

TOWN OF LYMAN

Municipal Purchasing Policy

Adopted: June 15th, 2020

Amended: June 2, 2025

PURPOSE

The purpose of this policy is to standardize the purchasing procedures of the Town of Lyman, thereby securing for the Town the advantages of centralized and uniform purchasing procedures saving the taxpayer's money and increasing public confidence in the procedures for purchasing. This policy includes Section 7.7 of the Town of Lyman Charter Purchasing and Sales Procedures.

DEFINITIONS

“Bid most advantageous to the Town” means a bid chosen on the basis of price, quality of merchandise, suitability of merchandise, and service reputation of the vendor, and not necessarily the lowest bid received.

“Emergency” means and situation or circumstance by its nature or severity, as deemed so by the Town Manager, that would inhibit the Department 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.

“Professional Services” means services provided to or for the Town by licensed professionals such as lawyers, architects, engineers, auditors and consultants.

“Purchase” means buying, renting, leasing, or otherwise acquiring supplies or services for a price.

“Purchase Order” means the form specified by the Purchasing Agent for the purpose of identifying the vendor, item(s) purchased, quantities, prices, terms, and budgetary account(s) to be charged.

“Purchasing Agent” means the Town Manager or the Town Manager's designee.

“Quotation” means a written or oral proposal obtained from a prospective vendor.

“Services” means the lease or rental of all grounds, buildings, offices, space or equipment required by the Town, the repair or maintenance of equipment or real property owned by or the responsibility of the Town and all labor furnished to the Town by persons, firms, individuals or corporations 13019359.1 not part of or connected with the Town government. “Services” shall not include Professional Services, or utilities such as electricity, water, and phone services.

“Supplies” means all materials and equipment.

“Town Official” means any elected, appointed, volunteer, or employee of the Town that in their capacity serve a role in the functions or business operations of the municipality or provide any such services related to municipal affairs.

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PURCHASING

Except in matters pertaining to normal road maintenance or in emergency situations as determined by the Board in those cases where the scope of work or services to be performed for the Town shall require an expected expenditure of \$10,000 or more, the following guidelines shall be followed:

- a. A clear statement defining the required scope of services or specifications of the work to be performed shall be provided to the potential bidders, along with notice as to where the bid forms may be picked up. Notices shall be mailed to prior and appropriate bidders, notifying them of the current bid request.
- b. Requests for bids shall be advertised in the local papers early enough to give bidders sufficient time to prepare bids. Such advertisements should include the statement that, "The Board reserves the right to accept or reject any or all bids". Awards shall be made to the most responsible, qualified, and responsive bidder.
- c. The manner in which the bids are to be submitted, when they shall be due in the Town Office, and when the bids are to be publicly opened, shall be clearly stated in the ad.
- d. The Board may contractually require a bid bond and/or a performance bond.
- e. For purchases between \$5,000 and \$9,999, at least three (3) price quotes for comparable products must be solicited prior to the purchase.

LIMITATIONS ON PURCHASES

Limit amount is fifty dollars (\$50.00) or a combination thereof, which shall require a purchase order(s) to be completed and submitted to the Town Manager's Office. The guidelines for purchasing procedures listed below are expected to be followed:

- The Town Manager shall be the Purchasing Agent for the Town, responsible for overseeing all purchases of supplies, materials, and equipment for use by the Town. The Town Manager reserves the right to deny any purchases based on funding availability and the scope of the current budget.
- Any purchase over \$50.00 shall require a purchase order subject to approval of the Purchasing Agent and submittal of an approved purchase order to the Finance Officer.
- The purchase order shall include confirmation of funds available for the purchases, a description of items purchased, or an invoice attached to the purchase order. An invoice is the vendor's statement of his/her charges against the Town for materials or services rendered. Invoices should contain substantially the same information as on the purchase order

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- No purchases or services, supplies, materials, and equipment shall be made without prior approval of the Purchasing Agent.
- Once approved, the Town Manager will order or submit approval to the appropriate Town Official
- Neither the Purchasing Agent nor any Town Official shall make any purchase or allow any purchase to be made until an appropriation therefore has been approved by the Town
- Payments will be made in accordance with Title 30-A MRS §5603(2)(A)

