TOWN OF AUBURN
PURCHASING POLICY

This policy is intended to provide the practices and procedures necessary for the purchasing of material, equipment, supplies, and services for the Town of Auburn. It is intended to provide, to the extent possible, uniform guidelines for procuring the necessary goods and services in an efficient, timely and cost effective manner. This policy is designed to ensure that tax money and public funds are spent in the most prudent fashion possible.

SCOPE

The Board of Selectmen will make all decisions regarding policies for the purchasing of material, equipment, supplies, and services for the Town of Auburn. This policy is adopted by the Board of Selectmen in accordance with RSA 41:8 & 41:9, as it relates to the Board's management of the Town's prudential affairs and the Board's authority over expenditures.

APPLICABILITY

This procedure applies to all departments of the Town of Auburn, with the exception of the Griffin Free Public Library whose full authority rests with the elected Board of Library Trustees (RSA 202-A:6).

PROCEDURE

All purchases must be:

1) within approved budgets;
2) necessary, legal and, allowable; and
3) approved by Department Heads.

Factors to consider when purchasing are:

1) price;
2) quantity;
3) warranty;
4) service;
5) availability;
6) past performance;
7) references;
8) buy local when prudent to do so; and,
9) environmentally sound (biodegradable, can be or have been recycled).

REQUIREMENTS

The Town shall be obligated to pay for goods or services only to the extent that the funds have been appropriated. If contractual agreements extend through more than one fiscal

year, the Town's obligations under such a multi-year contract shall be specifically limited to the appropriation for such funding for each of the year(s) involved.

When expenditures involve state and/or federal funds, purchases shall meet all state and/or federal laws or regulations that may apply at the time of the purchase, as may be required by the grant fund program.

GUIDELINES

Most purchases can be initiated by the end user with requests submitted, either verbally or in writing, to the immediate department head or committee chair for consideration. It is the responsibility of the individual to insure purchases are within budgets and approved by the Department Head prior to any purchase. Items that are not within budgets will need prior approval by both the Department Head and the Board of Selectmen, in accordance with "Purchasing Levels" below, before a purchase can be made.

The Town of Auburn is a small municipality which relies heavily on the individual worker and his or her expertise in the field. Each person is expected to be prudent with tax-payer money and to make all purchases accordingly. A Department Head or Committee Chair must sign off on all expenditures, and indicate which budget line the expenditure is to come from in order for an invoice to be paid. The only items the Town Office will automatically pay and charge to appropriate budget accounts are normal bulk operating items such as heat, lights and electricity, telephone and appropriate personnel-related items such as health insurance, dental insurance, NH Retirement System, etc. All other expenditures will require an authorizing signature and budget line before being paid.

The Board of Selectmen will approve all manifests before payment is made. It is the responsibility of Accounts Payable in the office of the Board of Selectmen to insure that these necessary steps are taken prior to payment of any invoice.

At times, there will be a need to verify pricing or cost of a specific product or service so an informed decision can be made regarding a purchase. It is advisable to check pricing periodically to insure that vendors/suppliers remain competitive, as well as giving the opportunity to others to become a vendor/supplier for the Town. This process can range from being as informal as calling various vendors to request pricing, to requesting an RFP (Request for Proposals), or RFQ (Request for Quote); up to the most comprehensive formal bid process. Use of the formal bid process requires the Board of Selectmen's approval. Use of the competitive bidding process requires strictly following the stated process and the decision to use the process should not be taken lightly. At the Board of Selectmen's discretion, an RFP/RFQ or formal bid may be required for specific purchases. All purchasers should consider the following:

1) Vendors/suppliers are to be treated fairly and equitable;

2) Purchases should be coordinated and/or consolidated when practical and beneficial;
3) Avoid rush ordering, which can result in additional charges or shipping cost;
4) Whenever possible have a reasonable lead time;
5) Periodically use RFP or RFQ processes to solicit competitive proposals;
6) Consider the use of State Contracts; and,
7) Use the formal bid process when a detailed technical specification is feasible and desirable, or at the direct request of the Board of Selectmen.

