



## Town of Hollis, New Hampshire PURCHASING POLICY

---

### I. PURPOSE:

The purpose of this Purchasing Policy is to obtain goods (such as materials, supplies, equipment) and services for the Town of Hollis at the lowest possible price consistent with the quality needed, ensuring that the taxpayers are getting the "best overall value" for their tax dollars, while exercising financial control over purchases, clearly defining authority for the purchasing function, assuring the quality of purchases, allowing fair and reasonable opportunity among qualified vendors (suppliers) and providing for increased public confidence in the procedures followed in public purchasing.

- A. 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 the Town of Hollis or other New Hampshire jurisdictions.
  - g. References

### II. DEFINITIONS:

**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.

**Sole Source:** One and only one source that possesses a unique product having singular characteristics or performance capability.

**Compensating Balance:** An agreement by which the Town maintains municipal funds on deposit in return for designated banking services.

**Approved Vendors:** Vendors that have been prescreened and recommended by Department Heads to the Finance Officer or Board of Selectmen, for their ability to provide products and/or services being sought by the department or the Town of Hollis.

**Most Advantageous To The Town:** A bid chosen on the totality of the requirements of the product or services. It may include but is not limited to price, planned use, quality sustainability of merchandise or service, and the service reputation of the vendor, and not necessarily the lowest bid received.

### III. PURCHASE ORDERS

Purchases for goods and services that in aggregate or individually are \$5,000 or more must have a properly authorized purchase order.



## Town of Hollis, New Hampshire PURCHASING POLICY

---

**A.** Purchases for goods or services, which involve expenditures of less than \$5,000.00 can be made after prices have been obtained through the use of sound business practices. A purchase order must be approved prior to ordering the product or before the service is conducted, if in excess of \$5,000.00.

**B.** Processing of invoices for payment will not occur without a Purchase Order for the aggregate or individual purchases/contracts on annual purchases over \$5,000.00.

**C.** Payments will be made according to established operating procedures of the Town of Hollis Finance Officer.

Purchase Dollar Value	3 Quotes Req'd	PO Req'd	Approval Required by		
			Department Head	Finance Officer	BOS
<\$5,000	N	N	N	N	N
>\$5,000 less than \$20,000	Y	Y	Y	Y	N
>\$20,000 and greater	Y	Y	Y	Y	Y

### IV. PROCEDURES:

#### A. GENERAL PURCHASING (UNDER \$5,000)

1. It shall be the policy of the Town of Hollis that for any purchases within a budget year of equipment, supplies, or services estimated by the department head to be under \$5,000, the following procedures shall be followed:
  - a. The Finance Officer provides the departments with the ability to utilize vendors, such as W.B. Mason, to purchase supplies and other products.
  - b. The department head is expected to follow sound business practices and seek price quotes.
  - c. The departments have the responsibility to forward all information regarding orders to the Finance Officer to allow for the tracking of those purchases and the proper allocation of costs to the departments.

#### B. INFORMAL BIDDING (\$5,000 to \$20,000)

1. It shall be the policy of the Town of Hollis that for any purchases within a budget year of equipment, supplies, or services estimated by the department head to be between \$5,000 and \$20,000, the following procedures shall be followed:



## Town of Hollis, New Hampshire PURCHASING POLICY

---

- a. Purchases for goods and services may be authorized after at least three (3) price quotations have been solicited from vendors.
- b. Documentation of price quotations may be obtained in writing or verbally (e.g. on the telephone).
- c. The person obtaining such quotations shall record on a form the names and addresses of all vendors from whom quotations were sought, the names of vendors submitting quotations and the date and amount of each quotation.
- d. Justification and final approval from the department head and Town Finance Officer is required.
- e. Copies of the price quotations solicited and obtained must be attached to the Purchase Order in order to receive approval prior to ordering the product or before the service is provided.

