



Town of Plymouth
6 Post Office Square
Plymouth, New Hampshire 03264
603-536-1731

Procurement Policy

1. Purpose

The purpose of this Procurement Policy is to obtain goods and services for the Town of Plymouth at the lowest possible price consistent with the quality needed, ensuring that the taxpayers are getting the “best overall value” for their dollars, while exercising financial control over purchases, clearly defining authority for the purchasing function, assuring the quality of purchases, allowing fair and equal opportunity among qualified suppliers and providing for increased public confidence in the procedures followed in public purchasing.

Some of the factors considered when determining the “best overall value” are:

- a. Price
- b. Quality
- c. Warranty
- d. Service
- e. Availability
- f. Past performance with the Town of Plymouth or other NH jurisdictions
- g. References

II. Definitions

Major purchase means any single purchase of goods or services in the amount of \$15,001 or more.

Bid process means the process of obtaining (3) competitive bids for major purchases in accordance with this policy.

Nonmajor purchases means any purchase of goods or services in the amount less than \$15,000.

III. Bulk Purchasing

For purchases such as telephone, heat, vehicle fuel and office supplies, which cross several departments, every effort should be made to use one vendor and purchase in bulk in order to take advantage of discounts that may be offered.

IV. Purchase Orders and Price Quotations

- A. The Department Head, under the guidance of the Town Manager, shall have full authority to make purchases of operating goods and services which are identified within the Department Annual Budget in accordance with the requirements of this Policy.
- B. Individual purchases between \$3,001 and \$10,000 will require a purchase order to be submitted to the Town Manager for approval prior to ordering of the purchases. Department heads are not to make orders for purchases without this purchase order being approved by the Town Manager.

- C. Purchases for goods, services and equipment which involve expenditures of at least \$10,001.00 (single item/services except for road materials such as salt, sand, gravel, etc.) but less than \$15,000.00 may be authorized by the Town Manager after at least three (3) price quotations have been solicited from vendors. Documentation of price quotations may be obtained in writing or verbally (e.g. on the telephone). The person obtaining such quotations shall record, the names and addresses of all vendors from whom quotations were sought, the names of vendors submitting quotations and the date and amount of each quotation. Justification and final approval of goods and services equaling \$15,001 and over must be approved by the Select Board. Copies of the price quotations solicited and obtained must be attached to the Purchase Order in order to receive approval by the Select Board prior to ordering the product or before the service is provided.
- D. The Town of Plymouth may accept guaranteed rates for goods or services such as NH State bids or other current governmental units' bids; however, the Town is not obligated to purchase from the guaranteed rate vendor if a lower price is available.
- E. All contracts, at the discretion of the Town Manager will be reviewed by Town Counsel and are to be approved and signed by the Town Manager, prior to work beginning.

NOTE: The procurement process may be waived by the Town Manager after consultation with the Select Board Chairman in case of emergency, justifiable special circumstances or best overall value that require timely procurement of goods, services, or equipment. The competitive bid procurement process may be waived by the Town Manager after consultation with the Selectboard Chairman for the following reasons:

- 1. In case of emergency or justifiable special circumstances that require timely procurement of goods or services;
- 2. When there is only one source of supplies or services;
- 3. When the service or products are received through the State or other joint bid processes; or
- 4. When, in the discretion, the best interests of the Town and its residents are served waiving a competitive procurement process.

V. Competitive Bid Process

- A. A competitive procurement process must be followed if the procurement of goods or services involves expenditures of \$10,001.00 or more. In the case of professional services (engineers, architects, attorneys, consultants, construction managers, etc.), a Request for Proposal (RFP) or Request for Qualifications (RFQ) may be utilized to take into consideration factors other than price, such as experience and qualifications.
- B. After approval by the Town Manager, the Department Head shall release all bids and Requests for Proposals (RFPs). The Town Manager shall ensure that the requesting department provides all relevant information for the timely preparation and release of bids. Notice of the request for bids shall be made in the following ways:
 - 1. Letters directly to known providers soliciting bid responses. Individuals and firms interested in being informed of competitive purchasing opportunities may contact the Town Manager and be placed on the Town's bid list.
 - 2. Advertisement shall be posting in a minimum of (2) public locations within the Town of Plymouth. One location will be the Town's website.

