

Town of New Gloucester



Purchasing Policy

Adopted November 19, 2012

Amended September 21, 2020

Amended January 29, 2025

Town of New Gloucester
Purchasing Policy

I. Purpose

The purpose of this policy is to establish purchasing procedures which are to be utilized by all Town Departments. It is the responsibility of all Town employees to purchase goods or services that provide the best value consistent with the needs of the Town. The goods and services shall be purchased within the restrictions of the budgeted funds available. Unless otherwise provided by law, the Town shall make purchases of goods or services as stated in this policy.

II. Purchases and Contracts

- A. Purchases for goods or services which involve expenditures of less than \$9,999 may be made by the appropriate Department Head after item(s) have been researched and shopped for the best price and quality product and/or service desired.
- B. Purchases for goods or services, which involve expenditures of \$10,000 to \$14,999 may be made after at least three (3) recorded quotations are received and approved by the Department Head and the Town Manager. This pertains to Budgetary Department Expenditures which do not fall under Capital Improvement Process (ex: loader-grader tires, PPE).
- C. The Town may accept preferred vendor pricing for goods or services; however, it is not obligated to purchase from a vendor who guarantees a rate if a lower price is available.
- D. The procurement of goods or services, which involve expenditures of more than \$15,000 must be made through a competitive bid process or previously sourced government pricing.

III. Competitive Bid Process

- A. The Town Manager shall ensure that a requesting department prepares the invitation to bid includes:
1. Specifications for the goods or services (The Select Board approves all specifications for items that go out for a sealed bid).
 2. Public notice given as determined by the Town Manager.
 3. Statement that sealed bids will be accepted until a predetermined date and time.
 4. Statement of the time and location of the public bid opening.
- B. Bids may be awarded to the bidder who meets the specifications and submits proper insurance requirements. The Town of New Gloucester reserves the right to reject any and all proposals, to waive technical, or legal deficiencies, and to accept any proposal that it deems to be in the best interest of the Town. The Town may also seek to utilize the services from the Preferred Vendor List as established.
- C. The Competitive Bid Process may be waived when:
1. Department Head may recommend to the Select Board to utilize previously sourced government pricing/RFP.
 2. Emergencies or justifiable special circumstances requiring the timely procurement of goods or services after authorization from Town Manager and notification to the Select Board.
 3. There is only one source of supplier; or there is a local Vendor on the approved "Reference Vendor List".
 4. The service or products are received through the state or other joint bid processes or the state and/or other joint bid process pricing is matched.

IV. **Payment for Goods or Services**

A. Payment requests for any purchases of \$10,000 to \$14,999 must include:

1. Invoice signed as approved by Department Head.
2. Department account to be charged written on the warrant voucher and approved by the Town Manager.
3. Invoice, packing slip, or receipt attached to the warrant voucher.

B. Payment requests for purchases **less** than \$9,999 must include the Invoice with the account to be charged written on the invoice and signed as approved by the Department Head.

C. Credit Card Purchases

- a. When using the Town credit card, the cardholder should ensure the goods or services are budgeted, allowable, and per purchasing policy guidelines.
- b. Determine if the intended purchase is within the cardholder's credit card limit.
- c. Tell the merchant or supplier that the purchase will be made using the credit card issued through the Town of New Gloucester.
- d. Inform the merchant that the purchase is tax exempt. The tax exempt number is E-81974. A copy of the tax exempt certificate can be obtained from the Finance Office if vendor requires a copy. Review the receipt and request a credit if taxes were charged in error.
- e. The cardholder is responsible for managing any returns or exchanges to ensure proper credit is received for returned merchandise. The cardholder should contact the vendor to obtain instructions for returns and make sure that proper credit is received.
- f. Purchases cannot be made on personal credit cards.

V. **Accounting for Purchases**

A. Posting of purchases to the appropriate budget line is required. If the purchase will create an overdraft or negative balance in the budget line, the purchase must be approved in advance by the Town Manager.

B. Any purchase that is required for the operation of the Town that will further overdraw a budget line MUST be approved in advance by the Town Manager.

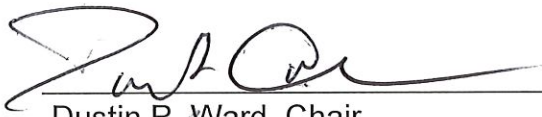
VI. Amendments, State Laws and Limitations

- A. This policy may be changed by the Select Board at their discretion.
- B. Any part of this policy is subject to present and future laws of the State of Maine which regulates municipal spending, any conflict between this policy and Maine law shall be superseded by Maine State law.

VII. Lease Purchases – Major Appropriations (vehicles/equipment)

No lease or other contractual obligation, for a term of longer than twelve months or requiring an expenditure of Town funds in excess of fifteen thousand dollars (\$15,000) on major appropriations (vehicles/equipment) can be considered without discussion by the Select Board. Once discussions are complete, the Select Board can move the item to be approved or subsequently ratified by the qualified voters in an article presented for consideration at Town Meeting.

Signed and approved by the Select Board on February 3, 2025:



Dustin R. Ward, Chair

Stephen J. Hathorne, Vice-Chair



Peter R. Bragdon

Tammy L. Donovan



Colleen D. Strickler