



Bid & Purchase Policy

**Town of Chester
84 Chester Street
Chester, NH 03036**

Section 1. Policy and Purpose

It is the policy of the Town of Chester to obtain competitive bids for all major purchases to assure that the Town obtains quality goods and services at the lowest possible price consistent with the quality needed, to exercise financial control over purchases, to clearly define authority for the purchasing function, to assure the quality of purchases, and to provide for increased public confidence in the procedures followed in public purchasing.

The purpose of this Policy is to encourage departmental efficient and flexible operations; financial controls and accountability; and to provide a reasonable opportunity for qualified vendors and individuals to compete for the Town's business or to purchase the Town's surplus materials and/or property. Also, it is the purpose of this Policy to encourage joint and bulk purchasing among departments and agencies wherever such purchasing practices achieve better pricing without significantly degrading quality and/or operational efficiency.

Section 2. Definitions

2.1 Bid Process - The process of obtaining competitive bids for major purchases in accordance with this Policy.

2.2 Major Purchases - Any purchase of goods or services over \$5,000.00 except for the Highway Department whose major purchase is defined as "any purchase of goods or services over \$25,000.00."

2.3 Bid most advantageous to the Town - Not necessarily the lowest bid; in addition to price, the quality of the commodity, the bid meeting the Town's specifications, the commodity's warranty, speed of delivery, and the demonstrated service record of the vendor must be considered in determining the "bid most advantageous to the Town."

2.4 Competitive Bidding - The documented process of achieving the lowest bid or the bid most advantageous to the Town for the goods and services desired by the Town.

2.5 Emergency Purchase - A purchase necessitated by a threat to public health, safety, or property.

2.6 Field Purchases - The direct purchase by a department head from a vendor of supplies needed in small quantities for day-to-day operation.

2.7 Goods and Services - The complete array of purchases of the Town, including but not limited to: supplies, commodities, equipment, construction materials and labor, consulting services and training.

2.8 Group Purchase - A purchase made by the Town by grouping two (2) or more departmental requisitions in one (1) purchase order.

2.9 Informal Price Quotes - Quotations, written and oral, received from a vendor by means other than a formal Request for Proposal (RFP) or Request for Quotation (RFQ) process.

2.10 List of Approved Vendors - The list of vendors who have qualified to bid on Town purchases on the basis of responsibility, quality, delivery, and performance.

2.11 Purchase Amount - The total cost of goods or services including all determinable associated costs, e.g. construction, engineering, delivery, setup, and training. Where the purchase consists of small frequent charges, the aggregate twelve-month cost of goods or services shall be used to determine the amount of a purchase and the applicability of the specific sections of this Policy. For multi-year lease agreements, the total multi-year costs shall be used to determine the amount of the purchase, and the total cost shall determine the applicability of the specific sections of this Policy.

2.12 Qualified Vendor - A vendor who agrees to the terms of payment of the Town of Chester, New Hampshire, and demonstrates quality, timely delivery and quality performance.

2.13 Sealed Formal Bids - Quotations from all vendors that are submitted in sealed envelopes, properly labeled and received by the Town within the specified deadline.

2.14 Specifications - The qualitative standards set by department heads as a guide to the Board of Selectmen and as a measure of quality and quantity that successful vendors must achieve to be considered for an award of bid. Specifications shall not restrict purchases as to trade name or eliminate bids being submitted on items that have the same specifications but not as to a specific trade name.

Section 3. Bid Process

3.1 All Major Purchases authorized by the Selectmen and/or the voters shall be subject to the Bid Process.

3.2 The Bid Process is initiated by the issuance of a Request for Proposals (RFP) or Request for Quotations (RFQ) (hereinafter "Request"). This Request shall be advertised in a local newspaper or on the internet and be posted at the Town Hall. Also, the Request may be mailed to the List of Approved Vendors. *(The Request shall follow the form provided at the end of this Policy.)*

3.3 The Request shall allow a minimum of seven (7) days between the last date of publication and the deadline for bid submission.

