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**TOWN OF MILFORD BOARD OF SELECTMEN POLICY NO. 2007-01**

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**TO:** ALL DEPARTMENT HEADS, BOARDS, COMMISSIONS, COMMITTEES  
**FROM:** JOHN SHANNON, TOWN ADMINISTRATOR  
**SUBJ:** POLICY ON PURCHASING AND PROCUREMENT  
**DATE:** MONDAY, FEBRUARY 8, 2021

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At a meeting of the Milford Board of Selectmen held on Monday, February 8, 2021, the Board of Selectmen voted to amend the following Policy regarding Purchasing and Procurement:

**SECTION I: PURPOSE**

The Procurement Policy of the Town of Milford, is adopted for the purpose of providing the best guarantees that tax money and public funds are spent in the most prudent fashion, as well as assuring the goods and services required by the departments of the Town are acquired in a timely manner and at the most economical price. This policy provides direction as to the steps involved in the procurement of all goods and services for the Town.

**SECTION II: AUTHORITY**

This Policy is adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

**SECTION III: CONFLICT OF INTEREST**

In accordance with RSA 95:1 no person holding a public office in the Town of Milford, 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 \$250 at any one sale to or from the Town of Milford. This shall also apply to all employees of the Town of Milford.

**SECTION IV: OBJECTIVES**

- A. To seek competitive quotations based on the dollar limits outlined.
- B. To, wherever possible, consider the use of State contracts for goods and services.
- C. To, wherever possible, consider to use one vendor and purchase in bulk, in order to take advantage of any available discounts.
- D. To provide a procedure for the disposal of surplus property.

**SECTION V: EXEMPTIONS**

Select exemptions from the Procurement Policy shall be permitted as specifically authorized by the Board of Selectmen each calendar year.

**SECTION VI: PROCUREMENT AUTHORITY**

Authority for the procurement of goods and services shall be as outlined below.

- A) **\$0 to \$7,500:** A Department Head shall have full authority to approve procurement of departmental goods and services up to **\$7,500** provided such good(s) or service(s) are identified within the department's annual budget.
- B) **Greater than \$7,500:** The Town Administrator shall have full authority to approve procurement of goods and services provided such good(s) or service(s) are identified within the Town's budget.

- C) **Greater Than \$25,000:** Approval of the majority of the Board of Selectmen is required for the procurement of goods and services in excess of \$25,000, which are not otherwise approved in the budget, or when the low bid is not recommended by Staff.

## **SECTION VII: PROCUREMENT PROCESS**

The process for procurement of goods and services shall be as outlined below with each amount designated to be a gross amount:

- A) Less than **\$2,500:** For procurement of **\$2,500** or less there is no requirement to obtain written or verbal quotes.
- B) **\$2,501 to \$10,000:** For total procurement between **\$2,501 and \$10,000**, contact as many vendors as necessary in order to obtain at least three (3) quotations. Quotation may be written or verbal, although final procurement shall not be permitted without a written quotation. In the event less than three (3) quotations are available; evidence of the attempt to obtain them should be attached to the purchase order.
- C) **\$10,001 to \$25,000:** For total procurement between **\$10,001 and \$25,000**, contact as many vendors as necessary in order to obtain at least three (3) *written* quotations. The Department Head shall present these quotations to the Town Administrator, along with a recommendation, for their approval. In the event less than three (3) quotations are available; evidence of the attempt to obtain them should be attached to the purchase order.
- D) Greater than **\$25,001:** All procurements having an estimated cost in excess of **\$25,001** shall be bid pursuant to the competitive procurement guidelines established in this policy

Competitive Bidding and Request for Proposal requirements are provided for in Appendix A which is hereby made part of this policy.

In no instance may the Authority or Process levels be circumvented by making multiple individual purchases in succession or breaking up common service or vendor procurements. Any justified changes to an original procurement that moves procurement from one level or Authority or Process shall be acted on by the higher level.

