

Town of Southbury
Procurement and Bidding Policy

Approved and adopted by the Board of Selectmen, March 7, 2019

I - Objective

This policy regarding procurement of goods and services by the Town is intended to promote an effective balance between the following concerns:

- a. Confidence that the Town will seek the best value for taxpayer dollars;
- b. Financial and operational transparency;
- c. Clear guidance for Town staff; and
- d. Operational efficiency.

II - General Provisions

1. Department Heads may approve expenditures (e.g. supplies, contracted services, equipment, etc.) of \$1,500 and under; the Finance Director shall approve expenditures up to \$7,500; expenditures over \$7,501 must be approved by the Finance Director and the First Selectman. In all cases, expenditures should only be approved when the approving party is satisfied that it is the best interest of the Town and a reasonable number of quotes have been obtained.
2. Price quotations for expenditures between \$1,501 and \$7,500 may be obtained by letter, fax, e-mail, telephone call or online search and shall be documented in writing. Telephone quotes should be confirmed via e-mail. A minimum of three quotations should be obtained, if possible. When it is not possible to obtain three quotations, the reason shall be documented in writing. All such documentation shall be submitted and maintained with the purchase order for approval.
3. Price quotations for expenditures between \$7,501 and \$25,000 may be obtained by letter, fax, e-mail or online search and shall be documented in writing by the town employee receiving same. A minimum of three quotations should be obtained, if possible. When it is not possible to obtain three quotations, the reason shall be documented in writing. All such documentation shall be submitted and maintained with the purchase order for approval.
4. Quotes shall be considered valid for no longer than one year, provided that market conditions have not significantly changed.
5. Every two years, all staff members who are authorized to approve purchase orders shall review the bid policy and sign a document that attests to the fact that they understand the policy and understand that their approval of a purchase order means that they have complied with the policy.
6. For expenditures over \$25,000: a sealed bid is required and the award shall be made at a public meeting of the Board of Selectmen and documented in the minutes thereof based on a review of the tabulation sheet of sealed bids received.

Bids shall be awarded to the lowest qualified, responsible bidder. Requests for bids will be posted on the town website, the State DAS (Department of Administrative Services) portal and published in an area newspaper or other generally accepted media of general circulation as well as being sent directly to bidders that are deemed qualified per the bid request standards. All awards approved in accordance with this section, together with the identity of all entities submitting bids and their respective amounts, shall be posted on the Town web-site.

7. Expenditures to be fully or partially funded with third party sources (grants, insurance proceeds, etc.), the approval procedure to be followed shall be based on the total amount of funds to be expended, unless the third party permits or requires a different process.

8. Splitting purchases specifically to avoid purchase limits, approval requirements, or any other procurement/bidding procedures or rules is strictly prohibited.

9. When sealed bids are required and only one bid is received, the bid will be evaluated by staff to determine whether the bid is fair and reasonable and reflects a sound value for the Town. The evaluation procedure may include, among others, evaluation of anticipated price competition by the bidder; examination of catalogs, established price lists, government contracts or pricing agreements; review of prior bid results; comparison to pricing of similar items; inquiry into like sales to other purchasers; application of parametric or statistical estimating methods; review of historical prices; utilization of independent estimates and analysis of pricing information provided by the bidder. The results of this evaluation and recommendations shall be reported to the Board of Selectmen for their approval.

10. If two or more submitted bids or price quotations are deemed to be equal, a submitting entity that is also a Southbury taxpayer shall be given preference.

11. Appropriate documentation; sealed bids, written price quotations, bid/price quotation tally sheets, etc., supporting all expenditures shall be retained in town records for period of time set forth in the town's records retention schedule.

12. Requests for sealed bids/proposals/qualifications shall be approved by the Finance Director and First Selectman, who are responsible to see that the bids are not self-selecting or rigged. All such requests shall contain a statement that the Town reserves the right to reject any or all bids/proposals/statements of qualifications or any part thereof.

