



CCM Research

Municipal Finance Essentials

Purchasing & Procurement

November 2025

Introduction

Municipalities are required and expected to provide a variety of services to their residents. In order to do so they need to purchase goods and utilize outside vendors to fulfill projects.

Municipalities contract for a wide range of goods and services, including but not limited for, public works projects, professional services and various supplies and equipment. Specifically:

- **Public Works Projects:**
 - Construction and Infrastructure: Building and maintaining roads, bridge, public buildings, schools, other essential infrastructure.
 - Related services: engineering, architectural design, and project management.
- **Professional Services:**
 - Legal: Various legal matters, including contract review, litigation, and general legal advice.
 - Financial: Financial advisors, auditors, and investment managers.
 - Other Services: This may include human resources consulting, IT support, and public relations.
- **Supplies and Equipment:**
 - Vehicles and Equipment: including police cars, fire trucks, ambulances, and DPW vehicles and equipment
 - Supplies: Specific to certain areas, such as public works (road salt, gasoline, other) or office related items (paper, pens, and computers).
- **Essential Services:**
 - Waste Management: Contracts for trash and recycling collection are common.
 - Emergency Services: Municipalities may contract with private companies for EMS services or police.
 - Public Transportation: Contracts for bus services or other forms of public transit are also part of municipal procurement

To effectively accomplish this, towns and cities need a procurement and purchasing policy to ensure responsible and ethical use of public funds to achieve the best value for their purchases. A procurement policy:

- Ensures Transparency and Accountability: A well-defined policy ensures that the process of acquiring goods and services is clear and open to scrutiny. This helps build public confidence and trust in how taxpayer money is spent.
- Prevents Fraud, Waste, and Abuse: Procurement policies aim to minimize opportunities for improper influence, nepotism, and fraudulent activities in purchasing.
- Achieves Best Value: A competitive bidding process, as outlined in a procurement policy, helps identify and select vendors that offer the most advantageous balance of price, quality, and performance. This allows municipalities to get the best value for property taxpayer funds.
- Promotes Fair Competition: Procurement policies encourage fair and open competition among vendors, ensuring that all businesses have a level playing field when bidding for contracts.
- Supports Local Economies: Policies can be designed to promote local businesses, creating economic opportunities within the community and ensuring that public funds are circulated back into the local economy.
- Enhances Contract Management: Effective policies establish procedures for managing purchases and contracts to ensure quality control, cost containment, and timely delivery of goods and services.
- Promotes Sustainability and Social Responsibility: Procurement can be used to promote sustainable development policies, encouraging the purchase of environmentally friendly goods and services, and fostering a more inclusive economy by supporting diverse businesses.
- Ensures Compliance: Procurement policies help ensure that municipalities comply with relevant state and federal laws and regulations governing public purchasing.

In essence, a procurement and purchasing policy provides a framework for towns and towns to conduct their purchasing activities in a structured, responsible, and ethical manner, ensuring that public funds are used efficiently and for the benefit of the community.

Purchasing and Procurement Policies

Connecticut's municipal procurement policies often require competitive bids or quotes for purchases based on certain threshold. The responsible municipal department for purchasing (it may be Finance, Purchasing, First Selectman, Town Manager, etc.) will establish a process for payment and receivership. Some policies differentiate and establish different threshold or process for capital assets (materials, supplies and equipment) and professional services.

All of this should begin with the municipality developing a strategic procurement plan. This will transform the goals and objectives of the community into measurable activities to be used to plan, budget and manage procurement and purchasing. As this is developed, a formalized plan and process should be developed and made public to residents and potential bidders.

Many municipalities in Connecticut, as a matter of best practice, develop a multi-year **Capital Improvement Program (CIP)**. These funds are allocated annually to a capital and non-recurring expenditures fund to pay for items like equipment, vehicles, and facility improvements, which may be financed over several years. This is a crucial debt management tool that plans for future capital needs and identifies the funding sources, including potential debt, for each project. This long-term planning helps ensure that debt is issued only for projects that are truly needed and affordable.

Purchase Processes

For smaller purchases. While some municipalities allow single-bid or oral bids for very small purchases (e.g., under \$2,500 or \$5,000), those above certain thresholds require competitive pricing or written quotes for purchases. Each policy will dictate what monetary threshold, or type of project, constitutes a "small purchase." Even for small purchases, competitive pricing is generally encouraged to the maximum extent feasible, and evidence of competition (or reasons for lack thereof) should be maintained.

Competitive bidding is a cornerstone of sound procurement practice, generally required for purchases of goods and services whenever feasible and practical. Above the "small" procurement threshold, there is a rate, often between \$5,000 and \$20,000 that requires at least three vendor quotes for any purchases.

Depending on each municipal policy, these quotes can be solicited by the procurement official or by the specific department head. This often requires a

“**Request for Proposals**” (RFP) which is a solicitation document where the requirements may not be clearly known, and the municipality is looking for a solution to a problem or issue. The Statement of Work, along with the **Scope of Work** (SOW) should be included. The SOW serves as the primary tool for communicating the municipality’s requirements to potential contractors. This eliminates ambiguity and ensures all bidders are proposing a solution to the same problem and it provides the blueprint for the project and a critical tool for preventing “scope creep,” where project requirements gradually expand beyond the initial agreement.

The SOW should include the:

- **Tasks and Activities:** A granular breakdown of all the steps needed to complete the project.
- **Inclusions and Exclusions:** A clear list of what is and is not part of the project.
- **Deliverables:** The specific outcomes of the work (e.g., a report, a website, a finished product).
- **Timeline and Milestones:** A more detailed timeline for the individual tasks.
- **Roles and Responsibilities:** A clear definition of who is responsible for each task.

The RFP would also include what type of contract may be engaged with the contractor or vendor. For a municipality, the choice between a performance-based contract and a fixed-price contract depends on the nature of the project and the desired outcomes.

A **fixed-price contract**, also known as a lump-sum contract, is an agreement where the contractor provides a specified service or product for a predetermined price. This contract type is best suited for projects where the scope of work is clearly defined and predictable. This contract provides cost certainty, reduces administrative burden and implies a lower risk for the contractor. However, the contract is rigid and prevents flexibility, thereby possibly reducing efficiency,

A **performance-based contract** is the better choice for services where the outcome is the primary concern and there’s room for innovation, such as managing a program or operating a facility. This type of contract is ideal for services where the “how” is less important than the “what.” This type of contract focuses on the outcomes, incentivizes quality and efficiency, and allows the greatest flexibility for a contractor to adapt for the best results. This type of contract does impose a high level of administrative burden and

requires an incredible amount of trust with the contractor. To ensure success, well defined metrics and transparent communication is necessary.

As part of the contract for any specific purchase or service, a **Statement of Work** is necessary to outline exactly project objectives and purpose, scope of work, deliverables, schedule, location, and other required information.

Soliciting Bids

There are several places to post RFPs. The most common are a municipality's own website, the State of Connecticut Department of Administrative Services (DAS)'s "CTSource," local and regional newspapers. In a recent survey of purchasing agents, some also noted posting on sites like Bidnet and Euna Procurement (formerly Bonfire).

Selection

Once the RFP has been issued, selection is based on the evaluation of developed criteria. This is different than a Request for Quote (RFQ) when the product or service is specifically known, and there is a need to get competitive pricing from suppliers. An RFQ is price-focused and detail-specific, while an RFP is value-focused and explores different vendor approaches

A prudent purchasing policy would require these quotes to be submitted in writing for the "purchase order" to be used in fulfilling the purchase. If it is a unique product or service is being purchased, or if it is difficult to obtain the minimum number of quotes, it would be required to note that in the purchase order request.

Finally, there are thresholds for sealed bidding, or an Invitation for Bids (IFB). In general, this would be required for any capital assets or equipment purchases in excess of \$20,000. Sealed bidding often requires the municipality (purchaser or department head based on policy) to send at least three requests to qualified vendors for sealed bids and forward a copy of the bid package to vendors. In addition, depending on specific ordinance or charter, the bid package may need to be published in a newspaper, trade magazine or website, as well, for a specific period of time.

The "bid packages" often include the following information:

1. Instructions to Bidders
2. Hold Harmless Agreement
3. Insurance Requirements
4. Bid Specifications

A copy of the complete bid package will be returned to the requesting department. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice. Bids are reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. An award is often made to the “lowest qualified bidder” (detailed below).

Other purchasing policies may include:

- **Professional Services:** Some municipalities have different policy and thresholds for Professional Services, which may include engineers, architects, appraisers, attorneys, auditors, and medical services.
- **Emergencies:** These are situations where normal procedures must be suspended to ensure the timely delivery of goods or services. Often a policy will allow these emergency purchases for the following reasons:
 - To preserve or protect life, health, or property;
 - Responding and immediately recovery of a natural disaster;
 - To Prevent a shutdown of essential public services.Since emergency purchases do not normally provide the municipality an opportunity to obtain competitive quotes, sound judgment must be used in keeping such orders to an absolute minimum. In addition, some safeguards should be adhered to, such as the timely requisition information and appropriate approval behind normal procurement. In these emergency situations, documentation continues to be necessary, in particular if reimbursement is later sought through the federal or state government. In addition, ensuring financial safeguards to prevent budget overruns or at least review through the local elected body.
- **Cooperative Purchasing:** Goods or services are acquired through cooperative purchasing agreements. Primary examples shall include State contracts, local and regional bids, cooperative bids. Certain thresholds may also apply.
 - Municipalities can use the search feature on the [state contracting board](#) and reach out to approved vendors directly, informing them that they are using the “state contract.” Municipalities will be given the prices and terms that the state agencies have negotiated. For more information, please check the [DAS Procurement Services for Municipalities](#) page.

When selecting a bid, it should follow an appropriate and transparent process. This process should be outlined in a policy that is known by the public and all bidders.

In most instances, the selection should be based on the “lowest responsive and qualified bidder.” This is a bid that is “responsive” and “qualified” who submits the lowest bid in accordance with bidding requirements.

In determining the lowest “responsive” bid, it is best practice that the following elements should be considered in addition to price:

- Substantial conformance with the requirements of the bid, including specifications and the City’s contractual terms and conditions. Often, bidders may substitute terms and conditions or limit their liability. In most of these instances, these do not need to be disqualified but rather considered in the greater context of their bid.
- Provide proof of insurance, bonding (if required), completing all forms, including references, and all other information as requested.
- Demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. A municipality may request proof of financial resources, a list of current or previous customers, and other pertinent data.
- A bidder may be determined to be non-responsive if they fail to furnish proof of qualifications.

In determining the lowest “qualified” bidder, the following elements should be considered:

- The product or service offered provides the quality and standards required for intended usage.
- That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
- Past considerations working with the bidder should be taken into consideration.

Some procurement and purchasing policies include provisions for bids from businesses within the town. In those instances, those bidders within the municipalities, while maybe not the lowest bid, could be awarded the bid if they are within 10% higher of the lowest bid. In those instances, the bid may be reopened for the sole ability for the local business be given opportunity to accept the lowest bid.

When a bid is recommended to be awarded to other than the low bidder, written justification should be used.

Those responsible for reviewing bids, and/or the purchasing officials, may recommend rejection of any or all bids if it is determined to be in the best interests of the municipality.

Reasons for rejection may include a

- a) a bid is determined to be non-responsive,
- b) the number of bids received is inadequate,
- c) bids received are not reasonably uniform in price,
- d) bidder is determined to be in arrears to the municipality debt or contract,
- e) bidder appears on a State or Federal debarment list, or
- f) the lowest bid received is deemed to be too high.

A municipality is typically not obligated to select any of the bids, and may reject all bids with or without cause. If all bids are rejected, the municipality may re-solicit bids, negotiate a contract for the purchase, or abandon the purchase. In these instances, a written purchasing policy that ensures transparency and fiscal responsibility should be employed.

In the event that there are “tie bids” of two or more responsible bidders, there should be a policy to ensure appropriate selection. Several municipalities utilize particular standards when there is a tie bid, such as basing the decision based on, (a) the incumbent contractor being awarded the bid over that of another bidder, (b) In the case of a multi-item bid, if one bidder has been awarded other items from the same bid and the other party has not, the bidder with the multiple awards will be awarded the bid over that of another bid, (c) the bidder located in the State or municipality will be awarded the bid over out of state or out of municipality bidder, and (d) in some instances, by a coin toss.

Project Management

Connecticut state law affords municipalities to establish their own ordinances and charter for procurement, contracting and ultimately project management for these purchases. A “project manager” should be appointed for each project or purchase to serve as a critical link between the public’s needs, the town’s administrative and purchasing processes, and the private contractors hired to do the work. They are the central figure responsible for ensuring that the entire process is efficient, transparent, and ultimately delivers a successful outcome for the community.

The project managers role begins with the RFP, and continues through the project and administration of the contract. The project manager oversees its execution. This includes managing schedules, monitoring the contractor’s performance, processing payments, and handling any change orders. Effective contract administration is essential for preventing delays and cost overruns. Public projects often face risks related to funding, public opposition, regulatory changes, and unforeseen site conditions. The project manager is responsible for identifying these risks early on and developing mitigation strategies to keep the project on track.

Compliance with Labor Laws

Municipal projects must comply with numerous state and federal regulations, including those related to prevailing wages, environmental impact, and non-discrimination. The project manager must ensure that all project activities and documentation adhere to these requirements.

Connecticut’s **prevailing wage requirements**, as outlined in [CGS § 31-53](#), apply to public works projects that meet specific cost thresholds.

- **New Construction:** Prevailing wage rates applies to new construction projects where the total cost of all work performed by all contractors exceeds **\$1 million**.
- **Remodeling/Renovation:** For projects involving the remodeling, refinishing, refurbishing, rehabilitation, alteration, or repair of a public work, the threshold is **\$100,000**.

Some projects, such as particular Brownfield projects, are exempt from prevailing wage. The Department of Labor (DOL) can provide guidance on whether a particular project is exempt, or what rates may apply.

When managing projects where prevailing wage applies, a municipality is responsible for:

- **Requesting Wage Rates:** The municipality is responsible for contacting the DOL's Wage and Workplace Standards Division to obtain the official prevailing wage schedule for the project. This must be done at least 10, but not more than 20, days before the project is advertised for bid.
- **Including Wage Schedule:** The obtained wage schedule must be included as part of the bid and contract documents.
- **Monitoring Compliance:** The municipality's must collect weekly certified payroll reports from the contractor on a monthly basis to verify that workers are being paid the correct rates.

Contractors are responsible for:

- **Payment:** Contractors and subcontractors on a covered project must pay all their workers the established prevailing wage rate for their specific job classification. This includes both the basic hourly rate and the fringe benefits.
- **Fringe Benefits:** Fringe benefits can be paid directly to a qualified plan (e.g., health insurance, pension fund) or paid as cash to the employee.
- **Posting Wage Rates:** The contractor must post the prevailing wage rate schedule in a prominent place on the job site so that all workers can see it.
- **Certified Payroll:** Contractors must submit certified payroll records to the contracting agency on a monthly basis, attesting that they are in compliance with the prevailing wage law.

Non-compliance with prevailing wage laws in Connecticut can result in severe penalties, including:

- **Back pay requirements** to all underpaid employees.
- **Financial penalties** and fines.
- **Contract termination** for willful violations.
- **Debarment** from bidding on future public works projects for a period of up to three years.

As of 2025, prevailing wage laws now apply to certain **off-site custom fabrication** for public works projects. The law specifically defines this work as fabricating systems for a public project at a location other than the job site that includes:

- Plumbing, heating, cooling, and pipefitting systems.
- Ventilation and exhaust duct systems.

It does not apply to components or materials that are considered "stock shelf items" or those that are readily available products that are mass-produced and not tailored to a specific project.

Updated information on prevailing wage rates are available from the [Connecticut Department of Labor](#).

Minority Set-Aside Program

Connecticut has a long-standing set-aside program designed to increase contracting opportunities for small and minority-owned businesses. The [Commission on Human Rights and Opportunities \(CHRO\)](#) manages this program.

While not all municipal contracts are subject to the state's set-aside program, it is mandatory for **municipal public works contracts** that meet two specific criteria:

1. The project receives **state financial assistance**.
2. The total contract value exceeds a specific threshold. Historically, this has been **\$50,000**.

Several municipalities have their own, more aggressive set aside program. These programs are often based on the findings of a disparity study, which identifies whether minority-owned businesses are underutilized in city contracting.

Regardless of whether the set-aside program applies a particular municipal project, there are notice requirements municipalities must use when soliciting bids. In particular, the bid must include contract compliance and set-aside language in all bid documents for a municipal public works contract to inform contractors of their obligation to meet contract compliance requirements and demonstrate good faith effort to achieve set-aside goals. All contracts must also contain contract compliance and set-aside language. It is the responsibility of the *contractors* to meet the requirements.

The CHRO has available standard contract language for municipalities when soliciting bids.

<https://portal.ct.gov/chro/contract-compliance/contract-compliance/contract-compliance-forms-and-reports>

Funding Projects and Purchases

Many municipalities in Connecticut, as a matter of best practice, develop a multi-year **Capital Improvement Program (CIP)**. These funds are allocated annually to a capital and non-recurring expenditures fund to pay for items like equipment, vehicles, and facility improvements, which may be financed over several years. This is a crucial debt management tool that plans for future capital needs and identifies the funding sources, including potential debt, for each project. This long-term planning helps ensure that debt is issued only for projects that are truly needed and affordable.

Based on their CIP and other plans, municipalities are able to pay for purchases and projects from a variety of sources.

- **General Fund:** For smaller purchases, funds from the municipal general fund is often used to cover the costs of a purchase.
- **Grants:** The state and federal government provide various grants and forms of aid to municipalities that can be used for projects and other purchases. Some of these projects include school construction, community investment and for various types of public safety equipment.
- **Tax Increment Financing (TIF):** TIF uses the increase in property tax revenue generated by a new development to repay the costs incurred for the project, such as bonds issued for land acquisition or improvements.
- **General Obligation (GO) Bonds:** These are the most common and secure form of municipal debt. They are backed by the "full faith and credit" of the municipality, meaning the town or city's taxing power guarantees repayment of principal and interest. Because of this strong backing, GO bonds typically have the lowest interest rates, making them a cost-effective financing option.
- **Bond Anticipation Notes (BANs):** These are short-term, interest-bearing notes issued by a municipality in anticipation of a future bond sale. They are used to finance a project's initial costs until a more permanent, long-term bond is issued.
- **Revenue Bonds:** These bonds are secured by the revenue generated by the specific project they are funding, such as user fees from a water pollution control facility or parking garage. This type of debt is less common for general government projects and is not backed by the municipality's full taxing power.

Connecticut municipalities are not given unlimited authority to borrow. Their debt issuance is regulated by state statute, mainly found in [Chapter 109](#). These statutes set clear guidelines and limitations. State law imposes limits on the amount of debt a municipality can incur. These limits are based on the

municipality's annual receipts from taxation. The debt is categorized by the project type (e.g., schools, sewers, general purpose) and a separate cap is set for each class. This is intended to prevent a municipality from becoming overleveraged.

A hallmark of a well-run Connecticut municipality is a formal **debt management policy**. This internal policy, often adopted by the town council or Board of Finance, serves as a guide for debt-related decisions. A comprehensive policy typically includes:

- A list of eligible projects that can be funded with debt.
- Guidelines on the maximum maturity period for debt, often tied to the useful life of the asset being financed.
- A preference for a "pay-as-you-go" funding model where feasible to minimize borrowing.
- A commitment to maintaining a strong credit rating from agencies like Moody's or Standard & Poor's, which lowers borrowing costs and makes bonds more attractive to investors.

In essence, debt management for a Connecticut municipality is a strategic process that balances the need for essential public projects with the long-term fiscal responsibility of the community.

Closing a Contract and Completing Project

Municipalities are legally and fiscally obligated to document every step of the procurement process. This is essential for internal controls, audits, and public transparency. These include purchase orders, invoices and receipts, along with a record of all bids and quotes.

Municipalities are required to undergo an annual audit by an independent public accountant. The audit verifies that all purchasing and financial procedures were followed, and a copy of the audit report is often submitted to the Office of Policy and Management (OPM).

Closing contracts can also include **debriefs** with the vendors and contracts to examine the process. The purpose is to identify strengths and weaknesses of the proposal, as well as provide constructive feedback to ensure subsequent proposals, RFPs, and practices are improved. Debriefs also enable stronger relationships and build trust with other vendors.

