purchases by all Town Departments and Town officers shall be made. This policy shall promote and effect open and intelligent purchasing of supplies, equipment and services, which will result in the maximum value received for each tax dollar spent.

I.2 Specific reference is made to Section XII (Conduct of Employees) of the Town's Personnel Policies and Rules, which are hereby incorporated herein as part of this policy.

I.3 This policy shall supersede and replace any and all previously adopted policies pertaining to municipal purchases that may have been in effect prior to the effective date of this policy as noted below.

I.4 In the event that any portion of this policy is found to be in violation of federal or state law or inconsistent with any provision applicable thereto, the remainder of this policy shall remain in full force and effect.

I.5 The Town shall not discriminate in its selection of vendors on the basis of race, gender, political affiliation, family relations, friendship or business affiliation. In the event an employee makes a purchase from any vendor whom a personal, business or family relationship exists, three written price quotes shall be required as evidence that the best possible deal for the Town was obtained. Employees shall not make any purchase from a vendor in which that employee has an ownership interest, except when specifically authorized by the Selectboard. Employees must publicly disclose all potential purchase conflicts prior to any purchasing decisions being made.

I.6 The Town shall seek to obtain the best quality products and services at the lowest possible price in the most convenient manner under all circumstances. However, local vendors should be supported to the greatest extent possible without sacrificing quality or price.

ARTICLE II PURCHASE ORDER PROCEDURES

II.1 Department Heads shall submit a Requisition to the Town Administrator prior to the purchase of any item(s) not detailed in the budget or services in which the total amount to be paid to a vendor is one hundred dollars (\$100.00) or more, which shall then be forwarded to the Treasurer for "pre-audit" due diligent review and Town Administrator for approval before a Purchase Order will be issued by the Treasurer. Purchases of a repetitive or on-going nature may be encompassed in a single document issued and noted accordingly at the time the first purchase is made. Final approval of purchase to be made by Selectboard.

II.2 Department Heads shall submit a Requisition to the Selectboard prior to the purchase of any item, items or services in which the total amount to be paid to a vendor is one thousand dollars (\$1,000) or more. Upon approval of the Selectboard, compliance with the provisions of Section II.1 shall still be required.

ARTICLE III BID REQUIREMENTS

III.1 Department Heads shall obtain at least three price quotes, when possible, (written, oral, phone or catalog methods are acceptable provided they are documented and submitted to the Town Treasurer with the Requisition) for any expenditure which is at least one thousand dollars (\$1,000) but less than ten thousand dollars (\$10,000.00.)

III.2 Department Heads shall solicit sealed bids for any expenditure of five thousand dollars (\$5,000.00) or more. (Faxed bids are not considered sealed bids.) Bid specifications must be approved by the Town Administrator prior to being advertised. Solicitations shall be sought by mailed invitation and newspaper advertisement. All bids shall include the following statement: "The Town of Georgia has the right to reject any or all bids if doing so is in the best interest of the Town." Bid openings shall be open to the public at a prescribed time and place.

ARTICLE IV CONTRACTS FOR LABOR SERVICES/PROFESSIONAL SERVICES

IV.1 The procurement of labor services/professional services with a value of one thousand dollars (\$1,000.00) or more per project shall require a written agreement between the Town, and the service provider. Department Heads shall be authorized to informally solicit professional services. Any Agreement requires approval from the Selectboard. Copies of agreements shall be furnished to the Town Administrator and the Treasurer in lieu of a Requisition.

IV.2 It shall be the responsibility of the Department Head to ensure that the Treasurer has been provided with a duly executed W-9 Form and VLCT Authorization Form, upon the procurement of services with a value of six hundred dollars (\$600.00) or more per calendar year.

IV.3 All projects/professional service which require an expenditure of one thousand dollars (\$1,000.00) or more shall require such bonds and/or cash sureties (such as retainage) as may be determined by the Selectboard and allowed by law.

IV.4 As a condition of performing contracted services to the Town, all contractors, subcontractors and persons other than Town employees who perform services for the Town shall be required to indemnify and hold harmless the Town of Georgia for damages, claims and liabilities which may arise as a result of the work to be performed.

IV.5 Except for written manufacturer's exclusions allowed by law, all contracted services for construction or installation of equipment, parts and materials shall be warranted to the Town for at least one year from date of final completion of work, to include replacement and/or repairs at no cost to the Town.

