



Town of Winthrop

Municipal Purchasing Policy

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SECTION I. PURPOSE

The purpose of this policy is to standardize the purchasing procedures of the Town of Winthrop, thereby securing for the Town the advantages of a uniform purchasing policy to both save money and increase transparency and public confidence in the procedures for municipal purchasing. Additionally, it is to promote the fair and equitable treatment of all suppliers of goods and services, and to clearly set forth the duties and responsibilities of the department heads and the purchasing agent.

SECTION II. DEFINITIONS

1. **Bid:** For purposes of this policy, the term “request for bids” shall also include “request for proposals” or “request for qualifications.”
2. **Bid Most Advantageous to the Town:** A bid chosen based on price, quality of merchandise, suitability of merchandise, and service/reputation of the vendor, and, therefore, may not necessarily mean the lowest bid received.
3. **Competitive Bidding:** The process of obtaining the most advantageous bid for any purchase, whether through formal or informal procedures.
4. **Emergency:** Any situation or circumstance that will inhibit a department from delivering services when said services are, or may be, needed.
5. **Field Purchase:** An informal purchase of supplies needed in small quantities from any vendor for day-to-day operation made directly by a department head or his/her designee.
6. **Formal Bid:** A written quotation received in a sealed envelope from a vendor, having been publicized, and opened at a specified day, time and place.
7. **Invitation to Bid:** The complete assembly of specific related material (whether attached or incorporated by reference) furnished to prospective bidders in a formal bid process.
8. **Informal Bid:** A written quotation from a vendor that is not required to be opened publicly at a specified time, day and place. Oral quotations from vendors must be documented in writing by the department head; the documentation should include the vendor, the quote and the time and date at which it was rendered.
9. **Purchase:** Buying, renting, leasing, or otherwise acquiring supplies or services for a price.
10. **Purchasing Agent:** Purchasing Agent means the town manager or the town manager’s designee.
11. **Services:** The lease or rental of equipment; the repair or maintenance of equipment owned by the Town or that is the responsibility of the Town; all labor furnished to the Town by persons, firms, individuals, or corporations not part of, or connected with, Town government. It shall not include:

11.1. Professional services provided to or for the Town by attorneys, architects, engineers, auditors, and other professional consultants; should the Town elect to purchase professional services using the competitive bidding process, a Request for Qualifications (RFQ) will be issued.

11.2. Utilities such as electricity, water, sewer, etc.

12. **Specifications:** Standards, including quality, set by department heads as a guide to the purchasing agent and as a measure that successful vendors must achieve. Specifications shall be either technical specifications for bids, which shall state formulations as broadly as is practicable, yet be specific enough to meet the requirements of the department; or non-technical specifications for bids that shall state in general terms how the quality requirements will be achieved. Department heads may rely on technical advice from suppliers, salespersons and other agencies in developing specifications.

13. **Supplies:** All materials and equipment.

SECTION III. APPLICABILITY

This policy shall apply to purchases made by departments and agencies of the Town, except as otherwise specified herein.

SECTION IV. PURCHASING AGENT: POWERS AND DUTIES

The Town Charter (section 301.6) entrusts the duties of purchasing agent to the town manager. Without limitation, these duties include: administering purchasing policies, maintaining files containing all information regarding town purchase performance, negotiating and approving purchases requested by town departments, consolidating purchases of like or common items, and continually evaluating the purchasing process. Individual department heads are charged with determining what goods and services are necessary for the provision of services within their purview, along with the specifications for any necessary goods and services. The town manager shall retain final authority on the issuance of invitations to bid and awarding of bids or recommendations to the Town Council regarding awarding of bids.

SECTION V. PURCHASE LIMITS

For the purpose of this policy, purchases will be classified into four categories:

- Small or Field Purchases of under \$5,000
- Medium Purchases of between \$5,000 and \$9,999
- Large Purchases of between \$10,000 and \$25,000
- Extra-Large Purchases of more than \$25,000

The following purchasing (dollar) limits shall pertain to all purchases made by, or on behalf of, the Town of Winthrop, except as otherwise provided within this policy:

