

**TOWN OF NEWMARKET, NEW HAMPSHIRE
BY THE NEWMARKET TOWN COUNCIL
ORDINANCE #2012/2013-03
Purchasing Policy**

The Town of Newmarket Ordains:

1. Purpose

1.1. Pursuant to Section 5.12 of the Newmarket Town Charter the purpose of this purchasing ordinance is:

- To procure materials, supplies, equipment and services best suited to the job which operating units are to perform.
- To procure the correct quantities of items required.
- To insure goods and services are in the hands of operating units when and where needed.
- To obtain goods, services and equipment at the lowest total price.
- To obtain critical materials when required to meet emergencies.
- To dispose of unneeded real property.

2. Definitions

2.1. Competitive Procurement

Any process for acquiring goods or services in which more than one individual is solicited to propose price and delivery terms in such a manner as to encourage competition between prospective suppliers.

2.2. Sealed Bid

A form of competitive procurement in which sealed proposals are solicited which are opened and read at a specific time and place and in which the purchaser has no knowledge of the specific price and delivery proposal in the bid until the opening.

2.3. Negotiated Procurement

A process for acquiring goods and services in which the purchaser and seller negotiate any and all parts of the price and delivery terms. Negotiations may be a part of the procurement process along with bidding.

2.4. Specification

A description of the goods and services to be procured. For the purposes of this Administrative Code, a specification shall be as general as possible and shall describe the performance of the good or service as much as possible. Where a specification contains a reference to a specific product or firm, it shall be interpreted as being functionally equivalent to that firm or product unless explicitly stated otherwise.

2.5. Solicitation

Solicitation is the process by which vendors are requested to propose terms and conditions for an item or service which is proposed to be purchased.

2.6. Informal Procurement

Informal procurement is the process in which verbal quotations, proposals or bids are solicited for relatively small purchases. A written record shall be kept of such procurements consisting as a minimum of the names, dates and prices received as well as any other information required to document the competitive aspects of the purchase.

2.7. Formal Procurement

Formal procurement is characterized by written requests for prices and terms with written responses. The most formal procurement includes advertisement in appropriate publications, requirements for submission for sealed bids and public bid openings.

2.8. Best Knowledge Procurement

Purchases of small quantities of inexpensive materials or services may be made based on the department's knowledge of the best sources for such purchases when other forms of competitive procurement are not cost effective.

3. General Procedure

3.1. Specifications Required

Specifications will be prepared for all purchases whenever possible and in all cases where any single item in the purchase is estimated to have a cost in excess of \$10,000. Specifications shall be in writing for formally advertised bids.

3.2. Advertisement

Solicitations shall be given the widest advertisement appropriate for the proposed purchase. Due consideration shall be given to the nature of the item or service and the media which probable vendors might be expected to read or be exposed to. Advertisement over bidding or buying networks is encouraged. Advertisements shall contain a succinct summary of the item or service, the location of detailed specifications, if any, and the requirements for bid submittal.

3.3. Bid Opening and Tabulation

Bids shall be opened at the time and place designated in the solicitation and the bids shall become public record. Whenever advantageous to the Town, summaries of bids shall be prepared and circulated to the bidders. All bids shall be public record unless specified otherwise prior to the bid opening.

3.4. Sole Source

If the procedure for procuring more than one potential bidder for an item does not exist, the Town Administrator shall document the sole source procurement, specifying the vendor's name, amount and type of contract, list of supplies or services procured, and a determination that the vendor is the only practicable source for the required supply or service.

4. Award

All purchases for which bids have been taken shall be formally awarded by the appropriate individual or governing body. In all cases the Town shall reserve the right to award contracts to vendors whose combination of price, product and performance history are determined to be in the best interests of the Town. The Town may reject all bids at any time for any reason.

5. Bid and Performance Bonds

When specified in the solicitation, the successful vendor shall produce an acceptable bid bond at the time of bid opening. If a performance bond or surety is required, it shall be presented prior to execution of any contract.

6. Requirements for Competitive Procurement

6.1. Cost Thresholds

Competitive procurement is required for all purchases whenever practical. The table below contains the minimum requirements for complying with the various complexities of the procurement process:

6.1.1. Amount Involved Min. Competition Approval by

To \$250	Best Knowledge Department
\$250 to \$1,000	Informal Department
\$1,001 to \$2,500	Informal Town Administrator/Finance Dir.
\$2,501 to \$10,000	Formal Town Administrator or Purchasing Agent
Over \$10,000	Formal Town Council

6.2. Emergency Buying

An emergency purchase is a purchase which is essential to prevent delays in work which might affect the safety, health or convenience of the community. Permission for emergency purchasing shall be obtained from the Town Administrator or his/her designee, if possible, and a written report of such action filed with the Town Administrator within five (5) days of such action.

6.3. Absence of Second Bid

No purchase will be made where there is no competition unless a determination can be made that the terms of purchase are fair, reasonable and in the best interests of the Town. Approval for such purchase must be obtained from the next higher level off approval found in the table in Section 6.1.1.

6.4. Professional Services

Professional services, including engineering, architectural, auditing, and other services commonly considered professional, may be secured through negotiation. Professional service agreements should be on a fixed price basis for a clearly defined scope of work whenever possible.

6.5. Cooperative Purchasing

Where prices on goods or services have been determined by competitive procurement by an agency of the State of New Hampshire or any other entity through which the Town purchases cooperatively, that price shall be considered sufficiently competitive for the purchase of authorized items is obtained as outlined above. This specifically includes equipment and supplies available through bidding of the New Hampshire Department of Transportation and similar agencies for trucks, cars and related equipment.

7. Adoption


Upon adoption of this ordinance, all other purchasing procedures or policies shall hereby be rescinded.

This Ordinance shall become effective upon its passage.

Introduction Date: March 6, 2013

Public Hearing: April 3, 2013

Final Action by Council: April 3, 2013

Approved: 
Gary Levy, Chairman Newmarket Town Council

A True Copy Attest: 
Becky I. Benvenuti, Town Clerk

