

## **1. INTRODUCTION**

This policy is intended to provide practices and procedures necessary for the conduct of purchasing activities for the Town of Litchfield. This policy is designed to:

- a. Encourage maximum competition through fair and equal opportunity to those qualified and interested.
- b. Provide a uniform procedure for the procurement of material, equipment, supplies and services.
- c. Ensure that taxpayers are getting the “best overall value” for their dollars.
- d. Apply to all Town Departments, Boards, Committees, Commissions, Elected and Appointed Officials under the authority of the Board of Selectmen.

## **2. PURCHASING PROCEDURES AND PURCHASE ORDERS**

- a. All purchases require prior approval by the Department Head or designee.
- b. The Town administrator shall approve purchase orders prior to the purchase of capital items, goods or services valued at greater than or equal to \$5,000, but less than \$12,000.
- c. The Board of Selectmen shall approve purchase orders prior to the purchase of capital items, goods or services equal to \$12,000 or greater.
- d. Vendors listed in Appendix A shall be exempt when the Finance Department has a written contract or agreement on file establishing a routine or regular purchase of goods or services or specific vendors where goods and services are purchased routinely over the course of the year from whom cumulative purchases will exceed the purchase order threshold. All exceptions shall be reviewed annually by the Board of Selectmen.
- e. Some of the factors considered when determining the “best overall value” as referenced in section 1.c above are:
  - Price
  - Quality
  - Warranty
  - Service
  - Availability
  - Past Performance of the vendor
  - References
- e. Throughout this document, the authority vested to the Town Administrator may be delegated upwards to the Board of Selectmen in the absence of the Town Administrator.
- f. In all cases where the department is purchaser of goods or services requiring a purchase order, the purchase order for payment authorization must be signed by the Town Administrator. In no case may a single individual perform purchases and authorize their own actions. The Town Administrator will have eligible purchase orders approved by the Board of Selectmen. Delegation downwards of purchase orders to avoid a conflict with this section are not authorized.

### **3. FOR PURCHASES AND COMPETITIVE BID PROCESS**

All purchases of capital items, goods and services are covered by the following sections except for contractual and/or repeating operational purchases from vendors listed in Appendix A. In cases of unique, non-repeating purchases from vendors listed in Appendix A, this exception may not apply. For example, a vendor listed in Appendix A that provides routine repair or maintenance services is exempt from this section but purchase of new equipment from the same vendor shall not be exempt. In cases where there is a sole source of materials, goods or services, regardless of price, the Town Administrator or Board of Selectmen must approve the use of that particular vendor in accordance with section 6.

- a. **Under \$5,000:** Employees are encouraged to secure competitive pricing from multiple sources. Purchases in this category require the approval of the department head prior to the purchase.
- b. **Between \$5,000 and \$11,999:** Informal written proposals from at least three sources must be solicited; in cases where fewer than three proposals are received, the non submitting vendors should be listed on the purchase order. Faxed or emailed quotations are acceptable. Purchases must be supported by written quotations from vendors and attached to the purchase order prior to approval. Direct solicitation of proposals is allowed. Award of purchase requires the approval of the department head and the Town Administrator.
- c. **Over \$12,000:** Formal written proposals shall be submitted in a sealed envelope for these major purchases. Invitations for proposals will be posted on the Town's website for at least fourteen (14) calendar days prior to opening. Direct solicitation to qualified contractors / vendors is also allowed. Invitations for proposals may also be publicly advertised in local newspapers of record, relevant professional journals or posted on applicable websites. Invitations for proposals should allow at least fourteen (14) calendar days from initial publication until the due date for submissions. The Town Administrator must approve the invitation for proposals prior to posting of any invitation and will advise the Board of Selectmen as to the strategy at the Board's next regular meeting. The Board of Selectmen may authorize a publication period of less than fourteen (14) calendar days. Proposal specifications require the approval of the Town Administrator. Formal proposals must be received sealed and in writing by the posted deadline at the Litchfield Town Hall Board of Selectmen's office. All proposals shall be opened under the requirements of a publicly posted meeting as described in RSA 91-A, at a date, time and place designated in the request for proposal (RFP). The Town Administrator and the Department Head shall open all proposals under dual control. In those cases where the Town Administrator functions as the Department Head, the Finance Manager or a member of the Board of Selectmen shall serve as the dual control. The results of the proposals shall be made public at a posted opening meeting, or the next public meeting of the Board of Selectmen. Late proposals will not be accepted after the closure time listed on the RFP documentation. The winning submission must be reviewed by the Town Administrator and Department Head to

ensure the bid complies with the bid specifications. Purchases involving contracts awarding the proposals to be signed by the Town may be reviewed by Town Counsel prior to presentation to the Board of Selectmen. The award of a purchase contract or a services contract requires the approval of the Board of Selectmen, who may choose to delegate this authority to the Town Administrator on a case by case basis. If at least three proposals are not received the Board of Selectmen may require another RFP Process.