1. A department head, or the department head's designee, may make a small or field purchase when the total price for the goods and/or service being purchased is less than \$5,000.
2. For medium purchases of \$5,000 to \$9,999, department heads must obtain at least three (3) verbal (documented) or written quotes to ensure the best price is secured for the town.
3. Large purchases of \$10,000 to \$25,000 can be made only after an **informal or formal** competitive bidding process; purchases in excess of \$25,000 must involve a **formal** competitive bidding process.
4. Department heads are not to resort to multiple or separate purchases to circumvent the intent of this purchasing policy. Additionally, cumulative payments to the same provider within a fiscal year totaling \$25,000 or more must be procured through the formal competitive bidding process.
5. **Emergencies:** Purchases made in emergency circumstances shall be exempted from the aforementioned limit. Notification that an emergency exists shall be made to the town manager. A discussion between the department head and town manager shall take place specifying the nature of the emergency, the source of funding for the emergency purchase, and the most advantageous way to make the purchase.
6. **Waiver/Sole Source:** A waiver from the bid process may be granted by the town manager if only one supplier/source can deliver the required product or service within the timeframe needed, to the best of the requestor's knowledge and belief, based upon thorough research.
7. **Combined Purchases:** The town manager is authorized to combine with other units of government or with the Maine Municipal Association, the Kennebec Valley Council of Governments, State Purchasing Cooperatives, and other quasi-governmental organizations for purchasing purposes, in which event such regulations as may be jointly agreed to shall be applicable, in lieu of the regulations herein. Combined purchases remain subject to competitive bidding.
8. **Local Preference:** The Town may give preference to local bidders if the difference between the lowest responsible bids submitted by companies or individuals located in Winthrop and those not located in Winthrop is 5% or less. For purposes of this policy, "located in Winthrop" shall mean bidders whose company headquarters are in Winthrop, and/or who pay excise tax on their vehicles in Winthrop, and/or who pay personal property tax in Winthrop. Individuals offering supplies or services shall be classified as "located in Winthrop" if they are residents of the Town of Winthrop.

SECTION VI. COMPETITIVE BIDDING

The procedure for competitive bidding shall be as follows:

1. **Formal competitive bids** shall be required for all purchases more than \$25,000 unless specifically exempted by this policy or by action of the town manager or Town Council. Formal bidding procedures are specified in Section VII and shall be followed by the purchasing agent or his/her designee.
2. **Informal competitive bidding procedures** shall be allowed when a large purchase total is between \$10,000 and \$25,000. Informal bidding procedures are specified in Section VIII and shall be followed by the purchasing agent or his/her designee.

SECTION VII. FORMAL COMPETITIVE BIDDING (\$25,000 >)

The procedure for formal bidding shall be as follows:

1. The department head or purchasing agent shall prepare the invitation for bids, describing the Town's requirements clearly, accurately, and completely, but avoiding unnecessarily restrictive specifications that unduly limit the number of bidders. The purchasing agent shall determine that the requirements are clearly, accurately, and completely stated within the invitation to bid. Prior to publication, the Request for Proposals will be shared with the Town Council for input. Every invitation to bid shall note all purchases are subject to the conditions set forth in Section IX, hereof.
2. The department head or purchasing agent shall publicize the invitation for bids through the following methods at least ten (10) calendar days prior to the time set for public opening of sealed bids:
 - 2.1 Distribution to prospective bidders, either by mail or email;
 - 2.2 The Bids and Proposals page on the Maine Municipal Association website, and if applicable, the websites of other statewide municipal associations;
 - 2.3 The Town of Winthrop website and Facebook page; and/or
 - 2.4 All other means as the purchasing agent determines are appropriate.
3. Bidders shall submit sealed bids to the Town prior to the date and time specified for the opening of bids. Upon receipt, the time and date the bid was delivered shall be stamped on the envelope. No email, attachment, or faxed bids will be accepted.
4. Late bids shall not be accepted.
5. Bids shall be publicly opened at the time and place specified in the invitation to bid; vendors are welcome to attend bid openings. The Town Council shall approve a purchase and/or contract whenever a Request for Proposals is published. Pending Town Council approval, a contract may then be awarded to the responsible bidder whose bid best meets specifications required by the Town and whose bid is determined to be the most advantageous to the Town. Award may be delayed pending verification of the bidder's credentials, insurance

(if required), and references or review of the bids received.

6. Nothing in this Section shall preclude the Town from rejecting any and all bids or, in the case of a bid with multiple components/purchases, portions of any bid.