3.4 The department head is responsible for establishing the specifications for the bid. Once the Request has been issued, the Bid Specifications shall be available for inspection at the Selectmen's office. Specifications shall include the following:

- 3.4.1** Bid submittal deadline.
 - 3.4.2** Date, location, and time of bid opening which should coincide with a regular meeting of the Board of Selectmen.
 - 3.4.3** Actual specifications for the project, including quantity, design and performance features, etc.
 - 3.4.4** Bond and/or insurance requirements.
 - 3.4.5** Any special requirements.
 - 3.4.6** Desired delivery or completion date.
 - 3.4.7** Bid proposal form and instructions for submittal.
 - 3.4.8** Period of bid validity.
- 3.5** Bids shall be submitted in writing (FAXED copies not accepted) in sealed envelopes plainly marked "Bid" in the lower left-hand corner.
- 3.6** Bids will be recorded and acknowledged by the Selectmen's Assistant and held, unopened, in the Selectmen's office until the close of the Bid Process.
- 3.7** Any bid may be withdrawn by the bidder prior to the opening of the bids.
- 3.8** Any bid received after the date specified for the close of bids shall not be considered.
- 3.9** The bid opening shall be conducted by the Selectmen at a properly noticed meeting at the date, time and location specified in the Request. The applicable Chairman or Department Head shall be present for the opening of bids.
- 3.10** The Selectmen shall award the project in accordance with the criteria set forth in Section 5. All bidders shall be notified of the results by the Selectmen's Assistant.

Section 4. Bidding Requirements

4.1 Informal Price Quote Requirements

The department head shall conduct and document informal, competitive price quotes for purchases over one thousand (\$1,000) dollars and under five thousand (\$5,000) dollars. A minimum of three quotes will be solicited whenever possible. A written quote from vendors shall be required for purchases five thousand (\$5,000) dollars or more. The informal price quotations will be submitted to the Board of Selectmen's office for distribution to the Board of Selectmen or department liaison for review. Formal bidding will be employed by the department head when requested by the Board of Selectmen.

4.2 Formal Bidding Requirements

Each department head, in conjunction with the Board of Selectmen, shall advertise in a local paper and/or on the internet: and conduct competitive, formal, sealed bidding pursuant to the specifications on file in his/her office for purchases of goods and services of five thousand (\$5,000) dollars or more in accordance with this Policy. (See "Section 3. Bid Process").

Section 5. Criteria for Bid Selection

In evaluating the bids, the Selectmen and the department head shall consider the following:

- 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 specified in the bid.
- Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
- Bidder's financial responsibility.
- Bidder's likely availability to provide future service, maintenance and support.
- Any other factors which the Selectmen determine are relevant and appropriate in connection with a given project.
- The nature and size of the bidder.

The Board of Selectmen reserve the right to reject all bids and issue a new Request if less than three bids are received. The Selectmen also reserve 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 re-bids, to negotiate with any bidder, and to make an award which, in its sole and absolute judgment, will best serve the Town's interest.

Bidders shall bid to specification and any exceptions must be noted. 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.

The Town reserves the right to investigate the financial responsibilities of any and all bidders to determine the ability of the bidder to assure service throughout the term of the contract.

The Minutes of the Meeting at which the selection is made shall indicate the bid selected and the factors upon which the selection was made.

Section 6. Exceptions to Bid Process

6.1 Sole Source Purchase

If the Selectmen determine that there is only one possible source for a proposed purchase, they may waive the bid process and authorize the purchase from the Sole Source.

6.2 Blanket Purchase

If a proposed purchase is not a major purchase but is of a recurring nature that is anticipated to exceed \$5,000 during any calendar year, the bid process shall be initiated 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 Selectmen vote to initiate a new bid process.

6.3 Emergency Expenditures

In the event that goods or services are needed immediately in order to prevent harm to persons or property within the Town, the Selectmen may waive the bid process and authorize the Emergency Expenditure. Such Expenditures may include immediate repair or maintenance of Town property, vehicles, or equipment, only if the delay in such repair or maintenance would endanger persons or property. However, even in emergencies, an attempt shall be made to get at least two (2) quotes by telephone or FAX. In addition, the Emergency Expenditure shall be limited to the purchase of those goods or services needed to prevent the immediate harm. Any additional goods or services required to remedy the situation or prevent future harm shall be subject to the bid process.

6.4 Professional Services/Consultants

The bid process shall not apply to the Town's selection of service providers for services that are characterized by a high degree of professional judgment and discretion.

7. Bonds and Insurance

Please see "Sample of Certificate for Liability insurance." Bids shall require the bidder to supply a performance bond, a payment bond, and applicable certificates of insurance, including general liability insurance, property damage insurance, automobile insurance and Workers' Compensation Insurance.