All Town Officials acting in their official capacity on behalf of the Town are expected to:

- Practice economy in the use of materials, goods, and services
- Maintain property and equipment in serviceable condition
- Determine acceptable quality of commodities and supplies to be purchased
- Share knowledge of special factors which will implement a policy designed to enable the Town to minimize cost and maximize quality.
- Prepare requisitions and keep corresponding records to facilitate correct accounting charges.
- Be empowered to reject any unacceptable supply or commodity on the grounds of high cost or low quality, and provide the Purchasing Agent with a written detailed report of rejection.
- Choose vendors on the basis of responsibility, quality, prior experience with providing goods and/or service to the Town, reputation, and references from other municipalities or customers.
- Report to the Purchasing Agent the following
 - Items beyond use
 - Items being replaced or to be replaced
 - Items no longer of use to Department operations.

Disposal of all surplus equipment valued over \$500 shall be by sealed bid process established by the Board who reserves the right to reject all bids. Advertisements for the disposition of surplus Town equipment shall be posted at the normal locations in Town and on available electronic media. If there are no bids, the Board may dispose of the surplus equipment as deemed necessary.

- Plan future purchases to provide ample time to secure favorable prices and terms, and to minimize direct purchases.

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EMERGENCIES

Purchases made in emergency circumstances shall be considered exempt. Notification that the emergency exists is made to the Town Manager with details to the nature of the emergency, the source of funding for the emergency and the most advantageous manner in which to make the purchase of services, supplies, materials and equipment. Emergency notification will be for emergencies only and not used to circumvent this policy. The Town Manager will apprise the Board of emergency expenditures.

CREDIT CARD USE

The Town Manager shall determine who is authorized to utilize Town Credit cards.

- a. The card will not be used at any time for personal expenditure.
- b. The card will not be used at any time without prior purchase order approval within the guidelines listed in this policy.

Each time the Town's credit card is used, it will be immediately returned to the Finance Officers. All receipts will be attached to the approved purchase order with expense codes written on the receipt to be used for payment of the charges. The Finance Officer will pay the bill in a timely manner to avoid any interest or penalties whenever possible so long as the payment is not in conflict with Title 30-A MRS §5603(2)(A)

All purchases made with any Town credit card and purchase order require the Town's tax exemption to be utilized whenever it is reasonable feasible to do so. If tax appears on the receipt the person authorized to use the card must contact the vendor to have the tax removed from the purchase.

Each time a Town Official is authorized to use any Town credit card the use must signed out and signed in the credit card usage log with the Finance Officer. Upon signing the log, the card user is acknowledging they have read and understood this policy.

The individual issued a municipal credit card is responsible for its protection and custody and shall immediately notify the Finance Officer if the card is lost or stolen.

REQUIREMENTS FOR USING STATE AND FEDERAL FUNDS

The Town shall ensure that all state and federal funds are used in strict compliance with applicable laws, regulations, and grant requirements. All expenditures made with such funds must directly support the purposes for which the funds were awarded and must be properly documented and accounted for in accordance with generally accepted accounting principles and any specific requirements set by the granting agency. Town Officials utilizing state or federal

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funds are responsible to ensure proper tracking, reporting, and audit readiness. Any employee or official found to have misused or misappropriated such funds may be subject to disciplinary action, up to and including termination, and may be held personally liable for the repayment of disallowed costs. The Town reserves the right to void any agreement or purchase made in violation of this policy.

CONFLICTS OF INTEREST

Any Town Official who has 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 in making such sale or otherwise in the making or performing of such contract.

Any Town Official who knowingly conceals a financial interest, or who willfully violates the provisions of this section, shall be deemed to have committed malfeasance in office and may be subject to disciplinary action. Additionally, any violation of this section that occurs with the express or implied knowledge of the individual or business entity entering into a contract or sale with the Town may, at the Town's discretion, render the contract or sale voidable

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

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This policy supersedes any prior policy related to this subject.

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