3. Advertisement shall be placed in a local newspaper or media of general soliciting bids. Advertisements shall be in the local newspaper a minimum of 14 days prior to the due date of the bid.
- C. The department head is responsible for establishing the bid specifications which shall include (but not limited to) the following:
1. Bid name & submittal deadline,
 2. Date, location and time of bid opening,
 3. Actual specifications for project or services, including quantity design and performance features, etc.
 4. Bond and/or insurance requirements;
 5. Any special requirements, and
 6. Desired delivery or completion of project
- D. Once the request for bids has been issued, the bid specification shall be available for inspection at the Select Board's office and within the department seeking bids.
- E. All bids must be submitted in a sealed envelope, addressed to the Town in care of the Town Manager, and plainly marked with the name of the project being bid upon.
- F. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt.
- G. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids.
- H. Any bid received after the time and date specified shall not be considered and shall be returned to the bidder unopened.
- I. All bids not withdrawn, prior to the scheduled closing time for receipt for bids shall be publicly opened and read aloud by the Town Manager. All bidders and other interested persons are welcome to attend the bid opening.
- J. The public opening and reading of each bid shall be at the time specified and shall include at least the following:
1. Name and address of the bidder,
 2. For lump sum contracts, the lump sum base bid and the bid for each alternate;
 3. For unit pricing contracts, the unit price for each item and the total, if stated; and
 4. The nature and amount of security furnished with the bid, if requested.
- K. The Town of Plymouth Town Manager reserves the right at its sole discretion to reject 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 is its sole and absolute judgment will best serve the Town's interest.

VII. Payment for Goods or Services

Request for payment for any product or service shall be sent to the Finance Office. Payment for any purchase over \$3,001 as specified will NOT be processed without a Purchase Order that must accompany the invoice. The Finance Office is responsible for obtaining vendor information through Form W-9.

If any item or service purchase is not acceptable, arrangements must be made for a return for credit, exchange or refund. Cash refunds are prohibited; checks are acceptable, but must be made payable to the "Town of Plymouth" and must be returned immediately to the Finance Office for deposit.

VIII. Insurance and Indemnification Requirements

All contractors are to follow the requirements of the previous policy approved 6/27/2022 labeled as addendum A attached to this policy.

IX. Non-Compliance

Non-compliance with any section of this Policy shall result in the following:

- A. Invoices will NOT be paid when Purchase Orders are not attached.
- B. Contracts entered into without following proper procedures will be voided by the Town Manager or Select Board.
- C. Employees ordering goods or services in non-compliance with this Policy may be subject to disciplinary procedures (including termination).

X. Artificial Division Prohibited

Purchases shall not be artificially divided so as to create lower purchase amounts and, therefore, avoid some requirements of this Policy.

XI. Conflict of Interest

In accordance with RSA 95:1, no person holding a public office in the Town of Plymouth, either appointed or elected, shall, by contract or otherwise, except by open competitive bidding, buy real estate, sell or buy goods, commodities or other personal property of a value exceeding \$200 at any one sale to or from the Town of Plymouth.

XII. Ethics in Public Purchasing and Contracting

It shall be unethical for any Town employee involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and public duty.

It shall be unethical for any person to offer, give or agree to give any Town of Plymouth employee, or for any Town of Plymouth employee to solicit, demand, accept or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval or recommendation concerning a solicitation.

Inexpensive advertising items bearing the name of a vendor (such as pens, pencils, paper weights, cups, candy, calendars) are not considered articles of value or gifts in relation to this Policy.

XIII. Local Advantage

The Town of Plymouth will make every effort to purchase from local businesses if the purchase fits into the category of “best overall value”. It must be noted that the Town of Plymouth has a responsibility to the taxpayers of the Town to ensure that bids are awarded to vendors offering their products or services at the “best overall value” to the Town.

XIV. Disposal of Surplus Property

Any property which is deemed surplus and valued at over \$500 must be presented to the Town Manager by the Department Head 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. Any surplus items with a value of \$500 or less may be disposed of by the Department Head as they deem appropriate.

If the means of disposition is either the sealed bid or auction, the Town Manager shall be responsible for publishing the necessary public notices to comply as closely as possible. The Department shall provide sufficient specifications for the item(s) to be disposed.

XV. Amendments

This Policy may be amended by the vote of the Select Board at a properly scheduled Board meeting.

The Plymouth Select Board voted on and adopted the **Procurement Policy** on the _____ day of _____ 2023, which shall be the effective date hereof.

Zachary Tirrell, Chair

Bill Bolton, Vice Chair

Maryann Barnsley

Neil McIver

Ted Wisniewski
Plymouth Select Board

Addendum A

Insurance and Indemnification Project Requirements

Insurance

The Contractor agrees that it will carry any and all insurance which will protect the Contractor and any Sub-contractors, the Town of Plymouth and their officials, agents, volunteers and employees from any and all claims and demands, costs, damages, loss of service or consortium, expenses, compensation and attorneys' fees including but not limited to any and all claims for personal injury and/or death, workers' compensation injuries, and property damages which may, in any way, arise from or out of the operations of the Contractor whether such operations be performed by the Contractor itself, anyone directly or indirectly employed by it or any other persons or company retained in any way to carry on all or portion of the operations, activities or work required by or related to the Contract. The Contractor further agrees that the Town of Plymouth and its officials, agents, volunteers and employees shall be named as an additional insured in any and all such liability insurance policies required by the Town of Plymouth.

Prior to commencing work, the Contractor shall demonstrate that it carries a general liability policy with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, as well as completed operations coverage, applicable to the work performed under this Contract and all liabilities as set forth above. The general liability policy must also contain contractual liability coverage applicable to the contractual indemnification obligation set forth below.

The Contractor shall provide proof of automobile insurance coverage in an amount deemed satisfactory to the Town of Plymouth.