Following a project, or prior to engaging in new projects or purchases, **spend analysis** is a vital review to gain a comprehensive understanding of a municipality's expenditures. This involves collecting, cleansing, classifying, and analyzing procurement data to identifying spending patterns in order to

recognize opportunities for cost savings. In addition, spend analysis helps towns consolidate purchases and leverage their collective buying power. This may include between various municipal departments, but could also include purchasing amongst a group of towns. A thorough analysis helps a town monitor contract compliance rate and assess vendor performance. It ensures that the municipality is not overpaying for goods and services and that vendors are meeting their contractual obligations.

Further Resources

Please find the following sample and template policies:

- Public Procurement Guide for Elected and Senior Government Officials from NIGP: The Institute for Public Procurement
- Annotated RFP template
- OLR Report 2017-R-0360 “Competitive Bidding Requirements for Municipalities”
- Municipal Purchasing and Procurement Policies
 - Bloomfield
 - Ellington
 - Guilford
 - Mansfield
 - New Milford
 - Simsbury
 - Stamford
- Local Bidder Preference Policies
 - Hebron
 - Meriden
 - Middletown
 - New Haven
 - Stonington
- Debt Management Policies
 - Bristol
 - East Haddam
 - Groton
 - Hebron
 - Newtown
 - Redding
 - Tolland

ANNOTATED TEMPLATE REQUEST FOR PROPOSALS

PREPARED IN CONJUNCTION WITH THE
CONNECTICUT CONFERENCE OF MUNICIPALITIES
LEADERSHIP TRAINING PROGRAM

APRIL 4, 2017



Disclaimers:

This annotated RFP is for educational purposes and contains only the most general provisions. Other governing rules, policies and procedures may be relevant to any RFP issued by your town. This annotated RFP, therefore, does not constitute legal advice. For specific legal advice or to create an annotated RFP specific to your town, please contact us.

The town referenced throughout this annotated RFP, “Mainstream, Connecticut,” is fictitious, as is its website address. Any resemblance to any real municipality in the State of Connecticut, or elsewhere for that matter, is purely coincidental.

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LEGAL NOTICE

TOWN OF MAINSTREAM, CONNECTICUT REQUEST FOR PROPOSALS

[title of RFP]
[date]

The Town of Mainstream will receive sealed bids for *[describe item/service]* until _____ *[choose: "AM" OR "PM"]* on _____, 201___. At that time proposals will be opened in public and read aloud.

The documents comprising the Request for Proposals may be obtained *[need to choose the language that applies: either "from [name and title of person], Mainstream Town Hall, Room [____], [address], Mainstream, CT 06____ during the hours of 8:30 AM – 4:00 PM Monday through Friday" OR "or on the Town's website, www.Mainstreamct.us, under "Bids and Requests for Proposals."]*

The Town of Mainstream reserves the rights to amend or terminate this Request for Proposals, accept all or any part of a proposal, reject all proposals, waive any informalities or non-material deficiencies in a proposal, and award the proposal to the proposer that, in the Town's judgment, will be in the Town's best interests.

[If this contract qualifies as a "municipal public works contract" as defined by C.G.S. § 4a-60g(a)(14) ("Municipal public works contract" means that portion of an agreement entered into on or after October 1, 2015, between any individual, firm or corporation and a municipality for the construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees but excluding any project of an alliance district, as defined in section 10-262u, financed by state funding in an amount equal to fifty thousand dollars or less.), include the following; if not exclude this section:] This contract is subject to state set-aside and contract compliance requirements.

DISCLAIMER: This annotated RFP is for educational purposes and contains only the most general provisions. Other governing rules, policies and procedures may be relevant to any RFP issued by your town. This annotated RFP, therefore, does not constitute legal advice. For specific legal advice or to create an annotated RFP specific to your town, please contact us.

TOWN OF MAINSTREAM, CONNECTICUT

REQUEST FOR PROPOSALS FOR
[DESCRIBE SUBJECT MATTER OF PROPOSAL]

Proposal Number:

Proposal Opening Date:

Proposal Opening Time:

Proposal Opening Place: Mainstream Town Hall, Room [_____]

*[Insert a paragraph that **briefly** describes the subject matter of the RFP. For example only, “The Town of Mainstream is seeking proposals for the purchase of _____.” Or “The Town of Mainstream is seeking proposals for the installation of a generator in Town Hall.”]*

One (1) original and _____ (____) copies of sealed proposals must be received in the Mainstream Town Hall, Room, __, _____, Mainstream, CT 06377 by the date and time noted above. The Town of Mainstream (the “Town”) will not accept submissions by e-mail or fax. The Town will reject proposals received after the date and time noted above.

The documents comprising this Request for Proposals may be obtained *[need to choose the language that applies: either “from [name and title of person], Mainstream Town Hall, Room [_____], _____, Mainstream, CT 06_____ during the hours of 8:30 AM – 4:00 PM Monday through Friday.” OR “or on the Town’s website, www.Mainstreamct.us.”]* Each proposer is responsible for checking the Town’s website to determine if the Town has issued any addenda and, if so, to complete its proposal in accordance with the RFP as modified by the addenda.

Proposals must be held firm and cannot be withdrawn for sixty (60) calendar days after the opening date. *[Depending on the subject matter of the proposal, the Town may need more than 60 days. If the Town requires a longer period, this statement needs to be changed, along with the statement in § 5 of the Standard Instructions to Proposers.]*

The Town reserves the rights to amend or terminate this Request for Proposals, accept all or any part of a proposal, reject all proposals, waive any informalities or non-material deficiencies in a proposal, and award the proposal to the proposer that, in the Town’s judgment, will be in the Town’s best interests.

[WORK PRODUCT OF MURTHA CULLINA LLP]

This Request for Proposals (“RFP”) includes:

- Standard Instructions to Proposers
- Specifications
- Insurance Requirements
- Proposal Form
- Proposer’s Legal Status Disclosure
- Proposer’s Certification Concerning Equal Employment Opportunities and Affirmative Action Policy
- Proposer’s Non Collusion Affidavit
- Proposer’s Statement of References
- Addenda, if any
- The Contract in the form attached ***[If the form of Contract is not going to be attached, delete this item]***

[WORK PRODUCT OF MURTHA CULLINA LLP]

TOWN OF MAINSTREAM, CONNECTICUT

STANDARD INSTRUCTIONS TO PROPOSERS

[If a section of these Standard Instructions is not applicable to a specific procurement, leave the section heading in the document but delete the text and any annotations. After the section heading, insert “THIS ITEM IS NOT APPLICABLE TO THIS RFP.”]

1. INTRODUCTION

The Town of Mainstream (the “Town”) is soliciting proposals for *[describe generally]*. This RFP is not a contract offer, and no contract will exist unless and until a written contract is signed by the Town and the successful proposer.

Interested parties should submit a proposal in accordance with the requirements and directions contained in this RFP. **Proposers are prohibited from contacting any Town employee, officer or official concerning this RFP, except as set forth in Section 6, below. A proposer’s failure to comply with this requirement may result in disqualification.**

If there are any conflicts between the provisions of these Standard Instructions to Proposers and any other documents comprising this RFP, these Standard Instructions to Proposers shall prevail.

2. RIGHT TO AMEND OR TERMINATE THE RFP OR CONTRACT

The Town may, before or after proposal opening and in its sole discretion, clarify, modify, amend or terminate this RFP if the Town determines it is in the Town’s best interest. Any such action shall be effected by a posting on the Town’s website, *[www.Mainstreamct.us.]* **Each proposer is responsible for checking the Town’s website to determine if the Town has issued any addenda and, if so, to complete its proposal in accordance with the RFP as modified by the addenda.**

If this RFP provides for a multi-year agreement, the Town also reserves the right to terminate the Contract at the end of the last fiscal year for which funds have been appropriated, and the Town shall have no obligation or liability to the successful proposer for any unfunded year or years. *[This provision may have to be modified for procurements that will require a significant up-front investment by the successful proposer.]*

3. KEY DATES

Pre-Proposal Conference or Site Visit: *[If there will be no pre-proposal conference or site visit, state "THIS ITEM IS NOT APPLICABLE TO THIS RFP." If there will be such a conference or site visit, however, in addition to date, time and location, state whether the conference or visit is "Mandatory" or "Optional."]*

Proposal Opening:

Interviews of one or more proposers (if deemed necessary):

Preliminary Notice of Award:

Contract Execution:

The Preliminary Notice of Award and Contract Execution dates are anticipated, not certain, dates.

4. OBTAINING THE RFP

All documents that are a part of this RFP may be obtained *[need to choose the applicable language: either "from [name and title of person], Mainstream Town Hall, Room [____], _____, Mainstream, CT 06___ during the hours of 8:30 AM – 4:00 PM Monday through Friday" OR "or on the Town's website, www.Mainstreamct.us."].*

5. PROPOSAL SUBMISSION INSTRUCTIONS

Proposals must be received in the Mainstream Town Hall, Room ____, _____, Mainstream, CT 06377, prior to the date and time the proposals are scheduled to be opened publicly. Postmarks prior to the opening date and time do **NOT** satisfy this condition. The Town will not accept submissions by e-mail or fax. Proposers are solely responsible for ensuring timely delivery. The Town will **NOT** accept late proposals.

One (1) original and ____ () copies of all proposal documents must be submitted in sealed, opaque envelopes clearly labeled with the proposer's name, the proposer's address, the words "**PROPOSAL DOCUMENTS,**" and the **Proposal Title, Proposal Number and Proposal Opening Date.** The Town may decline to accept proposals submitted in unmarked envelopes that the Town opens in its normal course of business. The Town may, but shall not be required to, return such proposal documents and inform the proposer that the proposal documents may be resubmitted in a sealed envelope properly marked as described above.

Proposal prices must be submitted on the Proposal Form included in this RFP. All blank spaces for proposal prices must be completed in ink or be typewritten; proposal prices must be stated in both words and figures. The person signing the Proposal Form must

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initial any errors, alterations or corrections on that form. Ditto marks or words such as "SAME" shall not be used in the Proposal Form.

Proposals may be withdrawn personally or in writing provided that the Town receives the withdrawal prior to the time and date the proposals are scheduled to be opened. Proposals are considered valid, and may not be withdrawn, cancelled or modified, for sixty (60) days *[Depending on the subject matter of the proposal, the Town may need more than 60 days. If the Town requires a longer period, this statement needs to be changed, along with the statement on the first page of the Request for Proposals.]* after the opening date, to give the Town sufficient time to review the proposals, investigate the proposers' qualifications, secure any required municipal approvals, and execute a binding contract with the successful proposer.

An authorized person representing the legal entity of the proposer must sign the Proposal Form and all other forms included in this RFP.

6. QUESTIONS AND AMENDMENTS

Questions concerning the process and procedures applicable to this RFP are to be submitted **in writing** (including by e-mail or fax) and directed **only to**:

Name:
Department:
E-mail:
Fax:

Questions concerning this RFP's Specifications are to be submitted **in writing** (including by e-mail or fax) and directed **only to**: *[Identify the contact person for questions about the specifications.]*

Name:
Department:
E-mail:
Fax:

Proposers are prohibited from contacting any other Town employee, officer or official concerning this RFP. A proposer's failure to comply with this requirement may result in disqualification.

The appropriate Town representative listed above must receive any questions from proposers no later than seven (7) business days before the proposal opening date. That representative will confirm receipt of a proposer's questions by e-mail. The Town will answer all written questions by issuing one or more addenda, which shall be a part of this RFP and the resulting Contract, containing all questions received as provided for above and decisions regarding same.

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At least four (4) calendar days prior to proposal opening, the Town will post any addenda on the Town's website, www.Mainstreamct.us." **Each proposer is responsible for checking the website to determine if the Town has issued any addenda and, if so, to complete its proposal in accordance with the RFP as modified by the addenda.**

No oral statement of the Town, including oral statements by the Town representatives listed above, shall be effective to waive, change or otherwise modify any of the provisions of this RFP, and no proposer shall rely on any alleged oral statement.

7. ADDITIONAL INFORMATION

The Town reserves the right, either before or after the opening of proposals, to ask any proposer to clarify its proposal or to submit additional information that the Town in its sole discretion deems desirable.

8. COSTS FOR PREPARING PROPOSAL

Each proposer's costs incurred in developing its proposal are its sole responsibility, and the Town shall have no liability for such costs.

9. OWNERSHIP OF PROPOSALS

All proposals submitted become the Town's property and will not be returned to proposers.

10. FREEDOM OF INFORMATION ACT

All information submitted in a proposal or in response to a request for additional information is subject to disclosure under the Connecticut Freedom of Information Act as amended and judicially interpreted. A proposer's responses may contain financial, trade secret or other data that it claims should not be public (the "Confidential Information"). A proposer must identify specifically the pages and portions of its proposal or additional information that contain the claimed Confidential Information by visibly marking all such pages and portions. Provided that the proposer cooperates with the Town as described in this section, the Town shall, to the extent permitted by law, protect from unauthorized disclosure such Confidential Information.

If the Town receives a request for a proposer's Confidential Information, it will promptly notify the proposer in writing of such request and provide the proposer with a copy of any written disclosure request. The proposer may provide written consent to the disclosure, or may object to the disclosure by notifying the Town in writing to withhold disclosure of the information, identifying in the notice the basis for its objection, including the statutory exemption(s) from disclosure. The proposer shall be responsible for defending any complaint brought in connection with the nondisclosure, including but not only appearing before the Freedom of Information Commission, and providing witnesses and documents as appropriate.

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11. REQUIRED DISCLOSURES

Each proposer must, in its Proposal Form, make the disclosures set forth in that form. A proposer's acceptability based on those disclosures lies solely in the Town's discretion.

12. REFERENCES

Each proposer must complete and submit the Proposer's Statement of References form included in this RFP.

13. LEGAL STATUS

If a proposer is a corporation, limited liability company, or other business entity that is required to register with the Connecticut Secretary of the State's Office, it must have a current registration on file with that office. The Town may, in its sole discretion, request acceptable evidence of any proposer's legal status. Each proposer must complete and submit the Proposer's Legal Status Disclosure form included in this RFP.

14. PROPOSAL (BID) SECURITY

[Proposal (bid) security, whether in the form of a certified check or a proposal (bid) bond, guarantees the Town that, if the proposer is awarded the proposal, the proposer will deliver the insurance certificate, if required, the W-9 form and anything else required under the procurement, and will execute the contract at the proposal price. Security ensures the integrity of a proposal response. If the successful proposer refuses to enter into the contract, the security will be forfeited to the Town.]

We believe that proposal security is not necessary in every procurement. For example, it is often unnecessary for small or routine contracts. Other types of procurement should be addressed on a case-by-case basis.

The Town will return the security to unsuccessful proposers no later than contract execution.

*If this provision is not applicable to a particular procurement, delete the text, and insert **"THIS ITEM IS NOT APPLICABLE TO THIS RFP"** after the section heading.]*

Each proposal must be accompanied by a certified check of the proposer or a proposal (bid) bond with a surety acceptable to the Town in an amount equal to at least **TEN PERCENT (10%)** of the proposal amount. The proposal (bid) bond shall be written by a company or companies licensed to issue bonds in the State of Connecticut, which company or companies shall have at least an "A-" VIII policyholders rating as reported in the latest edition of Best Publication's Key Rating Guide. The successful proposer, upon

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its refusal or failure to execute and deliver the Contract, certificate(s) of insurance, W-9 form, performance security or other documents required by this RFP within **ten (10) business days** of written notification of preliminary award, unless the Town otherwise agrees in writing, shall forfeit to the Town, as liquidated damages for such failure or refusal, the security submitted with its proposal.

Upon the successful proposer's execution of the Contract in the form enclosed with this RFP, the Town shall return the proposal security to the successful proposer and to all other proposers.

15. PRESUMPTION OF PROPOSER'S FULL KNOWLEDGE

Each proposer is responsible for having read and understood each document in this RFP and any addenda issued by the Town. A proposer's failure to have reviewed all information that is part of or applicable to this RFP, including but not only any addenda posted on the Town's website, shall in no way relieve it from any aspect of its proposal or the obligations related thereto.

Each proposer is deemed to be familiar with and is required to comply with all federal, state and local laws, regulations, ordinances, codes and orders that in any manner relate to this RFP or the performance of the work described herein.

By submitting a proposal, each proposer represents that it has thoroughly examined and become familiar with the scope of work outlined in this RFP, and it is capable of performing the work to achieve the Town's objectives. If applicable, each proposer shall visit the site, examine the areas and thoroughly familiarize itself with all conditions of the property before preparing its proposal.

16. SUBSTITUTION FOR NAME BRANDS

[If brand name items appear in the Specifications, keep this provision in the RFP. If brand names do not appear in the Specifications, delete the text, and insert "THIS ITEM IS NOT APPLICABLE TO THIS RFP" after the section heading.]

The proposer must attach detailed information concerning deviations from any name brands specified in the RFP and explain in detail how the substitution compares with the name brand's specifications. The Town in its sole discretion shall decide whether the substitution is acceptable.

17. TAX EXEMPTIONS

The Town is exempt from the payment of federal excise taxes and Connecticut sales and use taxes. Federal Tax Exempt #_____.

18. INSURANCE

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[The Town's insurance broker has prepared 2 forms of insurance requirements (one for professional service contracts, and one for standard service contracts) that list the recommended coverages, minimum limits, and coverage duration. In each procurement, the Town will need to choose the appropriate form of insurance requirements and confirm that the listed types and limits are adequate for that particular procurement (or, if not adequate, modify the form of insurance requirements. Consultation by the Town with the broker may be appropriate).

The Certificate of Insurance will generally suffice to assure the Town that the proposer has obtained the required types and limits of insurance. If the dollar amount of the procurement is sufficiently large, however, the Town may wish to obtain a complete, certified copy of each of the insurance policies because Certificates of Insurance do not themselves obligate the referenced insurance company.]

The successful proposer shall, at its own expense and cost, obtain and keep in force at least the insurance listed in the Insurance Requirements that are a part of this RFP. The Town reserves the right to request from the successful proposer a complete, certified copy of any required insurance policy.

19. PERFORMANCE SECURITY

[Performance security, whether in the form of a letter of credit, a cash bond, or a performance bond, guarantees the successful proposer's performance of the contract. Performance security is most often seen in the construction context, although it may be appropriate in other contexts, such as when full performance of the contract will not occur immediately or almost immediately after the contract is executed. Similarly, it may be appropriate to waive performance security in a true invitation to bid.

If the successful proposer's failure to perform the contract is likely to expose the Town to loss greater than the contract amount, the Town may wish to consider requiring that the security amount be greater than the contract amount. Because of the Town's potential exposure, the Town may wish to contact the Town Attorney for advice on the amount of performance security in a given procurement.

*If this provision is not applicable to a particular procurement, delete the text, and insert **"THIS ITEM IS NOT APPLICABLE TO THIS RFP"** after the section heading.]*

The successful proposer shall furnish *[The Town will need to choose the appropriate form of performance security for the particular procurement. The options are: "a performance bond," "a cash bond," OR "an irrevocable letter of credit"]* covering the faithful performance of the Contract (the "Performance Security"). The Performance Security shall be *[the amount of the security may be the full amount of the Contract price or some other amount, if appropriate. The Town will need to decide the amount and then describe it in the RFP. You will want to consult with relevant,*

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staff, consultants, counsel, etc., if there are questions about either the amount or how to describe it.], and in a form reasonably acceptable to the Town. [If the Performance Security is either an irrevocable letter of credit or a performance bond, the Town will need to choose the appropriate sentence from the following choices: “If the Performance Security is an irrevocable letter of credit, it shall be issued by a financial institution that is reasonably acceptable to the Town.” OR “If the Performance Security is a performance bond, it shall be issued by a company licensed by the State of Connecticut that has at least an “A-” VIII policyholders rating according to Best Publication’s latest edition Key Rating Guide.”] The cost of the Performance Security shall be included in the proposal price.

[Payment bonds are required on contracts “for the construction, alteration or repair of any public building or public work of the state or a municipality” exceeding \$100,000. Conn. Gen. Stat. § 49-41(a). If a payment bond is required, the following language should be included in the RFP.]

In addition to the Performance Security, the successful proposer shall furnish a bond covering the successful proposer’s payment to its subcontractors and suppliers of all obligations arising under the Contract (the “Payment Bond”). The Payment Bond shall be (a) in the full amount of the Contract price; (b) in a form reasonably acceptable to the Town; and (c) issued by a company licensed by the State of Connecticut that has at least an “A-” VIII policyholders rating according to Best Publication’s latest edition Key Rating Guide. The cost of the Payment Bond shall be included in the proposal price.

