Section 1. Purpose: The purpose of this policy is to standardize the procurement policy purchasing procedures of the Town of Cranberry Isles (the "Town") to increase public confidence in municipal purchasing, promote the fair and equitable treatment of all suppliers of goods and services, and to clearly set forth the duties and responsibilities of the Administrative Assistant, the Selectboard, and any other designated staff.

Section 2. Applicability: This policy shall apply to all purchases and services made by or used by the Town, through its Administrative Assistant, Selectboard, and any other designated staff, except as otherwise specified herein.

Section 3. Definitions:

A. Approved Vendor: Vendors and contractors not on the disqualification list and that possess the necessary expertise and qualifications.

B. Bid most Advantageous to the Town: A bid chosen on the basis of price, quality of product, suitability of product, and the service reputation of the bidder and therefore may not necessarily mean the lowest bid received.

C. Competitive Bidding: The process of obtaining the bid most advantageous to the Town for any purchase, whether through formal or informal bidding procedures including quotes.

D. Department Heads: For purposes of this policy, the following positions are referred to herein as "Department Heads": Public Safety Officer; Town Clerk; Harbor Master; Code Enforcement Officer.

E. Informal Bid: A written or oral quotation obtained from approved vendor or contractor, but not required to be opened publicly at specified day, place, and time.

F. Formal Bid: A written quotation obtained in a sealed envelope from approved vendor, having been publicized, and opened publicly at a specified day, place, and time.

G. Field Purchase: Any informal purchase of supplies needed in small quantities for day-to day operations made directly by the Administrative Assistant, or any other designated staff or officer from an approved vendor.

H. Purchase: The buying, contracting, renting, leasing, or otherwise acquiring supplies or services for a price.

I. Purchase Order: Written documentation requesting approval for services or goods on behalf of the Town. For the purposes of this policy, a Purchasing Requisition Memo shall act as a substitute for a Purchase Order, at the Administrative Assistant's discretion, and includes the product or service being purchased, vendor, cost, and any other relevant information.

J. Cooperative Purchase: Purchases made by the Town in conjunction with, or from, another governmental or quasi-governmental agency such as the State of Maine, county government, another municipality, Ecomaine, or school.

K. Emergency: Any situation or circumstance by its nature or severity, as deemed so by the Administrative Assistant, that would inhibit the Town from providing delivery of services when said services are or may be, needed that requires an override of the procedures set out in this policy.

L. Services: The lease, rental, repair, maintenance, supplies, materials, or equipment necessary to Town government.

M. Specifications: The standards, including quality, set by the Town set forth as a measure of that which successful bidders must achieve, including both the technical specifications which shall state formulations as broadly as practical, yet specific enough to describe-the requirements, and non-technical specifications for bids, which shall state the quality required in general terms.

Section 4. Purchasing Parameters

A. Purchasing Agent: The Administrative Assistant is designated as the Purchasing Agent for the Town. The Administrative Assistant and the Selectboard, through its chair, are authorized to spend within budget appropriations in accordance with this policy. The ranges listed are meant to provide general procedural guidance for application, with allowance for discretion regarding procurements under Section 4 (D) herein, as to which policy category to apply, when the amount at issue does not exceed 10% of a lower category threshold.

B. Cooperative Purchases: The Administrative Assistant may make cooperative purchases without competitive bidding if the purchase being made after competitive bidding by the cooperative entity is at a price more advantageous than the Town would be likely to obtain by competitive bidding on its own. Amounts that exceed $25,000 require Selectboard approval for inclusion to cooperative purchases/bidding.

C. Bid Waiver: When a purchase is inappropriate for competitive bidding due to the nature of the item, time constraints, or other limiting factors, the Selectboard may vote to waive the formal bid process provided it includes in its minutes the basis for its decision.

D. Products, Goods & Equipment (category thresholds):
Under this procurement policy, the acquisition of unnecessary or duplicative items should be avoided and consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase, and where appropriate, analysis of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

1. $0 - $999. Defined as field purchases. The Administrative Assistant and Department Heads may make field purchases from authorized approved budget allotments. Purchases may not be broken up for the purpose of avoiding additional requirements as listed in this section.