13. All requests for sealed bids/proposals/qualifications shall be noticed in appropriate media, posted on the Town website, and may be posted on other appropriate websites.

14. All sealed bids will be opened publicly by the First Selectman and Finance Director, or a designee appointed by either or both for such purpose, at a pre-announced time and place before the date on which the Board of Selectmen considers them.

A bid control sheet listing the names of bidders and amounts of their bids, for subsequent review by the Board of Selectmen, will be prepared and signed by those opening the bids to tabulate all bid proposals received.

15. Any bidder who is found by the Tax Collector to be delinquent in the payment of taxes for either personal or real property shall not be deemed a qualified bidder.

16. No purchase order for expenditures approved in accordance with this policy shall be issued prior to completion of any vendor due diligence process established by purchasing procedures and receipt of requisite vendor W-9 forms.

17. The Board of Selectmen may, in the event of a public emergency or when in its judgment compliance with this policy is neither feasible nor in the best interests of the Town, waive any provisions of this policy. Such action, together with the rationale therefore, shall be documented in the minutes of the meeting at which the waiver is approved.

18. Notwithstanding the inclusion of specific procedures within this policy statement, it is the responsibility of the Finance Director to proactively pursue and implement best practice procedures that in turn implement this and other internal control and fiscal policies within town government.

19. Although obtaining multiple price quotes is generally beneficial in certain and is encouraged in most instances, the following purchases/ expenditures are exempt from the requirements established by this policy:

- a. Insurance: e.g. medical, liability, property, bonds, workers compensation, etc.
- b. Payments to Town approved entities (e.g. Lake Authorities) that have been incorporated in the Town budget.
- c. Utilities: e.g., electricity, natural gas, water, phone, fuel (diesel, gasoline, and heating oil), based on a good faith market review in consultation with the Finance Director and First Selectman.
- d. Legal, accounting, actuarial and insurance brokerage services;
- e. Expenditures for maintenance/support agreements, licensing, additional modules and/or professional services obtained from vendors who have supplied the related hardware, software or service already deployed by the Town.
- f. Items purchased from the State of Connecticut's official competitive bid list;
- g. Items purchased from competitive bid lists compiled by purchasing cooperatives or regional purchasing agencies, provided that the Board of Selectmen has previously approved such entities;

- h. Items listed in the State of Connecticut's official competitive bid list or other competitive bid lists approved by the Board of Selectmen but purchased from a different source identified through informal requests for price quotes, provided that such expenditure, the vendor and price thereof, and the price set forth in the State of Connecticut of other approved competitive bid list is reported to the Board of Selectmen at its next regularly scheduled meeting and reflected in the minutes thereof; and
- i. Refunds of Town taxes overpaid.

20. When making a purchase over \$25,000 using a Connecticut Department of Administrative Services bid, a Capital Regions Council of Governments Purchasing Council bid, an approved competitive bid conducted by a municipality, district, public agency or other political subdivision of the State, an approved cooperative procurement bid, or any other competitive bid list approved by the Board of Selectmen, a Department Head should consider or review:

- a. any other cooperative contracts available for similar products or services and evaluate whether the use of a cooperative contract is appropriate;
- b. the product or service specifications, price, terms and conditions and other factors to ensure that the cooperative contract produces the best value and is economically advantageous to the Town.

21. The Department Head may also consider any one or all of the following:

- a. Consider all costs associated with conducting an independent competitive solicitation.
- b. Confirm that the cooperative price is reasonable by obtaining one or more informal quotes, comparing costs to recent purchases of similar products or services by others, and/or comparing price to published data.
- c. Consider whether the bid was competitive by evaluating the number of bidders and potential bidders.
- d. Confer with other professionals to verify value of the cooperative bid.
- e. Perform any other reasonable check to validate the cooperative bid.