20. DELIVERY ARRANGEMENTS

[This provision only applies to the delivery of items to the Town (v. the provision of services). If the procurement does not involve delivery of items, delete the text, and insert “THIS ITEM IS NOT APPLICABLE TO THIS RFP” after the section heading.]

The successful proposer shall deliver the items that are the subject of the RFP, at its sole cost and expense, to the location(s) listed in the Specifications.

21. AWARD CRITERIA; SELECTION; CONTRACT EXECUTION

All proposals will be publicly opened and read aloud as received on the date, at the time, and at the place identified in this RFP. Proposers may be present at the opening.

The Town reserves the right to correct, after proposer verification, any mistake in a proposal that is a clerical error, such as a price extension, decimal point error or FOB terms. If an error exists in an extension of prices, the unit price shall prevail. In the event of a discrepancy between the price quoted in words and in figures, the words shall control.

The Town reserves the rights to accept all or any part of a proposal, reject all proposals, and waive any informalities or non-material deficiencies in a proposal. The Town also reserves the right, if applicable, to award the purchase of individual items under this RFP to any combination of separate proposals or proposers.

The Town will accept the proposal that, all things considered, the Town determines is in its best interests. Although price will be an important factor, it will not be the only basis for award. Due consideration may also be given to a proposer's experience, references, service, ability to respond promptly to requests, past performance, and other criteria relevant to the Town's interests, including compliance with the procedural requirements stated in this RFP. *[There may be RFPs for which the Town may want to provide additional and/or more specific criteria upon which an award will be based. If so, those criteria should be inserted here. However, care should be taken to leave the Town as much flexibility as possible.]*

The Town will not award the proposal to any business that or person who is in arrears or in default to the Town with regard to any tax, debt, contract, security or any other obligation.

The Town will select the proposal that it deems to be in the Town's best interest and issue a Preliminary Notice of Award to the successful proposer. The award may be subject to further discussions with the proposer. **The making of a preliminary award to a proposer does not provide the proposer with any rights and does not impose upon the Town any obligations. The Town is free to withdraw a preliminary award at any time and for any reason. A proposer has rights, and the Town has obligations, only if and when a Contract is executed by the Town and the proposer.**

If the proposer does not execute the Contract within ten (10) business days of the date of the Preliminary Notice of Award, unless extended by the Town, the Town may call any proposal security provided by the proposer and may enter into discussions with another proposer.

[The Town may wish to consider posting on its website some information about the status of the RFP. If the Town wishes to do so, it could insert the following language: "The Town will post the Preliminary Notice of Award and related information on its website, www.Mainstreamct.us, under "Bids and Requests for Proposals."]

The Preliminary Notice of Award and Contract Execution dates in Section 3's Key Dates are anticipated, not certain, dates.

22. AFFIRMATIVE ACTION, AND EQUAL OPPORTUNITY

Each proposer must submit a completed Proposer's Certification Concerning Equal Employment Opportunities and Affirmative Action Policy form included with this RFP.

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Proposers with fewer than ten (10) employees should indicate that fact on the form and return the form with their proposals.

23. NONRESIDENT REAL PROPERTY CONTRACTORS

[The State of Connecticut requires nonresident contractors that perform real property construction either to become “verified” by the Department of Revenue Services (“DRS”) or to post a bond to guarantee the contractor’s payment to the State of all applicable taxes. DRS regulations define a “nonresident contractor” as

a contractor without a permanent place of business in this state. Such a place of business means an office continuously maintained, occupied and used by such contractor’s regular employees regularly in attendance to carry on such contractor’s business in the contractor’s own name. An office maintained, occupied and used by a contractor only for the duration of a contract will not be considered a permanent place of business. An office maintained, occupied and used by a person affiliated with a contractor will not be considered a permanent place of business of the contractor.

By statute, a party (including a municipality) that contracts with an “unverified” nonresident contractor is liable for the contractor’s taxes if such security was required and not provided, and if the contractor does not pay taxes. While we are not aware of any instances when the DRS has sought recovery of taxes from a municipality, the possibility nonetheless exists.

*Thus, if the procurement does not involve products or services related to real estate construction, delete the text, and insert **“THIS ITEM IS NOT APPLICABLE TO THIS RFP”** after the section heading. If it involves products or services related to real estate construction, include this provision because, at the time the procurement is issued, you do not know if the successful proposer will be a nonresident contractor].*

If the successful proposer is a “nonresident contractor” as defined in Conn. Gen. Stat. § 12-430(7)(A) as amended, it shall comply fully with the provisions of § 12-430(7) and, prior to execution of the Contract, shall furnish the Town with proof that it is a “verified contractor” within the meaning of General Statutes Section 12-430(7) or that it has posted a bond with the Commissioner of Revenue Services in compliance with General Statutes Section 12-430(7). The successful proposer agrees to defend, indemnify, and hold harmless the Town, its employees, officers, officials, agents, volunteers and independent contractors, including any of the foregoing sued as individuals (collectively, the “Town Indemnified Parties”), from any and all taxes, interest and penalties that the State of Connecticut asserts are due with respect to the successful proposer’s activities under the Contract.

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The successful proposer shall also be required to pay any and all attorney's fees incurred by the Town Indemnified Parties in enforcing any of the successful proposer's obligations under this section, whether or not a lawsuit or other proceeding is commenced, which obligations shall survive the termination or expiration of the Contract.

24. COMPLIANCE WITH IMMIGRATION LAWS

By submitting a proposal, each proposer confirms that it has complied, and during the term of the Contract will comply, with the Immigration Reform and Control Act ("IRCA") and that each person it provides under the Contract will at all times be authorized for employment in the United States of America. Each proposer confirms that it has a properly completed Employment Eligibility Verification, Form I-9, for each person who will be assigned under the Contract and that it will require each subcontractor, if any, to confirm that it has a properly completed Form I-9 for each person who will be assigned under the Contract.

The successful proposer shall defend, indemnify, and hold harmless the Town, its employees, officers, officials, agents, volunteers and independent contractors, including any of the foregoing sued as individuals (collectively, the "Town Indemnified Parties"), against any and all proceedings, suits, actions, claims, damages, injuries, awards, judgments, losses or expenses, including fines, penalties, punitive damages, attorney's fees and costs, brought or assessed against, or incurred by, the Town Indemnified Parties related to or arising from the obligations under IRCA imposed upon the successful proposer or its subcontractor. The successful proposer shall also be required to pay any and all attorney's fees and costs incurred by the Town Indemnified Parties in enforcing any of the successful proposer's obligations under this provision, whether or not a lawsuit or other proceeding is commenced, which obligations shall survive the termination or expiration of the Contract.

25. NON COLLUSION AFFIDAVIT

Each proposer shall submit a completed Proposer's Non Collusion Affidavit that is part of this RFP.

26. MUNICIPAL PUBLIC WORKS CONTRACT REQUIREMENTS

[If this contract qualifies as a "municipal public works contract" as defined by C.G.S. § 4a-60g(a)(14) ("Municipal public works contract" means that portion of an agreement entered into on or after October 1, 2015, between any individual, firm or corporation and a municipality for the construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees but excluding any project of an alliance district, as defined in section 10-262u,

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financed by state funding in an amount equal to fifty thousand dollars or less.”), include the following; if not, exclude this section:]

The contractor who is selected to perform this State project must comply with CONN. GEN. STAT. §§ 4a-60, 4a-60a, 4a-60g, and 46a-68b through 46a-68f, inclusive, as amended by June 2015 Special Session Public Act 15-5. An Affirmative Action Plan must be filed with and approved by the Commission on Human Rights and Opportunities prior to the commencement of construction.

State law requires a minimum of twenty-five (25%) percent of the state-funded portion of the contract for award to subcontractors holding current certification from the Connecticut Department of Administrative Services ("DAS") under the provisions of CONN. GEN. STAT. § 4a-60g, as amended. (25% of the work with DAS certified Small and Minority owned businesses and 25% of that work with DAS certified Minority, Women and/or Disabled owned businesses.) The contractor must demonstrate good faith effort to meet the 25% set-aside goals.

For municipal public works contracts and quasi-public agency projects, the contractor must file a written or electronic non-discrimination certification with the Commission on Human Rights and Opportunities. Forms can be found at http://www.ct.gov/opm/cwp/view.asp?a:=2982&q=390928&opmNav_GID=1806.

27. CONTRACT TERMS

The following provisions will be mandatory terms of the Town's Contract with the successful proposer. If a proposer is unwilling or unable to meet any of these Contract Terms, the proposer must disclose that inability or unwillingness in its Proposal Form (see Section 11 of these Standard Instructions to Proposers):

a. DEFENSE, HOLD HARMLESS AND INDEMNIFICATION

[The Town should expect push-back on this provision from certain proposers, particularly architects and engineers, who generally prefer that their liability be capped at the contract amount. Any push-back or counterproposal should be discussed with the Town Attorney before a preliminary notice of award is issued.]

The successful proposer agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Town, its employees, officers, officials, agents, volunteers and independent contractors, including any of the foregoing sued as individuals (collectively, the "Town Indemnified Parties"), from and against all proceedings, suits, actions, claims, damages, injuries, awards, judgments, losses or expenses, including attorney's fees, arising out of or relating, directly or indirectly, to the

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successful proposer's malfeasance, misconduct, negligence or failure to meet its obligations under the RFP or the Contract. The successful proposer's obligations under this section shall not be limited in any way by any limitation on the amount or type of the successful proposer's insurance. *[Conn. Gen. Stat. § 52-572k declares void as against public policy clauses "in connection with or collateral to a contract or agreement relative to the construction, alteration, repair or maintenance of any building, structure or appurtenances thereto including moving, demolition and excavating connected therewith, that purport to indemnify or hold harmless the promisee against liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the negligence of such promisee, such promisee's agents or employees." To ensure compliance with this statutory provision, the following sentence should be added to RFPs (and contracts) relating to "the construction, alteration, repair or maintenance of any building, structure or appurtenances thereto including moving, demolition and excavating connected therewith": Nothing in this section shall obligate the successful proposer to indemnify the Town Indemnified Parties against liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the negligence of the Town Indemnified Parties.]*

In any and all claims against the Town Indemnified Parties made or brought by any employee of the successful proposer, or anyone directly or indirectly employed or contracted with by the successful proposer, or anyone for whose acts or omissions the successful proposer is or may be liable, the successful proposer's obligations under this section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by the successful proposer under workers' compensation acts, disability benefit acts, or other employee benefits acts.

The successful proposer shall also be required to pay any and all attorney's fees incurred by the Town Indemnified Parties in enforcing any of the successful proposer's obligations under this section, which obligations shall survive the termination or expiration of this RFP and the Contract.

As a municipal agency of the State of Connecticut, the Town will NOT defend, indemnify, or hold harmless the successful proposer.

b. ADVERTISING

The successful proposer shall not name the Town in its advertising, news releases, or promotional efforts without the Town's prior written approval.

If it chooses, the successful proposer may list the Town in a Statement of References or similar document required as part of its response to a public procurement. The Town's permission to the successful proposer to do so is not a statement about the quality of the successful proposer's work or the Town's endorsement of the successful proposer.

c. W-9 FORM

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The successful proposer must provide the Town with a completed W-9 form before Contract execution.

d. PAYMENTS

Proposers are encouraged to offer discounts for early payment. All other payments are to be made 30 days after the appropriate Town employee receives and approves the invoice, unless otherwise specified in the Specifications.

[Conn. Gen. Stat. § 49-41a(a) requires that, for construction contracts exceeding \$100,000, the contractor (1) promptly pay its subcontractors or suppliers within 30 days of receipt of payment from the owner, and (2) include in its subcontracts a requirement that the subcontractor promptly pay its sub-subcontractors and suppliers within 30 days of receipt of payment from the general contractor. Further, Conn. Gen. Stat. § 49-41a(b) requires that, for such contracts, each payment requisition be accompanied by “a statement showing the status of all pending construction change orders, other pending change directives and approved changes to the original contract or subcontract.” The statement “shall identify the pending construction change orders and other pending change directives, and shall include the date such change orders and directives were initiated, the costs associated with their performance and a description of any work completed.” Id. To ensure compliance with Section 49-41a, the following sentence should be added to construction RFPs and contracts exceeding \$100,000: “In each of its contracts with subcontractors or materials suppliers, the successful proposer shall agree to pay any amounts due for labor performed or materials furnished not later than thirty (30) days after the date the successful proposer receives payment from the Town that encompasses the labor performed or materials furnished by such subcontractor or material supplier. The successful proposer shall also require in each of its contracts with subcontractors that such subcontractor shall, within thirty (30) days of receipt of payment from the successful proposer, pay any amounts due any sub-subcontractor or material supplier, whether for labor performed or materials furnished.

Each payment application or invoice shall be accompanied by a statement showing the status of all pending change orders, pending change directives and approved changes to the Contract. Such statement shall identify the pending change orders and pending change directives, and shall include the date such change orders and change directives were initiated, additional cost and/or time associated with their performance and a description of any work completed. The successful proposer shall require each of its subcontractors and suppliers to include a similar statement with each of their payment applications or invoices.”]

e. TOWN INSPECTION OF WORK

The Town may inspect the successful proposer’s work at all reasonable times. This right of inspection is solely for the Town’s benefit and does not transfer to the Town the

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responsibility for discovering patent or latent defects. The successful proposer has the sole and exclusive responsibility for performing in accordance with the Contract.

f. REJECTED WORK OR MATERIALS

The successful proposer, at its sole cost and expense, shall remove from the Town's property rejected items, commodities and/or work within 48 hours of the Town's notice of rejection. Immediate removal may be required when safety or health issues are present.

g. MAINTENANCE AND AVAILABILITY OF RECORDS

The successful proposer shall maintain all records related to the work described in the RFP for a period of five (5) years after final payment under the Contract or until all pending Town, state and federal audits are completed, whichever is later. Such records shall be available for examination and audit by Town, state and federal representatives during that time.

h. SUBCONTRACTING

[There will be instances in which the Town does not want the successful proposer to subcontract, transfer or assign its performance to a third party because the Town does not then have a direct relationship with the party performing the work, including accountability. The Town accepted the proposal of the successful proposer -- not the third party -- after checking reference, vetting the proposer, etc. However, there will also be instances when subcontracting is common -- for example, construction projects that involve a number of trades.

The Town will need to decide whether to allow subcontracting on a case-by-case basis, and we encourage the Town to contact the Town Attorney if there are questions. Thus, in each procurement the Town will need to choose one of the following provisions.]

The successful proposer shall not subcontract, transfer or assign all or any portion of its obligations under the Contract.

OR

Prior to entering into any subcontract agreement(s) for the work described in the Contract, the successful proposer shall provide the Town with written notice of the identity (full legal name, street address, mailing address (if different from street address), and telephone number) of each proposed subcontractor. The Town shall have the right to object to any proposed subcontractor by providing the successful proposer with written notice thereof within seven (7) business days of receipt of all required information about the proposed subcontractor. If the Town objects to a proposed subcontractor, the successful proposer shall not use that subcontractor for any portion of the work described in the Contract.

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All permitted subcontracting shall be subject to the same terms and conditions as are applicable to the successful proposer. The successful proposer shall remain fully and solely liable and responsible to the Town for performance of the work described in the Contract. The successful proposer also agrees to promptly pay each of its subcontractors within thirty (30) days of receipt of payment from the Town or otherwise in accordance with law. The successful proposer shall assure compliance with all requirements of the Contract. The successful proposer shall also be fully and solely responsible to the Town for the acts and omissions of its subcontractors and of persons employed, whether directly or indirectly, by its subcontractor(s).

i. PREVAILING WAGES

[Prevailing wages are set by the State Department of Labor for specific projects and generally correspond with the union wage scale. Prevailing wages are required on “[e]ach contract for the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project by the state or any of its agents, or by any political subdivision of the state [which includes municipalities] or any of its agents. . .” if the contract equals or exceeds certain dollar thresholds. Conn. Gen. Stat. § 31-53. The threshold for new construction of any public works project is \$400,000. Conn. Gen. Stat. § 31-53(g). The threshold for the “remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project” is \$100,000. Id.

If prevailing wages are required, the Town or its agent must contact the Labor Commissioner at least 10, but not more than 20, days prior to the advertisement for bids to obtain the prevailing wage rates applicable to the job. Conn. Gen. Stat. § 31-53(e). The Town must include the prevailing wage rates in the “proposal for the contract.” Id. Prior to the award of the contract, the Town or its agent must certify in writing to the Labor Commissioner the total dollar amount of work to be done in connection with the project(s). Id. Upon the award of the contract, the contractor must certify under oath to the Labor Commissioner the pay scale to be used by the contractor and its subcontractors. Id.

The Supplementary General Conditions for AIA forms include these requirements. However, the Town may have a repair or remodeling job that costs \$100,000 or more and that is not going to be bid on or otherwise use AIA forms. If the Town has a project described in the statutes and is not certain if the dollar threshold will be met, it is prudent to include this provision in the procurement, so that contractors are reminded of the legal requirement and calculate costs accordingly.

*If the procurement does not involve the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project, then delete the text, and insert **“THIS ITEM IS NOT APPLICABLE TO THIS RFP”** after the section heading.]*

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State law may require that wages paid on an hourly basis to any person performing the work of any mechanic, laborer or worker under the Contract and the amount of payment or contribution paid or payable on behalf of each such person to any employee welfare fund, as defined in Conn. Gen. Stat. § 31-53, as amended, shall be at a rate equal to the rate customary or prevailing for the same work in the same trade or occupation in the Town. A successful proposer who is not obligated by agreement to make payment or contribution on behalf of such persons to any such employee welfare fund shall pay to each mechanic, laborer or worker as part of such person's wages the amount of payment or contribution for such person's classification on each pay day. Upon Contract award, the successful proposer must certify under oath to the State Labor Commissioner the pay scale to be used by the successful proposer and its subcontractors.

j. PREFERENCES

[Conn. Gen. Stat. § 31-52 creates a general preference for the employment of Connecticut and United States residents as laborers on construction contracts with the state. Section 31-52(b) requires a “preference” provision in “[e]ach contract for the construction or repair of any building under the supervision of the state or any of its agents.” Although § 31-52 describes only state contracts, Conn. Gen. Stat. § 7-112 expressly makes this requirement applicable to municipalities.

It should be noted that the preferences for Connecticut and U.S. residents will not apply if they will result in a loss of revenue to the municipality from a grant from the federal government. Conn. Gen. Stat. § 31-52(b).

If the procurement does not involve the construction or repair of any public building, then delete the text, and insert “THIS ITEM IS NOT APPLICABLE TO THIS RFP” after the section heading.]

The successful proposer shall comply with the requirements of Conn. Gen. Stat. § 31-52(b), as amended. Specifically, the successful proposer agrees that in the employment of labor to perform the work under the Contract, preference shall be given to citizens of the United States who are, and have been continuously for at least three (3) months prior to the date of the Contract, residents of the labor market area (as established by the State of Connecticut Labor Commissioner) in which such work is to be done, and if no such qualified person is available, then to citizens who have continuously resided in Windham County for at least three (3) months prior to the date hereof, and then to citizens of the State who have continuously resided in the State at least three (3) months prior to the date of the Contract.

k. WORKERS COMPENSATION

[Under Conn. Gen. Stat. § 31-286a, a municipality may not enter into “any contract ... for the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project before receiving from each of the other parties to such contract (1) sufficient evidence of compliance with the

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workers' compensation insurance and self-insurance requirements of subsection (b) of section 31-284, and (2) a current statement from the State Treasurer that, to the best of his knowledge and belief, as of the date of the statement, the particular party was not liable to the state for any workers' compensation payments made pursuant to section 31-355"(emphasis added).

Kara Ouellette at the State Treasurer's Office (860-702-3231) is the person currently responsible for providing such statements. Per Ms. Ouellette, turn-around time is generally a couple of business days.

*If the procurement does not involve the construction, remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project , then delete the text, and insert **"THIS ITEM IS NOT APPLICABLE TO THIS RFP"** after the section heading.]*

Prior to Contract execution, the Town will require the tentative successful proposer to provide a current statement from the State Treasurer that, to the best of her knowledge and belief, as of the date of the statement, the tentative successful proposer was not liable to the State for any workers' compensation payments made pursuant to Conn. Gen. Stat. § 31-355.

I. SAFETY

[Conn. Gen. Stat. § 31-53b(a) requires that all contracts for public works with (for new construction) a total cost of more than \$400,000 and (for remodeling or repair) a total cost of more than \$100,000 must contain a provision requiring that each contractor furnish proof with the weekly certified payroll form for the first week each employee begins work on the project that any person performing the work of a mechanic, laborer or worker on the project has either:

(1) completed at least 10 hours of coursework in construction safety and health approved by OSHA, or

(2) completed a new miner training program approved by the Federal Mine Safety and Health Administration (30 C.F.R. 48) or,

(3) in the case of telecommunications employees, has completed at least 10 hours of training (29 C.F.R. 1910.268).