2. $1,000 - $4,999. Prior authorization from Administrative Assistant is required. Department heads are required to submit a written request or purchase order to the Administrative Assistant prior to commitment of funds. Formal competitive bid is not required. However, the purchaser should endeavor to get the best value for the money spent. If the Administrative Assistant is unavailable, the chair of the Selectboard has authority to grant authorization.

3. $5,000 - $14,999. Prior authorization from Administrative Assistant is required and the purchase approved prior to commitment of funds; if the Administrative

Assistant is unavailable, the chair of the Selectboard has authority to grant authorization.

Informal bids or quotes must be solicited from a minimum of three bidders. In cases when a quote from three bidders is not possible, a purchase requires Selectboard authorization to proceed with a Bid Waiver. Quotes must be attached to the formal request.

4. $15,000 & Over. Written bid specifications or equivalent is required and must be approved by the Administrative Assistant prior to being advertised. This is a formal bid process. The Selectboard has final awarding responsibility. The Selectboard shall award to the Bid Most Advantageous to the Town.

E. Services' Contract:

Fixed-price contracts (lump sum or unit price) are preferred. Time-and-materials type contracts are not preferred and may only be used with prior authorization from the Selectboard, after a determination by the Town Administrator that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. The Town shall utilize a written method for conducting technical evaluations of the proposal received and making selections consistent with the purposes of this policy. In procurement projects that are anticipated to involve Federal funding, to the extent practicable, preference should be given for the purchase, acquisition, or use of goods, products, or materials produced in the United States, including in relation to all contracts and purchase orders for services or products.

1. $0 - $4,999. One year or less in duration. Purchase Order authorized in advance is required; formal competitive bidding is not required; contractor shall be on approved vendor list. Town Administrator must approve the contract prior to commitment of funds; if the Town Administrator is unavailable, the chair of the Selectboard has authority to grant authorization.

2. $5,000 - $49,000. One year or less in duration. Purchase Order authorized in advance is required. Informal bids or quotes must be solicited from a minimum of three bidders, if available. Quotes must be attached to the formal request or explanation if not available. If within appropriation amounts, the contract only needs approval by the Town Administrator, provided there is a for-cause termination clause. If outside appropriation amounts, Town Administrator recommendation and approval from the Selectboard is required, and potentially Town Meeting approval as recommended by the Selectboard or required by State Law.

3. $50,000 & Over and Shorter than One Year in Duration. Written RFP specifications created by the Town Administrator and approved by the Selectboard required, prior to being advertised. The RFP shall be advertised publicly by means reasonably calculated to encourage full and open competition. Sealed proposals shall be specified and opened at a public meeting by the Town Administrator. The Selectboard has final awarding responsibility. A contract should be awarded to the responsible offeror whose proposal, conforming with all the material terms and conditions of the invitation for proposals, is most advantageous to the Town, which may mean that the contract is awarded to an offeror who is not the lowest price, if

the Selectboard believes it to be in the best interest of the Town. Any or all proposals may be rejected if there is a sound documented reason.

4. $50,000 & Over and One Year or Longer in Duration. Written RFP specifications created by the Town Administrator and approved by the Selectboard required, prior to being advertised. The RFP shall be advertised publicly by means reasonably calculated to encourage full and open competition. Sealed proposals shall be specified and opened at a public meeting by the Town Administrator. The Selectboard has final awarding responsibility. A contract should be awarded to the responsible offeror whose proposal, conforming with all the material terms and conditions of the invitation for proposals, is most advantageous to the Town, which may mean that the contract is awarded to an offeror who is not the lowest price, if the Selectboard believes it to be in the best interest of the Town. Any or all proposals may be rejected if there is a sound documented reason. Additionally, such a contract may require ratification by vote at Town Meeting.

F. All solicitations and procurement transactions. All procurement transactions should be conducted in a manner providing full and open competition. All solicitations and all procurement transactions must: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured and may include a statement of the qualitative nature of subject to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use (when it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement, so long as the specific features of the named brand which must be met by offers are clearly stated); and (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals and their relative importance.

G. Negotiation of Profit. In procurement projects that are anticipated to involve Federal funding, for each contract in which there is no price competition and in all cases where cost analysis is performed, the Selectboard, or its designee, must negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

H. Record keeping. The Town Administrator shall keep a record of all bids and RFPs submitted, and records sufficient to detail the history of procurement, which should include: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price, which records should be open to proper inspection by any interested party upon reasonable notice.