Note: The Town can select a supplier/vendor on the State bid list without going through the formal competitive bid process.

PROHIBITED PURCHASING PRACTICES

At all times, avoid unethical practices and the appearance of unethical practices. Prohibited practices include, but are not limited to the following:

1) Conflict of Interest – No individual shall participate directly or indirectly in a purchase activity that the individual or the individual's immediate family has a direct financial interest in, including personal investments in a business entity;
2) Gratuities – No individual shall accept a gratuity or an offer of employment in connection with any purchasing decision or contract award;
3) Kickbacks – No individual shall accept any payment, gratuity or offer of employment as an inducement for the award of a contract or purchase made by the Town;
4) Contingent Fees – No individual working on the Town's behalf shall receive a commission, percentage, brokerage, or contingent fee for procurement of a contract or purchase made by the Town;
5) Misuse of Confidential Information – No individual shall use confidential information for personal gain, nor for the gain of any other person; and
6) In accordance with RSA 95:1, no person holding public office in the Town of Auburn, 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 $200 at any one sale to or from the Town of Auburn. This policy shall also apply to Town employees. *An exception to this provision is the Town of Auburn Road Agent who it is anticipated may be a provider of services to the Town of Auburn based on the set rate schedule included in Appendix A of this policy. This is addressed in the section called "Purchasing Levels" below.* Any exception to this policy must be approved by the Town Administrator and by a vote of the Board of Selectmen.

Remedies for persons found using prohibited practices will follow the guidelines outlined in the Town of Auburn's Personnel Manual, which can include termination of employment.

PURCHASING LEVELS:

a) **Purchases Up to $1,500:** The Department Head shall have full authority to make departmental purchases of goods or services up to $1,500.00 which are identified within the department's annual budget. To the extent practical, it is encouraged to do whatever is practical to secure competitive pricing from multiple sources.

b) **Purchases Between $1,501.00 and $5,000.00:** The Town Administrator shall have full authority to approve departmental purchases of goods or services up to $5,000.00 for those items which are identified in the Town's budget. Prior to purchase, the Department Head shall submit documentation to the Finance Director for verification of available funds within the appropriate budget line and approval of the Town Administrator.

c) **Between $5,001.00 and $15,000.00**: The Department Head shall contact as many vendors as necessary in order to obtain at least three (3) written or verbal quotations. The Department Head shall present these quotations to the Town Administrator, along with a recommendation, for the Board of Selectmen's approval. In the event that less than three (3) quotations are available, evidence of the attempt to obtain them should be attached to the request.

d) **Over $15,000.00:** Purchases for any department having an estimated cost in excess of $15,000 shall be placed through a competitive procurement process to be overseen by the Finance Director and/or the Town Administrator. The final approval for purchase rests with the Board of Selectmen.

e) **Elected Road Agent:** Recognizing the position of Road Agent is elected by the public, in addition to the nature and process of road maintenance and construction work performed in the Town of Auburn, the elected Road Agent shall have full authority to approve individual departmental purchases of goods or services up to $25,000.00 before needing to utilize a competitive procurement process.

Pursuant to NH RSA 231:62, the Road Agent, "under the direction of the selectmen, shall have charge of the construction, maintenance, and repair of all town highways and bridges and the maintenance and repair of all sidewalks within the town, except as provided in the laws pertaining to state aid for highways and bridges and town road and bridge aid, and shall have authority to employ the necessary men and equipment, and purchase timber, planks, and other material for

construction and repair of such highways and bridges; and they may remove gravel, rocks, or other materials from one part of the town to another, doing no damage to adjoining land, for the purpose of grading or otherwise repairing the same."

In retaining the services of contractors to perform work, the Auburn Road Agent shall utilize the hourly rates for equipment and operators as contained in the Town of Auburn Contract Labor / Equipment Rates attached as Appendix A to this policy. These rates shall also apply to the Auburn Road Agent for any equipment he or she provides. These rates should be reviewed annually, or more often if the need arises, by the Road Agent and the Board of Selectmen.

f) **Contract Labor / Equipment Rates:** The Town of Auburn Contract Labor / Equipment Rates attached as Appendix A to this policy shall be utilized by any and all Town departments in retaining the services of contractors for improvement or construction projects.

