

## Chapter 95

### PURCHASING PROCEDURES

#### 95-1 Purpose.

The purpose of this chapter is to establish a general policy and criteria for the purchases by the Town of supplies or services as referenced in the Town Charter.

#### 95-2 Scope.

The following are the laws that govern Thurmont purchasing according to the Code of the Town of Thurmont.

#### 95-3 Competitive bidding.

- A. Except as otherwise provided in this chapter, contracts for the purchase by the town of supplies or services involving \$15,000 or more shall be awarded at a regularly scheduled meeting of the Board of Commissioners to the lowest responsible bidder meeting specifications. A contract may not be subdivided to avoid the requirements of this section.
- B. The Town shall invite proposals for all contracts subject to this section by publishing a notice in at least one newspaper at least 15 days prior to bid opening. The notice shall state that the Board of Commissioners will meet in public session to receive bids for the described purchase or contract, state the time and place of the meeting, and reserve the right to reject any and all bids.
- C. In determining the lowest responsible bidder, in addition to considering price, the Board of Commissioners or the official authorized to contract for the town shall consider;
  - 1. The ability, capacity, and skill of the bidder to perform the contract or provide the service required;
  - 2. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
  - 3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
  - 4. The quality of performance of previous contracts or services;
  - 5. The previous and current compliance by the bidder with laws and ordinances relating to the contract or service;
  - 6. Whether the bidder is in arrears to the town on any debt or contract, is in default on any surety to the town, or is delinquent as to any taxes or assessments; and
  - 7. Whether the bidder can provide evidence of general liability coverage and workers compensation if applicable.
  - 8. Any other information that may have a bearing on the decision to award the contract.
- D. If a contract is not awarded to the lowest bidder in price, the reasons for the decision shall be stated in the minutes of the meeting at which the contract

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is awarded.

**95-4** Where the estimated cost of a contract is between \$7,500 and \$15,000; or when soliciting bids for vehicles or mobile capital equipment, the following procedures apply:

- A. The authorized official shall cause appropriate written specifications to be prepared to identify the minimum requirements of items and/or services being contracted for.
- B. The authorized official shall follow the procedures in Section 95- 3 or, alternatively, may solicit informal bids by personal contact, telephone, or e-mail correspondence. A minimum of three bids shall be obtained. If there are less than three bids, the authorized official should attempt to get a 3<sup>rd</sup> bid. After a second unsuccessful attempt to get a 3<sup>rd</sup> bid, the respondents' bids shall be submitted to the Board of Commissioners for consideration at a future town meeting. The Board of Commissioners may award or reject the bids as set forth in Section 95-3

**95-5 Exceptions to competitive bidding.**

- A. The following types of contracts may be awarded without complying with the bidding procedures otherwise required in this chapter:
  - 1.)Purchase or contracts involving less than \$7,500.
  - 2.) Purchases of supplies or services that are available only through one source;
  - 3.)Contracts for professional services such as those of attorneys, physicians, architects, engineers, accountants, consultants, and other possessing a similar high degree of technical skill and expertise, provided that to the extent appropriate for the particular service to be provided, an attempt is made to secure competitive proposals for these services;
  - 4.)Purchases or contracts made when the Mayor, Board or an assigned individual determines that an immediate danger to person or property exists.
  - 5.)For any other emergency with the approval of a majority of the Board of Commissioners; and
  - 6.)Purchases based on state, county, or municipal contracts that are established by a legal or competitive process.
- B. Competitive bidding is required for sales of personal property which has become obsolete and unusable by the Town.

**95-6 Authorized Officials.**

Board of Commissioners to authorize official(s) to perform purchasing function, typically the Chief Administrative Officer and/or Chief Financial Officer.

**95-7 Execution of Contracts.**

Contracts involving \$15,000 or more shall be executed by the Mayor while contracts of \$14,999 or less shall be executed by the Mayor or authorized official.

- 95-8** All bids for service and construction contracts must include evidence of current general liability insurance coverage and workers compensation coverage.
- 95-9** Copies of all bid notices will be posted at Town Office fifteen (15) days prior to bid opening.
- 95-10** Anticipated purchases involving less than \$7,500.00 will be posted at the Town Office on the working day nearest the 1<sup>st</sup> and 15<sup>th</sup> of each month. Purchases of a routine, repetitive nature such as office supplies etc. are not included in this provision.

**95-11 Capital Purchases:**

**Definition and Threshold:**

Capital purchases comprise furniture, fixtures, equipment, software, leasehold improvements, etc. that meet two criteria:

- 1) A useful life of at least two years following the date of acquisition, and
- 2) A cost of \$10,000.00 or more.

**Approval:**

The Town of Thurmont's Capital budget is updated each year and should include proposed capital purchases that are anticipated to take place during the year. Those purchases itemized within the approved capital budget are considered approved.

**Recordkeeping:**

The Town of Thurmont shall maintain a list of fixed assets showing the date of the acquisition, its cost, and a schedule for depreciation of the asset. The Town of Thurmont shall keep on file documentation for each purchase.

Each purchase shall be evaluated to determine whether the acquisition will have an impact on insurance coverage. Additional coverage shall be obtained if necessary.