IV.6 The Town shall require all contractors, subcontractors and persons other than Town Officials who perform labor services for the Town with a calendar year value of five hundred dollars (\$500.00) or more to maintain insurance coverage and list the Town as an additional insured in accordance with the following minimum amounts. Prior to the start of any work, the Town must be furnished with an insurance certificate as proof that coverage is in place. Certificates shall be placed on file with the Treasurer. NOTE: Nothing in this Section shall be deemed to prohibit the Town Administrator/Selectboard from requiring coverage amounts at a higher level, or imposing additional types of coverage up to the value of the entire project as may be in the best interest of the Town.

- (a) general liability \$500,000.00
- (b) property damage \$500,000.00
- (c) personal injury \$500,000.00
- (d) automotive liability \$300,000.00
- (e) worker's compensation (statutory requirements)

ARTICLE V LEASE PURCHASES

V.1 The purchase or lease of any equipment, vehicles or materials which require periodic payments over a course of one year or more shall be subject to all applicable provisions of this policy in accordance with the dollar values set forth herein.

V.2 All lease purchase agreements shall contain a non-appropriation clause whereby the Town shall not be obligated under the terms of the lease if the necessary funds are not appropriated at a future Town Meeting.

ARTICLE VI LEGAL SERVICES

VI.1 The Selectboard is the only agent of the Town with the authority to select legal representation, solicit legal opinions, contract for legal services, initiate judicial or quasi-judicial proceedings, defend against a legal action or otherwise obligate resources for legal purposes on behalf of the Town, except as otherwise prescribed by law.

VI.2 The Selectboard shall have the ultimate authority for deciding whether any other Town official, elected or appointed, shall be allowed to seek a legal opinion at the expense of the Town. The Selectboard/Town Administrator may also decide, within their sole discretion, as to whether an agent of the Town shall be allowed to engage the Town Attorney or some other attorney at Town expense. These decisions shall be based upon a majority vote related to the payment of legal service invoices.

VI.3 Notwithstanding the other provisions of this Article, it shall be permitted for the Town Administrator or a duly authorized individual to contact the Town Attorney in the judicious exercise of the responsibilities of the position for which they have been appointed, provided: (a) the nature of contact is for advisory purposes related to work duties only; (b) the reasons for contact are not a subterfuge for any Town official to circumvent the provisions of this policy; (c) the Town Administrator shall be notified of the nature for requesting legal services, the Town Administrator shall be informed of the correspondence as soon thereafter as possible; and (d) all correspondence to and from the Town Attorney shall be in writing whenever possible with courtesy copies forwarded to the Selectboard.

VI.4 Written and oral communications between the Selectboard or authorized Town Officials and Town Counsel shall be considered confidential.

ARTICLE VII EXEMPTIONS & WAIVER

VII.1 In the event of a genuine emergency, a Department Head may procure items and services without adhering to the procedures described herein, provided that he/she submits a written explanation to the Selectboard within one business day of the transaction detailing the nature of the emergency, the services

procured and the cost. 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 Georgia.

VII.2 It is understood that pre-approved purchase orders and multiple price quote requirements will usually not be feasible when it comes to repairs to Town-owned vehicles and specialized equipment. Under these circumstances preference shall be given to dealers approved by a manufacturer or vendors with a satisfactory history of fair pricing and superior work quality.

VII.3 The Selectboard may vote to waive any and all purchasing requirements set forth here in as it may deem to be in the best interest of the Town. Examples of situations whereby the Selectboard encourages Department Heads and/or the Town Administrator to seek waivers are: use of Vermont State Purchasing Department procurements, "piggy-backs" on to bid awards issued by other government agencies and instances where significant discounts may be obtained by prompt action.

VII.4 Department Heads shall not be required to annually solicit sealed bids for the procurement of materials that are regularly purchased in bulk quantities such as sand, salt, chemicals, fuel, bituminous concrete, hoses and fittings, etc., provided that biannual unit based shopping is documented. However, the Town Administrator may periodically require Department Heads to solicit sealed bids for these items as he/she deems to be in the best interests of the Town.

ARTICLE VIII DEBIT/CREDIT CARD USE

VIII.1 The Town shall retain debit account.

VIII.2 No other individual, including Department heads, has the authority to open a credit card/debit card account in the Town's name. Any and all other accounts open at the adoption of this policy shall be immediately turned over to the Treasurer.