*If the procurement does not involve new construction or remodeling or repair at the respective minimum dollar thresholds, then delete the text, and insert **"THIS ITEM IS NOT APPLICABLE TO THIS RFP"** after the section heading.]*

The successful proposer and each of its permitted subcontractors shall furnish proof that each employee performing the work of a mechanic, laborer or worker under the Contract has completed a course of at least ten (10) hours in construction safety and health

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approved by the federal Occupational Safety and Health Administration or has completed a new miner training program approved by the Federal Mine Safety and Health Administration. Such proof shall be provided with the certified payroll submitted for the first week each such employee, mechanic, laborer, or worker begins work under the Contract.

m. COMPLIANCE WITH LAWS

The successful proposer shall comply with all applicable laws, regulations, ordinances, codes and orders of the United States, the State of Connecticut and the Town related to its proposal and the performance of the work described in the Contract.

n. LICENSES AND PERMITS

The successful proposer certifies that, throughout the Contract term, it shall have and provide proof of all approvals, permits and licenses required by the Town and/or any state or federal authority. The successful proposer shall immediately and in writing notify the Town of the loss or suspension of any such approval, permit or license.

o. CESSATION OF BUSINESS/BANKRUPTCY/RECEIVERSHIP

If the successful proposer ceases to exist, dissolves as a business entity, ceases to operate, files a petition or proceeding under any bankruptcy or insolvency laws or has such a petition or proceeding filed against it, the Town has the right to terminate the Contract effective immediately. In that event, the Town reserves the right, in its sole discretion as it deems appropriate and without prior notice to the successful proposer, to make arrangements with another person or business entity to provide the services described in the Contract.

p. AMENDMENTS

The Contract may not be altered or amended except by the written agreement of both parties.

q. ENTIRE AGREEMENT

It is expressly understood and agreed that the Contract contains the entire agreement between the parties, and that the parties are not, and shall not be, bound by any stipulations, representations, agreements or promises, oral or otherwise, not printed or inserted in the Contract or its attached exhibits.

r. VALIDITY

The invalidity of one or more of the phrases, sentences or clauses contained in the Contract shall not affect the remaining portions so long as the material purposes of the Contract can be determined and effectuated.

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s. CONNECTICUT LAW AND COURTS

The Contract shall be governed by and construed in accordance with the internal laws (as opposed to the conflicts of law provisions) of the State of Connecticut, and the parties irrevocably submit in any suit, action or proceeding arising out of the Contract to the jurisdiction of the United States District Court for the District of Connecticut or of any court of the State of Connecticut, as applicable.

t. NON-EMPLOYMENT RELATIONSHIP

The Town and the successful proposer are independent parties. Nothing contained in the Contract shall create, or be construed or deemed as creating, the relationships of principal and agent, partnership, joint venture, employer and employee, and/or any relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the terms and conditions of the Contract. The successful proposer understands and agrees that it is not entitled to employee benefits, including but not limited to workers compensation and employment insurance coverage, and disability. The successful proposer shall be solely responsible for any applicable taxes.

END OF STANDARD INSTRUCTIONS TO PROPOSERS

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TOWN OF MAINSTREAM, CONNECTICUT

SPECIFICATIONS FOR
[DESCRIBE SUBJECT MATTER OF PROPOSAL]

PROPOSAL # _____

[If the Town has received a state or federal grant or loan for the services/goods that are at the heart of the RFP and if that grant/loan requires the Town to push its terms down to the party or parties with which the Town contracts, then we recommend that the Town make prospective proposers aware of the grant/loan terms with which the Town expects them to comply. The Town could do so by including a provision, similar to the one below, in the Specifications section of the RFP, substituting “loan” for “grant” and “federal” for “state” when appropriate.]

“STATE GRANT/LOAN AGREEMENT

The services *[or “goods”]* described in this Request *[The Town needs to choose, as appropriate, either “may be” or “are”]* reimbursable in whole or in part from the State. By submitting a proposal, **each proposer agrees to be bound by and comply with each and every applicable provision of the State agreement.** A complete copy of the State agreement *[need to describe how a proposer will be able to review the terms of the agreement before submitting its proposal. Options include: (1) “will be distributed at the Mandatory Pre-Proposal Site Visit”, if there will be one. In that case, the Town needs to ensure that the agreement it distributes is complete in all respects (i.e., not missing pages or attachments/exhibits), and the Town will need to include as a part of its sign-in sheet the prospective purchaser’s acknowledgement of receipt of the agreement, OR (2) the RFP can direct the proposers to a place on the Town’s website where that complete agreement can be viewed OR (3) include it as part of the RFP.]*

[Insert Specifications]

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END OF SPECIFICATIONS

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TOWN OF MAINSTREAM, CONNECTICUT

INSURANCE REQUIREMENTS FOR
[DESCRIBE SUBJECT MATTER OF PROPOSAL]

PROPOSAL # _____

[Insert Insurance Requirements]

END OF INSURANCE REQUIREMENTS

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TOWN OF MAINSTREAM, CONNECTICUT

PROPOSAL FORM

[DESCRIBE SUBJECT MATTER OF PROPOSAL]

PROPOSAL # _____

PROPOSER'S FULL LEGAL NAME:

Pursuant to and in full compliance with the RFP, the undersigned proposer, having visited the site or property if applicable, and having thoroughly examined each and every document comprising the RFP, including any addenda, hereby offers and agrees as follows:

To provide the products and/or services specified in, and upon the terms and conditions of, the RFP for the total sum of _____ /100 Dollars (write out in words) (\$_____).

ACKNOWLEDGEMENT

In submitting this Proposal Form, the undersigned proposer acknowledges that the price(s) include all labor, materials, transportation, hauling, overhead, fees and insurances, bonds or letters of credit, profit, security, permits and licenses, and all other costs to cover the completed work called for in the RFP. Except as otherwise expressly stated in the RFP, no additional payment of any kind will be made for work accomplished under the price(s) as proposed.

REQUIRED DISCLOSURES

[These disclosures will vary from procurement effort to procurement effort – some may be deleted, others may be added. For example only, the annual RFP for tax and sewer lien assignments can safely delete the second item regarding the State debarment list; may delete – or modify – the item regarding litigation (given that the assignors of these liens are naturally involved in litigation – i.e., foreclosure of the liens they buy); and have added a disclosure concerning any interest in the subject properties held by the proposer or any of its principals, officers or agents. Thus, the Town should look at these disclosures in each instance and make appropriate deletions and/or additions.]

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1. Exceptions to or Modifications or Clarifications of the RFP

_____ This proposal does not take exception to or seek to modify or clarify any requirement of the RFP, including but not only any of the Contract Terms set forth in Section 26 of the Standard Instructions to Proposers.

OR

_____ This proposal takes exception(s) to or seeks to modify or clarify certain of the RFP requirements, including but not only the following Contract Terms set forth in Section 26 of the Standard Instructions to Proposers. **Attached is a sheet fully describing each such exception.**

2. State Debarment List

Is the proposer on the State of Connecticut's Debarment List?

_____ Yes
_____ No

3. Occupational Safety and Health Law Violations

Has the proposer or any firm, corporation, partnership or association in which it has an interest (1) been cited for three (3) or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the proposal (provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction) or (2) received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the proposal?

_____ Yes
_____ No

If "yes," attach a sheet fully describing each such matter.

4. Arbitration/Litigation

Has either the proposer or any of its principals (regardless of place of employment) been involved for the most recent ten (10) years in any pending or resolved arbitration or litigation?

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_____ Yes
_____ No

If “yes,” attach a sheet fully describing each such matter.

5. Criminal Proceedings

Has the proposer or any of its principals (regardless of place of employment) ever been the subject of any criminal proceedings?

_____ Yes
_____ No

If “yes,” attach a sheet fully describing each such matter.

6. Ethics and Offenses in Public Projects or Contracts

Has either the proposer or any of its principals (regardless of place of employment) ever been found to have violated any state or local ethics law, regulation, ordinance, code, policy or standard, or to have committed any other offense arising out of the submission of proposals or bids or the performance of work on public works projects or contracts?

_____ Yes
_____ No

If “yes,” attach a sheet fully describing each such matter.

[If proposal (bid) security is not required for this procurement, then delete the heading and the following sentence set forth below, up to “NOTE.”]

PROPOSAL (BID) SECURITY

I/we have included herein the required certified check or proposal (bid) bond in the amount of 10% of the proposal amount.

NOTE: THIS DOCUMENT, IN ORDER TO BE CONSIDERED A VALID PROPOSAL, MUST BE SIGNED BY A PRINCIPAL OFFICER OR OWNER OF THE BUSINESS ENTITY THAT IS SUBMITTING THE PROPOSAL. SUCH SIGNATURE CONSTITUTES THE PROPOSER’S REPRESENTATIONS THAT IT HAS READ, UNDERSTOOD AND FULLY ACCEPTED EACH AND EVERY PROVISION OF EACH DOCUMENT COMPROMISING THE RFP, UNLESS AN EXCEPTION IS DESCRIBED ABOVE.

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BY _____

TITLE:

(PRINT NAME)

(SIGNATURE)

DATE: _____

END OF PROPOSAL FORM

[WORK PRODUCT OF MURTHA CULLINA LLP]

TOWN OF MAINSTREAM, CONNECTICUT

PROPOSER'S LEGAL STATUS DISCLOSURE

Please fully complete the applicable section below, attaching a separate sheet if you need additional space.

For purposes of this disclosure, "permanent place of business" means an office continuously maintained, occupied and used by the proposer's regular employees regularly in attendance to carry on the proposer's business in the proposer's own name. An office maintained, occupied and used by a proposer only for the duration of a contract will not be considered a permanent place of business. An office maintained, occupied and used by a person affiliated with a proposer will not be considered a permanent place of business of the proposer.

IF A SOLELY OWNED BUSINESS:

Proposer's Full Legal Name _____

Street Address _____

Mailing Address (if different from Street Address) _____

Owner's Full Legal Name _____

Number of years engaged in business under sole proprietor or trade name _____

Does the proposer have a "permanent place of business" in Connecticut, as defined above?

_____ Yes _____ No

If yes, please state the full street address (not a post office box) of that "permanent place of business."

IF A CORPORATION:

Proposer's Full Legal Name _____

Street Address _____

Mailing Address (if different from Street Address) _____

Owner's Full Legal Name _____

Number of years engaged in business _____

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Names of Current Officers

President

Secretary

Chief Financial Officer

Does the proposer have a "permanent place of business" in Connecticut, as defined above?

_____ Yes

_____ No

If yes, please state the full street address (not a post office box) of that "permanent place of business."

IF A LIMITED LIABILITY COMPANY:

Proposer's Full Legal Name _____

Street Address _____

Mailing Address (if different from Street Address) _____

Owner's Full Legal Name _____

Number of years engaged in business _____

Names of Current Manager(s) and Member(s)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Does the proposer have a "permanent place of business" in Connecticut, as defined above?

_____ Yes

_____ No

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If yes, please state the full street address (not a post office box) of that "permanent place of business."

IF A PARTNERSHIP:

Proposer's Full Legal Name _____

Street Address _____

Mailing Address (if different from Street Address) _____

Owner's Full Legal Name _____

Number of years engaged in business _____

Names of Current Partners

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Name & Title (if any) Residential Address (street only)

Does the proposer have a "permanent place of business" in Connecticut, as defined above?

_____ Yes _____ No

If yes, please state the full street address (not a post office box) of that "permanent place of business."

Proposer's Full Legal Name

(print)
Name and Title of Proposer's Authorized
Representative

(signature)
Proposer's Representative, Duly Authorized

Date

END OF LEGAL STATUS DISCLOSURE FORM

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TOWN OF MAINSTREAM, CONNECTICUT

PROPOSAL # [_____]

[DESCRIBE SUBJECT MATTER OF PROPOSAL]

PROPOSER'S CERTIFICATION
Concerning Equal Employment Opportunities
And Affirmative Action Policy

I/we, the proposer, certify that:

- 1) I/we are in compliance with the equal opportunity clause as set forth in Connecticut state law (Executive Order No. Three, <http://www.cslib.org/exeorder3.htm>).
- 2) I/we do not maintain segregated facilities.
- 3) I/we have filed all required employer's information reports.
- 4) I/we have developed and maintain written affirmative action programs.
- 5) I/we list job openings with federal and state employment services.
- 6) I/we attempt to employ and advance in employment qualified handicapped individuals.
- 7) I/we are in compliance with the Americans with Disabilities Act.
- 8) I/we (check one):
_____ have an Affirmative Action Program, or
_____ employ 10 people or fewer.

Legal Name of Proposer

(Signature)
Proposer's Representative, Duly Authorized

Name of Proposer's Authorized
Representative

Title of Proposer's Authorized Representative

Date

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TOWN OF MAINSTREAM, CONNECTICUT

PROPOSER’S NON COLLUSION AFFIDAVIT

PROPOSAL FOR:

PROPOSAL NUMBER:

The undersigned proposer, having fully informed himself/herself/itself regarding the accuracy of the statements made herein, certifies that:

- (1) the proposal is genuine; it is not a collusive or sham proposal;
- (2) the proposer developed the proposal independently and submitted it without collusion with, and without any agreement, understanding, communication or planned common course of action with, any other person or entity designed to limit independent competition;
- (3) the proposer, its employees and agents have not communicated the contents of the proposal to any person not an employee or agent of the proposer and will not communicate the proposal to any such person prior to the official opening of the proposal; and
- (4) no elected or appointed official or other officer or employee of the Town of Mainstream is directly or indirectly interested in the proposer’s proposal, or in the supplies, materials, equipment, work or labor to which it relates, or in any of the profits thereof.

The undersigned proposer further certifies that this affidavit is executed for the purpose of inducing the Town of Mainstream to consider its proposal and make an award in accordance therewith.

Legal Name of Proposer

(signature)
Proposer’s Representative, Duly Authorized

Name of Proposer’s Authorized
Representative

Title of Proposer’s Authorized Representative

Date

Subscribed and sworn to before me this _____ day of _____,
20____.

Notary Public
My Commission Expires:

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TOWN OF MAINSTREAM, CONNECTICUT

PROPOSAL # [_____]

[DESCRIBE SUBJECT MATTER OF PROPOSAL]

PROPOSER'S STATEMENT OF REFERENCES

Provide at least three (3) references:

1. BUSINESS NAME _____
ADDRESS _____
CITY, STATE _____
TELEPHONE: _____
INDIVIDUAL CONTACT NAME AND POSITION

2. BUSINESS NAME _____
ADDRESS _____
CITY, STATE _____
TELEPHONE: _____
INDIVIDUAL CONTACT NAME AND POSITION

3. BUSINESS NAME _____
ADDRESS _____
CITY, STATE _____
TELEPHONE _____
INDIVIDUAL CONTACT NAME AND POSITION

END OF STATEMENT OF REFERENCES

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CONTRACT FOR [DESCRIBE SUBJECT MATTER]

This Contract is made as of the _____ day of _____, 20____ (the “Effective Date”), by and between the Town of Mainstream, _____, Mainstream, Connecticut, a municipal corporation organized and existing under the laws of the State of Connecticut (the “Town”), and [name and address of successful proposer] (the “Contracting Party”).

RECITALS:

WHEREAS, the Town has issued a Request for Proposals for [describe subject matter] (the “RFP”), a copy of which, along with any addenda, is attached as Exhibit A;

WHEREAS, the Contracting Party submitted a proposal to the Town dated _____ (the “Proposal”), a copy of which is attached as Exhibit B;

WHEREAS, the Town has selected the Contracting Party to perform the Work (as defined in Section 1 below); and

WHEREAS, the Town and the Contracting Party desire to enter into a formal contract for the performance of the Work.

NOW THEREFORE, in consideration of the recitals set forth above and the parties’ mutual promises and obligations contained below, the parties agree as follows:

1. Work: The Contracting Party agrees to perform the Work described more fully in the attached Exhibits A and B ***[Note: if the Proposal has taken any exceptions to the RFP, this provision should be amended to included specific statements about whether the Town has accepted or rejected those exceptions – whether they are contrary to or in addition to the RFP’s terms. This is critically important, and we urge you to contact your attorney for assistance on this additional required language.]*** (collectively, the “Work”).

The Contracting Party also agrees to comply with all of the terms and conditions set forth herein and in the RFP, including but not only **all of the terms set forth in Section 26 (the “Contract Terms”) of the Standard Instructions to Bidders.**

2. Term: ***[placeholder – will vary from contract to contract]***

3. Contract Includes Exhibits; Order of Construction: The Contract includes the RFP (Exhibit A) and the Proposal (Exhibit B), which are made a part hereof. In the event of a conflict or inconsistency between or among this document, the RFP, and the Proposal, this document shall have the highest priority, the RFP the second priority, and the Proposal the third priority.

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4. Price and Payment: *[placeholder – will vary from contract to contract. If contract extends beyond current fiscal year, be sure to include non-appropriation language.]*

5. Right to Terminate: If the Contracting Party's fails to comply with any of the terms, provisions or conditions of the Contract, including the exhibits, the Town shall have the right, in addition to all other available remedies, to declare the Contract in default and, therefore, to terminate it and to resubmit the subject matter of the Contract to further public procurement. In that event, the Contracting Party shall pay the Town, as liquidated damages, the amount of any excess of the price of the new contract over the Contract price provided for herein, plus any legal or other costs or expenses incurred by the Town in terminating this Contract and securing a new contracting party.

6. No Waiver or Estoppel: Either party's failure to insist upon the strict performance by the other of any of the terms, provisions and conditions of the Contract shall not be a waiver or create an estoppel. Notwithstanding any such failure, each party shall have the right thereafter to insist upon the other party's strict performance, and neither party shall be relieved of such obligation because of the other party's failure to comply with or otherwise to enforce or to seek to enforce any of the terms, provisions and conditions hereof.

7. Notice: Any notices provided for hereunder shall be given to the parties in writing (which may be hardcopy, facsimile, or e-mail) and shall be effective upon receipt at their respective addresses set forth below:

If to the Town:

[name, address, fax and e-mail]

If to the Contracting Party:

[name, address, fax and e-mail]

8. Execution: This Contract may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties hereto and delivered (including delivery by facsimile) to each of the parties.

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IN WITNESS THEREOF, the parties have executed this contract as of the last date signed below.

TOWN OF MAINSTREAM

By _____
Name
Its **Town Manager/First Selectman**,
Duly Authorized
Date: _____

[CONTRACTING PARTY LEGAL NAME]

By _____
Its _____, Duly Authorized
Date: _____

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Competitive **Bidding** Requirements for Municipalities

By: Jennifer Proto, Principal Analyst
December 21, 2017 | 2017-R-0360

Issue

Briefly describe competitive **bidding** requirements for municipalities under state law.

Summary

State law generally does not require municipalities to use competitive **bidding** to award contracts or make purchases, but municipalities may adopt such a requirement individually by ordinance or charter. Competitive **bidding** requirements depend on the contract's funding source. If funded by the municipality, then the requirements, if any, would be governed by the local charter or ordinances. If the project is funded in whole or in part by the state, then additional statutory requirements may apply.

Municipally Funded Contracts

As a general rule, a municipality's legislative body cannot supersede a requirement of the municipality's charter by adopting an ordinance. If the charter is silent on an issue or allows the legislative body to address an issue by ordinance, however, the legislative body can establish a requirement by ordinance. State law (1) allows municipalities to establish, by ordinance, competitive **bidding** requirements for contracts or purchases of real or personal property and (2) limits, to \$25,000, the value of contracts or purchases that the ordinance may exempt from these requirements ([CGS § 7-148v\(a\)](#)).



Absent such an ordinance, competitive **bidding** requirements, if any, would be governed by the municipal charter. The law does not prevent a municipality from establishing competitive **bidding** requirements by charter, rather than ordinance, nor does it set any limits on competitive **bidding** requirements established by charter. Thus, it appears that municipalities may establish, by charter, a competitive **bidding** threshold of more than \$25,000. However, in the case of a special services district, the law requires it to award any contract costing more than \$5,000 to the lowest responsible, qualified **bidder** after a public invitation to bid ([CGS § 7-339q](#)).