- d. Bids may not be awarded to the lowest bidder based on various factors that may weigh against the bidder as detailed in section 2d above. In all cases where a bid is not awarded to the lowest bidder for capital items or goods or services whose value is greater than or equal to \$5,000, but less than \$12,000, the awarding of the bid must be approved by the Town Administrator; awards for items or goods or services whose value is greater than \$12,000 must be approved by the Board of Selectmen. In both cases, the reason for the awarding of the contract to other than the lowest bidder will be documented by attachment to the purchase order;

#### **4. PROFESSIONAL SERVICE CONTRACTS**

Either the Request for Proposal (RFP) or Request for Quotation (RFQ) process (or a combination) may be used for professional service contracts. The primary difference between the two processes is that in the RFP process, a specific proposal is received and evaluated. The proposal includes a scope of work and a cost proposal. In the RFQ process, Statements of Qualifications (SOQs) 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.

The RFP/RFQ must be approved by the Town Administrator, must be in writing and must be posted on the Town's website for at least fourteen (14) calendar days prior to opening. Direct solicitation to qualified bidders is also allowed. Invitations for proposals may also be publicly advertised in local newspapers, relevant professional journals or applicable websites. Invitations to bid should allow at least fourteen (14) calendar days from initial publication until the due date for submissions. The Town Administrator must approve the invitation to bid strategy prior to posting of any invitation and will advise the Board of Selectmen as to the strategy at the Board's next regular meeting. The Board of Selectmen may authorize a publication period of less than fourteen (14) calendar days. Proposals or SOQs must be submitted to the Town in a sealed envelope marked with the name of the request as indicated in the instructions.

Proposals shall be opened before the public at a date, time and place designated in the RFP/RFQ. All proposals shall be opened under dual control by the Town Administrator and Department Head. In those cases where the Town Administrator functions as the Department Head, the Finance Manager or a member of the Board of Selectmen shall serve as the dual control. The proposals shall be analyzed (based upon the "best overall

value” to the Town) and documented including staff recommendation. In cases where the Board of Selectmen is the primary contact, proposers may be invited to discuss proposal and approach with the Board in a public meeting. Contracts awarding the bid to be signed by the Town may be reviewed by Town Counsel prior to or subsequent to presentation to the Board of Selectmen. The award of a contract requires the approval of the Board of Selectmen, who may choose to delegate this authority to the Town Administrator on a case by case basis.

If at least three bids are not received the Board of Selectmen may require a re-bid. If a re-bid is required, the Board of Selectmen will not release the bid values by those who originally submitted bids.

## **5. PUBLIC AUCTION**

With the approval of the Town Administrator, purchases may be made through public auction. For purchases over \$3000 and less than \$12,000, the department must provide to the Town Administrator, in writing quotes from like or similar products in order to provide a realistic price comparison. Upon receiving this information and verifying budget availability, written authorization indicating the amount “not to exceed” shall be granted allowing the department head or his/her designee to participate and to bid on that particular product. If a purchase is made through auction, all documentation must be retained and submitted to the Finance Department. For purchases greater than \$12,000 the department head should provide the documentation noted above to the Board of Selectmen for approval who shall also set a “not to exceed” value on bidding.

## **6. CASES NOT REQUIRING COMPETITIVE PRICING PROCEDURE**

The Town Administrator, with notification to the Board of Selectmen at a regular meeting, may approve a purchase order without competitive pricing for items less than \$12,000 and the Board of Selectmen, at a publicly noticed meeting with such exception noted on the agenda, may approve purchase orders without competitive pricing for items greater than \$12,000 under the following conditions:

- a. Item is to be purchased under any eligible State or Federal competitive pricing lists
- b. Only one known source of purchase and there is no comparable substitute product or service; written documentation supporting the sole source must be provided.
- c. Specific type or brand of supply or part necessary for acceptable operation of a machine or device or as required by the warranty or contract on the machine or device; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided.
- d. An item previously awarded within the past twelve months.
- e. Purchases which can be procured through cooperative intergovernmental purchase agreements with other government jurisdictions;