## **SECTION VIII: ADDITIONAL PROVISIONS**

- A) **Sole Source Proposals:** The Town of Milford 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.
- B) **Emergency Procurements:** An emergency purchase may be made by a Department Head only if the normal operations of the department are in jeopardy. This shall generally mean or relate to emergency repairs to equipment or facilities which must be kept operating to protect the health and/or safety of persons, or property.  
For purposes of this paragraph only, the competitive procurement provisions of these policies may only be waived in case of an emergency by the Town Administrator, Chairman of the Board of Selectmen, or their designee (whoever is most readily available). This waiver shall only be considered when there exists a special emergency involving the health and safety of the people or their property.
- C) **Disposal of Surplus Property:** The Department Head must present any property (non-real estate), which is considered to be surplus and valued at over \$500, to the Town Administrator with a recommended method of disposition for approval. Various possible disposition means are the sealed bid or auction process, State surplus auction, trade in usage, retained for usage as parts, or transfer to another Town Department. The Department Head may dispose of any surplus items with a value of less than \$500, as they deem appropriate.

**SECTION IX: AMENDMENTS**

These policies may from time to time be amended by the vote of the Board of Selectmen at a properly scheduled Selectmen's Meeting.

**SECTION X: EFFECTIVE DATE**

These policies shall be effective upon a vote of the Board of Selectmen and shall replace any and all bid procedures or policies previously enacted by the Town.

**SECTION XI: PURCHASE ORDERS**

All purchases in excess of \$2,500 shall require a purchase order following the approval process detailed in Section VI.

**SECTION XII: CREDIT CARDS**

Credit cards purchases are subject to the Procurement Policy. Policies specific to the use of credit cards are covered in the "Credit Card Purchasing Policy" adopted May 14, 2012.

## Appendix A

### REQUEST FOR PROPOSALS

Certain professional services, such as architectural and 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.

When soliciting for RFP's the specifications must contain the following information: scope of services to be performed; timing; evaluation criteria; minimum qualifications of professional experience; and price.

The Town shall solicit proposals from at least three (3) vendors providing the professional service. Selection should be made by utilizing the following criteria: proposal review; interview of individual; and reference checks, including site visits if applicable.

### COMPETITIVE BID

1. The Town will maintain a contractors / vendors file according to type of good or service provided, which will be used to send specific specifications to particular vendors.
2. Each department shall maintain contract files in accordance with the State of NH's record retention rules. Each file shall contain the following, minimum information for the retention period, as appropriate:
  - a) Bid specifications, public notice of bid solicitation and other relevant pre-solicitation documents;
  - b) Records of recommendations, justifications, and approvals;
  - c) Lists of those vendors/individuals sent the bid specifications;
  - d) Copy of each offer or quotations and any records or documentation. Any unsuccessful offers will be maintained in the contract file;
  - e) Record of any required approvals;
  - f) Notice of bid award;
  - g) The original of the signed contract or bid award, all contract modifications, and other change orders or amendments;
  - h) Bid, performance, or other bond documents or a reference thereto.
3. **BID SPECIFICATIONS:** The Department Head shall prepare specifications for bid items, and shall submit the final specifications to the Town Administrator for approval prior to solicitation of bids. As part of the specifications, the Department Head should always include the following minimum items or requirements:
  - a) Bidders must clearly identify the product or service on which they are bidding on all envelopes.
  - b) Bidders shall provide samples with the bid when applicable. All samples will be returned to the vendors after the bid completion.
  - c) The Town's Tax Exempt Number: #xx-xxxxxxx.
  - d) The terms of the contract, including effective dates, extension terms, termination clauses, and other applicable terminology.
  - e) The party responsible for the freight and insurance charges, as well as how damaged goods will be returned and the extent of guarantees.
  - f) Where applicable, performance bonds will be required and shall always be required, as specified by RSA 447:16, for construction projects with a value greater than \$25,000.
  - g) A statement which reserves the Town's right to reject any and all bids, negotiate any contracts and waive any informalities in the bid process.
  - h) A statement, which reserves the Town's right to consider substitution of equivalent items and

under what conditions. The specifications shall include a statement, which requires the bidder to submit documentation for all substitutions and exceptions.

- i) Where applicable, the Town will hold a bidders conference to acquaint the bidders with the process, and to address any special concerns, questions or request for exceptions that may arise.
- j) Minimum quantity and quality requirements. These requirements should be specific enough to ensure the desired level of quality, but also must be flexible enough to elicit multiple bids.
- k) The following non-collusion clause shall be part of every bid specification package. A bidder must sign this statement in order for the bid to be valid.

"The undersigned certifies under penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As used in this section the word "person" means any natural person, joint venture, partnership, corporation or other business or legal entity."