VIII.3 The Town debit card may be used for official Town purposes only. No personal use or purchases of a personal nature shall be allowed, regardless of payback intentions except during a life-threatening emergency.

VIII.4 The use of personal credit cards, cash or personal checks to make purchases for the Town is discouraged unless an emergency exists. If reimbursement is necessary a receipt is mandatory.

VIII.5 Within five business days of each debit card transaction the Department Head shall furnish the Treasurer with a signed receipt. All other purchasing procedures as set forth in this policy shall also apply.

ARTICLE IX EMPLOYEE REIMBURSEMENT

IX.1 Employees should not expend personal funds for Town expenses. However, should an employee spend their own money to obtain needed goods or services, a written explanation of the emergency nature of the purchase shall accompany any request for reimbursement by the Town. In addition, the employee shall submit a receipt for the purchase and corresponding charge receipt, if applicable, to the Treasurer within one week after the date of purchase.

IX.2 The Town will reimburse employees through semimonthly accounts payable runs done in accordance with scheduled Selectboard meetings.

IX.3 Employees are expected to use the Department's issued debit card and not their own funds to purchase small items for Town services or events.

IX.4 No Town employee shall open their own account or utilize town discount for their own personal benefit.

ARTICLE X BUDGET AMENDMENTS

X.1 No department shall be permitted to overspend a line item, category or department budget. Department Heads may submit a line item Budget Amendment to the Selectboard to correct a potential line-item when an expenditure account has exceeded budget authorization and/or with a Requisition, if the Requisition amount exceeds budget authorization in the expenditure account.

Budget amendments that debit and credit line items for like amounts within an above category do not require Selectboard approval; however debiting and crediting like amounts between categories, deficit spending and the purchase of items not identified in the approved budget require Selectboard approval.

ARTICLE XI ADMINISTRATION

XI.1 All purchases shall be limited to those items and services which have been budgeted in advance, to the greatest extent possible. All purchases, which do not meet this criterion, must be essential to fulfilling the mission of the Town. Equipment not specifically approved through the budget process will require more detailed explanation at the time of purchase.

XI.2 Requests for the Selectboard to act on unbudgeted purchase requests must be submitted in writing for pre-approval during a regular Selectboard meeting in all of the following situations:

- a. The expenditure of grant funds or surplus revenues for unbudgeted purchases or as a means of supplementing the operating budget.
- b. Overspending capital budget line items.
- c. Overspending the bottom line of an operating budget.

XI.3 No employee shall make any purchase without first obtaining approval of the Department Head.

XI.4 In so much as possible, all bulk purchases for office supplies and commonly used materials shall be acquired through the Town Administrator who shall attempt to coordinate departmental acquisitions in a manner that is most advantageous to the Town.

XI.5 Upon the award of a solicited bid or proposal, it shall be the policy of the Town to acknowledge in writing the Town's appreciation for each bid or proposal received along with a summary of the results.

XI.6 Violations of this policy may result in an employee being subject to disciplinary action, including discharge for egregious acts.

ARTICLE XII GRANT APPLICATIONS – ADMINISTRATION

XII.1 No town employee shall apply for a grant on behalf of the Town of Georgia without first obtaining approval from the Selectboard. The Department Head needs to submit a request in writing to the Town Administrator. After the Selectboard has approved, signed and dated the request, the Department Head may

apply for the grant. When the Grant has been awarded, all Grant Award paperwork, including copies of the original request, shall be submitted to the Treasurer. These documents shall state exactly how much was awarded and exactly what the grant funds will be spent on. The Department that sought the grant shall submit a budget amendment form to the Treasurer and Town Administrator, which will create a new revenue account and a new expenditure account. All other purchasing procedures shall be followed.

IN WITNESS WHEREOF, this Purchasing Policy is hereby approved and adopted by Board of Selectmen for the Town of Georgia, on this, the 14th day of May, ~~2006~~ 2007, to be effective as of May 14th 2007. ATTEST:

Kirk Waite, Chairman

Deborah W Woodward
Deborah Woodward, Vice Chairman

Ric Nye
Ric Nye, Selectman

Gilles Rainville, Sr.
Gilles Rainville, Sr., Selectman
Tara Wright
Tara Wright, Selectman

UNDER SEAL OF THE TOWN, received, filed and recorded on this 14th day of May, 2006
At Georgia; ATTEST:

Jamie Kane, Town Clerk
Office of the Town Clerk