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**7. EMERGENCY PROCUREMENTS**

Emergency procurements may be made when a threat to public health, welfare or safety exists, provided that such emergency procurement shall be made with such competition as is practical under the circumstances. In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the Board of Selectmen authorizes department heads to approve such emergency purchases if the situation permits. The Town Administrator shall be notified as soon as possible as to the emergency and the associated purchases. As soon as is practicable, standard purchasing procedures will be reinstated. The Town Administrator will notify the Board of Selectmen of each occurrence. In all cases for emergency purchases, receipts are required and shall be turned into the Finance Department as soon as possible.

**8. ARTIFICIAL DIVISION PROHIBITED**

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid the requirements of this policy. Service contracts or purchases of goods on an open contract must be evaluated on upon the total cost through the life of the contract and the appropriate approvals obtained based upon that price. Whether or not a proposed purchase constitutes artificial division shall be determined by the Town Administrator.

**9. EXCEPTIONS.**

Exceptions to the policy will be determined on a case by case basis by the Board of Selectmen.

**10. LOCAL ADVANTAGE**

The Town of Litchfield will make every effort to purchase from businesses located within the Litchfield area if the purchase fits into the category of "best overall value." It must be noted that the Town of Litchfield employees have 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.

**11. CANCELLATION AND REJECTION OF PROPOSALS**

An invitation for proposals or other solicitations may be cancelled or rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of the Town.

**12. ETHICS IN PUBLIC PURCHASING AND CONTRACTING**

In accordance with RSA 95:1, no person holding a public office in the Town of Litchfield, either appointed or elected, shall, by contract or otherwise, except by open competitive pricing, buy real estate, sell or buy goods, commodities, or other personal property of a value in excess of \$200 at any one sale to or from the state or political subdivision under which he holds his

**TOWN OF LITCHFIELD  
PURCHASING POLICY**

Reviewed and Approved June 10, 2019

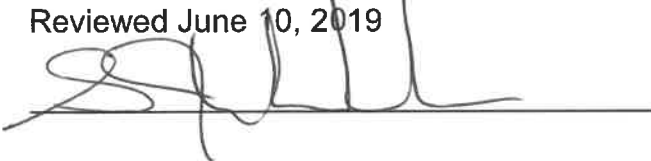
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public office. In accordance with RSA 95:1-a no official or employee of the Town shall require of any public works or construction contract to make application to or to get any surety bond or contract of insurance specified in the building or construction contract from a particular surety or insurance company, agent, or broker. 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 their public duties. It shall be unethical for any person to offer, give or agree to give any Town of Litchfield employee, or for any Town of Litchfield 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. Inexpensive advertising items bearing the name of a vendor, such as pens, pencils, paperweights, cups, candy, calendars, etc. are not considered articles of value or gifts in relation to this policy.

**13. DISPOSAL OF SURPLUS PROPERTY**

Department Heads should notify the Town Administrator at least annually about any property considered surplus. For items with a value of less than \$100, department heads may dispose of them as appropriate following notification of the Town Administrator. For items with an estimated value of greater than \$100 and less than \$1000, the Town Administrator will have the authority to transfer property from one department to another, including surplus equipment as trade on replacement equipment, authorize placement in state surplus auction, retain for parts or authorize sale by public or electronic auction. All items declared surplus (excluding real estate) with an estimated value of greater than \$1000 will be reported to the Board of Selectmen with the Board retaining authority to authorize the form of disposition.

Adopted June 2, 2014  
Revised and Amended May 9, 2016  
Revised and Amended June 12, 2017  
Revised and Amended April 23, 2018  
Revised and Amended May 14, 2018  
Reviewed June 10, 2019



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**APPENDIX A - Vendor Exception List**

The following vendors are not subject to the competitive pricing requirements of this policy as required in section 3 - Purchases, however, purchase orders are still required in accordance with section 2. Whenever possible, even with a vendor on the exception list, those making purchases should investigate cost savings alternatives.