The Contractor will furnish to the Town of Plymouth a Certificate of Insurance and an endorsement prior to executing the Contract or commencing work demonstrating that the Town of Plymouth and its officials, agents, volunteers and employees are named as an additional insured on the general liability and automobile liability insurance coverage on a primary and noncontributory basis.

The Contractor shall provide proof of workers compensation insurance meeting State of New Hampshire required limits and providing employer's liability coverage.

Contractor shall carry and provide proof of builder's risk insurance covering the project at its full value, and shall name the Town of Plymouth as loss payee. The purchase of this type of insurance is available at a fee to the Contractor by contacting the Town's property liability carrier directly.

To the extent Contractor utilizes the services of an architect, engineer, surveyor or any other industry professional, all such professionals, in addition to the general and automobile liability coverages described above, shall carry professional liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate. Such professionals shall name the Town of Plymouth and its officials, agents, volunteers and employees as an additional insured on the general and automobile liability coverages by certificate and amendatory endorsement.

The Town of Plymouth shall not be required to insure the Contractor, any subcontractor or any professional service provider.

Indemnification – Option A (generally applicable to all contractor relationships)

To the fullest extent permitted by law, Contractor shall protect, indemnify, save, defend and hold harmless the Town of Plymouth, including its officials, agents, volunteers and employees (“Indemnified Parties”), from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs, interest and expenses, including but not limited to reasonable attorney and paralegal fees, which Indemnified Parties may become obligated or suffer by reason of any accident, bodily injury, personal injury, death of person, economic injury or loss of or damage to property, arising indirectly or directly under, out of, in connection with, or as a result of this Contract or the activities of Contractor or its agents, employees, contractors or subcontractors, and even if caused in part by any negligent act or omission of Indemnified Parties.

In addition, and regardless of respective fault, Contractor shall defend, indemnify and hold harmless the Indemnified Parties for any costs, expenses and liabilities arising out of a claim, charge or determination that Contractor’s officers, employees, contractors, subcontractors or agents are employees of the Indemnified Parties, including but not limited to claims or charges for benefits, wages, fees, penalties, withholdings, damages or taxes brought in connection with laws governing workers compensation, unemployment compensation, social security, Medicare, state or federal taxation, and/or any other similar obligation associated with an employment relationship.

The Contractor’s obligations to defend, indemnify and hold harmless the Indemnified Parties hereunder shall survive the term of this Contract.

The Town of Plymouth shall not be required to defend or indemnify the Contractor, any subcontractor or any professional service provider.

Indemnification - Option B (applicable to construction contracts)

Public sector construction contracts must require a payment bond if the project value is \$125,000 or greater. RSA 447:16. Any and all performance and bid bonds must be reviewed by the Town’s legal counsel.

The Contractor releases the Town of Plymouth from, agrees that the Town of Plymouth shall not be liable for and indemnifies the Town of Plymouth against, all liabilities, claims, costs and expenses, including out-of-pocket and incidental expenses and legal fees, imposed upon, incurred or asserted against the Town of Plymouth] arising, directly or indirectly in whole or in part, out of the negligence or willful act or omission of the Contractor, its agents or anyone who is directly employed in connection with (i) this Agreement or (ii) the project, including the construction of the project and the maintenance, repair and replacement of any improvements which the Contractor is required to undertake pursuant to this Agreement or any permit or approval, provided that, such release or indemnification shall not apply to any actions or claims brought as a result of any material breach of this Agreement, willful misconduct or fraudulent action of the Town of Plymouth.

In case any claim or demand is at any time made, or action or proceeding is brought, against or otherwise involving the Town of Plymouth in respect of which indemnity may be sought hereunder, the person seeking indemnity promptly shall give notice of that action or proceeding to the Contractor, and the Contractor upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding.

In addition, and regardless of respective fault, Contractor shall defend, indemnify and hold harmless the Indemnified Parties for any costs, expenses and liabilities arising out of a claim, charge or determination that Contractor’s officers, employees, contractors, subcontractors or agents are employees of the Indemnified Parties, including but not limited to claims or charges for benefits, wages, fees, penalties, withholdings, damages or taxes brought in connection with laws governing workers compensation, unemployment compensation, social security, Medicare, state or federal taxation, and/or any other similar obligation associated with an employment relationship.

The Contractor’s obligations to defend, indemnify and hold harmless the Indemnified Parties hereunder shall survive the term of this Contract.

The Town of Plymouth shall not be required to defend or indemnify the Contractor, any subcontractor or any professional service provider.

Additional Insured Certificate Checklist

- _____ Additional insured status explicitly required in contract
- _____ Coverages and limits on certificate match specs in contract
- _____ Effective dates of policies listed on certificate include project
- _____ Additional insured box is checked for liability coverages
- _____ Narrative box confirms additional insured status, describes event, and makes Town/City “primary and noncontributory” on the policy
- _____ Proof of endorsement (amendment to policy or existing policy section)
- _____ Additional insured documents saved with contract for future reference