[CGS § 7-148v\(a\)](#) and any ordinance adopted under it may not be construed to limit the ability of a municipality to enter into a contract under [CGS § 4a-53a](#), which allows the Department of Administrative Services (DAS) commissioner to serve as the contracting agent for a group of three or more municipalities. As the contracting agent, DAS may perform administrative functions for the municipalities in accordance with state procurement laws and regulations, including, but not limited to, the competitive **bidding** process.

State Funded Contracts

Municipal projects that include state funding may be subject to additional requirements. For example, if a municipality administers a public works project that costs more than \$500,000 and is funded in whole or in part by the state, then it must (1) advertise the project on the [State Contracting Portal](#) and (2) award the contract to a **bidder** prequalified by DAS ([CGS § 4b-91\(a\)\(4\)](#)).

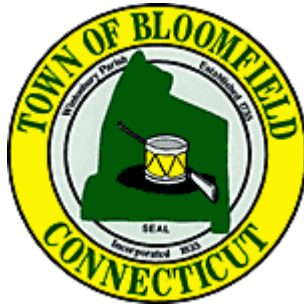
In addition to this general requirement, other state programs may establish specific **bidding** requirements for municipalities. For example, contracts for school construction projects must generally be awarded to the lowest responsible qualified **bidder** ([CGS § 10-287\(b\)](#)). Additionally, state agencies that administer STEAP (Small Town Economic Assistance Program) grants may require competitive **bidding** for STEAP-funded projects ([CGS § 4-66g](#)).

Purchases from Existing Contracts

The law authorizes municipalities (notwithstanding state statutes, municipal charters, special acts, or ordinances) to purchase equipment, supplies, materials, or services from certain entities. These entities are persons that have a contract with a regional educational service center or regional council of governments to sell such goods or services to other state governments; political subdivisions of the state, including municipalities; nonprofits; or public purchasing consortia ([CGS § 7-148v\(b\)](#)).

JP:bs

**TOWN OF
BLOOMFIELD, CT**



**PURCHASING POLICIES AND
PROCEDURES MANUAL**

June 20, 2006

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1. Governing Authority:

The Town Charter, Sections 502 (c) and 909, as revised November, 2005, establishes the Purchasing function, as follows:

“Section 502. Town Manager.

c. The town manager shall be the purchasing agent of the town and all supplies, materials, equipment and other commodities required by any department, office, agency, board or commission of the town, except the board of education and the department of library services, shall be purchased through him on requisitions signed by the head of the department, office or agency or chairman of the board of commission and approved as to the sufficiency of funds by the director of finance. The town manager shall serve as purchasing agent for the board of education, and the department of library services if requested to do so by the chairperson of the board of education or the chairperson of the board of library directors.

Purchases shall be made in accordance with such rules and regulations as may be established by the council.

If any purchase or contract for purchasing, including a continuing order or contract for the purchase of the same commodity over a period of time, involves the expenditure of one tenth of one percent (.1%) of the total annual budget of the town for the current fiscal year or more, the town manager shall invite sealed bids or proposals, giving ten (10) days notice thereof by at least one publication in a newspaper having a circulation in the town, and shall let the purchase or contract to the lowest responsible bidder with the right to reject any or all bids and proposals. All such sealed bids or proposals shall be opened publicly. No single transaction shall be divided for the purpose of evading the provisions of this section.

Upon the recommendation of the town manager that to do so would serve the best interests of town, or upon its own initiative, the foregoing requirement for competitive bidding may be waived by a majority roll call vote of the council with the yeas and nays recorded in the minutes of the meeting.

Section 909. Capital expenditures.

If any contract for the construction of a capital improvement or the purchase of a specific capital item involves the expenditure of one tenth of one percent (.1%) or more of the total annual budget of the town for the current fiscal

year, the official, commission, committee, board or agency having responsibility therefore shall invite sealed bids or proposals, giving ten (10) days' public notice thereof by a least one publication in a newspaper having a circulation in the town, and shall let the contract or purchase to the lowest responsible bidder with the right to reject any or all bids and proposals. If it would serve the best interest of the town the foregoing requirement for competitive bidding may be waived by a majority roll call vote of the town council with yeas and nays recorded in the minutes of the meeting. If a waiver of competitive bidding is equal to or more than one and one-half percent (1.5%) of the annual budget, such waiver shall require an affirmative roll call vote of not less than seven (7) members of Council. No appropriation for part of what is essentially a single transaction shall be made for the purpose of evading the provisions of this section."

The Town Code of Ordinances, Article VIII, Sections 2-101 through 2-103, establishes guidelines for equal employment opportunity pursuant to contracts offered and awarded by the Town, as follows:

ARTICLE VIII. EQUAL EMPLOYMENT OPPORTUNITY PURSUANT TO CONTRACTS OFFERED AND AWARDED BY TOWN:

Sec. 2-101. Statement of purpose.

The purpose of this article is to insure equal employment opportunity for minority group persons and women in all contracts, including the bidding process, for the purchase of labor and materials, supplies or services, including bank depository and professional services, pursuant to contracts offered and awarded by the town.

Sec. 2-102. Administration of article provisions.

The town manager shall be responsible for the administration of this article and shall adopt certain rules and regulations, subject to the approval of the town council, and issue such orders as he deems necessary and appropriate to achieve the purposes thereof.

Sec. 2-103. Contract provisions.

(a) Except as hereinafter set forth every town contract for the purchase of labor and materials, supplies or services including bank depository and professional services shall contain the following provisions:

During the performance of this contract, the contractor agrees as follows:

- 1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or physical disability. The contractor will take affirmative action to insure that applicants are employed and that employees are treated during employment, without regard to their

race, color, religion, sex, national origin, age or physical disability. Such affirmative action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

- 2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age or physical disability.
- 3) The contractor will send to each labor union or representative of workers with which he has either a collective bargaining agreement, or other understanding, a notice to be provided by the town, advising the labor union or worker's representative of the contractor's commitment under this article and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) The contractor will comply with all provisions of this article and of the relevant rules, regulations and orders of the town manager.
- 5) The contractor will furnish all information and reports required by the rules, regulations and orders of the town manager issued pursuant to this article, and will permit access to the contractor's books, records and accounts by the town manager or his designee for the purpose of investigation to ascertain compliance with such rules, regulations and orders. Any such inspection of the contractor's books, records and accounts by the town manager or his designee shall be made at a reasonable hour, upon reasonable notice to such contractor, and shall be limited in scope to information pertaining to the subject matter of the proposed contract.
- 6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations or orders, this contract shall be cancelled, terminated, or suspended in whole or in part and the contractor shall be declared ineligible for further town contract, and such other sanctions shall be imposed and remedies invoked as provided by law.
- 7) In all construction contracts, the contractor shall include the provisions of paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations or orders of the town issued pursuant to this article, so that such provisions

shall be binding upon each subcontractor or vendor. The contractor shall take such action with respect to any subcontract or purchase order as the town may direct as a means of enforcing such provisions including sanctions for noncompliance. In nonconstruction contracts or purchase orders, the town reserves the right to require compliance with the provisions of this paragraph, at the discretion of the town manager.

- 8) Within ten (10) calendar days following the town manager's decision to award or fail to award a contract or the determination of compliance or noncompliance with the terms of the agreement, any person claiming to be aggrieved by the decision may file with the town manager a written notice of appeal requesting a hearing before the human relations commission.

Within thirty (30) days of the receipt of such notice of appeal the human relations commission shall provide the aggrieved party with a hearing and issue its decision. During the pendency of such appeal, the decision of the town manager shall remain in full force and effect, unless the human relations commission issues a stay of the decision by unanimous vote.

At all times during such proceedings, the burden of proof shall be on the party appealing the town manager's decision.

(b) The town manager shall make semiannual reports to the human relations commission and the town council concerning the implementation of this article.

2. Authority of the Town Manager:

Any provision of the Purchasing Policies and Procedures that is not mandated by Town Charter or Code of Ordinances may be waived by the Town Manager.

3. Objectives of Purchasing Function:

- To foster competition through endeavoring to obtain as full and open competition as possible on all purchases.
- To act to procure for the Town consistent quality in products and services at the most cost-effective pricing.
- To ensure compliance with Town, State and Federal guidelines.
- To provide beneficial assistance and guidance to Town departments.
- To conduct purchasing without regard to political affiliation, race, color, age, religion, national origin, ancestry, physical ability, sex, familial relationship or business associations of vendors, contractors or consultants, pursuant to Town Code of Ordinances, Article VIII, Sections 2-101 through 2-103.

4. Bidding Thresholds, Informal Quotation Procedure:

Purchases in excess of Charter-provided threshold (one tenth of one percent (.1%) of the total annual budget of the Town for the current fiscal year):

Formal solicitation shall be made requesting sealed bids from qualified potential vendors through the Purchasing and Insurance Coordinator.

Purchases in excess of \$7,500 and less than Charter-provided threshold:

Competitive, written, informal quotes, solicited by the requisitioning department, are required from a minimum of three vendors. Documentation of such shall be forwarded to the Purchasing and Insurance Coordinator concurrently with purchase requisition submission.

Purchases of \$7,500 or less:

May be made in the open market. Solicitation of two or more quotes, solicited by the requisitioning department, is encouraged to achieve the most favorable pricing to the Town.

Note: Although not required through Town Charter or Code of Ordinances, the formal competitive bid process for purchases in dollar amounts less than the Charter-provided threshold, where practicable and when in the best interests of the Town, is encouraged.

5. Change Orders:

No change order shall be approved without competitive bidding unless it is within the scope of the work of the original project and the cumulative amount of all change orders does not exceed twenty (20) percent of the original price. If an anticipated change order will increase the total of cumulative change orders above the twenty percent limit, written approval of the Town Manager is required.

6. Encumbrances/Purchase Requisitions/Purchase Orders/Accounts Payable:

Purchase requisitions shall be issued and approved by department heads or authorized designees for all purchases over \$500, regardless of the source of funding. The requisition must include vendor name and address, account number to be charged, date of issue, quantity and description of goods and services, price, date required, and any such documentation as may be required by Purchasing Policies and Procedures Manual section 4 shall be submitted concurrently.

Purchase requisitions shall be submitted to the Purchasing and Insurance Coordinator and subsequently audited by the Finance Director or authorized designee for determination of available funds.

For each authorized requisition received and approved by the Finance Director or designee, a purchase order shall be issued and funds encumbered. The original purchase order shall be sent to the vendor unless otherwise specified, one copy returned to the requisitioning department, and one copy retained in the Finance

Dept. Purchase orders must be prepared *prior* to order of commodity/service by Town departments.

Vendor invoices shall be vouchered by requisitioning departments. The original invoice shall be stamped with the Voucher Stamp provided to departments by the Finance Dept. Requisitioning departments shall fill in the stamp blanks: date department approved, account number, purchase order number, partial or final payment. The invoice must be approved for payment by the department head or authorized designee. The stamped original and one copy of the invoice shall be forwarded to the Finance Dept. for payment.

If no vendor invoice is available (I.e., advance payments), an Accounts Payable Voucher form shall be completed and approved by the department head or authorized designee. The Remittance copy and the Finance copy of the Accounts Payable Voucher form shall be forwarded to the Finance Dept. for payment.

All forms referenced in this section are shown in Appendix A.

7. Subdivision of Contract or Purchase:

No purchase or contract shall be subdivided in order to circumvent or evade requirements of the Town of Bloomfield's Charter or Purchasing Policies and Procedures Manual.

8. Corporate Purchase Cards:

The Town of Bloomfield participates in a Corporate Purchase Card program, a procurement tool designed to delegate authority and capability to purchase items directly from vendors that accept the purchase card. The intent of the program is to facilitate timely purchases from vendors who will not honor Town purchase orders and to effect purchases made via internet.

The Finance Director is the authorized contact and administrator of the Corporate Purchase Card program; this authorization has further been extended to the Town Accountant and to the Account Clerk.

Each authorized department is assigned a unique card, having its own card number and department designation. Each card is issued to a specific department representative, who agrees to the Town of Bloomfield Purchase Card Procedures, upon approval by the department head/supervisor and the Finance Director of an Acceptance of Purchase Card form. Purchase cards are to be stored in secure locations. Lost or stolen cards must immediately be reported to the Finance Director.

Purchase Card limits and procedures are established by the Town Manager. For the purpose of encumbering available funds, purchase requisitions (check "don't send to vendor" field) and purchase orders made out to "Corporate Card" are required for purchase card transactions over \$500. In lieu of a purchase card

signature endorsement, each card will require Town of Bloomfield photo ID to be presented to complete transactions.

Use of the purchase card is limited to official business of the Town of Bloomfield; use of the purchase card for cash advances and/or personal purchases is prohibited. Misuse will result in payroll deductions to recover amounts incorrectly expended.

It is the department head/supervisor's responsibility to maintain purchase receipts and forward them immediately following purchase to the Account Clerk with the appropriate expense distribution. Month-end billings are made by the purchase card company. The department head/supervisor is responsible for ensuring that all receipts for items billed have been forwarded to the Account Clerk and is further responsible for resolving returns, credits and statement discrepancies.

Upon resignation or termination of the cardholder or upon request of the program administrator, the purchase card will be returned to the Department of Human Resources with a final statement of reconciled expenditures.

Store purchase cards (I.e., Sam's Club) may be issued at the discretion of the Finance Director. The same policies and procedures as those followed for the Corporate Card program shall apply.

Failure to follow any of the purchase card procedures herein stated may result in suspension of credit card privileges.

9. Notice Inviting Bids and Scope Thereof:

In accordance with Town Charter, Sections 502 (c) and 909, as revised November, 2005, notice inviting sealed bids or proposals, giving ten (10) days' public notice thereof, shall be made by publication in a newspaper having circulation in the Town. Notice inviting bids shall include a general description of the goods or services to be purchased, shall state where bid blanks and specifications are available, and shall state the date, time and place of the bid opening.

10. Bid Deposits:

The Purchasing and Insurance Coordinator may require a bid deposit where it is necessary for the protection of the interest of the Town. Deposits of any unsuccessful bidder shall be returned following award to selected bidder. The deposit of a successful bidder shall be forfeited if the bidder shall fail to accept award and/or shall default on quotation. Acceptable forms of bid deposit are cash, cashier's check, certified check or bid bond issued by a surety licensed in Connecticut. A company check or personal check that is not certified is not acceptable.

11. Bid Opening Procedure:

Sealed: Bids shall be submitted sealed to the Purchasing and Insurance Coordinator and shall be identified by bid name/number and date/time of bid opening on the outside of the envelope. Bids received after the date and time specified in the solicitation will not be read, considered or accepted.

Opening: Bids shall be opened publicly at the time and place announced in the public notice required by Charter provisions, unless formally revised through addenda issued to the bid solicitation.

Postponement Due to Closing: If Town Hall shall be closed for weather or any other conditions, bid opening date shall be postponed until the same time on the next day that Town Hall is officially open for business.

Tabulation: A tabulation of all bids received shall be made available for public inspection. Bids received may be inspected by making an appointment to do so with the Purchasing and Insurance Coordinator.

12. Tie Bids:

Local Vendors: For the purposes of this section, local vendor shall be defined as a business with a principal place of business located within the Town of Bloomfield. Evidence may be required by the Town to establish that the vendor has a bona fide principal place of business in Bloomfield; such evidence may include evidence of ownership of or a long-term lease of real estate from which the principal place of business is operated or payment of property taxes on the personal property of the business to the Town of Bloomfield. If bids are received for the same total amount or unit price, quality and service being equal, award shall be made to a local bidder.

Non-Local Vendors: Where none of the tie bidders are local bidders, award shall be made by drawing lots.

13. Rejection of Bids:

The responsible official, commission, committee, board or agency, as specified in Town Charter sections 502 (c) and 909, as revised November, 2005, shall have the authority to reject all bids, in whole or in part, when the public interest will be served thereby.

14. Determination of Lowest Responsible Bidder:

The following shall be considerations in determination of the lowest responsible bidder:

- a. The pricing, quality, availability and adaptability of the product or services to meet the Town’s particular use;
- b. The ability, capacity and skill of the bidder to perform the contract or provide the required service;
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services;
- e. The previous and existing compliance by the bidder with Federal and State laws and Town Ordinances relating to the contract or service;
- f. The sufficiency of the bidder’s financial resources and ability of the bidder to perform the contract or provide the services;
- g. The ability of the bidder to provide future maintenance and service for the subject of the contract.

15. Award to Other than Lowest Bidder:

If award of bid or quote is not given to the lowest bidder in price, a full and complete written statement for placing the order elsewhere shall be prepared by the Purchasing and Insurance Coordinator and filed with other documents relating to the transaction.

16. Insurance Requirements and Indemnification:

Insurance: Vendors/Contractors/Consultants shall agree to maintain in force at all times during provision of goods to the Town the following coverages placed with company(ies) licensed by the State of Connecticut which have at least an “A-“VIII policyholder’s rating according to Best Publication’s latest edition Key Rating Guide:

		Minimum Limits
General Liability	Each Occurrence	\$1,000,000
	General Aggregate	\$2,000,000
	Products/Completed Op. Agg.	\$2,000,000
Auto Liability	Combined Single Limit Each Accident	\$1,000,000
Workers’ Comp. And Employer’s Liability	Workers’ Comp Each Accident Disease Each Employee Disease Policy Limit	Statutory Limits \$100,000 \$100,000 \$500,000

“The Town of Bloomfield and Bloomfield Board of Education” must be named as “Additional Insured”. Original, completed certificate of insurance must be presented to the Purchasing and Insurance Coordinator following bid award and

prior to purchase order/contract issuance. In the circumstance of a major contract executed or at the discretion of the Purchasing and Insurance Coordinator, policy endorsement shall be requested in addition to the certificate of insurance. Further, it is requested that, prior to execution of any major contract, a draft be submitted to the Purchasing and Insurance Coordinator for subsequent review by the Town's insurer.

Additional coverages (I.e. Professional Liability, Umbrella coverage, Owner's Protective Liability, Pollution Liability) may be required by the Purchasing and Insurance Coordinator on a case by case basis.

If any policy is written on a "Claims Made" basis, the policy must be continually renewed for a minimum of two (2) years from date of contract. If the policy is replaced and/or the retroactive date is changed, then the expiring policy must be endorsed to extend the reporting period for claims for the policy in effect during the contract for two (2) years from the completion date.

Indemnification: Contracts with vendors/contractors/consultants providing services to the Town shall include the following indemnification:

HOLD HARMLESS AGREEMENT:-- The (Vendor/Contractor/Consultant), its agents and assigns shall indemnify and hold harmless the Town of Bloomfield, including but not limited to, its elected officials, its officers, and agents, ("the Town") from any and all claims made against the Town, including but not limited to, damages, awards, costs and reasonable attorneys fees, to the extent any such claim directly and proximately results from the wrongful willful or negligent performance of services by the (Vendor/Contractor/Consultant) during the (Vendor's/Contractor's/Consultant's) performance of this Agreement or any other Agreements of the (Vendor/Contractor/Consultant) entered into by reason thereof. The Town agrees to give the (Vendor/Contractor/Consultant) prompt notice of any such claim and absent a conflict of interest, an opportunity to control the defense thereof.

17. Performance/Labor and Material Payment Bonds:

Any construction contract exceeding \$50,000 shall require a performance bond guaranteed by a surety, licensed to do business in Connecticut, in the amount of 100% of the total contract price, guaranteeing to the Town the completion of the project.

Any construction contract exceeding \$50,000 shall require a Labor and Materials Payment bond guaranteed by a surety, licensed to do business in Connecticut, in the amount of 100% of the total contract price, guaranteeing to the Town payments for all labor, materials and equipment utilized in the completion of work under the contract.

18. Disqualification of Bidders:

The Town Manager, through the Purchasing and Insurance Coordinator, shall have the authority to declare irresponsible any vendors who default on their quotations and to disqualify them from receiving any business from the Town for a stated period of time.

19. Emergency Purchase Orders:

Emergency purchases up to the Charter-provided threshold (one tenth of one percent (.1%) of the total annual budget of the Town for the current fiscal year): Informal quote process may be waived; the purchase requisition specifying “Emergency” in the “SUMMARY” field shall be submitted through the appropriate channels.

Note regarding emergency purchases exceeding Charter-provided threshold: Competitive bidding process may be waived only in accordance with Town Charter, Sections 502 (c) and 909, as revised November, 2005.

20. Cooperative Purchasing:

The Town may choose to participate in existing contracts which have been competitively bid under rules corresponding to those set forth by Charter provisions when determined to be in the best interests of the Town. Acceptable cooperative purchasing contracts shall include those specifically extended to political subdivisions and municipalities and issued by Public Purchasing Association of Connecticut (PPAC), Connecticut Regional Council of Governments (CRCOG), and the State of Connecticut, through the Department of Administrative Services (DAS) and the Department of Information Technology (DOIT).