22. An Operating Procedure Manual, containing a summary of the approved bidding and procurement policy, sample forms and a step by step procedure overview, shall be developed and distributed/shared with every employee who prepares purchase orders or RFPs. This document shall be reviewed and updated as necessary every two years. The Finance Director or his/her designee(s) shall be responsible for this activity.

III Special Provisions

A. Rental of Construction Equipment

1. The Town of Southbury acts as its own general contractor on selected road improvement and maintenance projects utilizing its own manpower and equipment. At times the Town needs to supplement its own equipment and operators with construction equipment and operators rented from local contractors. These special provisions regarding rental of construction equipment are intended to establish a specific framework within which;
 - a. the Director of Public Works shall identify and recommend contractors from which the Town will rent equipment needed for construction projects,
 - b. appropriate elected officials will review and/or approve specified aspects of the rentals; and
 - c. adequate information will be made publicly available to ensure for financial operational transparency. Accordingly, these following provisions shall apply, in addition to the general provisions above, to transactions involving rental of construction equipment. Should any of these special provisions be inconsistent with the general provisions set forth above, the special provisions shall control.
2. At least every three years, the Town shall issue a Request for Qualifications ("RFQ") to identify contractors that meet certain minimum criteria established by the town. At a minimum, such criteria shall include:
 - a. A strong safety record.
 - b. A record of doing highway or relevant equipment related work.
 - c. A reasonable familiarity with the Town and the working of its highway department. A record of maintaining its equipment in good operating condition.
 - d. The ability to provide operators who are capable of working with minimal supervision and effectively interfacing with the Town's public works employees and equipment.
 - e. That they be headquartered within reasonable proximity of the Town.
3. Responders to such RFQs will be directed to pick up a full list of required qualifications, to be prepared by the Director of Public Works, from the Office of the First Selectman or town website.
4. Prior to publication, any such RFQ and its accompanying list of required qualifications shall be approved by the Board of Selectmen.
5. A committee, consisting of the Director of Public Works and other members who have the requisite knowledge or experience to effectively review the RFQs, shall be appointed by the Board of Selectmen to review information received in response to the RFQ and shall recommend not more than 10 contractors for inclusion on a Selected Contractors List.
6. The proposed Selected Contractors List shall be reviewed and approved by the Board of Selectmen. The First Selectman may recommend to the Board of Selectmen additions or deletions to the Selected Contractors List for valid reasons (including but not limited to contractor capabilities, performance on past projects and ability to work with Town personnel), subject to the maximum limit set forth above on contractors to be included on such list.

7. In January of each year the Director of Public Works shall request those on the Selected Contractors List to submit a sealed bid for the rental of available equipment in accordance with the Town's Procurement/Bidding Policy. The Director of Public Works shall prepare a bid proposal based on the equipment he anticipates will be needed through the construction season. This shall not preclude contractors from providing additional information for alternate equipment that may be available for rent. The bid will include: A list of all equipment available for rent, the rental cost per hour/day (including the cost of qualified operators, which would not have to be at Federal Wage Rates) and delivery. Those costs are to be effective for the entire calendar year.

8. The Selected Contractors List and the bids of each such contractor will be posted on the Town's website.

9. Prior to the commencement of road construction projects, the Director of Public Works will update the projection of construction equipment to be rented and the time for which it will be needed, and calculate - for each Selected Contractors List contractor, based on its submitted rental costs - the total projected equipment rental cost for each road construction project and post it on the Town's website.

10. The Director of Public Works will, in accordance with special provisions 11, 12, 13, or 14 below, select the lowest qualified, responsible bidder on the Selected Contractors List who has available the equipment and operator(s) required for the particular project during the entirety of the time in which the project is estimated to be ongoing by the Director of Public Works. In selecting the lowest qualified, responsible bidder, the Director of Public Works shall consider the totality of the equipment that is needed for a particular project and may aggregate the total cost of the equipment that is needed in order to determine who the lowest bidder is so that the Town may rent all of the equipment from a single contractor for a given project. If more than one contractor from the Selected Contractors List is deemed to be the lowest qualified, responsible bidder, any contractor who is also a Southbury taxpayer shall be given preference. The Director of Public Works shall select the contractor or propose for approval by the First Selectman or Board of Selectmen a contractor for equipment for a specific project.