2-Way Communication - radio & communication equipment  
AAA Police Supply  
Access A/V  
Advanced Electronic Design - cruiser computers  
Affiliated HVAC Services - general repairs/maintenance of HVAC systems  
A.H. Harris  
American Security & Fire Protection - alarm services  
Amerigas (part of Energy North) - heating fuel  
Area News Group - official noticing of meetings  
Avatar Associates of New England - assessing services & Town Clerk/Tax Collector software  
Bellemore Catch Basin Maintenance - catch basin maintenance  
Bergeron Protective - fire protective equipment  
BMSI - software services  
Body Armour- police uniforms & accessories  
Bound Tree Medical - EMT/Paramedic supplies  
Bob Ward - ammunition  
Bradley Tree - tree maintenance & removal  
Brox Industries - salt, sand, patch  
Chappell Tractor (B-B Chain Inc.) - equipment repairs and maintenance  
Central Paper Products - janitorial supplies  
Consolidated Communications - telephone & internet service  
Continental Paving - sand, gravel and asphalt (only)  
Continental Resources - IT equipment & services  
Comcast - telecom services  
Conway Office Solutions - copier charges  
Dalmatian Landscaping - cemetery groundskeeping & winter plowing  
Dave's Septic Service - recreation portable toilets  
Dave's Auto Center - vehicle repair  
D. C. Slocumb - recycling hauling  
Dennis K. Burke - fuel  
Digger D's Landscapes - winter plowing

# TOWN OF LITCHFIELD PURCHASING POLICY

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D.L.B Paving - pavement repair  
Donovan Equipment - vehicle maintenance & repair  
Eagle & Son - winter plowing  
Eastern Minerals - salt  
Emergency Education  
Energy North Propane - heating fuel  
Fisher Auto Parts- vehicle maintenance & repair  
F.B. Hale - street sweeping  
F.W. Webb- culvert-catch basin supplies  
K.D. Welding & Fabricating - vehicle & equipment maintenance & repair  
Fleet Ready - vehicle maintenance & repair  
Ford of Londonderry - vehicle maintenance & repair  
Future Supply Corp - highway department materials  
Galls - uniforms & accessories  
George E. Sansoucy, PE, LLC - utility appraiser  
Google, Inc. - IT services  
Granite State Minerals - salt  
Green Insurance Associates - Fire Dept. insurance  
HealthTrust - Health & dental insurance / FSA  
Hillsborough County Sheriff's Department - dispatch services  
Howard P. Fairfield - vehicle repair & maintenance  
Hudson True Value - miscellaneous supplies & hardware  
Huntress Uniforms  
Inclusion Solutions, LLC- voting booths  
Industrial Traffic Lines - road striping  
Irving Energy - vehicle fuel  
Jackson Lewis PC  
Jan-Robin Brown - transcription services  
J.G. Grading - winter plowing  
Jolt Electric - electrical repair  
K.D. Welding & Fabricating - highway vehicle repair- winter plowing  
Lakes Region Fire - vehicle repair & maintenance  
L.C. Engineering - planning board engineering (via escrow accts)  
LHS Associates - voting machines, ballots  
Liberty International Trucks - vehicle repair & maintenance  
Brad Coates - police prosecutor services  
Maynard & Lesieur - tires  
McDevitt Trucks, Inc. - vehicle repair & maintenance



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MHQ - police cruiser setup & repair  
M. H. Falardeau Electric  
Mitchell Municipal Group - legal services  
Moore Medical Supply  
Municipal Pest Management - mosquito control  
Nashua Regional Planning Commission - planning & mapping services  
Neptune Uniforms - police uniforms  
NHMA - legislative services  
Northpoint Engineering - engineering services  
NRSWMD - Nashua Regional Solid Waste District  
Onsolve (code red)  
Pennichuck Water Works Inc - water services  
PretiFlaherty - legal services  
Primex - Property Liability, unemployment and workers compensation insurance  
Eversource Energy - electricity  
RTM Communications - IT services  
Rymes Oil - heating and vehicle fuel  
Southern NH Special Operations Unit - Police mutual aid  
Southeastern NH Hazardous Materials District - Hazmat mutual aid  
Southworth-Milton - equipment repair and maintenance  
Taser International - police tasers  
TLC Landscaping Services - recreation field maintenance  
Thomas Closson - legal services  
Town & Country Reprographics - tax bills & vehicle registration reminders  
Town of Hudson - Ambulance - ambulance & dispatch services  
Tri-Tech Software Systems - Police software  
Jason Twardosky - catch basin repair  
Unum Life Insurance - Insurance services  
Verizon Wireless - telecom services  
Waste Management - solid waste disposal  
Watch Guard - video  
W.D. Perkins - fire pump testing and repair  
Winter Equipment Co.