CONTRACTS

The Board of Selectmen or its designee shall be authorized to approve and sign any and all proposed contracts or agreement documents that would obligate the Town of Auburn to purchase, lease-purchase or otherwise finance any equipment, commodities, services, labor or other goods. In the case of potential personnel contracts for the Police Department, such as a Collective Bargaining Agreement or other individual contracts, the document should be jointly approved and signed by the Police Commissioners (for personnel related decisions) and the Board of Selectmen (for the financial obligations.)

All such contracts or agreements shall be provided to the Town Administrator / Selectmen's Office to be reviewed by appropriate individuals, which may include legal counsel or risk management providers. This review and ultimate approval or rejection by the Board of Selectmen must occur prior to the ordering or acquisition of any such equipment, commodities, services, labor or other goods.

INVOICE REQUIREMENTS

The Board of Selectmen requests the following information be provided on all invoices submitted to the Town of Auburn for work or services provided to the Town by sub-contractors:

- Name, address and telephone number of company or individual
- Date of invoice
- Dates and times of work or services provided
- Location of where work or services were provided
- Equipment used

- Description of work or service completed
- Total hours worked
- Rate/cost per hour, and
- Total invoice amount

SUPERSESSION

These rules shall take effect upon the vote of the Board of Selectmen, and shall supersede all previous rules, regulations, customs and/or past practices that may have be in use on the effective date, unless specific exceptions are made by the Board of Selectmen. Any exceptions shall be noted in the action of the Board of Selectmen to adopt amendments, additions or deletions to these rules.

EFFECTIVE DATE

This policy shall take effect on January 1, 2017.

Adopted by the Board of Selectmen the 28th day of November, 2016.

James F. Headd

Richard W. Eaton

Dale W. Phillips
AUBURN BOARD OF SELECTMEN

Received and recorded this 17th day of December, 2016

Kathleen A. Sylvia, Town Clerk

APPENDIX A
RATES FOR CONTRACT LABOR / EQUIPMENT

Road Agent (Supervisor/Labor) --	$25.00 per hour
Pick-up Truck --	$50.00 per hour
Pick-up Truck with Plow --	$65.00 per hour
One-Ton Truck --	$60.00 per hour
One-Ton Truck with Plow & Sander --	$80.00 per hour
6-Wheeler Truck --	$60.00 per hour
6-Wheeler Truck with Plow & Sander --	$85.00 per hour
10-Wheeler Truck --	$70.00 per hour
10-Wheeler Truck with Plow & Sander --	$95.00 per hour
Tri-Axle Truck --	$80.00 per hour
Backhoe --	$100.00 per hour
Loader (2 yard bucket) --	$85.00 per hour
Loader (2 yard bucket) – Winter Rate	$90.00 per hour
Loader (3 yard bucket)	$105.00 per hour
Loader (3 yard bucket) – Winter Rate	$110.00 per hour
420 Loader (4 + yard bucket) --	$120.00 per hour
420 Loader (4 + yard bucket) – Winter	$125.00 per hour
Dozer (D5) --	$120.00 per hour
Grader --	$130.00 per hour
316 Excavator --	$130.00 per hour
325 Excavator --	$145.00 per hour

Vibratory Compactor (Riding) -- $250.00 per day

This list is representative of the type of equipment used by the Town of Auburn, but does not list all potential equipment that might be needed. Rates on this list should be adjusted accordingly for smaller or larger equipment not specifically listed.

All rates are inclusive of driver / operator and/or equipment.

If a Town employee is hired to operate any of the above listed pieces of equipment, the rate of pay for that employee will be deducted from the rates specified above.

All contractors are required to provide and maintain a current proof of liability insurance and, if appropriate, workers compensation insurance coverage, before commencing work for the Town of Auburn.