11. The award of the contract shall be posted on the Town's website.

12. To assure continuity throughout the duration of a specific project and efficient management of construction activities, following the selection of a contractor for a specific project all equipment necessary to complete such project may be rented from the selected contractor, regardless of whether the equipment appears on the Contractor's submitted price list.

13. When construction equipment is not available through the price lists submitted on the Selected Contractors List, the Director of Public Works shall attempt to obtain rental cost quotations from Selected Contractors List contractors. If such equipment is not available through those contractors, it may be rented from other sources. In renting such equipment, the Director of Public Works shall estimate the cost of renting the equipment over the expected duration of the project. If the cost is expected to not exceed \$7,500, the Director of Public Works may rent the equipment after obtaining

three (3) written quotations. If the cost is expected to be greater than \$7,500, but not to exceed \$25,000, the First Selectman must approve of the selected contractor after the Director of Public Works obtains three (3) written quotations. If the cost is expected to be greater than \$25,000, the contractor shall be selected by the Board of Selectmen based on a review of sealed bids received, except that in the case of an unforeseen circumstance during the course of a project, the First Selectman may approve the selected contractor after the Director of Public Works gets three (3) written quotations. If required, requests for bids will be published in a newspaper or other generally accepted media of general circulation in the area as well as being sent directly to bidders.

14. The Director of Public Works is authorized to rent construction equipment from the lowest qualified, responsible bidder from the Selected Contractors List as set forth herein, for unforeseen emergencies involving public safety, and/or for any other projects where the projected rental cost is not to exceed \$7,500, provided that such approval is for construction equipment from the lowest qualified, responsible bidder from the Selected Contractors List as set forth herein.

15. The First Selectman must approve, except in an unforeseen emergency involving public safety, rental of construction equipment for projects where the cost is projected to be more than \$7,500, provided that such approval is for construction equipment from the lowest qualified, responsible bidder from the Selected Contractors List as set forth herein.

16. Rental of construction equipment from the lowest qualified, responsible bidder from the Selected Contractors List as set forth herein, for jobs where the cost thereof is projected to exceed \$25,000, shall be reported by the Director of Public Works to the Board of Selectmen at its next meeting after making such a determination.

B. On-Call Engineering Services

The Town of Southbury occasionally requires engineering services for a wide variety of projects, ranging in complexity, size and duration. These special provisions regarding on-call engineering are intended to establish a specific framework and procedure the Town will use to identify and prequalify a list of engineers and to choose an engineering firm to provide engineering services when the need arises. The goal is to provide adequate information to the public to ensure financial and operational transparency. Accordingly, these following provisions shall apply, in addition to the general provisions above, to transactions involving engaging on-call engineers to provide engineering services. Should any of these special provisions be inconsistent with the general provisions set forth above, the special provisions shall control.

1. At least every three years, the Town shall issue a Request for Qualifications ("RFQ") to identify On-Call Engineers that meet certain minimum criteria established by the Town. The consulting engineering firms must demonstrate the ability to provide a wide range of engineering services that may include some or all of the following: highway and bridge design, writing bid documents and specifications, environmental permitting, landscape architecture, civil engineering, project planning and administration, traffic engineering, construction inspection services, land surveying, grant application preparations, contract administrative services, and cost estimating.

2. Each engineering consultant will be asked to submit a Statement of Qualifications in each of their fields of expertise, including a letter of interest, a profile of the firm, number of employees listing fields of experience, proposed subcontractors, and resumes of key personnel. A proposed fee schedule for all individuals who will provide services, listed by title, shall also be submitted. All other fees such as mileage or overhead must also be provided. A list of clients, with contact persons, telephone numbers and addresses should also be included for reference checks and government projects that have been completed in the last five years.

