



Town of Newcastle Purchasing and Bid Policy

Purpose: The Purchasing and Bid Policy has been established to:

- spell out the responsibilities and authority of purchasing
- promote consistent and fair relations with vendors
- allow for level competition to set prices
- control spending with budget limits
- set a professional standard of organizational behavior
- create an organized system of checks and balances
- enhance public trust

Definitions:

Professional Services - nonphysical products or services that individuals or companies provide to help manage or improve a specific area of local government businesses.

Spending Authority: The Town Manager is designated by MRSA Title 30-A §2636(7) as the Purchasing Agent for the Town. Accordingly, the Manager and staff are authorized to spend within budget appropriations. Purchases within the dollar ranges specified below must meet the requirements listed.

\$0 - \$5,000. Formal competitive bidding is not required. However, the purchaser should endeavor to get the best value for the money spent. The Town Manager or their designee can approve the purchase.

\$5,000 - \$15,000. Verbal quotations shall be solicited from a minimum of three qualified bidders, if available. The quotes must be documented and attached to the warrant documentation. Signature by the Town Manager is required.

\$15,000 - \$50,000. Written proposals or bids shall be solicited from a minimum of three qualified bidders, if available and attached to the warrant documentation. Signature by the Town Manager is required.

Over \$50,000. Written bid specifications or equivalent shall be approved by the Town Manager. The bid shall be advertised by the most efficient means possible, in order to encourage the widest possible competition. Sealed bids shall be specified and opened at a public meeting. The Town Manager may award the bid to the lowest bidder and authorize or sign the contract.

Annual Maintenance Contracts over \$50,000 – The Town Manager shall coordinate with the Select Board to develop a process to select a contractor and authorize the signing of a contract that is in the best interest of the Town.

Total Cost Bidding: If the Town Manager feels that it is in the best interest of the Town not to award the bid to the low bidder, the manager may refer the award of the bid to the Select Board. The Select Board shall award the bid to the best bidder; not necessarily the lowest bidder; keeping in mind the total cost over the life of the project or equipment, the quality of material, availability of service, contributions by the bidder to the local tax or employment base and other significant factors.

Competitive Purchasing: Competitive bidding requirements may be delegated by the Town Manager to area-wide, County-wide, or State-wide purchasing cooperatives.

Exemptions from Competitive Bidding:

1. Contracts for professional services.
2. Hourly rate contracts, which cannot be effectively estimated.
3. Situations in which it is determined by the Town Manager that only one firm can effectively provide the required service or materials.
4. Emergency repair or replacement where it is determined by the Town Manager that the repair or replacement cannot be delayed sufficiently to conform to the policy.

5. The letting of contracts or purchases of additional quantities, where the Town has recently awarded bids as normally required, and the successful bidder is willing to honor the original price.
6. Purchases from vendors which have been vetted by a professional association. Such documentation must be attached to invoices for payment.

For exemption items 1-6, the Town Manager will notify the Select Board when an exemption is utilized above the \$15,000 threshold. In the notification, it shall include the reason and the methodology used to assure the best possible price.

Enactment: This policy will be implemented upon a majority vote of the Select Board and repeal of the Purchasing and Bid Ordinance by Special Town Meeting. Any future change or amendment to the policy will also require a majority vote by the Select Board.

Date of Adoption: 08-28-2023 (pending Repeal of Purchasing and Bidding Ordinance)

Karen Paz _____
Chair

Joel Lind _____
Vice Chair

Tor Glendinning _____

Thomas Kostenbader _____

Rufus Percy _____

Legislative History

08-28-2023 Adoption (implementation contingent on Repeal of Ordinance)

12-11-2023 Repeal of the Purchasing and Bidding Ordinance