

Purchasing & Bid Policy

Town of Isle La Motte

Adopted JUNE 9th, 2025

PURPOSE. The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Isle La Motte at the lowest possible price, to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide for increased public confidence in the procedures followed in public purchasing.

AFFIRMATIVE ACTION AND LOCAL PREFERENCE. Whenever possible, qualified small, minority and women-owned businesses shall be included in the solicitation lists for bids or non-bid purchases. If the purchase is federally funded in whole or in part, minority and women owned businesses must be included in the solicitation lists and all other affirmative action requirements outlined in the grant provisions must be followed. The Town may exercise a preference for local businesses for purchases funded exclusively by the Town but only if such a preference does not result in unreasonable prices or rates due to a lack of competition. For purchases funded in whole or in part with federal funding the Town may not exercise a preference for local businesses.

CODE OF CONDUCT. Town Employees are subject to the state's municipal ethics statutes:
<https://ethicscommission.vermont.gov/sites/ethics/files/documents/Municipal%20Code%20of%20Ethics.pdf>

DOCUMENTATION. Records documenting the procurement process for any Minor or Major purchases, as those terms are defined below, including the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process **shall be maintained for a period of at least three years** from the date of the submission to the Federal government of the final expenditure report if the purchase or project was funded with federal grants, or until the completion of any litigation, claim, negotiation, audit, or other action involving the records, whichever is longer. Otherwise, records shall be maintained by the Town in accordance with the retention and disposition schedules as set by the Vermont State Archivist.

CONTRACT & SERVICE PAYMENT: Contractors & Service Providers must fill out necessary tax paperwork before checks are cut, and must provide an invoice before payment. Payment terms must be negotiated beforehand.

PAYMENT FORMS: Payments must happen with a check, credit card, or purchase order. No wire transfers, cash or bank transfers are permissible payment forms.

PURCHASING AUTHORITY.

Purchasing Agents. The following employees are designated to act as Purchasing Agents for the Town:
Selectboard
Town Clerk
Town Treasurer
Assistant Town Clerk
Assistant Treasurer
Selectboard Clerk
Road Commissioner

Purchasing Agents are responsible for ensuring that the best possible price and quality are obtained with each purchase and Purchasing Agents shall review all proposed procurements to avoid unnecessary or duplicative purchases of equipment, supplies and services. Purchasing Agents shall also ensure that competition is not restricted with limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

Incidental Purchases. Employees who have been designated to act as Purchasing Agents may make purchases of up to \$500 without prior approval, provided those purchases are a line item in the budget and limited to the amount of the budget line item authorized by the Town. If there is any question of whether something is a line item, Purchasing Agent must get approval from the Selectboard

Minor Purchases. Employees who have been designated to act as Purchasing Agents may make purchases with a value between \$501 and \$1,000 only with prior approval of the Selectboard and are limited to the amount of the budget line item authorized by the Town. Although not required, competitive quotes from multiple vendors should be obtained whenever possible.

Major Purchases. All purchases over \$1,000 require prior approval of the Selectboard. Purchases or contracted services over \$10,000 require engaging in the sealed bid process¹, unless it is a combination of projects to give the town economies of scale, and/or is a materials line item in an already approved project. The Selectboard shall review all proposed procurements to avoid unnecessary or duplicative purchases of equipment, supplies and services. The Selectboard shall also ensure that competition is not restricted with limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors or bidders, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

If federal funding is used for purchases between \$10,000 (\$2,000 in the case of construction projects subject to Davis Bacon requirements) and \$250,000, price or rate quotes must be obtained from two or more qualified sources following the affirmative action provision of this policy and all provisions regarding fair and unrestricted competition.

¹ At the 2010 Isle La Motte Town Meeting, voters voted to require a bid process for any purchases over \$5,000. Per VLCT: "There's no authority for the voters to limit the authority of a selectboard to make purchases which have already been appropriated. To the extent that the selectboard honors such a vote, it does so voluntarily."

SEALED BID PROCESS. The sealed bid process shall be initiated by the issuance of a Request for Bids prepared by the Selectboard or its designee. Notice of the Request for Bids shall be made in writing to known providers soliciting bid responses, advertisements posted in three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region.