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(Name of person signing bid)

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(Date)

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(Company)

4. **PUBLIC NOTICE:** The Town Administrator shall invite all bids by advertisement in at least one (1) newspaper of general circulation in the Town of Milford, such publication to be at least fourteen (14) days before the time of the bid opening. All bid notices must remain posted in at least two public places, one of which must be at the Town Hall, for a period of not less than two weeks (14 days). To save on advertising costs, multiple bids should be advertised in single advertisements where deemed practical.

The invitation to Bid shall include the following information:

- a. time and date of receipt of bids
- b. address to which the bid is to be delivered
- c. date by which the Town may accept the bid and contract with the vendor
- d. a general description of the good or service being purchased
- e. any and all contractual terms and conditions applicable to the purchase
- f. indicate where and when an invitation to Bid may be obtained
- g. indicate where and by what date bids must be submitted
- h. indicate where and when bids will be opened, and by whom
- i. provide a description of the good or service requested
- j. reserve the Town's right to reject any and all bids

5. **AVAILABILITY OF SPECIFICATIONS:** The Town Administrator shall mail copies of the specifications to those firms/vendors as listed in the contract files as well as additional firms who may request a copy. The Town Administrator reserves the right to charge for copies according to size and complexity (i.e. construction drawings, etc.)

6. **SAMPLE BID PUBLIC NOTICE:** "The Town of Milford, New Hampshire is currently accepting bids for the (name of bid item). Bid specifications are available from the Town Administrator's Office, 1 Union Square, Milford, New Hampshire, 03055, (603) 673-2257. Sealed bids will be received until 2:00 PM, October 23, xxxx. Bids will be publicly opened and read at that time, and approved by the Town Administrator with time to be determined. The Town of Milford reserves the right to reject any and all bids if deemed in the best interest of the Town."
7. **ACCEPTANCE OF BIDS:** The Town Administrator shall accept all bids up to the time specified for receipt of bids in the Public Notice. All bids will be dated and time stamped by the Selectmen's Office. Any late bids will be rejected. A bidder may correct, modify, or withdraw a bid by written notice received in the Selectmen's Office before the time and date set for the bid opening.
  - a) Telegraphic bids (meaning by telegram, mailgram, or by facsimile) will be considered or accepted unless prohibited by the solicitation.
  - b) Bids must be submitted in accordance with the bid solicitation. If a bidder chooses to use its own bid form or a letter to submit a bid, the bid will be considered only if the bidder explicitly, in written form, accepts all the terms and conditions of the invitation and further that the award of the bid would result in a binding contract under the terms and conditions of the solicitations and other terms and conditions contained in the submitted bid which do not conflict with those in the solicitation.
8. **BID OPENING:** All bids will be opened by the Town Administrator at the time and date specified in the Public Notice. The names and quotes for all bidders recorded, and made available for public inspection. The Town Administrator may authorize a designee to open the bids. The Town Administrator shall notify all bidders of any changes in the opening time and/or date.
9. **BID CORRECTIONS:** After the bid opening, the bidder may not amend, correct, modify, or change in any fashion a bid, which would be contradictory to the interests of the Town of Milford or fair competition. The Town Administrator may waive minor informalities, or allow the bidder to make corrections, as long as the intent of the bid is not disturbed.
10. **BID AWARD:** Bids meeting the specifications shall be reviewed by the Department Head in consultation with the Town Administrator and others as needed. A recommendation shall be made to the Board of Selectmen for approval, if the preferred vendor is not the low bidder.

The Town Administrator shall award the contract to the successful bidder or Board of Selectmen approved bidder and be responsible for preparing Notice of Bid Awards and submitting same to the successful bidder as well as all other bidders.
11. **CONTRACTOR QUALIFICATIONS:** To be determined responsible, a prospective contractor must:
  - a) have adequate financial resources to perform the contract, or the ability to obtain them;
  - b) be able to comply with the required or proposed delivery or performance schedules;
  - c) have a satisfactory performance record;
  - d) have a proven record of integrity and business ethics;
  - e) have the necessary organization, experience, technical skills, and support staff, or the ability to obtain them;
  - f) have the necessary production, construction, and repair equipment and parts required to fulfill the contract requirements.
  - g) provide at least two references and phone numbers.

Approved by Board of Selectmen:

February 8, 2021  
Date

Gary Daniels  
Chairman

Paul Dorigo  
Vice Chairman

Lauram Dodge  
Selectman

[Signature]  
Selectman

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Selectman

