

TOWN OF HILLSBOROUGH

PURCHASING POLICY

The Selectmen, with the input from Department Heads, are responsible for the implementation of the Town of Hillsborough's Purchasing Policy for acquisition of supplies, materials, services and equipment. Nothing within this policy shall be interpreted in a manner that prevents the Selectmen from authorizing the purchase of products or services according to the manner, policy, or procedure that in their judgment at the time they authorize the purchase, is in the best interest of the Town.

General Provisions

- Any purchase which was budgeted for as approved by Town Meeting may be made by the Department Head with the approval of the Town Administrator. Prior approval by the Board of Selectmen is required before the purchase of any supplies or services not provided for in the budget approved by an annual or special town meeting. **This provision has not been modified and continues to be used.**
- Contract review for purchases of \$5,000 or greater will be scheduled as an explicit item on a Selectmen's meeting agenda. The Selectmen will review the contract in terms of the purchasing policy so that any bids, quotes, or other reasons for awarding the contract are documented within the meeting minutes. Contracts with a price of \$5,000 or greater and which are made in an emergency situation, will be on the agenda for the next scheduled Selectmen's Meeting. A person (eg: Dept. Head) who is knowledgeable about the details of the contract should be available to answer any questions the Board of Selectmen and/or public may have about the purchase. **Modification was made from this based on the \$5,000 amount with most purchases that are greater than \$5,000 falling under the bullet point above. This bullet point has continued to be used for various projects including the examples listed under the "Purchasing by Bid" section and equipment purchases as noted under "Purchases by Negotiation".**
- No person authorized to act on behalf of the Town of Hillsborough shall purchase any supplies or services from any individual, firm, corporation, or organization in which said person has a financial or vested interest. Anyone found to have done so may be subject to disciplinary action up to and including termination. **This has continued to be enforced.**
- In the month of December, purchases outside of standard operating expenses must be made through a purchase order system and must be signed by the Department Head and submitted to the Selectmen's Office within 72 hours for recording and accounting purposes. **We have not used a purchase order system since approximately 2016.**
- The State of New Hampshire, through the Department of Plant and Property produces an authorized vendor list each year. Town departments are authorized to use state contracts

in lieu of requesting bids from vendors when it is the economic advantage to the Town of Hillsborough.

Purchasing by Bid

All purchases/projects with an ESTIMATED total cost of \$10,000.00 or more must use a formal bid process unless otherwise authorized by the Board of Selectmen. Formal bids for less than \$10,000 may be requested by the Selectmen as they deem necessary. The Selectmen's Office shall keep a record of all bids received. **Modification from this section is the \$10,000 limit with most, if not all, of those purchases/projects falling under the first bullet point under "General Provisions". We have continued to use the bidding process (a/k/a RFP) albeit not always sealed, for purchases/projects such as paving, PD roof, Associated Electric, Woods Woolen Mill, Sidewalk Project, Heritage Museum Elevator & Painting, Manahan Bathrooms (although the posting was subsequently withdrawn by the BOS), etc.**

Purchasing by competitive bid and award involves the following steps:

- Preparation of the invitation for bids, describing the requirement of the Town clearly, accurately, and completely, but avoiding unnecessary restrictive specifications or requirements which may unduly limit the number of bidders;
- Publicize the invitations for bids by distribution to prospective bidders, posting in public places, distribution to pre-screened vendors as may be appropriate, advertising in local news media, and/or such means as may be appropriate for at least ten (10) business days prior to the time set for submittal of sealed bids;
- Submission of sealed bids which have been date stamped upon receipt, by prospective contractors and vendors, and;
- Awarding the contract, after the bids are publicly opened in the presence of impartial witnesses (eg: Selectmen's Meeting), to the responsible bidder whose bid conforms to the invitation for bids and who will be most advantageous to the Town. Price and other factors will be considered by the Board of Selectmen when a choice is made.

Purchases by Negotiation

Negotiation, when applied to the making of purchases, means any methods of purchasing other than by formal bid process. Purchases may be negotiated when one of the following circumstances is present: **This is the section that has been utilized most often since COVID for such purchases as Ambulances, Fire Trucks, Highway Trucks, Police Cruisers, small building projects/improvements/maintenance/repairs (ex: library projects & current town office upgrade), etc.**

- All purchases with an estimated total cost not to exceed \$5,000 may be made by negotiation; **Modification was made based on the \$5,000 limit.**
- Sole Source Constraint: When it has been determined by a reasonable investigation that the item or service can be obtained from only one source even though the cost exceeds \$10,000; **This is used for most of the projects/purchases listed in the intro of this section and typically combined with the last bullet point in this section where we try and get three qualified sources. Some equipment prices are sought out by sole sources (ambulances/fire trucks/police cruisers). We have close working relationships with various vehicle dealerships and can negotiate better pricing and faster service/delivery because of those relationships.**
- Emergencies: When a situation arises that requires an immediate response that would be significantly delayed if adhering to the bid process even if the purchase exceeds \$10,000. In such emergencies, the Department Head after consultation with the Town Administrator and/or Selectmen may initiate an immediate negotiated purchase of supplies or services necessary to protect the best interest of the Town. The Town Administrator and the Chairman of the Board of Selectmen must be informed within 48 hours of such purchases; **This process is used on an ongoing basis.**
- Negotiate but be Competitive: Whenever supplies or services are procured by negotiating, price quotations, or other evidence of reasonable prices and other vital matters deemed necessary by the Selectmen shall be solicited from at least three qualified sources of supplies or services consistent with the nature of the requirements for the supplies or services purchased. **This process is used on an ongoing basis as noted above.**

This policy shall become effective upon approval by the Board of Selectmen and shall remain in effect until rescinded by the Board of Selectmen.

BOARD OF SELECTMEN

Russell S. Galpin, Chairman

Steven J. Venezia

David N. Fullerton

Effective Date
