

Purchasing Policy and Procedures

Article I

Purchasing Policy

§ 718-1. Authority

In accordance with the provisions of RSA 41:8, 41:9 and 37:6, the following policy is hereby enacted by the Board of Selectmen and ordered by the Town Manager.

§ 718-2. Purpose

It is the intent and purpose of this policy to establish uniform purchasing procedures for the Town of Hampton to protect the public welfare and to assure fair and equitable treatment in the purchasing of supplies, materials, and services as contained in the purchasing procedures of the Town.

§ 718-3. Purchase of Supplies, Materials, and Services

- A.** All purchases of supplies, materials, and services, including professional services, the cost of which is estimated to exceed \$15,000 shall be allowed only after competitive sealed bids or sealed written professional proposals have been solicited. Excluded from this requirement are legal, engineering and architectural services.
- B.** Town Departments, Boards, Commissions, and Committees shall solicit sealed bids and professional proposals in such a manner that the prepared documents do not contain restrictive or proprietary language unless they are qualified by the use of terminology that will permit the substitution of comparable supplies, materials, and services that will achieve the same goals and objectives regardless of the substitution.
- C.** When bids or proposals are received for the purchase of materials that exceeds \$15,000, the department head will document the bidders or proposers, forwarding the documentation via e-mail to the Board of Selectmen, the Finance Director and the Town Manager together with a statement either that the purchase complies with the purchasing policy or, that the

purchase does not comply with the purchasing policy, and therefore requires a waiver voted by the Board of Selectmen before action can be taken by a department to purchase.
[Amended 12-09-13]

- D.** Engineering and Architecture Services: The procurement of services from engineers and architects shall be based upon their competency, qualifications and experience as determined through a qualification based selection (QBS) process utilizing requests for qualifications (RFQ) and other processes that result in the selection of the most advantageous provider to the Town of Hampton. The issuance of any RFQ's for the procurement of these services shall have prior authorization and approval of the Town Manager or the Board of Selectmen. [Amended 12-01-14]

§ 718-4. Award of Bids or Professional Proposals

Sealed bids or written professional proposals shall be awarded on the following basis by the Town Manager unless otherwise determined by the Board of Selectmen:

- A.** Sealed bids and professional proposals shall be awarded to the lowest responsible bidder or proposer except that, in addition to price, the following shall be considered:
- (1) The ability, capacity, and skill of the bidder or proposer, through the submission of required information as a portion of the bid or proposal, to perform the contract or provide the services required and the qualifications of personnel who will be involved in any work to be performed.
 - (2) Whether the bidder or proposer can perform the contract or provide the service(s) required by the terms of the bid or proposal promptly, or within the time specified, without delay or interference.
 - (3) The character, integrity, reputation, experience, and efficiency of the bidder or proposer.
 - (4) The quality, performance, timeliness, completeness and cost containment of previous contracts or services for the Town or others.
- B.** The Board of Selectmen shall be advised and their concurrence shall be sought in the award of bids or written professional proposals under any of the following circumstances:
- (1) A bid or professional proposal exceeds \$50,000.

- (2) If there are fewer than three bids or professional proposals received in response to a request for bids or written professional proposals.
- (3) If there is a request to award the bid or professional proposal to other than the lowest bidder and the variance between the bidders exceeds 5% of the respective values of the bids or professional proposals.

The Board of Selectmen may authorize exceptions to the requirements to bid and solicit professional proposals by majority vote for items with the estimated cost of \$50,000 or less and by a 2/3rds majority vote for items with an estimated cost of more than \$50,000.

Pursuant to RSA 447:16 contracts awarded under bids for the construction, repair or rebuilding of public buildings, public highways, bridges, or other public works that are in excess of \$35,000.00 shall, as a condition precedent to the execution of the contract, require the posting of security, by bond or otherwise, in an amount at least equal to 100% of the contract price. [Amended 08-10-15]

§ 718-5. Right to Accept or Reject Bids and Proposals

- A. The Town acting through the Town Manager reserves to itself the exclusive right to reject or accept any bid or proposal received as determined by the Town Manager to be in the best interests of the Town.
- B. The Town acting through the Town Manager reserves to itself the exclusive right to reject all bids and proposals received as determined by the Town Manager to be in the best interests of the Town.

§ 718-6. Bids and Proposals to Comply Without Modification

- A. To be accepted, the bid(s) or proposal(s) must, as initially submitted, constitute a complete, unqualified offer that includes all of the material terms of the invitations for bid(s) or professional proposal(s) or solicitation(s) and provides all the terms for the contract, without further modification, for the supplies, materials, or services solicited.
- B. This section shall not be operative where an invitation to bid or a request for a proposal specifically allows for the bidder or proposer to provide alternative bids or proposals or changes in specifications. Such inoperability under this section shall be permitted only where specifically shown in any bid or proposal solicitation, but not otherwise.