BID SPECIFICATIONS. A list of bid specifications shall be prepared for each purchase over \$10,000 and shall be available for inspection at the Town office. Bid specifications shall include:

- Bid name.
- Bid submission deadline.
- Date, location, and time of bid opening.
- Specifications for the project or services including quantity, design, and performance features.
- Bond and/or insurance requirements.
- A copy of the proposed contract.
- Any special requirements unique to the project or purchase.
- Delivery or completion date.
- For construction projects, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all bidders, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid.
- If federally grant funded, the bidders must also include costs for Davis Bacon compliance if that is a requirement of the federal agency providing the funding.
- For federally funded construction projects over \$2,000, a statement that contractors will be provided with a copy of the most current wage determination (from the DOL website at <https://alpha.sam.gov/wage-determinations>) and must comply with the Davis Bacon Act.

The Selectboard, retains the right, at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest. The Selectboard reserves the right to investigate the financial condition of any bidder to determine his or her ability to assure service throughout the term of the contract.

Once a Request for Bids has been issued, the bid specifications will be available for inspection at the Town office.

BID SUBMISSION. All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, and plainly marked with the name of the bid and the time of the bid opening. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

Bidders shall bid to specifications and any exceptions must be noted by the bidder. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same work, and that the bidder is competing solely on his/her behalf

without connection with or obligation to any undisclosed person or firm.

BID OPENING. Process to be followed per Addendum A and Addendum B

CRITERIA FOR BID SELECTION. In evaluating bids, the Selectboard will consider the following criteria:

- Price.
- Bidder's ability to perform within the specified time limits.
- Bidder's experience and reputation, including past performance for the Town.
- Quality of the materials and services specified in the bid.
- Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
- Bidder's financial responsibility.
- Bidder's availability to provide future service, maintenance, and support.
- Nature and size of bidder.
- Contract provisions that are acceptable to the Town.
- For construction projects over \$2,000, contractor's indication of acceptance of wages in the current wage determination provided as part of the Request for Bids.
- Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or service.

In addition to the above, in the case of a contract supported by federal funds, the additional criteria shall apply:

Ethics: Board members with material connection to the contractor should recuse themselves.

Due diligence must be performed to include minority and women-owned businesses in the solicitation list for the request for proposal.

The Selectboard will not select a bidder who is listed on the Excluded Parties List System website (<https://www.sam.gov>).

CHANGE ORDERS. If specification changes are made prior to the close of the bid process, the Request for Bids will be amended and notice shall be sent to any bidder who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard will prepare a change order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

EXCEPTIONS. The following exceptions may apply, however there must be written documentation created and maintained that outlines the process and rationale for such exceptions:

Competitive Proposals. If time does not permit the use of sealed bids, or the award will be made on the basis of non-price related factors, a competitive proposal process shall be initiated by the issuance of a Request for Bids (RFB) or Request for Qualifications (RFQ) prepared by the Selectboard or its designee that includes the factors that will be used to evaluate and compare the proposals. Bids or qualifications shall be obtained from an adequate number of qualified sources (at least two vendors) to ensure that the Town has received a fair and reasonable price and all notification and record keeping

requirements of the sealed bid process shall be followed. If architectural or engineering services are being solicited, this process should be used with the most qualified firm or individual awarded the bid and price or fees negotiated after the award. If competitive proposals are used, all of the above steps in the sealed bid process should be followed except that: 1) the bid submission need not be sealed; and 2) price will not be the primary factor in the proposal selection.

Recurring Purchases. If the total value of a recurring purchase of a good or service is anticipated to exceed \$10,000 during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such time as the Selectboard votes to initiate a new bid process.

Emergency Purchases. The Selectboard may award contracts and make purchases for the purpose of meeting the public emergency without complying with the bid process. Emergency expenditures may include immediate repair or maintenance of town property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

Federally funded non-competitive purchases for \$250,000 or more require a cost analysis to determine the reasonableness of the proposed pricing and should be completed in accordance with the requirements of the federal or state agency issuing the grant funding.