I. Disqualification of Bidders. The Town Administrator shall have the exclusive authority to disqualify bidders who default on their bids, quotations, contracts, or purchase orders from receiving further awards from the Town, which disqualification is subject to the right of appeal by the disqualified bidder to the Selectboard for reversal or reinstatement.

J. Rejection of Bids & RFPs. The Selectboard reserves the right to reject any and all bids or proposals, or to accept the bid that appears to be in the best interest of the Town, investigate the qualifications of any bidder, and to waive or not waive any and all informalities in the bids when making an award. Bids must only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement, with consideration given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals is prohibited, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

K. Authorization of Documentation. The Town Administrator has the authorization to execute such documents that are required to complete approved purchase, consistent with direction from the Selectboard.

L. Field Purchases. The Town Administrator or Department Head authorized to purchase items on behalf of the Town must supply receipts for all monies spent. Failure to do so may result in discipline. The Selectboard shall have the exclusive authority to determine whether or not an employee has purchasing powers on behalf of the Town.

M. Oversight and compliance. The Town Administrator, as the Selectboard's designee, is authorized and has responsibility to maintain oversight to ensure that purchases and/or contractors perform in accordance with the terms, conditions, and specifications of contracts or purchase orders.

N. Solicitation List: The Town Administrator will maintain a list of qualified small and minority businesses and women's business enterprises in the area to receive solicitations whenever they are potential sources and to take other reasonable affirmative steps to assure opportunity for participation to minority businesses, women's business enterprises when possible.

O. Contracts of $250,000 or More: In addition to all other applicable aspects of this policy, when the contract may reasonably be anticipated to be for $250,000 or more, the Town Administrator, or designee, must perform a cost or price analysis, including as to any contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the analysis must include independent estimates before receiving bids or proposals.

P. Bonding Required in Certain Circumstances. In addition to all other applicable aspects of this policy, for construction or facility improvement contracts or subcontracts exceeding $250,000, the following minimum requirements must be as follows:

(a) A guarantee from each offeror or bidder equivalent to five percent of the bid or proposal price, consisting of a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the offeror or bidder will, upon acceptance of the bid or proposal, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price, to secure fulfillment of all the contractor's requirements under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price, to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Q. Federally Funded Projects. Contracts for projects or procurement for which federal funding may reasonably be available or anticipated, such contracts must contain the applicable provisions described in appendix II, found at: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/appendix-Appendix%20II%20to%20Part%20200

Section 5: Miscellaneous.

A. Emergencies. In such defined times, the Town Administrator may authorize immediate negotiated purchases of supplies or services, not to exceed $15,000 that are needed to protect the best interests of the Town. The Town Administrator will report to the Selectboard the use of these emergency funds at the next open Selectboard meeting.

B. Revision Power by the Administrative Assistant. The Administrative Assistant shall examine each purchase order and shall have the authority to revise it as to quantity, quality, or estimated costs; but revision as to quality shall be only with the concurrence of the relevant Department Head.

C. Tax Exemptions. The Administrative Assistant and the Selectboard should endeavor to procure for the Town all Federal and State tax exemptions to which the Town is entitled.

Section 6. Conflicts of Interest

Any official, officer, or employee of the Town who has a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, or ownership interest in a business entity, in any contract with the Town, or in the sale of any land, material, supplies, or services to the Town or to a contractor supplying the Town, shall make known that interest and shall refrain from voting upon or otherwise participating in his/her capacity as an

official, officer, or employee in making such sale or otherwise in the making or performing of such contract. No official, officer, or employee may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest, including when the official, officer, or employee, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the same, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract, or has solicited or accepted gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Any official, officer, or employee who willfully conceals such financial interest or willfully violates the requirement of this section shall be guilty of malfeasance in office or position and shall forfeit his/her office or position. Violation of this section with the express of implied knowledge of the person or business entity contracted with or making a sale to the Town shall, at the option of the Town, render the contract or sale voidable.

In all proceedings before the Town, every municipal official shall attempt to avoid the appearance of a conflict of interest by disclosure or abstention.

This policy supersedes any prior policy related to this subject.

Adopted this 26th day of September 2024.

Katelyn Damon

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