

**Chapter 165**  
**PURCHASING**

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**[HISTORY: Adopted by Board of Selectmen of the Town of Peterborough; Section. I January 9, 1996; Section. II October 1, 1989; Section 2.1 December 19, 2006. Sections 165.1 to 165.8 Amended by BOS on April 22, 2008). Amendments noted where applicable.]**

**§ 165-1. Guidelines**

The guidelines will be utilized for procurement for materials and services. The purpose of these procedures shall be to outline acceptable methods for the acquisition of materials and services by Town Officials in an attempt to achieve financial savings to the greatest extent possible while ensuring the procurement of high quality materials and services and to set forth the duties and responsibilities of all Town Officials in order to foster interdepartmental cooperation.

All purchases shall be limited to those items that have been budgeted in advance, to the greatest extent possible. All purchases that do not meet this criterion must be essential to fulfilling the mission of the Town.

**DEFINITION:** The Purchasing System means the process which authorizes a vendor to deliver goods or provide service, and which assures that public funds for such goods or services will be encumbered for future payment. Any reference to a Department Head is also meant to include a Committee/Board Chairperson

**§ 165-1.2 Purchase Levels**

1. **Under \$500:** Employees are encouraged to do whatever is practical to secure competitive pricing from multiple sources on all purchases. No employee shall make any purchase without the approval of the Department Head. No purchase order is required.
2. **Between \$500 and \$2,999.99:** It shall be the policy of the Town to require informal verbal quotes from at least three (3) sources. Informal verbal quotes must be documented. The Department Head and the Town Administrator must approve the purchase order prior to the purchase
  - a. When the total of the goods or services for repetitive purchases from the same vendor during the course
  - b. of a one-year budget period exceeds \$500, the department head or his/her designee is required to do a blanket purchase order. In no instance may the requirement of a purchase order be avoided by making multiple individual purchases in succession
  - c. Informal verbal price quotes may consist of written proposals, telephone bids, catalog listing and/or price sheets.
  - d. Items purchased need not be the lowest price, but must reflect the most economical value to the Town based on cost, quality, warranty, or other tangible factor and Department Heads shall keep a record of all quotes received
3. **Between \$3,000 and \$9,999.99:** Written quotes from at least three (3) sources must be obtained. Faxed quotations are acceptable. Purchases must be supported by written quotations from vendors. Direct solicitation is allowed. Award of purchase by use of a purchase order requires the approval of the Department Head and the Town Administrator.
  - a. When the total of the goods or services for repetitive purchases from the same vendor during the course of a one-year budget period exceeds \$2,999, the department head or his/her designee is required to do a blanket purchase order. In no instance may the requirement of a purchase order be avoided by making multiple individual purchases in succession.

- b. Items purchased need not be the lowest price, but must reflect the most economical value to the Town based on cost, quality, warranty, or some other tangible factors. Department Heads shall keep a record of all quotes received.
- 4. **\$10,000 and Over:** The formal sealed bid process is used for major purchases.
  - a. The Department Head shall prepare a set of specifications and submit them to the Town Administrator for approval.
  - b. An invitation to bid must be publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening.
  - c. The Department head shall attempt to obtain a minimum of five sealed bids, through direct mailings of invitations, advertising, posting, or some combination thereof. Sealed bids will be date and time stamped when received.
  - d. If specification changes are made prior to the close of the Bid Process, the Request for Bids shall be amended and notice shall be sent to any and all bidders who have obtained a bid package.
  - e. Sealed bids shall be opened during a public meeting of the Board of Selectmen at which point the Board may:
    - i. award the bid; or
    - ii. require the Department Head to conduct an evaluation and present a recommendation to the Board at a future date: or
    - iii. authorize the Department Head to make the purchase as he/she deems most advantage to the Town: or
    - iv. exercise the right to not award the bid and instruct the Department Head to go through the bid process again.
  - f. The Board of Selectmen may exercise their right to not award to the lowest bidder, if the bid chosen would reflect the most economical cost, quality warranty or some other tangible factor.
  - g. Upon the award of a solicited bid, it shall be the policy of the Town to acknowledge in writing the Town's appreciation for each bid received along with a description of the bid results.
  - h. Once a bid has been accepted, if changes to the specifications become necessary, the Department Head must prepare a change order specifying the scope of the change and the Board of Selectmen shall approve it. The Board of Selectmen authorize the Town Administrator to approve change orders where funds are available and the change order shall not exceed 10% of the amount of the original contract. The Board of Selectmen must approve all other change orders. Once approved, the contractor and an authorized agent of the Town must sign the change order.