The Contractor shall deliver at the time of the execution of the Contract, certificates of all insurance required hereunder and shall be reviewed prior to approval by the Town. The certificates of insurance shall contain the description of the project and shall state that the companies issuing insurance will endeavor to mail to the Town ten (10) days' notice of cancellation, alteration, or material change of any listed policies. The Contractor shall keep in force the insurance required herein for the period of the Contract. At the request of the Town, the Contractor shall promptly make available a copy of any and all listed insurance policies. The requested insurance must be written by a company licensed to do business in New Hampshire at the time the policy is issued.

7.1 The Town of Chester, NH shall be listed as additional insured on all the Certificates of insurance.

7.2 The Contractor shall require that each Subcontractor employed on the project to maintain the coverage listed below unless the Contractor's insurance covers activities of the Subcontractor on the Project.

7.3 No operations under this Contract shall commence until certificates of insurance attesting to the below-listed requirements have been filed with, and approved by, a member of the Board of Selectmen. (See attached Sample Insurance Certificate.)

- Comprehensive General Liability - \$1,000,000 per occurrence/\$2,000,000 Aggregate. The Town of Chester must be named as an additional insured.
- Motor Vehicle Liability - \$1,000,000 combined single limit. The Town of Chester must be named as an additional insured. Coverage must include all owned, non-owned and hired vehicles.
- Workers' Compensation as required by Statute/Employer's Liability of \$100,000/\$500,000/\$100,000.
- Any Subcontractor used is the agent of the Contractor and not the Town of Chester, its agents, employees or others.

7.4 The Contractor shall indemnify, defend, and save harmless the Town of Chester and its agents and employees from and against any suit, action or claim of loss or expenses because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damage to property, including loss of use thereof, whether caused by or contributed to by said Town of Chester, its agents, employees, or others.

8. Change Orders

If specification changes are determined prior to the close of the Bid Process, the Request shall be amended, notice shall be sent to any bidder who submitted a bid already and a new Bid Process shall be initiated.

Once a bid has been accepted, if changes to the specifications become necessary, the department head must prepare a change order specifying the scope of the change and approved by the Selectmen. Once approved by the Selectmen, the Contractor must sign the change order as well.

Town of Chester
Bid & Purchase Policy

PRODUCER Some Insurance Agency Name 100 Main Street City or Town, NH Zip		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER, THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. INSUREERS AFFORDING COVERAGE			
INSURED Name of Provider or Vendor 111 Some Street or Drive City or Town, NH Zip		INSURER A: <u>USA INSURANCE COMPANY</u> INSURER B: <u>AMERICAN INSURANCE INCORPORATED</u> INSURER C: <u>NH WORKERS' COMPENSATION INSURANCE CO.</u> INSURER D: INSURER E:			
COVERAGES THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OF CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
IN	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Additional Insured _____ <input type="checkbox"/> _____ GENERAL AGGREGATE <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/>	000P96298-A11 (Example #)	01/01/18	01/01/19	EACH \$1,000,000
	FIRE DAMAGE \$				
	MED EXP (Any one) \$				
	PERSONAL & ADV \$				
	GENERAL \$2,000,000				
	PRODUCTS- \$				
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Additional Insured _____ <input type="checkbox"/> _____	9KL3-0294993 (Example #)	01/01/18	01/01/19	COMBINED (Ea accident) \$1,000,000
	BODILY INJURY (Per person) \$				
	BODILY INJURY (Per accident) \$				
	PROPERTY (Per accident) \$				
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/>				AUTO ONLY-EA \$ OTHER EA \$ AUTO AG \$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH \$ AGGREGATE \$ \$ \$ \$
C	WORKERS COMPENSATION AND	A4145-83-FJ37 (Example #)	01/01/18	01/01/19	WC OTH-
					E.L. EACH \$100,000
					E.L. DISEASE-EA \$500,000
					E.L. DISEASE - \$100,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS TOWN OF CHESTER LISTED AS ADDITIONAL INSURED, WAIVER OF SUBROGATION APPLICABLE TO POLICIES LISTED ABOVE					
CERTIFICATE HOLDER	<input checked="" type="checkbox"/> ADDITIONAL INSURED; INSURER CANCELLATION LETTER: A & B				
Town of Chester ATTN: Board of Selectmen 84 Chester Street Chester, NH 03036			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OF REPRESENTATIONS AUTHORIZED REPRESENTATIVE John Smith, CIC (EXAMPLE)		