21. Sole Source:

Sole source purchases up to the Charter-provided threshold (one tenth of one percent (.1%) of the total annual budget of the Town for the current fiscal year): Informal quote process may be waived in the event that the Purchasing and Insurance Coordinator, in consultation with the requisitioning department, determines the commodity is directly procured through the manufacturer with no intermediate vendors able to contract with the Town. Circumstances precluding waiver of the informal quote process for services are limited by virtue of specialty and uniqueness demonstrated in writing satisfactory to the Purchasing and Insurance Coordinator.

Note regarding sole source purchases exceeding Charter-provided threshold: Competitive bidding process may be waived only in accordance with Town Charter, Sections 502 (c) and 909, as revised November, 2005.

22. Prevailing Wage Rates:

In contracts for new construction of any public works project where the total cost of all work to be performed by all contractors and subcontractors exceeds four hundred thousand dollars (\$400,000) and in contracts for remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project where the total of all work to be performed by all contractors and subcontractors exceeds one hundred thousand dollars (\$100,000), all tradesmen and laborers hired to perform under the contract shall be paid at the prevailing wage rates for the same work in the same trade in the Town and shall receive the fringe benefits normally offered at that time for the particular trade. "Prevailing rates" as used herein shall mean the latest rates published by the State of Connecticut Department of Labor unless otherwise required to qualify for a federal grant pertaining to the contract.

As used herein, the term "contractor" shall include the general or prime contractor and shall include subcontractors performing work under the contract.

23. Pre-Qualification:

Connecticut General Statute 4a-100 requires all contractors to prequalify through the Department of Administrative Services Contractor Prequalification Program before they can bid on any construction, alteration, remodeling, repair or demolition of any public building estimated to cost more than \$500,000 and which is funded in whole or in part with State funds. The Act passed by the State of Connecticut effects changes to the rules regarding advertising for proposals, prohibits certain communications between the contracting entity and proposers, and imposes new requirements for contractor evaluations and status reports to be sent to the Governor on the status of building construction contracts.

24. Capital Assets:

The Town's Finance Dept. maintains a perpetual inventory system to account for tangible capital assets, which are described as land, land improvements, buildings, vehicles, machinery, equipment and infrastructure having a value in excess of \$5,000 and an expected useful life of at least two years following the date of acquisition. The Town shall record, at minimum, the following information on each capital asset: location, department, classification, description (including manufacturer, model number and serial number where appropriate), acquisition date and original cost. Reporting shall also include accumulated depreciation and net book value for each capital asset. Physical inventories of capital assets will be periodically taken as and when directed by the Director of Finance.

Responsibilities of Finance Dept.: The Finance Dept. maintains a full and comprehensive list of capitalized assets and is responsible for continuing maintenance of asset records. Additions to the list are made through periodic review of the general ledger and Purchasing/Accounts Payable documentation.

Responsibilities of All Departments: All Town departments must maintain assets that are within their control in as good condition as may be made in the assets' working environments. Adequate care shall be taken that the working environments for the assets are appropriate and suitable for such assets. All Town departments are responsible for reporting re-assignments or other changes to existing assets and retirements of assets on an on-going basis on the prescribed form. In no case shall reporting for a prior fiscal year be submitted more than thirty days following the end of that fiscal year. Report of retirement of assets must include disposition (i.e. trade-in, sale, discard) and salvage amount realized, if any.

Note: Certain purchases made by the Town do not meet the criteria established for designation as a capital asset (e.g. equipment less than \$5,000); however, department heads should monitor for proper use and disposal and maintain adequate controls thereof.

25. Travel Expenses:

Prior Approval: No officer or employee shall be reimbursed for travel expenses or shall receive an advance for travel expenses unless a written request for such travel has been made and approved in advance by the Town Manager. The written request, made via completed Town of Bloomfield Travel Authorization/Advance form, is to include dates of travel, purpose, and estimated cost, the availability of funds for which must be confirmed by the Finance Director in advance of the planned travel.

Travel Advance: Request for advance travel funds shall be submitted, along with the Town Manager's written approval of travel, to the Finance Director at least one week prior to the date of departure. An officer or employee receiving an advance for travel shall submit an itemized account of expenses incurred and shall return any surplus funds to the Finance Director within five days of return from travel.

Travel Reimbursement: All claims for reimbursement of travel expenses shall be submitted to the Finance Dept. in the specific format required by that office. Advances or reimbursements for travel expenses while upon official Town business shall be computed in the following manner and shall not exceed the following amounts:

- a) Transportation: Officers and employees shall be reimbursed at the effective federal mileage rate for use of a personal automobile on Town business, provided that a Town vehicle is not available for such use. Claim for reimbursement for use of a personal vehicle must be supported by an itemized statement which includes the mileage claimed, the destination, the purpose and dates of the Town business in which the officer or employee was engaged. Daily mileage claimed must be reduced by the number of miles of the normal daily commute to the officer's or

employee's Town work location. The actual cost of transportation shall not exceed the lesser of the effective federal rate per mile or the actual cost of public transportation (rail, bus or air) coach class. The Town's auto liability insurance coverage shall serve as excess over the officer's or employee's personal coverage. Actual car rental costs, requiring prior written approval by the Town Manager, shall be reimbursed and must be supported by receipt of payment made by the officer or employee.

- b) Meals: A per diem amount of fifty dollars to provide for meals, including tax and gratuities, shall be reimbursed, provided that the registration at a conference/seminar does not include meals.
- c) Hotel: Reimbursement shall be made for the actual cost of a single room, not to exceed the room rate of the hotel which serves as the conference/seminar host, if applicable. Payment of hotel costs will be limited to the number of days the officer or employee is on official Town business. If the location is more than one hundred miles from the Town, payment will be allowed for the night prior to the conference/seminar if scheduled to commence before 10:00 a.m., and payment will be allowed for the night of a session ending after 3:00 p.m. Additional weekend night(s) may be authorized if the reduced air fare effected thereby results in an overall cost saving to the Town.
- d) Registration fees: Reimbursement shall be made for actual costs of registration fees, supported by proof of payment and literature published by the sponsoring organization which includes the pertinent dates and costs.
- e) Miscellaneous expenses: Actual costs of miscellaneous expenses essential to the purpose of the travel, I.e. tolls, parking, taxi or shuttle service, etc., shall be reimbursed and must be supported by receipt of payment by the officer or employee.

APPENDIX A

PURCHASING/ACCOUNTS PAYABLE FORMS

Purchase Requisition
Purchase Order
Voucher Stamp
Accounts Payable Voucher
Acceptance of Purchase Card
Purchase Card Procedures

Entering Purchase Requisitions

The on-line form for entering purchase requisitions is very similar to the paper form that you have been using all along. To get access to the on-line form, you must contact the IS department. They will set you up with a user name and password, and copy a shortcut to the entry form onto your desktop.

Please note that this form is a work-in-progress. Don't be surprised if the form looks different from the way it did the previous time that you used it. Also, send any suggestions you have for making it easier to use to srosenberg@bloomfieldct.org.

When you click on the purchasing icon, the system will ask you for your username and password. After you enter them and click OK, the purchase requisition form will appear on screen. If you have already entered some requisitions that haven't yet been processed, they will show on the screen. If you have no records in the file, you will see a blank record into which you can enter your information. Only records that you have entered will be visible to you.

The form will look something like figure 1.

The request date and the submitter fields will be filled in automatically. Fill in the department field if you are entering a requisition for another department.

The Ship to Address has a lookup table – select the appropriate one.

The date required is an optional field – use this only if you have some unusual deadline.

Enter the shipping cost, or your estimate of it in the appropriate box.

The first item in the body of the form is the vendor. There is a lookup table for the vendor – type in a few letters of the vendor name and it will take you to that part of the file. Remember to try alternate spellings before concluding that the vendor isn't on file. (If we have ever paid them for anything, they will be there.) If you cannot find the vendor, hit the spacebar and NOT ON FILE will appear in the vendor field. You should then enter the vendor name and address. Someone in the finance department will add the vendor to the vendor file.

To the right of the vendor address fields are the account number fields. You may split the charge for your item into as many different account numbers as you need. Enter the amount to be charged to each account number in the amount box to its right. Note that when you submit the record, the total of the amount boxes must equal the requisition total. Also note that the form will not know whether your account number is valid or not.

Below the vendor fields is the summary field. Use this to enter a very brief summary of what the requisition is for. This is what will appear in the expenditure detail file and on the check that is eventually generated to pay for the item.

The order total field is calculated by adding the shipping cost to the sum of all the description lines. You may not enter anything directly into this field.

Note that there is a box to check if you don't want your PO sent to the vendor. If you want the PO faxed, you may enter the fax instructions into one of the description lines/

The bottom section of the form is devoted to the actual description of what you are buying. All arithmetic will be done for you. Enter a quantity in the quantity column, enter the unit of measure in the unit column (for example, ton, dozen, case, each). Enter the description of the item complete with part numbers, quote numbers, and all specifications. If the description field isn't long enough, you can continue in the next description field. Enter the unit price, and the extended price will be calculated. The total of the extended prices and the shipping will also be calculated and appear in the total cost field in the top half of the form.

You may enter up to 12 description lines.


When you are satisfied that the requisition is complete and correct, click the button in the top section of the screen labeled "click here to submit record for processing". At this point the caption on the button will change to "Waiting for Purchasing Approval" and the record will be submitted to the Purchasing and Insurance Coordinator for additional processing. When she approves it, it will be submitted to the Finance Director. After the Finance Director approves it, it will be removed from the requisition file and transferred into the accounting system where a purchase order will be created.

purchase requisitions

File Edit Insert Records Window Help

tblprmain1

(AutoNumber)



PURCHASE REQUISITION

vendor NOT ON FILE

If the vendor is not on file, enter the information below

vendor_name
 request_date

vendor_addr
 department

vendor_addr
 ship_to_addr

account_number	amount
<input type="text"/>	\$0.00

SUMMARY

shipping

submitter
 dont_send_to_vendor
 date_required
 Order Total

desclineL	quantity	unit	description1	unit_price	extended price
AutoNur	0		<input type="text"/>	\$0.00	0
			<input type="text"/>		
			<input type="text"/>		

figure 1 – The Purchase Requisition Screen

VOUCHER STAMP

Dept. Approval	Account No.
Date Dept. Approved	Purchase Order No.
Audit/Finance Approval	Line 1: Partial [] Final []
	Line 2: Partial [] Final []
Date Finance Rec'd.	Line 3: Partial [] Final []



TOWN OF BLOOMFIELD

Council-Manager Government Since 1941

ACCEPTANCE OF PURCHASE CARD

I accept the Town of Bloomfield purchase card and agree to the terms of usage. I understand that failure to adhere to the terms of usage as outlined in the attached document titled "TOWN OF BLOOMFIELD PURCHASE CARD PROCEDURES" may result in disciplinary action up to and including termination, as well as criminal action.

I understand and agree that:

- I bear ultimate responsibility for the card.
- I will not use the Town of Bloomfield Purchase Card for personal expenses and will use it only for official business on behalf of the Town of Bloomfield.
- If I misuse the card (I.e., use it otherwise than in accordance with the instructions given to me in this agreement or related policies), I authorize the Town of Bloomfield to recover the funds through payroll deductions for any amounts incorrectly expended.
- If the Town of Bloomfield Purchase Card is lost or stolen, I will report it immediately to the Director of Finance.
- Upon resignation or termination from the Town of Bloomfield, I will return the Purchase Card with a final statement of all reconciled expenditures to the Department of Human Resources.

Signature of cardholder

Date

Signature of supervisor

Date

Director of Finance Authorization of Use

Date

PURCHASE CARD PROCEDURES TOWN OF BLOOMFIELD

The Town of Bloomfield has entered into an agreement with a vendor to provide about 20 Purchase Cards for use in procuring goods and services in a convenient but accountable manner. These cards will also carry tax exemption declarations

Card Profile

Card limits and procedures are established by the Town Manager.

Daily spending limit: Card limit.

Daily limit number of transactions: None.

Accountability Controls

Each authorized Department supervisor will be assigned a unique card, having its own account number.

Each supervisor will be held responsible for all charges until proper business support is presented.

In lieu of a Purchase Card signature endorsement, each card will require "Town of Bloomfield" photo ID to be presented to complete transactions.

It is the supervisor's responsibility to maintain receipts of all purchases each month and forward them with the appropriate expense distribution immediately following purchase to the Finance Dept. Account Clerk.

Billing

The Town has chosen to receive billings at month-end. Payments will be made within 14 days.

Itemized bills (statements) will be received for each account number in the portfolio.

Payment

Statements are received in the Finance Dept., matched with receipts forwarded by cardholders, audited and paid.

APPENDIX B

CAPITAL ASSETS FORMS

Capital Assets Maintenance Record (Change/Delete)
Capital Assets Maintenance Record (Addition)

**TOWN OF BLOOMFIELD
CAPITAL ASSETS MAINTENANCE RECORD**

Date	
Effective Fiscal Year of Change or Delete	
Asset I.D.	
Serial #	
Description	
Class	
Department	
Acquisition Cost	

CHANGE

or
(circle one)

DELETE

Description/Serial No.:	
Class:	
Department:	
Acquisition Cost:	
Reason:	
Other Revisions:	
Date Disposed:	
Trade In, Sale or Discard:	
Name of Entity to which Traded or Sold:	
Trade In or Sale Value:	

Submitted by: _____

**TOWN OF BLOOMFIELD
CAPITAL ASSETS MAINTENANCE RECORD FOR ASSET ADDITIONS**

Effective Fiscal Year of Addition	
Serial	
Classification	
Assessor's ID	
Manufacturer	
Model	
Description	
Location	
Room	
Floor	
Department	
Fund	
Quantity	
Original Cost	
Vendor Reference	
Acquisition Date	
Check No.	

Submitted by:

X _____

APPENDIX C

TRAVEL EXPENSE FORMS

Travel Advance Request
Travel Expense Report

Town of Bloomfield Travel Authorization/Advance Request

IMPORTANT NOTICE

By signing and submitting this form you agree that the requested funds will be used for the purposes stated in this form. Report of actual expenses with receipts must be submitted to the Finance Director within five days of your return date.

Date Submitted	
Traveler Name	
E-mail Address	
Phone	
Department	
Destination	
Departure Date	
Return Date	
Purpose of Travel	
Total Advance Requested	
Check Payable To	
Approved By	
Department Authorization	<input checked="" type="checkbox"/>
Town Manager Authorization	<input checked="" type="checkbox"/>
Date Approved	

Anticipated Expenses			
Type of Expense	Description of Expense	Daily Expenses (As Applicable)/ Mileage Rate	# of Days/Miles Total Expenses
Airfare			\$0.00
Conference/Registration Fees			\$0.00
Ground Transportation			\$0.00
Lodging			\$0.00
Meals and Tips			\$0.00
Miscellaneous			\$0.00
Grand Total			\$0.00

Availability of Funding:

Finance Director _____ Date _____

Account Number _____

TOWN OF BLOOMFIELD TRAVEL EXPENSE REPORT

Officer/Employee Name:	
Officer/Employee Signature:	X
Town Department:	
Destination of Travel:	
Purpose of Travel:	
Dates of Travel:	

DETAILS OF EXPENSES: Note: Report of actual expenses with receipts must be submitted to the Finance Director within five days of return date.

Date	Mileage	Mileage x Federal Rate	a	b*	c*	d	e*	f
			Other Transportation	Lodging	Meals	Other	Total, Columns a-e	
							\$0.00	
							\$0.00	
							\$0.00	
							\$0.00	
							\$0.00	
							\$0.00	
TOTAL COLUMN f							\$0.00	
*Attach Receipts								
CASH ADVANCE AMOUNT								
NET DUE OFFICER/EMPLOYEE/(TOWIN)							\$0.00	

APPROVED BY:

X

SECTION 1111. PURCHASING

Purchases for the Town of Ellington, except the Board of Education and the Probate Court, shall be made under such rules and regulations as may be established by the Board of Selectmen. For any purchase estimated at seven thousand five hundred dollars (\$7,500) or more, the Finance Officer shall invite sealed bids unless the Board of Selectmen shall decide it to be against the best interest of the town. The Finance Officer shall provide a minimum of ten (10) days public notice to potential bidders by publication at least once in a newspaper having circulation in the town. The Finance Officer shall, with the approval of the requesting board, commission, committee, or department, award the purchase or contract to the lowest responsible bidder thereon or may reject any or all such bids or proposals. All such sealed bids or proposals shall be opened publicly. For any purchase less than seven thousand five hundred dollars (\$7,500), or such other amount required by law, the Finance Officer or his or her designee shall negotiate directly with prospective suppliers prior to the Finance Officer awarding the contract. [Amended 11-5-2002; 11-6-2007]

**TOWN OF GUILFORD
PURCHASING POLICY
Effective Date November 1, 2013
Adopted by Board of Selectmen**

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ESTABLISHMENT OF PURCHASING POLICY

The Board of Selectmen voted to rescind the Town of Guilford Purchasing Policies and Procedures previously adopted December 1, 2003 and adopted the foregoing Purchasing Policy effective November 1, 2013 in lieu thereof, in accordance with the powers granted to the Board of Selectmen by Sections 3-3(a) and 3-4(4) of the Town Charter.

ARTICLE I: OBJECTIVES AND AUTHORITY

1.1 Purchasing Policy Objectives

1.1.1 To establish the responsibility for the purchasing management function of all Town departments and commissions as being vested in the Purchasing Manager, except as otherwise required by state law or the Town Charter. The Town Purchasing Manager is not responsible for purchasing management function of the Board of Education, except: (i) a purchase financed by Town bond issuance; (ii) the purchase of utilities, when deemed in the best interests of the Town and the Board of Education, as determined by the Board of Selectmen and Board of Education; or (iii) as otherwise delegated by the Board of Education in accordance with Section 3-4 (a) (4) of the Town Charter.

1.1.2 To procure materials, supplies, equipment and services necessary for the proper and efficient operation of the general Town government. Services include professional and construction contracts.

1.1.3 To award bids to the responsible bidder supplying the lowest responsive, responsible bidder.

1.1.4 To promote consolidation and initiating “cooperative purchasing” so as to take maximum advantage of quantity discounts.

1.1.5 To conduct purchasing without regard to the political affiliation, race, sex, age, religion, national origin, disability, familiar relationship or business associations of vendors, contractors or consultants and to abide by the Town Code of Ethics set forth in Chapter 31 of the Town Code.

1.1.6 To require Town departments and commissions (and the representative(s) of the Board of Education, as applicable), to assist the Purchasing Department in carrying out these responsibilities by adhering to these purchasing policies and procedures.

1.2 Duties of the Purchasing Manager

The Purchasing Manager has the responsibility for the procurement of materials, equipment, supplies and services necessary for the proper and efficient operation of the general Town government. Town departments and commissions (and representative(s) of the Board of Education, as applicable), shall assist the Purchasing Department in carrying out this responsibility by adhering to these purchasing policies and procedures.

ARTICLE II: SPENDING LEVELS AND RELATED PROCEDURES

2.1 Purchases Costing Less Than \$5000.00

2.1.1 **Three Quotes.** When a department purchases material, equipment, supplies, or services, which in total are expected to cost between \$2000 and \$4990.00, the department shall obtain three (3) telephone quotes. Written/internet quotes are optional. The \$4999.00 limit pertains to the total cost, not the unit cost. For purchases with a cost of less than \$2000, no quotes are required.

2.1.2 **Specifications.** A department shall provide each vendor with the same specification in order to ensure uniformity of quotes. A department shall not share the quote of one vendor with another prospective vendor prior to obtaining quotes from all vendors. Negotiation of price does not occur with requests for quotations.

2.1.3 **Selection.** The department head shall select the lowest responsive, responsible vendor, pursuant to Article V.

2.1.4 **Requisition.** A requisition for less than \$5000.00 shall be submitted to the Purchasing Department for issuance of a purchase order in accordance with the procedures set forth in Article IX.

IMPORTANT NOTE: Notwithstanding the foregoing, if a department reasonably anticipates additional purchases of the same or substantially similar items within a six-month period, then this method of purchasing shall not be permitted and the department shall follow the procedures required for the spending level equal to the sum of the purchases reasonably anticipated within such six-month period.