SECTION VIII. INFORMAL COMPETITIVE BIDDING (\$10,000 to \$25,000)

The procedure for informal bidding shall be as follows:

1. The department head or purchasing agent shall prepare specifications that describe the Town's requirements clearly, accurately, and completely, while avoiding unnecessary restrictive specifications that unduly limit the number of bidders.
2. The purchasing agent, his/her designee or department head shall seek a minimum of three bids through:
 - 2.1. Distribution to prospective bidders (*e.g.* personal contact, including mail, email, phone call) seeking written quotes;
 - 2.2. Internet searches of sites offering the supplies or services the Town wishes to procure;
 - 2.3. The Bids and Proposals page on the Maine Municipal Association website, and, if applicable, the websites of other statewide municipal associations, if the department head so chooses;
 - 2.4. The Town of Winthrop website and Facebook page, if the department head so chooses.
3. For published requests for bids, bidders must submit bids to the Town prior to the date and time specified for the receipt of bids in the posting. If less than three bids are received or, if in the opinion of the department head or purchasing agent, no bids are acceptable, re-bidding may be required. Verbal bids are acceptable but shall be noted in the bid file in accordance with Section IX (1.5).
4. Late bids shall not be accepted in response to published requests for bids.

SECTION IX. ADMINISTRATIVE PROCEDURES & CONDITIONS

Competitive bids shall be administered by the purchasing agent and shall be subject to the following conditions:

1. The department head or purchasing agent shall establish a bid master file that includes a check-off sheet and all required documentation, including, but not limited to:
 - 1.1. Bid specifications
 - 1.2. Conflict of Interest form, when appropriate
 - 1.3. Copies of advertising/web postings, and where
 - 1.4. Mailing/contact lists
 - 1.5. Bid responses (verbal responses must be documented in writing by department heads, to include vendor, quote and time it was given)

- 1.6. Bid tabulation
- 1.7. Award letter/rejection letters (required for Formal Bidding only)
- 1.8. Post bid results on the Town website
2. Bid format:
 - 2.1. Bid packages will be, whenever possible, standardized.
 - 2.2. Bid specifications will be, whenever practical, in a standardized format depending on the category of goods or services sought.
 - 2.3. Establishing bid specifications shall be the responsibility of the department head or purchasing agent.
3. Bid advertising shall follow the procedures specified in Sections VII and VIII.
4. Requests for Bids shall be mailed or advertised at least ten (10) calendar days prior to the deadline set for the receipt of bids.
5. The department head or purchasing agent may hold a bid specification meeting when a particular project is complex or when it will clarify the project or service required. The meeting shall be open to all interested perspective bidders. Said meeting time and place shall be included in the bid documents and all advertisements.
6. Bids shall be noted with the time and date received.
7. The department head or purchasing agent shall keep a record of all bids submitted, and such records shall be open for inspection.
8. All bidders shall be notified in writing of bid results within ten (10) days after the bids are opened for Formal Bidding only.
9. Tie bids shall be resolved by the town manager.
10. All bids shall be awarded based on the bid most advantageous to the Town, which may or may not be the lowest bidder.
11. The Town reserves the right to reject any and all bids, or to accept a portion of a bid or the bid that appears to be most advantageous to the Town, investigate the qualifications of any bidder, and to waive or not waive any and all formalities in the bids when making an award.
12. The Town retains custody of all bids submitted, pursuant to this policy.

SECTION X. DUTIES OF DEPARTMENT HEADS

1. Determine acceptable quality of commodities and supplies to be purchased.
2. The department heads are empowered to reject any unacceptable supply of goods and/or materials provided to the Town by a vendor on the grounds of low quality. The department head shall notify the purchasing agent

of the rejection and supply a written report supporting the rejection.

3. Prepare requisitions with an eye toward cooperative purchasing and keep corresponding records to facilitate correct accounting charges. Department heads shall be responsible for signing off on invoices for goods and services purchased by their department in a timely fashion.
4. When appropriate, report to the purchasing agent the following:
 - 4.1. Items beyond use;
 - 4.2. Items being replaced or to be replaced;
 - 4.3. Items no longer of use to the department operations.
5. Maintain adequate supplies on hand to minimize the need for direct field purchases.
6. All other duties as outlined in this document.