### C. COMPETITIVE BID PROCESS (OVER \$20,000)

1. A competitive procurement process must be followed if the procurement of goods or services involves expenditures of more than \$20,000.00. In the case of professional services (engineers, architects, attorneys, consultants, construction managers, etc.), a Request for Proposals (RFP) or Request for Qualifications (RFQ) may be utilized to take into consideration factors other than price, such as experience and qualifications.
2. Department heads are responsible for the release of all bids and Requests for Proposals (RFPs).
3. Bids and RFPs (Requests for Proposal) must include:
  - a. Listing of required specifications and services
  - b. List of vendors for bid or RFP to be released to.
  - c. Proposed public notice and newspaper advertisement.
  - d. Dates for release of bid or RFP, return of bids or proposals, and public bid or proposals opening.
4. Bids shall be awarded to the lowest responsible qualified bidder that meets the specifications and submits proper bond and insurance requirements, if applicable. The department head may reject a bid due to a finding of poor past contract performance, financial condition, or lack of necessary experience.
5. RFPs and invitations to bid, as well as the bid or contract award notices shall be sent from the department head to the bidders or proposers, with copies to the Finance Officer. All RFPs and invitations to bid notices shall be posted on the Town website.
6. The competitive procurement process may be waived by the Board of Selectmen in the following events:
  - a. In case of emergency or justifiable special circumstances that require timely procurement of goods or services.



## **Town of Hollis, New Hampshire PURCHASING POLICY**

---

- b. When there is only one source of supplies or services, but only when documented and approval is granted prior to the Purchase Order Award.
- c. When the service or products are received through the State or other joint bid processes.
- d. When, in the discretion of the Board of Selectmen, the best interests of the Town and its residents are served by waiving a competitive procurement process.

### **V. EXEMPTIONS TO THE BIDDING PROCESS:**

**A.** The following are valid exceptions not subject to bidding requirements:

- 1. NH State Bids.
- 2. Sole source providers.
- 3. Pre-qualified vendors.
- 4. Financing of TANs, bonds, leases, or other similar financing mechanisms.
- 5. Maintenance contracts with manufacturers of equipment purchased or with suppliers of data processing software.
- 6. Contracts with non-profit organizations for the provision of health, welfare, social, or recreational services for the Town of Hollis and/or the general public.
- 7. Contracts with governmental agencies for the provision of governmental services.
- 8. Professional Services, such as Town Counsel, a Certified Public Accounting firm, etc.
- 9. Compensating Balance Agreements
- 10. Any other procurements/purchases as the Board of Selectmen deem exempt.

### **VI. PAYMENT FOR GOODS OR SERVICES:**

- A.** Request for payment for any product or service shall be sent to the Finance Officer.
- B.** Payment for any purchase over \$5,000.00 will NOT be processed without a Purchase Order that must accompany the invoice.
- C.** The Finance Office is responsible for obtaining vendor information through Form W-9.
- D.** If any item or service purchased is not acceptable, arrangements must be made for a return for credit, exchange, or refund. Cash refunds are prohibited; checks are acceptable, but must be made out to "Town of Hollis", and must be returned immediately to the Finance Officer for deposit.

### **VII. NON-COMPLIANCE**

Non-compliance with any section of the Purchasing Policy (unless authorized by the Board of Selectmen in writing) shall result in the following:



## **Town of Hollis, New Hampshire PURCHASING POLICY**

---

- A. Invoices will be returned to departments when Purchase Orders are not attached.
- B. Contracts entered into without following proper procedures will be voided by the Town Administrator and/or the Board of Selectmen.
- C. Employees ordering goods or services in non-compliance with this policy may be subject to disciplinary procedures, up to and including termination.

### **VIII. ETHICS IN PUBLIC PURCHASING AND CONTRACTING:**

- A. It shall be unethical for any Town employee involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and public duty.
- B. It shall be unethical for any person to offer, give, or agree to give any Town of Hollis employee, or for any Town of Hollis employee 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, are not considered articles of value or gifts in relations to this policy.

### **IX. LOCAL ADVANTAGE**

The Town of Hollis will make every effort to purchase from businesses located within the Hollis area if the purchase fits into the category of "best overall value". It must be noted that the Town of Hollis has a responsibility to the taxpayers of the Town to ensure that bids are awarded to vendors offering their products or services at the "best overall value" to the Town of Hollis.



## Town of Hollis, New Hampshire PURCHASING POLICY

---

### X. AUTHORITY:


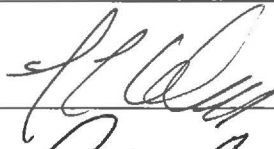
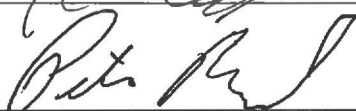
This policy is adopted by the Hollis Board of Selectmen in accordance with RSA 41:8 as it related to their management of the Town's prudential affairs and their authority over expenditures.

---

Original Adopted: December 21, 1998

Modification Date: October 8, 2018

Adopted by the Hollis Board of Selectmen on:

		Date:
Mark LeDoux		<u>10-8-18</u>
David Petry		<u>10-8-18</u>
Frank Cadwell		<u>08 Oct 18</u>
Peter Band		