2.2 Purchases Costing Between \$5000.00 and \$24,999.00

2.2.1 **Three Written Quotes.** When a department needs to purchase material, equipment, supplies, or services, which in total are expected to cost between \$5000.00 and \$24,999.00, the department shall obtain written/internet quotes from at least three (3) vendors. If, after using reasonable efforts, a department is unable to obtain three written quotes, then the department shall contact the Purchasing Department to obtain a list of additional vendors from whom to obtain additional quotes.

2.2.2 **Specification.** A department head shall be responsible for preparing the specification necessary to obtain the quotes. A department shall provide each vendor with the same specification in order to ensure uniformity of quotes. A department shall not share the quote of one vendor with another prospective vendor prior to obtaining written quotes from all vendors. Negotiation of price does not occur with requests for quotations.

2.2.3 **Selection.** The department head shall select the lowest responsive responsible vendor. It is the responsibility of each department head to obtain any necessary approvals from his/her commission, if applicable. For estimates within the range of \$7,500 to \$24,999, the department head shall select the lowest responsible vendor from the three written estimates and then, make a recommendation to the BOS for its approval/disapproval, subject to successful contract negotiations.

2.2.4 **Requisition, Contract, Insurance.** A department shall submit a requisition together with the three written quotes to the Purchasing Department for issuance of a purchase order in accordance with the procedures set forth in Article IX. Depending upon the type of services or goods to be purchased, contracts and insurance may be required pursuant to Article X and XI, respectively.

IMPORTANT NOTE: Notwithstanding the foregoing, if a department reasonably anticipates additional purchases of the same or substantially similar items within a six-month period, then this method of purchasing shall not be permitted and the department shall follow the procedures required for the spending level equal to the sum of the purchases reasonably anticipated within such six-month period.

2.3 **Purchases Costing \$25,000.00 or More (“Bid Threshold”)**

2.3.1 **Threshold.** Services or goods including material, equipment and supplies which individually (unit cost) or in the aggregate (unit cost x quantity) exceed the Bid Threshold shall be purchased through the competitive bid (Bid)/Request for Proposal(RFP) process inviting bids or proposals after due notice. Departments shall give the Purchasing Department at least two week’s notice of an upcoming bid, when feasible. Notwithstanding the foregoing, the Bid Threshold may be increased by the Board of Selectmen if Connecticut General Statutes (C.G.S.) Section 7-148v is subsequently amended to increase the current bid threshold of \$25,000. (It is noted that certain municipalities may currently have bid thresholds in excess of \$25,000 due to municipal Charter and/or ordinance provisions which predated the enactment of C.G.S. Section 7-148v.)

2.3.2 **Annual List of Bids.** Prior to the commencement of each fiscal year, departments shall provide the Purchasing Department with a tentative list of all Bids/RFPs/ Request for Qualification (RFQs) which are anticipated for the upcoming fiscal year and the approximate schedule of the same.

2.3.3 **Source of Funds.** Departments shall provide the Purchasing Department with the source of funds for the proposed purchase. If a source of funds is a federal or state grant, a department shall provide copies of the grant documents and any requirements pertaining to the grant to the Purchasing Department.

2.3.4 **Specifications.** Departments shall be responsible for providing the Purchasing Department with a draft bid specification, which specifications may require the approval of the department’s commission, as applicable. A department may need the expertise of a vendor or independent consultant to draft the specification. If a department contacts a vendor to aid in the preparation of a specification, the department may not accept or consider a Bid/RFP from the vendor(s) who aid in the preparation of the specification.

2.3.5 **Hiring of Consultant.** A department may require the expertise of an architectural or engineering design firm to draft complicated specifications, review bids/proposals and recommend to the department the lowest most responsive responsible bids/proposals. The determination of whether or not to hire a consultant shall be made initially by the department and commission, as applicable, but subject to final approval by the Purchasing Department and the First Selectman. The selection of the

consultant shall be subject to the purchasing procedures set forth in Article II (quotes), Article III (Bid/RFPs) and Article IV (RFQs), as applicable, depending on the anticipated cost to hire the consultant and the nature of the work.

2.3.6 Standing Building Committee (SBC). Notwithstanding the foregoing, if the Bid/RFP is either (i) a Town or School building construction project; or (ii) a purchase/project financed by Town bond issuance, then the SBC shall be required to review and approve of the specifications in accordance with the **Board of Finance Regulations adopted October 21, 1996, as amended**. With respect to those purchases/projects which require SBC approval of the specification, the SBC shall determine whether or not outside expertise is required to draft the specification.

2.3.7 Board of Finance (BOF). The BOF will also be required to review the specifications with respect to those purchases/projects in which the bond resolution authorizing the appropriation to fund such purchases/projects require BOF review.

2.3.8 Additional Pre-Bid Approvals. Department heads shall obtain any additional pre-bid approvals which may be required, including their respective Commission's approval, as well as approvals from the Historic Commission, Planning and Zoning Commission, (including C.G.S Section 8-24 mandatory referrals), and other Commissions, as applicable. Evidence of such approvals shall be submitted to the Purchasing Department at the time of delivery of the specifications for purposes of preparation of the Bid/RFP documents.

2.3.9 Preparation of Bid/RFP Documents. Once the final specification is submitted to the Purchasing Department, the Purchasing Department shall prepare the Bid/RFP documents using the Bid/RFP process, set forth in Article III.

ARTICLE III: BIDS AND REQUESTS FOR PROPOSALS

3.1 Bid

3.1.1 Bid Defined. A Bid is the Town's competitive solicitation of prices for a commodity or project projected to meet or exceed the Bid Threshold based on specifications established by or for the Town of Guilford. Bids are developed when the commodity/project in question can be clearly specified and there is no service component, or a minimal service component is required. Examples for which Bids are issued are construction projects and commodities such as the supply of gasoline, office supplies, police vehicles and trucks. The Purchasing Department will determine whether to issue a Bid or a RFP.

3.1.2 Preparation of Bid Documents/Bid Bond. Once the final specification is received by the Purchasing Department pursuant to the provisions set forth in Article II hereof, the Purchasing Department shall issue an Invitation to Bid in the form attached hereto as **Exhibit A**, as the same may be amended by the Purchasing Department from time to time. A bid surety in the form of a bid bond or cashier's check in the amount of 10% of the base bid will be required for all bids. When the value of the Bid is contemplated to be \$250,000 or greater, the Vendor Information & Signatory Form, **Exhibit D**, shall be included as part of the Bid.

3.1.3 Notice. A legal notice shall be published by the Purchasing Department in a newspaper with local circulation in the Town at least seven (7) days preceding the last date set for receipt of bids/proposals (until such time that state law no longer requires notices to be published in the newspaper.) In addition, a notice shall be posted on the Town website as a courtesy to bidders and on the State Department of Administration's (DAS) State Contracting Portal, if required by law and otherwise, at the discretion of the Purchasing Department. CGS Section 4b-91 requires bid notices to be published on the DAS website for public building and public work construction projects which exceed \$500,000, which projects are funded in whole or in part with State funds. CGS Section 4b-91 does not apply to projects administered by the DOT.

3.1.4 Courtesy Notice. A department shall provide the Purchasing Department with a list of responsible prospective vendors and their contact information, including email addresses. Once a legal notice has been published, the Purchasing Department may distribute courtesy notices by email to the list of vendors provided by a department. The Purchasing Department is not required to send courtesy notices. It is the responsibility of the prospective bidders to monitor the applicable websites/newspapers for upcoming Bids/RFPs and addendums thereto.

3.1.5 Bid Opening. Bids that are received in the First Selectman's office on the second floor of the Town Hall by the deadline and meet all requirements are considered responsive. The Purchasing Manager or his/her designee shall open the bids at a public meeting room and read the bids aloud. Bidders are welcome to attend the bid opening. An assistant to the Purchasing Manager shall record the bids on a bid summary sheet. The Purchasing Department has the authority to waive minor defects if deemed in the best interest of the Town. Bid surety requirements cannot be waived.

3.1.6 Recommendation to BOS. The department head shall review the bids and recommend a vendor/firm to be awarded to his/her commission, if applicable. If a consultant is hired to draft the bid specification, as set forth above, the consultant shall review the bids and submit a letter of recommendation to the department head and his/her commission, if applicable. A consultant shall be required to submit a non-conflict non-collusion affidavit prior to making such recommendation.

3.1.7 BOS Approval/Rejection. The department and its commission, as applicable, shall forward a letter of recommendation to the BOS and present the recommendation to the BOS for its approval/disapproval, subject to successful contract negotiations, if applicable. The award will be made to the lowest responsive responsible bidder. Negotiation of price does not occur with Bids. The Town of Guilford reserves the right to reject any and all bids not deemed to be in the best interest of the Town, or to accept that bid which appears to be in the best interest of the Town. The Purchasing Department shall send award letters to all bidders and return bid security checks to unsuccessful bidders, as applicable.

3.2 REQUESTS FOR PROPOSAL

3.2.1 RFP Defined. A RFP is the Town's competitive solicitation for proposed services, methodologies and/or solutions to highly technical or service oriented projects for a proposal projected

to meet or exceed the Bid Threshold. RFPs are developed for projects that cannot be clearly specified, in which case the Town solicits from proposers the different approach that each would take to achieve the stated result. Examples of RFPs include technology, training, financial consulting, GPS update projects, concession services, etc.

3.2.2 Preparation of RFP Documents. Once the final specification is received by the Purchasing Department pursuant to the provisions set forth in Article II hereof, the Purchasing Department shall prepare a Request for Proposal. A sample Request for Proposal is attached as **Exhibit L**.

3.2.3 Notice/Bid Opening/Recommendation to BOS. The provisions set forth in Sections 3.1.3, 3.1.4, 3.1.5 and 3.1.6 shall be followed with respect to RFPs.

3.2.4 BOS Approval/Rejection. The department and its commission, as applicable, shall forward a letter of recommendation to the BOS and present the recommendation to the BOS for its approval/disapproval, subject to successful contract negotiations, if applicable. Award of the RFP will be made to the most responsive responsible proposer. With RFPs, price may not be the primary consideration. The ability of the proposer to deliver successfully the stated outcome of the scope of the work and provide the specified service component is the most important with price being secondary or equal in importance. Negotiation of price may occur with RFPs. The Purchasing Department shall send award letters to all respondents and return bid surety checks to unsuccessful respondents, as applicable.

ARTICLE 4: REQUEST FOR QUALIFICATION

4.1.1 RFQ Defined. A Request for Qualification (RFQ) is the method by which companies are chosen based on the ranking of their qualifications specific to chosen criteria established by a selection panel comprised primarily of Town employees for projects or services projected to meet or exceed the Bid Threshold. A RFQ is used where the project or service requirements are so unique that it is required that selection criteria be primarily influenced by the bidder's knowledge and experience in similar or related projects or service.

4.1.2 Two Types of RFQ. Two types of RFQ processes can be utilized by Town departments, a two-step process consisting of RFQ followed by a RFP or a one-step combined RFQ/RFP. The funding source and the professional services to be hired may dictate which RFQ process should be used. For instance, pursuant to CGS Section 10-287 a two-step RFQ process for architectural and construction management services for certain school building construction is required. Failure to comply with such requirements may result in loss of state reimbursement for the project.

4.1.3 Selection Panel. With all RFQ processes, a selection panel shall be formed by the department head after consultation with the First Selectman and the department's commission, as applicable. The initial purpose of the selection panel shall be to establish the specific criteria and assign weights by which responses received shall be evaluated. The specific criteria and related weights to be used in the evaluation process by the selection panel should be provided to the Purchasing Department to incorporate into the RFQ documents. Depending on the funding source, the RFQ selection panel process may be a condition to the receipt of such funding. For instance, the DOT mandates a

Qualifications Based Selection (QBS) process, which requirements may be obtained from the DOT. It is the responsibility of each department to determine the requirements of their funding source.

4.1.4 First Step RFQ. With the two-step process, the RFQ is issued first followed by the RFP. The Purchasing Department will issue the RFQ document in the form attached as **Exhibit M**, which form may be modified by the Purchasing Department from time to time. Bid sureties are not required with RFQs. When a RFQ process is contemplated for a procurement with an anticipated total cost of \$250,000 or greater, the Vendor Information & Signatory Form, **Exhibit D**, shall be included as part of the RFQ qualification submittal.

4.1.5 RFQ Notice and Opening. The provisions set forth in Sections 3.1.3, 3.1.4 and 3.1.5 shall be followed with respect to either RFQ process, except that there are no bid amounts to be read aloud. At the RFQ opening, the Purchasing Manager or his/her designee shall read aloud the names of the respondents and the assistant to the Purchasing Manager shall record the names of each respondent on the summary sheet and whether or not they have included the necessary affidavits, and if applicable, separate sealed fee proposals.

4.1.6 Selection Panel RFQ Review. Upon receipt of the RFQs, the selection panel will evaluate and determine whether the RFQ responses were responsive and which firms will be prequalified to enable them to proceed to the second step in the process. Each member shall complete his/her criteria sheet independently by numerical scoring and the scores of each member shall be combined which results in a ranking of all firms' qualifications.

4.1.7 Second Step RFP. The RFP document issued as the second step in the RFQ process excludes the request for a firm's qualifications and includes pricing sheets and contract format for the work. The RFP document is sent by the Purchasing Department to those final firms selected by the selection committee as a result of the RFQ process. The Purchasing Department will issue the RFP document in the form attached as **Exhibit N**, which form may be modified by the Purchasing Department from time to time, which RFP will include a request for sealed fee proposals.

4.1.8 Selection Panel RFP Review. The sealed fee proposals as well as any supporting documentation required by the RFP will be distributed to the selection committee for their review. Each member of the same selection panel who evaluated the RFQ shall evaluate independently by numerical scoring all pricing proposals received using the weighting previously established. The selection panel may choose to interview the firms at any stage. The combined scoring shall result in a ranking of all firms. The numerical scoring of each selection panel member shall be kept as part of the records related to each RFQ/RFP process.

4.1.9 Combined RFQ/RFP. With the one-step RFQ process, the RFQ/RFP document consists of the Town's standard terms and conditions, affirmative action affidavit, non-conflict non-collusion affidavit, the scope of work and timeframe, specific conditions relating to the work, the request for documentation of a firm's specific credentials and qualifications including experience, insurance coverage requirements for the work, pricing sheets and criteria and associated weighting to be used to evaluate and rank proposals. The Purchasing Department will issue the one step RFQ/RFP document in the form attached as **Exhibit O**, which form may be modified by the Purchasing Department from

time to time.

4.1.10 Selection Panel Review of Combined RFQ/RFP. With the combined RFQ/RFP process, the firm's pricing information shall be submitted in a separate sealed envelope at the same time as the rest of the RFQ submittal. The pricing envelope shall not be opened until the selection panel has evaluated the qualification criteria and developed a combined scoring of all selection panel members.

4.1.11 SBC Review. If the project requires SBC to review the responses in accordance with the BOF Regulations referenced in Section 2.3.7 hereof, the selection panel shall recommend a firm to the SBC and the SBC shall then make a recommendation to the BOS. Otherwise if SBC involvement is not required under the BOF Regulations, the selection panel shall submit a letter of recommendation to the BOS directly.

4.1.12 BOS Approval/Rejection. The department and its commission, as applicable, shall forward a letter of recommendation to the BOS for its approval/disapproval, subject to successful contract negotiations, if applicable. The award will be made to the most responsive responsible proposer. Negotiation of price is permitted in the RFQ/RFP process. The Town of Guilford reserves the right to reject any and all proposals not deemed to be in the best interest of the Town, or to accept that proposal which appears to be in the best interest of the Town. The Purchasing Department shall send award letters to all bidders and return bid surety checks to unsuccessful bidders, as applicable.

IMPORTANT NOTE: If the BID/RFQ/RFP project is funded in whole or in part by state or federal funds, then the department head should consult with the funding agency as well as the Town Attorney to determine which specific laws may apply. Failure to follow those laws may result in forfeiture of state or federal funding.

ARTICLE V: LOWEST RESPONSIVE, RESPONSIBLE BIDDER/PROPOSER

5.1 Lowest Responsive, Responsible Bidder

All contracts based on Bids and written quotes below the Bid Threshold shall be awarded to the lowest responsive, responsible bidder. Multiple factors are used to determine the "lowest responsive, responsible bidder." In addition to price, the Town shall consider, but not be limited to the following:

- a. Compliance to the specifications, and the terms, conditions and instructions of the bid documents/quote request.
- b. The ability and capacity of the bidder to perform the work or provide the services required.
- c. The character, integrity, reputation and experience of the bidder.
- d. The quality and satisfaction of any previous work or services performed for the Town.
- e. The financial resources available to provide the insurance and bond requirements of the bid.
- f. The number and scope of any conditions or exceptions included in the bid or quote.
- g. The quality, availability and adaptability of the supplies or contractual services to the particular use required.
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract, if applicable.

5.2 Responsive, Responsible Proposer

All contracts based on RFQ/RFP shall be awarded to responsive, responsible proposers. Multiple factors are used to determine the selection of the awarded responsive, responsible proposer. In addition to price and the criteria established in Section 5.1, the Town shall consider, without limitation, the following:

- a. The content and quality of the RFQ/RFP and how well it addresses the needs of the criteria of the RFQ/RFP.
- b. The success of the negotiation process with the proposer.

ARTICLE VI: PURCHASING PROCESS EXCEPTIONS

6.1 Emergency Orders

Emergency orders are purchases of materials or services which, if not provided immediately, can result in injury or damage to property or human life. In a true emergency, which requires immediate procurement of materials or services, the department head shall obtain prior approval from the First Selectman. In an emergency which potentially qualifies for assistance from the Federal Emergency Management Agency (FEMA), the department shall follow FEMA guidelines with respect to any purchases, after consultation with the Finance Department and the First Selectman. On the next working day, the department head shall submit a requisition to the Purchasing Department with a written explanation of the emergency.

6.2 Sole Source

Sole sourcing is a procurement process that occurs when there is only one source of supplier or when there may be more than one viable supplier, but the Town determines that it is in the best interest of the Town not to utilize the bidding/quote process and selects a particular vendor based upon the vendor's special ability to provide unique spare parts or unique repair services. The department head shall submit a requisition to the Purchasing Department with a written explanation of the necessity of a sole source. If the amount of the requisition exceeds the Bid Threshold, the department shall be required to obtain the prior approval of the Board of Selectmen.

6.3 Utility Services

Utility services include electricity, telephone, water, oil and natural gas. To the extent permitted due to deregulation of these industries, these services may be bid out by the Town. To the extent permitted under State and local laws, regulations and policies, the Town and Board of Education shall consolidate its purchasing power and purchase utilities together through the Town Purchasing Department in order to obtain the most competitive pricing. The Town shall use reasonable efforts, to join with other municipalities in the purchase of utilities in an effort to obtain competitive pricing, when deemed feasible, in the sole discretion of the Board of Selectmen.

6.4 Consortium Bidding and State Contracts

6.4.1 **Consortium/State Bidding.** The Town has the right to purchase directly off of State Contracts which are published on the DAS procurement website as well as the General Administration (GSA), to extent permitted by federal law. The Town may also participate in consortium bidding offered by the Capital Region Council of Governments (CRCOG), South Central Regional Council of Governments (SCROG) or similar consortiums or cooperatives, as well as bids offered by the Connecticut Council of Governments (CCM). Reverse auctions offered by CCM and CRCOG shall likewise be a permissible means to purchase goods and utilities. If a department wishes to participate in a consortium bid, the department head should contact the Purchasing Department who will work with the department and the applicable consortium in order to follow the consortium bid guidelines.

6.4.2 **BOS Approval.** If a department wishes to purchase off of a State contract or participate and award under consortium bidding, and the amount of the purchase exceeds the Bid Threshold, the department head shall obtain the approval of the Board of Selectmen.

6.4.3 **Requisition.** Once a department head elects to purchase off of a State Contract or through consortium bidding, and the department head has obtained Board of Selectmen approval, as applicable, the department shall submit a requisition to the Purchasing Department which shall identify the State contract number or consortium bid number on the requisition together with a copy of the relevant pages of the State contract or consortium bid award which provides evidence of (i) the awarded vendor(s); and (ii) the inclusion of goods on the State contract/consortium bid.

IMPORTANT NOTE: It is the responsibility of each department to determine that the State contract/consortium bid actually includes the precise items being purchased. It is not acceptable to negotiate the price with the awarded vendors under either the State Contract or the consortium bids.

6.5 Professional Services

Legal services shall be procured by the Board of Selectmen. All other professional services shall be procured through the Town RFQ/RFP process, unless the Board of Selectmen, on a case by case basis, deems it is in the best interests of the Town to waive the RFQ/RFP process.

