



Procurement 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 \$5,000 may be made after the Town Purchasing Agent (or Agent designee) has researched and shopped for the best price and quality of the product or service desired. The purchase must be approved by the appropriate Department Head and the Town Manager.
- B. Purchases for goods or services, which involve expenditures **with a cumulative total of \$5,000 to \$10,000**, may be made after at least three (3) recorded quotations are received and approved by the Department Head and the Town Manager.
- C. The Town may accept contract 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 \$10,000, must be made through a competitive bid process under the direction of the Purchasing Agent unless the Town wishes to utilize best low pricing from the established Preferred Vendor List.

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 Board of Selectmen 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 Livermore Falls 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 Board of Selectmen may waive the competitive bid process when:
 - 1. Emergencies or justifiable special circumstances require the timely procurement of goods or services;
 - 2. There is only one source of supplier; or there is a local preferred Vendor on the approved "Preferred Vendor List"
 - 3. 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. All payment requests for any purchase must have:
 - 1. Invoice or receipt signed as approved by Department Head
 - o Packing slips when applicable must be included
 - 2. Department account to be charged written on the invoice or receipt

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 Board of Selectmen 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.

The following Federal requirements are in addition to Town of Livermore Fall Procurement Policy requirements for spending of Federal Grant amounts awarded greater than \$150,000 (Simplified Acquisition Threshold). These requirements cover all actions related to the use of contractors including selection, performance monitoring, contract provisions, bonding requirements and record retention requirements.

- 1. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS.

- a. The Town of Livermore Falls must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible
- b. Affirmative steps must include:
 - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
 - ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises
 - v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce
 - vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i.) through (v.) of this section

2. CONTRACT COST AND PRICE

- a. Employees must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications
- b. Employees must make independent estimates before receiving bids or proposals
- c. Employees must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed
- d. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used

3. BONDING REQUIREMENTS

- a. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the Town of Livermore Falls provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected
- b. If such a determination has not been made, the minimum requirements must be as follows:
 - i. Bid guarantee from each bidder equivalent to five percent of the bid price
 - ii. Performance bond on the part of the contractor for 100 percent of the contract price
 - iii. Payment bond on the part of the contractor for 100 percent of the contract price

4. CONTRACT PROVISIONS

- a. All contracts made by the Town of Livermore Falls under the Federal award must contain provisions covering the following, as applicable:

- i. Contracts for more than the simplified acquisition threshold must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate
- ii. Contracts in excess of \$10,000 must address termination for cause and for convenience by the Entity including the manner by which it will be effected and the basis for settlement
- iii. Equal Employment Opportunity
- iv. When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by Entities must include a provision for compliance with the Davis-Bacon Act
- v. Contract Work Hours and Safety Standards Act - contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704
 - 1. 3702 - work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week
 - 2. 3704 - no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous
- vi. Rights to Inventions Made Under a Contract or Agreement
- vii. Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires compliance with Clean Air Act and the Federal Water Pollution Control Act
- viii. Mandatory standards and policies relating to energy efficiency in compliance with the Energy Policy and Conservation Act
- ix. Debarment and Suspension - A contract award must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM)
- x. Byrd Anti-Lobbying Amendment - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification

5. SUBRECIPIENT AND CONTRACTOR DETERMINATIONS

- a. The Town of Livermore Falls may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements
- b. Pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor
- c. Characteristics which support classification of the Town of Livermore Falls as a subrecipient include when the Entity:
 - i. Determines who is eligible to receive what Federal assistance
 - ii. Has its performance measured in relation to whether objectives of a Federal program were met
 - iii. Has responsibility for programmatic decision making
 - iv. Is responsible for adherence to applicable Federal program requirements specified in the Federal award

- v. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose, as opposed to providing goods or services for the benefit of the pass-through entity
- d. Characteristics indicative of a procurement relationship between the Town of Livermore Falls and a contractor are when the Entity receiving the Federal funds:
 - i. Provides the goods and services within normal business operations
 - ii. Provides similar goods or services to many different purchasers
 - iii. Normally operates in a competitive environment
 - iv. Provides goods or services that are ancillary to the operation of the Federal program
 - v. Is not subject to compliance requirements of the Federal program as a result of the agreement

6. RETENTION REQUIREMENTS FOR RECORDS

- a. Financial records, supporting documents, statistical records, and all other Town of Livermore Falls records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report
- b. Exceptions are the following:
 - i. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken
 - ii. Town of Livermore Falls is notified in writing by the Federal awarding agency, , or pass-through entity to extend the retention period
 - iii. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition
 - iv. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the Entity

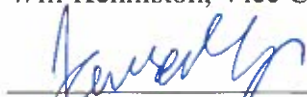
Signed and approved by the municipal officers on January 23, 2024.



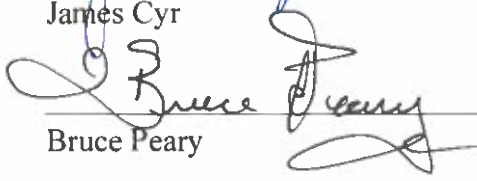
 Jim Long, Chair



 Will Kenniston, Vice Chair




 James Cyr



 Bruce Peary

 Ernest Souther



TRUE COPY ATTEST
 BY 
 CLERK
 TOWN OF LIVERMORE FALLS