### § 165-1.3 Exceptions

The following obligations and/or purchases shall be exempt from the purchase order requirements.

1. Utilities including electricity, water & sewer, telephone, and building heat.
2. Human Services contributions and payments.
3. Human Resources-payments for employee benefits, payments made on behalf of employees for training and employee reimbursements.
4. Court judgments, state, local or federal tax payments, advertising, postage, and bond counsel expenses associated with Town borrowing.
5. Where the Town decides to contract with government agencies for the provision of governmental services.
6. Office supplies which are purchased in bulk from one vendor in order to take advantage of discounts that may be offered and cross several departments may be exempt from the purchase order policy. Purchases from other vendors or specialized office supplies are not exempt and the purchase order requirements do apply.
7. Service/Contractual Agreements: Including ongoing equipment and software service agreements which have previously been approved through the budgeting process; ongoing contracted employee agreements such as snowplowing; professional service contracts obtained through an RFP (Section E); and any current approved and signed contracts. A copy of these agreements/contracts must be sent to the Finance Department.
8. Expressly authorized purchases voted by the Board of Selectmen in advance at a public meeting.

### § 165-1.4 Emergency Procurements

1. Emergency Procurements Definition: Emergency procurements may be made when there is a threat to public health, welfare or safety, provided that such emergency procurement shall be made with such

compliance as is practical under the circumstances.

2. In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the Town Administrator hereby authorizes the Department Heads to approve such emergency purchase if the situation permits. The Town Administrator shall be notified as soon as possible as to the emergency and the associated purchases. A written determination for the basis of the emergency and for the selection of the particular contractor or vendor shall accompany the purchase order and voucher. As soon as is practicable, standard purchasing procedures will be reinstated.

#### § 165-1.5 Professional Service Contracts

1. Either the Request for Proposal (RFP) or the Request for Qualifications (RFQ) process (or a combination) may be used. The primary difference between the two processes is:
  - a. Request for Proposal (RFP): Certain professional services, such as architectural, engineering, auditing, and legal services are more appropriately solicited through a Request for Proposals (RFP). This is due to the need to consider factors other than price, such as professional qualifications, previous experience in related projects, and review of support staffs backgrounds. The RFP process is for a specific proposal to be received and evaluated. The proposal includes a scope of work and a cost proposal
  - b. Request for Qualifications (RFQ): Statements of Qualifications (SOQ) are received and selection is made upon those qualifications. In this process, a mutually acceptable scope of work and contract amount is negotiated with the successful bidder.
2. When soliciting for RFP's the specifications must contain the following information: scope of services to be performed; timing; evaluation criteria; minimum qualifications of experience; and price. The Town shall solicit proposals from at least three (3) vendors providing the professional service.
3. The RFP/RFQ must be in writing and must be posted in the town's official posting place, and publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Proposals or SOQ must be submitted to the town in a sealed envelope marked with the name of the request as indicated in the instructions and date and time stamped when received.
4. Proposals shall be opened at a date, time and place designated in the RFP/RFQ. All proposals shall be opened under dual control by the appropriate Department Director and other pertinent Town staff. The proposals shall be analyzed (based upon the "best overall value" to the town) and documented including staff recommendation. Award shall be made by the Board of Selectmen including approval of contracts in a public meeting. A copy of these agreements/contracts must be sent to the Finance Department.