§ 718-7. Use of State and Federal Bids and Proposals

In lieu of the requirements contained in this policy, the Town may accept and use collective competitive bids and professional proposals awarded by the State of New Hampshire or the United States Government where those bids or proposals have been conditioned for acceptance and use by the Town. In cases where the Town is utilizing State or Federal funds for projects that require engineering services, those services shall be exempt from the bidding and solicitation requirements contained in this policy where it conflicts with State and Federal laws and regulations. The Board of Selectmen shall be advised of bids and proposals utilizing State and Federal funds, consistent with the provisions of Section 718-4, B of this Policy.

§ 718-8. Notice of Bid or Proposal

An invitation to bid or request for proposals shall be publically announced by posting in 3 public places within the Town, placing the bid or proposal documents on the Town's Website, and if determined by the Town Manager to be appropriate, by mailing invitations to bid and requests for proposals directly to potential bidders and proposers, and forwarding such invitations or requests to construction advertising agencies, association websites, etc. When appropriate the Town may utilize newspaper advertisements to announce invitations to bid and requests for proposals.

§ 718-9. Control, Supervision and Enforcement

The provisions of this policy shall be subject to control, supervision, and enforcement by the Board of Selectmen and the Office of the Town Manager. The Board of Selectmen may authorize exceptions to the requirements to bid and solicit professional proposals by majority vote for items with the estimated cost of \$50,000 or less and by a 2/3rds majority vote for items with the estimated cost of more than \$50,000.

§ 718-10. Signature Required

The signature(s) of the Chairman of the Board of Selectmen or the Town Manager under RSA 37:6 shall be required to award a bid or professional proposal hereunder.

§ 718-11. Purchasing Procedures

The Board of Selectmen may, from time to time, promulgate procedures to make operative the provisions of this policy.

Article II
Purchasing Procedures

§ 718-12. Authority

In accordance with the provisions of RSA 41:8, 41:9 and 37:6 the Board of Selectmen and the Town Manager hereby adopt the following purchasing procedures that govern the purchase of supplies, materials, and services, except legal services, to implement the Purchasing Policy of the Town of Hampton.

§ 718-13. Purpose

The purpose of these procedures is to implement the provisions of the Town of Hampton's Purchasing Policy and to provide guidance to the various officials, department heads and employees of the Town in the proper and required procedures that govern the purchase of supplies, materials and services, and these procedures are to be strictly adhered to in the administration and enforcement of the Town's required purchasing procedures.

§ 718-14. Purchase Requisition Required

All purchases for supplies, materials and services, other than legal services, shall require a properly signed and issued purchase requisition in advance of the acquisition of the supplies, materials, or services procured unless otherwise excepted herein

A. Purchase requisitions for the following items are not required:

- (1) Utility bills;
- (2) Payroll-related items;
- (3) Legal bills;
- (4) Debt service payments;
- (5) Capital lease payments;
- (6) Payment for human services warrant articles;
- (7) Payments to capital reserve funds.

B. Purchase requisitions are not required for subsequent payments for supplies, materials or services for the following items after the first purchase requisition:

- (1) Payments for awarded bids and contracts;
- (2) Payments for awarded professional proposals.

§ 718-15. Purchase Requisition Signing Authority

A. Expenditures not exceeding \$1,000

- (1) The Town Manager, when he or she functions as a department head, and the heads of the various departments that report to the Town Manager who have appropriations approved by the Town Meeting or who have authority to expend funds from expendable special accounts created in accordance with applicable laws have authority to issue, sign and authorize the expenditures of funds through the signing of purchase requisitions when the sums to be expended do not exceed \$1,000 for any one purpose.
- (2) The department heads or the chairmen or other designated members of a department, board, committee or commission that does not report to the Board of Selectmen or the Town Manager that have appropriations approved by Town Meeting or who have authority to expend funds from applicable special accounts created in accordance with applicable laws, and whose bills are paid through the Finance Department have authority to issue, sign and authorize the expenditure of funds through the issuance of purchase requisitions when the sum to be expended does not exceed \$1,000 for any purpose.

B. Purchase requisitions exceeding \$1,000 but less than \$15,000.

- (1) In addition to the signatures required and allowed under Subsection A (1) above, purchase requisitions exceeding \$1,000 but less than \$15,000 shall require the countersignature of the Town Manager, or in his or her absence the Acting Town Manager, or in the absence of the Town Manager and the Acting Town Manager the Finance Director may countersign purchase requisitions.
- (2) In the case of purchase requisitions authorized under Subsection A (2) above; only one signature shall be required.