3. A committee, consisting of the Director of Public Works, the First Selectman and other members who have the requisite knowledge or experience to effectively review the RFQs, shall be appointed by the Board of Selectmen, to review information received in response to the RFQ and shall recommend no fewer than three (3) and not more than ten (10) contractors to become On-Call Engineers for the Town.

4. The proposed On-Call Engineers shall be reviewed and approved by the Board of Selectmen. Each On-Call Engineer shall enter into a contract with the Town of Southbury for a period of time not to exceed three years and agree to maintain the prices in their fee schedule for the duration of the contract.

5. When the need for engineering services arises for a defined project, Town personnel will contact all the On-Call Engineers and ask them to submit estimates for the work to be done to complete the project. These estimates or proposals will be reviewed and evaluated by Town personnel and should be retained in accordance with the State of CT retention schedule (currently three years after audit). Town personnel shall identify the consultant who provided the most cost-effective estimate or proposal that provides the best value to the Town. Once the consultant who will do the work is identified and approved by the First Selectman, the reasons for this choice will be documented and, if the cost is over \$25,000, will be reported to the Board of Selectmen at its next meeting.

6. When the need for engineering services arises for a project that is not yet defined, Town personnel will contact all the On-Call Engineers and describe the goal of the project and ask them to submit a proposed scope of services and associated costs. These proposals will be reviewed and evaluated by Town personnel and should be retained in accordance with the State of CT retention schedule (currently three years after audit). Town personnel shall identify the consultant who provided the most cost-effective proposal that provides the best value to the Town. Once the consultant who will do the work is identified and approved by the First Selectman, the reasons for this choice will be documented and, if the cost is over \$25,000, will be reported to the Board of Selectmen at its next meeting.

7. If the Town personnel conclude that the On-Call Engineers do not have the right level of expertise for a particular project, or it is determined that it is the best interests of the Town to contract with another consulting firm, the General Provisions of this policy would apply. In addition, if the Town personnel believe that a particular project would benefit by having additional engineers bid on that project, the General Provisions of this policy would apply.

C. On Call Maintenance and Repair Trades

1. No less than once every three (3) years the Board of Finance and Board of Selectmen shall recertify following the process described in III A, a list of all trades companies which may be used for maintenance and repair work without bidding on specific projects.
2. Trades shall include but not be limited to: electricians, plumbers, HVAC technicians, vehicle repair, carpenters, painters, masons, roofers, locksmiths, etc.
3. Under this special provision work orders may be issued when the total project is not expected to exceed \$7500.
4. The periodic certification shall include hourly rates with an appropriate COLA escalator.
5. The list, where possible, should have three (3) or more tradesmen per trade. Rotation among the trades should be a goal with preference to those with special skills, experience, and track record of timely response and speedy execution.

*The Board of Finance shall periodically, through the internal auditors, review compliance with this policy.

Addendum to the Bid Policy

- 1) Department Heads and/or their designee receiving goods and services should, upon acknowledging receipt of an order, conduct an inspection to verify the following prior to signing off:**
 - a) The products received conform to the purchase order requirements and other relevant documents (correct model, description, size, type, etc.).**
 - b) The quantity received against the quantity ordered and delivered.**
 - c) There is no damage to the products received.**
 - d) The unit of measurement is correct.**
 - e) Confirm receipt against the packing slip.**

- 2) Substitutions and over (under)-shipments:**
 - a) Suppliers are not allowed to substitute products or deliver more than amount ordered without prior authorization from the Fiscal Office and an approved purchase order change order.**
 - b) Department Heads should contact the Fiscal Office if a partial delivery is received without an acknowledgment from the supplier.**

- 3) Rejecting shipments:**
 - a) Department Heads are required to notify the Fiscal Office as well as the supplier when an order is rejected.**
 - b) The Fiscal Office will confirm the return of rejected items and request a credit memo from the supplier.**