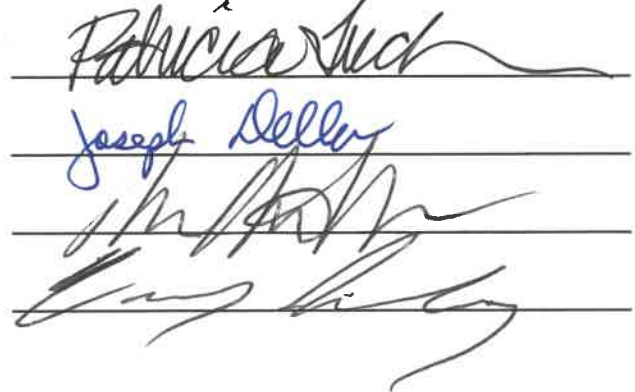
The foregoing Policy is hereby adopted by the Selectboard of the Town of ISLE LAKE, Vermont, this 4th day of JUNE, 2025 and is effective as of this date until amended or repealed.

SIGNATURES.

Selectboard Chair

A handwritten signature in black ink, appearing to read "Peter Bragdon", written over a horizontal line.

Selectboard Members

Four handwritten signatures in black ink, written over four horizontal lines. The signatures are: "Patricia Tucker", "Joseph Deller", "John [unclear]", and "Craig [unclear]".

Addendum A

SELECTBOARD SCRIPT FOR OPENING BIDS IN OPEN MEETING

- Announce opening of bids. Make sure all requirements in the BID RFP are contained in the envelope, including a signed bid and 4 copies. Otherwise, consider the bid package not viable.
- Share the bid copies with all board members and take time to review.
- If there are multiple bids from contractors, review and open each one.
- Review in open meeting without disclosing competitive details out loud.
- After adequate reviewing of bids, consider only bids that have all required paperwork.
- If discussion is needed that would disclose competitive details among multiple bids and put the town or the bidder at a “substantial disadvantage” (VLCT advises that the SB can go into executive session to discuss those details), SB chair should announce that reason to the record and those attending the meeting and make a motion to go into executive session to discuss that and verify that no decision will be made in executive session. It would be made in open meeting.

Suggested Motions to enter executive session:

1. I move that the Board make a finding that premature public knowledge regarding the details of the submitted contract bids would place the town or the bidder at a substantial disadvantage by disclosing confidential proprietary business secrets. (someone seconds, then take vote)
 2. I move that the Board enter executive session pursuant to 1 V.S.A. § 313(a)(1)(A) to consider and discuss these contract bids.
- If executive session is warranted, SB should return to open meeting and discuss viable bids without disclosing competitive details. Then a motion to accept an identified bid should be made.

Suggested motion: I move to accept the contract bid submitted by [Name of Bidder].

NOTE: BIDS are part of the public record (though unaccepted bids are arguably exempt from disclosure in response to a Public Records Act Request) after decision is made and should be retained both digitally and in paper form for a period of time, as per records preservation statutes.

PROCESSING SEALED BIDS

1. Contractor brings in sealed bid documents with his Certificate of Insurance stapled or affixed to the outside of the envelope.
2. Ask them if it's a complete package containing everything the RFP asks for.
3. Ask if there are one signed original bid and 4 copies. DO NOT OPEN. They need to remain sealed.
4. Stamp the bid envelope with the date and time of receipt
5. Review the Certificate of Insurance. Town of Isle La Motte must be named as an additional insured and the amounts of insurance must be \$1,000,000.00/\$2,000,000.00.
6. Sealed bids must be placed in the vault or other secured and locked space to maintain their integrity.
7. Be sure to check the voter box daily and up until 4 p.m. of the date that bids are due.
8. If the bid arrived by mail, open the exterior envelope (ONLY) and stamp the bid envelope with the date received. Bids received after the deadline will also be stamped with the date of receipt, and returned to the bidder.

BID PACKAGE CHECKLIST (Ask person dropping off bid envelope if these are all in the envelope) DO NOT OPEN

One signed and dated Original Bid Form and Contract

Four complete copies of the above

Is the insurance amount \$1M/\$2M?

Is the Town of ILM named as an additional insured?

Do they have a signed copy of the contract?

ATTACH (staple) A SIGNED AND DATED COPY OF THIS TO THE SUBMITTED BID

(Contractor Name)

(Date)