C. Purchasing exceeding \$15,000.

No supplies, materials or services, the cost of which exceeds \$15,000, shall be purchased, ordered or received by any officer, department head or employee of the Town without the awarding of a contract, bid or professional proposal in accordance with the public bidding process or through the solicitation of a professional written proposal as required under the provisions of these purchasing procedures and the Purchasing Policy of the Town of

Hampton. The countersignature of the Town Manager, Acting Town Manager, or Finance Director is necessary to validate a purchase requisition under this subsection.

Cable TV Revolving Fund

D. All purchase orders in subsections 3-4 immediately following, shall be forwarded to the Board of Selectmen for inclusion on the Selectmen's agenda at a posted meeting for consideration of approval before the purchase is made.

All expenditures from the Cable TV Revolving Fund shall be approved by the Cable Committee at a publicly noticed meeting on the following basis:

- (1) Expenditures not exceeding \$1,000 - The Chairman of the Committee has the authority to issue, sign and authorize expenditures from the fund, through the signing of a purchase requisition when the sum does not exceed the \$1,000 for any one purchase.
- (2) Expenditures with a value between \$1,001 and \$5,000 - Purchase orders in this category shall be signed by the Chairman of the Committee and processed in accordance with this purchasing policy in the following manner: solicitation of at least three verbal quotes from separate vendors. The purchase order shall include written evidence of the quotes received.
- (3) Expenditures with a value between \$5,001 and \$9,999 - Purchase orders in this category shall be signed by the Chairman of the Committee and processed in accordance with this purchasing policy in the following manner: solicitation of at least three written quotes from separate vendors. The purchase order shall include written evidence of the quotes received.
- (4) Expenditures with a value in excess of \$10,000 - Purchase orders in this category shall be signed by the Chairman of the Committee and processed in accordance with this purchasing policy in the following manner: the solicitation of at least three sealed bids. The purchase order shall include written evidence of receipt of the bids.

§ 718-16. Exceptions to Public Bidding or Professional Proposal Requirements

The requirement for public bidding or written professional proposals may be excepted where it can be demonstrated to the Board of Selectmen's satisfaction that the particular supply, material or service can only be provided by a single source supplier or when the Town Meeting specifically votes to purchase a particular supply, material or service from a specific provider and no other or

when there is a declared public emergency that requires immediate action to procure a particular supply, material or service.

§ 718-17. Emergencies

When the public health and welfare, because of a declared public emergency, requires the immediate purchase of supplies, materials or services, the Board of Selectmen, Town Manager or individual department head or individual boards, committees or commissions responsible for emergency services shall have authority to purchase needed supplies, materials and services to meet the needs of the public emergency without the necessity of obtaining approved purchase orders. In such cases, purchase requisitions shall be completed following the emergency.

§ 718-18. Monthly Purchase Requisitions

Departments and others may provide for the issuance of monthly purchase requisitions for the purchase of small items necessary to be acquired immediately for the completion of ongoing work so that the ongoing work may continue without interruption, provided that the monthly purchase requisitions do not exceed \$1,000 to a single vendor within a thirty-day period.

§ 718-19. Contents of Purchase Requisitions

Purchase requisitions shall be completed before the ordering or purchasing of supplies, materials and services, and shall contain the following information: the name and address of the vendor; the name and address of the purchasing department; the location to which the supplies, or materials are to be shipped or delivered; the quantity to be purchased; a description of the supplies; materials or services to be purchased; including any shipping expense and/or delivery costs (note that the costs need not be exact if unknown but an estimated amount must be supplied by the vendor); the date issued; and the authorized or required signature(s).

§ 718-20. Purchase Requisition Distribution

Purchase requisitions, following their completion and signing shall be distributed as follows: the original to the vendor; a copy to be retained by the issuing department and attached to the billing received from the vendor for payment; a copy to be forwarded to the Finance Department upon the issuance of the completed purchase requisition.

§ 718-21. Expiration of Purchase Requisition

Purchase requisitions once issued are valid for a period of no longer than six months or until the expiration of the fiscal year of their issuance.

§ 718-22. Repeal and Applicability

The adoption of this policy automatically repeals any and all past policies or practices that may have been or currently are in force, but does not apply retroactively to purchases already agreed to in behalf of the Town.

§ 718-23. When Effective

This policy shall become effective upon its adoption by the Board of Selectmen.

Adopted: June 18, 2012; Amended: December 27, 2012; May 06, 2013; December 09, 2013; December 01, 2014; August 10, 2015.

Hampton Board of Selectmen

Richard P. Griffin, Chairman

Russell D. Bridle, Vice Chairman

Mary-Louise Woolsey, Selectman

Philip W. Bean, Selectman

James A. Waddell, Selectman