#### § 165-1.6 Miscellaneous Provisions

1. **Sole Source Proposals:** The Town will not entertain the solicitation of a single source vendor for supplies and/or services unless the competitive bid requirements are explicitly waived by vote of the Board of Selectmen. Absent such vote, the Town will consider a vendor if they are the only bidder, provided that the procedural steps in soliciting bids has been followed and documented by the Town's soliciting authority.
2. **Change Orders:** Whenever a change occurs on the original purchase order, a change order must be made to the original purchase order with the updated information. Changes are adjustments of line item's quantity, unit price, or account numbers. Changes also include additions or deletions.
3. **Year-End Encumbrances:** If a contract/agreement or any other exception to the purchase order policy extends through one fiscal year into the next year, the department will be required to do a purchase order for the balance at year end in order to encumber the funds in the prior year. If this procedure is not followed, the balance of the contract/agreement or exceptions will be paid from the new year's budget

#### 165-1.7 Ethics in Public Purchasing & Contracting

1. In accordance with RSA 95:1, no person holding a public office in the Town of Peterborough, either appointed or elected, shall, by contract or otherwise, except by open competitive bidding, buy real estate, sell or buy goods or services, commodities, or other personal property of a value in excess of \$200 at any one sale to or from the Town of Peterborough.
2. The above section shall also apply to all employees of the Town of Peterborough.
3. It shall be unethical for any Town employee, officer, Board Member or Committee Member involved in making procurement decisions to have personal investments in any business entity that will create a conflict between their private interests and their public duties.
4. It shall be unethical for any person to offer, give, or agree to give any Town employee, officer, Board

Member or Committee Member or for any such individual of the Town 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

5. Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.
6. Failure to comply with the provisions of this policy will result in disciplinary action up to and including termination of employment.

#### **§ 165-1.8 Disposal of Surplus Property**

Any property which is considered to be Surplus Property and valued at over \$100 must be presented to the Town Administrator by the Department Head with a recommended method of disposition for approval. Various possible disposition means are the sealed bid or auction process, State of NH surplus auction, trade in usage, retained for usage as parts, transfer to another Town Department or sale by technical service. Any Surplus Property with a value of less than \$100 may be disposed of by the Department Head as they deem appropriate, given the concurrence of the Town Administrator.

If the means of disposition is either the sealed bid or auction, the Department Head shall be responsible for publishing the necessary public notices to comply with state law.

For purposes of this section, the term “Surplus Property” shall be defined as property that: is not salvage property or items routinely discarded as waste; is not currently needed by the Town; is not required for the Town’s foreseeable needs; and possesses some usefulness for the purpose for which it was intended.

#### **§ 165-2. Purchasing Recycled Products.**

In order to promote the concept of recycling, it shall be the express policy of the Town that every effort shall be made to purchase supplies made wholly or in part from recycled products. This Policy will include paper products, plastic products, and glass products and other such products as may become available in the future. Deviation from this policy shall require prior approval of the Selectmen

#### **§ 165-2.1 Green Purchasing Mission Statement & Policy**

[Adopted by the Board of Selectmen 12-19-2006.]

Whereas the Town of Peterborough, through its Select Board, is dedicated to improving the vitality and quality of life for ourselves, our children, their children and the natural environment we all live in, and by honoring and enhancing these prospects through the creation of a procurement environment that is mutually beneficial,

And where the affirmative selection and acquisition of products and services that most effectively minimize the negative environmental, economic and public health impacts over their life cycle of manufacturing, transportation, use and reuse or disposal.

Whereas these values will provide the Town of Peterborough with guidance into the future, the Select Board hereby establishes a “Green Purchasing” Policy. This policy is directed at making purchasing and acquisition decisions based on solid fundamental values and principles. Examples of environmentally preferable characteristics include products and services that conserve energy and water, minimize the generation of waste and release of pollutants; products made from recycled materials and that can be reused or recycled; energy from renewable resources such as biofuel, solar and wind power, alternative fueled vehicles, and products using alternatives to hazardous and toxic chemicals.

#### **§ 165. - 2.2 Values**

- Respect the limits of our natural systems and non-renewable resources by seeking solutions that produce an abundance of natural and social benefits along with the reduction of waste stream.
- Promote the reuse of waste products in the most beneficial and environmentally safe manner. Practice and promote openness, broad participation, and full consideration of consequence in all aspects of the decision making process.
- Endeavor to create and restore harmony between human activities and natural systems.
- Strive for immediate and measurable indicators of environmental, social, and economic benefit
- Establish leadership that will take responsibility for both revolutionary and evolutionary actions and that will champion these values.