6.6 Departments/Boards Exempt from Town Purchasing Policy

The following entities are exempt from following the Town Purchasing Policy, unless otherwise required by state or local laws, including future revisions to the Town Charter:

- (i) Board of Education, except as otherwise noted in the Purchasing Policy;
- (ii) Guilford Free Library Association, Inc, as authorized by Town Meeting held on the first Monday of October, 1933 (See also CGS § 11-33); and
- (iii) Probate Court.

ARTICLE VII: COMPLIANCE WITH LAWS

7.1 Performance Bond and Payment Bond Requirements

7.1.1 Performance Bond Defined. A Performance Bond is a promise by a surety company to the owner that the surety will complete the bonded project and, to some extent, pay the owner's damage from defaults by the contractor. Surety bonds also provide evidence of a contractor's financial strength and experience, since a surety company will not underwrite a bond unless the contractor has the assets to reimburse the surety for any payments the surety may be required to make.

7.1.2 Payment Bond Defined. CGS Section 49-41 requires that the Town ensure that payment bonds a/k/a labor and materials bond in the amount of the contract are provided for public works projects over \$100,000. A payment bond does not protect the owner for losses. Rather, it is the surety company's promise to the owner that the surety will properly resolve all claims of unpaid subcontractors and suppliers. Connecticut law currently does not allow mechanics' liens on public property; payment bonds provide the same sort of security for payment as a mechanic's lien. When a contract for construction, alteration, remodeling, repair or demolition of any public building is estimated to cost more than \$500,000 additional laws/requirements apply.

7.1.3 Bonds Required. For a bid or proposal greater than \$100,000, the awarded contractor will be required to furnish a Performance Bond and a Payment Bond for 100% of the bid on an AIA bond form or other form acceptable to the Town within seven business days of notice of award. The Town reserves the right to require Performance Bonds and Payment Bonds for bids which are less than \$100,000 if deemed in the best interest of the Town. The bonds must be duly executed and acknowledged by said contractor as principal and by a surety company qualified to do business under the laws of the State of Connecticut and satisfactory to the Town. The contractor shall pay the premiums for such bonds.

7.2 State of Connecticut Contractor Prequalification Program

7.2.1 When Required. CGS Section 4b-91 requires all bidders for the construction, alteration, remodeling, repair or demolition of any public building or any other public work by a public agency (includes a municipality) that is paid for, in whole or in part, with state funds and that is estimated to cost more than \$500,000, except a public highway or bridge project or any other construction project administered by the State Department of Transportation (DOT), shall be prequalified with the State pursuant to CGS Section 4a-100. Once a contractor is prequalified, it is issued a prequalification certificate by DAS, which certificate is in effect for one year. Prequalification projects shall also be noticed on the DAS Contracting Portal. Legal notices should contain the classification of the type of work being sought (for example, masonry, mechanical, etc.) as well as a statement that the DAS Prequalification Certificate and Update (Bid) Statement must accompany the bid proposal. Subcontractors' work, the cost of which may exceed \$500,000, are also required to be prequalified.

7.2.2 Required Documentation. Any bid for a project that requires prequalification must include a copy of the bidder's Prequalification Certificate showing the aggregate work capacity rating required under the contract and the Update (Bid) Statement showing renewal of certificate and/or change in aggregate work capacity. Bids which do not include a copy of the Prequalification Certificate and the Update (Bid) Statement are invalid.

7.2.3 Performance Evaluation. A department head will also be required to provide the prequalified contractor with a performance evaluation at 50% completion and another to both the contractor and the DAS Prequalification Unit at 100% completion within 70 days of project completion, as required by state statute. Note that failure to provide these evaluations may result in loss of state funds. For more information on the prequalification process, department heads should contact the DAS Prequalification Unit at 860-713-5280.

7.3 Prevailing Wages

7.3.1 When Required. In accordance with CGS Section 31-53, projects are subject to the payment of minimum prevailing wages where the total cost of all work to be performed by all contractors and subcontractors in connection with new construction of any public works project is \$400,000 or more and where the total cost of all work to be performed by all contractors and subcontractors in connection with any remodeling, refinishing, refurbishing, rehabilitation, alteration or repair of any public works project is \$100,000 or more.

7.3.2 Pre-Bid Documentation. A department head or his/her consultant, if applicable, is responsible for (i) requesting Prevailing Wage Rates from the State within a time period which will enable the Purchasing Department to advertise the bid within 20 days of the Town's receipt of the Prevailing Wage Rates, as required by Connecticut DOL; and (ii) providing the Purchasing Department with a copy of Prevailing Wage Rates to be attached to the Bid document.

7.3.3 Certified Payrolls. For qualifying projects, all contractors and subcontractors shall submit to the Finance Department certified weekly payrolls for all contracts meeting the stated monetary limits. The certified payrolls shall be submitted to the Finance Department with the contractor's monthly certificate for payment. Department heads are responsible for ensuring that the Finance Department has received these.

7.4 Non-Resident Contractor 5% Tax For Contracts

7.4.1 Guarantee Bond to DRS. CGS Section 12-430(7) requires non-resident contractors who perform services or furnish materials, or both, for the construction, alteration or improvement of any project in which the contract price is at least \$250,000, to furnish the State Department of Revenue Services (DRS) a Guarantee Bond for 5% of the total cost of the work, issued under a contract using Form AU-766, Guarantee Bond. This form is available on the State DRS website. Form AU-766 must be submitted for each additional change order or supplement issued against the contract. Non-resident contractors must have completed and submitted to the DRS Form REG-1, Business Tax Registration Application, to register with the DRS and have been issued a Connecticut Tax Registration Number. This form is available on the DRS website. Non-resident contractors have 120 days from the commencement of the contract to file the Guarantee Bond with the State. Commencement of the contract, as defined by law, "means the time when the non-resident contractor signs the contract, but, in any event, occurs no later than when the work under the contract actually starts."

7.4.2 Potential Town Liability for Withholding Tax. Please note that compliance with the provisions of CGS Section 12-430(7) relieves the person (Town) doing business with a nonresident

contractor from liability for the nonresident contractor's withholding tax liability or liability or use tax on materials and consumables.

7.4.3 Certificate of Compliance. As soon as the guarantee bond is filed with the DRS, the non-resident contractor shall submit the copy of such Guarantee Bond together with the non-resident contractor's Connecticut Tax Registration Number to the Town department for whom the project is required. After the non-resident contractor receives its Certificate of Compliance from the DRS confirming that the Guarantee Bond requirement has been met, the non-resident contractor shall submit a copy of the same to the department, for whom the work is being performed, with a copy to the Purchasing Department. The department shall then complete the form entitled, Notification of Receipt of Certificate of Compliance and forward to the Finance Department.

7.5 Occupational Safety and Health Administration (OSHA) Training

CGS Section 31-53b requires each contract for a public works project with a projected cost of \$100,000 or more to contain a requirement that any person performing the work of a mechanic, laborer or worker has completed at least a 10 hour OSHA construction safety program.

7.6 Affirmative Action Statements

Affirmative Action Statements shall be included in all Bid/RFP/RFQ responses from bidders/proposers. If a project is funded in whole or in part by State funds, CGS Sections 46a-68c through 46a-68k apply. These Sections trigger affirmative action plan requirements for contractors and the filing of compliance reports with the State by contractors. CGS Section 46a-68g prohibits contracting agencies (Town) from entering into contracts with any bidder or prospective contractor who is not in compliance.

7.7 Equal Employment Opportunity (EEO); Minority Business Enterprises (MBE)

If a project is funded in whole or in part by state or federal funds, there may be a requirement that the Town require bidder compliance with CGS Section 4a-60 and applicable State regulations. On these projects it will depend upon which set-aside requirements are imposed by the funding agency. If no set-aside requirement is imposed, a statement that the contractor is required to undertake good faith efforts to include subcontractors and suppliers who are minority business enterprises will suffice. If there is a set-aside goal, the Town must comply with the Small Contractors Set-Aside Program and the hiring goals identified by the State Commission on Human Rights and Opportunities (CHRO.) If the funding source of a department's project has such requirements, bidders shall provide a Bidder's EEO Affidavit (see **Exhibit C**) and the Bidder's Minority Business Enterprises Utilization Form (see **Exhibit H**). A federal form EEO-1 form is acceptable in lieu of the Town EEO Affidavit.

ARTICLE VIII: APPROVED LOCAL VENDOR

An approved local vendor is a business, located in Guilford, which has been selected by one or more departments for the purchase of certain commodities and certain limited services. Approved local vendors are to be used only when the completion time is a primary concern for the Town and utilizing

the request for quotes or bidding process is not a realistic way to secure supplies for a current project being performed by Town employees.

Approved local vendors may be used for purchases costing up to \$5000 in any fiscal year, without issuing a request for verbal or written quotes. Blanket Purchase Orders will be used for this type of purchase. Only authorized individuals will be permitted to pick up supplies and parts. Department heads will designate and authorize those individuals.

Approved local vendors will supply the Town with the following types of products:

- Electrical Supplies
- Hardware
- Lumber
- Nursery Supplies and Shrubbery
- Paint and Painting Supplies
- Plumbing Supplies
- Small Hand Tools
- Printing

ARTICLE IX: REQUISITIONS/PURCHASE ORDERS

9.1 Normal Purchasing Procedures

9.1.1 The department head will designate and authorize staff personnel to prepare department purchase requisitions. Purchase requisitions will be prepared by the authorized individual on a form provided by the Finance Department.

9.1.2 All requisitions must have a written approval by the department head. The department head shall not authorize a requisition without sufficient funds in the account to be charged. The requisition will be converted to a purchase order and released for approval by the Purchasing Department and the First Selectman.

9.2 “Blanket” Purchase Orders

9.2.1 The use of “blanket” purchase orders will be a negotiated process between vendors and the department head, with the prior approval of the Finance Department. The Finance Department will make the determination as to applicable vendors.

9.2.2 Specific gross amount limitation will be stated based on past average payments made to the vendor.

9.2.3 Only authorized individuals will be permitted to pick up supplies and parts under a blanket purchase order. Department heads will designate and authorize those individuals.

9.2.4 Blanket purchase orders will state the “open period” for the current fiscal year only. The open period will not exceed the 12 month fiscal period and in some case the open period required may be less than one year. In all cases the open purchase order will be closed out at the end of the fiscal year, as directed by the Finance Department and if required, reissued for the new fiscal year.

ARTICLE X: CONTRACTS

10.1 Contract for Goods

For the purchase of goods, the purchase order shall serve as the contract, unless the Purchasing Manager deems it to be in the best interest of the Town to have a contract prepared, given the nature and cost of the goods. A department shall not sign proposals, estimates or any similar document provided by a selected vendor as the same may constitute a legal contract and generally will contain provisions most favorable to the vendor.

10.2 Contract for Services

For the purchase of services, a services contract must be obtained from the Purchasing Department, in a form approved by an attorney. The Purchasing Department must receive the fully executed contract and the required insurance, described in Article XI below, prior to the services being provided.

10.3 Condition to Commencement of Work

A department is responsible to confirm with the Purchasing Department whether the Purchasing Department has received the executed contract and the required insurance, prior to the department head permitting any work do be done or prior to the department head issuing a notice to proceed, as applicable.

10.4 Change Orders

All change orders to the original scope of a contract shall be documented. A written change order, signed by both the contractor and the department head, shall be prepared by the contractor which describes the work being added or subtracted from the contract and the projected change of cost to the project. The department head shall submit to the Purchasing Department the change order together with a requisition in the amount of the change order. If the change order exceeds the lesser of 5% of the original bid price or \$25,000, the department head shall obtain the prior approval of the Board of Selectmen. For those projects which are subject to SBC review, change orders shall also comply with the SBC’s requirements. **Depending on the funding source and the nature of a project, change orders may be subject to further limitations under state or federal law.**

ARTICLE XI: INSURANCE

The Town requires that all vendors contracted to perform services have a current certificate of

insurance naming the Town of Guilford as an “additional insured.” The insurance limits determined by the Town’s insurance agent are set forth in the Invitation to Bid. If professional services are hired, the insurance requirements set forth in **Exhibit E** apply, as the same may be revised from time to time. This information shall be included in quotes, bids, requests for proposals and contracts as appropriate.

If the Town has hired a project manager or an architect or design professional, it is the responsibility of the professional consultant(s) to verify that the insurance levels are adequate with the Town’s insurance agent and incorporate modifications as necessary in the bids, and RFP/RFQ proposals, as applicable. This information will be communicated directly to the Purchasing Manager.

ARTICLE XII: ETHICS

The Town has established a Code of Ethics (Code) which is set forth in Chapter 31 of the Town Code. The Board of Ethics has been created pursuant to the Town Charter and is charged with the administration of the Code. Pursuant to Section 31-3 of the Code:

“Any independent contractor, professional person or representative of an entity engaged by and receiving compensation from the Town or any of its boards, commissions, authorities, committees or officials and who is in a position to influence any decision of any board, commission, authority, committee or official, shall be bound to avoid the prohibited activity set forth in Section 31-5 of the Code. Any complaint received claiming a violation of the Code by a Consultant shall be processed by the Board of Ethics in accordance with Section 31-6, Paragraph D of the Code. A Consultant shall be entitled to all of the rights of an official under Section 31-6.”

Consultants and bidders shall be required to complete the Non-Collusive Non-Conflict Affidavit, in the form set forth on **Exhibit B**.

ARTICLE XIII: EXHIBITS

- A. Invitation to Bid**
- B. Non-Collusive Non-Conflict Affidavit**
- C. Equal Employment Opportunity (EEO) / Affirmative Action Affidavit**
- D. Vendor Information and Signatory Form (for contracts in excess of \$250,000)**
- E. Town Insurance Requirements (Professional)**
- F. Legal Status Disclosure Form**
- G. Statement of References**
- H. Contractor Minority Business Enterprises (MBE) Form**
- I. Sample Payment Bond Form**
- J. Sample Performance Bond Form**
- K. Sample Voting Matrix**
- L. Sample RFP (No RFQ Required; see Section 3.2)**

- M. RFQ Form (First Step in Two Step Process)**
(Note: State Law May Require Two Step Process; May Be Dictated by

Funding Source)

- N. RFP Form (Second Step in Two Step RFQ Process)**
 - O. One Step RFQ/RFP Form**
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Chapter 76

PURCHASING

GENERAL REFERENCES

Administrative departments — See Ch. 2.

Disposal of property — See Ch. 73.

Code of Ethics — See Ch. 25.

Reserve Fund — See Ch. 85.

§ 76-1. Title.

This chapter shall be known and may be cited as "The Ordinance for Obtaining Goods and Services."

§ 76-2. Legislative authority.

This chapter is enacted pursuant to the provisions of Town Charter § C506B(1)(c).

§ 76-3. Purpose; applicability; environmental considerations.

- A. The purpose of this chapter is to provide a set of procedures designed to obtain the best possible value for the necessary goods and services purchased by the Town of Mansfield, in accordance with Article V, § C506, of the Town Charter. It shall be the general policy and presumption of the Town Council that contracts for the procurement of supplies, materials, equipment, property or services shall be entered into pursuant to a competitive process. The Town Council has also determined that competitive bidding in some instances may be against the best interest of the Town. The Council, therefore, invokes its powers under Article V, § C506B(1)(c), of the Town Charter to establish this chapter designed to better ensure receipt by the Town of the best possible value for necessary goods and services by taking advantage of all prudent purchasing methods and opportunities available in the marketplace, including the open competitive bidding process, and delegates authority to implement these procedures to the Purchasing Agent. These procedures are further designed to provide for the fair and equitable treatment of all persons involved in public purchasing by the Town of Mansfield. **[Amended 6-26-2017, effective 7-17-2017]**
- B. This chapter shall apply to the purchase of all supplies, materials, equipment and other commodities and contractual services and construction (hereafter referred to as "products and services") required by any department, agency, board or commission of the Town, irrespective of the source of funds, except the purchase of specialized goods and contractual services for the purpose of instruction by the Board of Education. The Mansfield Board of Education and the Region 19 Board of Education shall be encouraged to adopt purchasing

regulations similar to the provisions of this chapter. Nothing herein contained shall be construed to prevent the Director of Finance from serving, to the extent requested, as the Purchasing Agent for all requirements of the Board(s) of Education.

- C. In order to increase the development and awareness of environmentally sound products and services, the Town of Mansfield will ensure that all possible and feasible specifications are reviewed for consideration of environmental impacts. Consideration will be given to those products that, from a life cycle perspective, adversely affect the environment in the least possible way. This means that the Town of Mansfield will make a reasonable and responsible effort to choose product and services that:
- (1) Are produced in an environmentally responsible manner.
 - (2) Are distributed in an environmentally responsible manner.
 - (3) Cause the least possible damage to the environment.
 - (4) Can be removed in an environmentally responsible manner.

§ 76-4. Solicitation and award procedures.

- A. As provided in the Town Charter, the Director of Finance shall serve as the Purchasing Agent for the Town, and shall be responsible for the procurement of all products and services for the Town. Subject to the limitations set forth in the Charter and in § 76-3B of this chapter, the Purchasing Agent shall have the authority to approve all contract specifications, prescribe the method of source selection to be utilized in the procurement of all products or services, award all contracts for products and services based on a determination of the bidder who offers the best value to the Town, and shall have the authority necessary to enforce the purchasing provisions of the Charter and these rules. In addition, the Purchasing Agent shall have the following specific duties:
- (1) To inspect all supplies, material and equipment ordered by and delivered to the Town to ensure compliance with specifications and conditions affecting the purchase thereof, or delegate the inspection thereof to such Town employees as are authorized to purchase said supplies, materials or equipment in accordance with Subsection B of this section.
 - (2) To procure and award contracts for, or supervise the procurement of, all products and services needed by the Town, and to maintain custody and care of all contracts for goods and contractual services to which the Town is a party.
 - (3) To transfer between offices or sell, trade, or otherwise dispose of surplus supplies, materials, or equipment belonging to the Town.
 - (4) To prepare, issue, revise, and maintain all bid specifications and to establish and maintain programs for specification development,

and the inspection, testing, and acceptance of products and services.

- (5) To prepare and adopt operational procedures governing the procurement functions of the Town.
 - (6) To have the discretion and authority for cause to disqualify vendors and to declare them to be irresponsible bidders and to remove them from receiving any business from the Town.
 - (7) To cancel, in whole or in part, an invitation to bid, a request for proposals, or any other solicitation, or to reject, in whole or in part, any and all bids or proposals when to do so is in the best interests of the Town.
 - (8) To require, when necessary, bid deposits, performance bonds, insurance certificates, and labor and material bonds or other similar instruments or security which protect the interests of the Town.
 - (9) To procure for the Town all federal and state tax exemptions to which it is entitled.
 - (10) To ensure that the Town is exempt from state fair trade laws as provided by the Connecticut General Statutes.
 - (11) To join with other units of government and with private sector organizations in cooperative purchasing plans when the best interests of the Town would be served.
- B. Delegation to other Town officials. With the written approval of the Town Manager, the Purchasing Agent may delegate any portion of the authority to purchase certain products and services to other Town employees, if such delegation is deemed necessary and appropriate for the effective and efficient operation of Town government and for the procurement of those items. The Purchasing Agent, with the written approval of the Town Manager, may revoke such delegation at any time. The person to whom such authority is delegated shall be responsible for complying with the requirements of the Charter, this chapter and any rules or regulations which may exist relating to the execution of the procurement process.
- C. Methods of source selection. In accordance with Article V of the Town Charter, unless otherwise prescribed by law, the Purchasing Agent shall take advantage of all prudent purchasing methods and opportunities available in the marketplace. This includes, but is not limited to, such methods as competitive sealed bids, competitive sealed proposals, competitive negotiation, sole-source procurement, small purchase procedures, credit card procedures, bulk ordering, emergency purchases, multi-step bidding, Internet purchasing, use of cooperative purchasing plans and public auctions. The Purchasing Agent may prequalify a small number of firms, typically no more than three or four,

using one of the methods listed in this subsection for obtaining goods and services. In deciding which method to utilize, the Purchasing Agent may take into consideration the following factors: **[Amended 6-26-2017, effective 7-17-2017]**

- (1) How to obtain the best value for the commodity.
 - (2) Whether or not to utilize a fixed-price or fixed-service contract under the circumstances.
 - (3) Whether quality, availability, or capability is overriding in relation to price.
 - (4) Whether the initial installation needs to be evaluated together with subsequent maintenance and service capabilities and what priority should be given to these requirements.
 - (5) What benefits are derived from product or service compatibility and standardization and what priority should be given these requirements.
 - (6) Whether the marketplace will respond better to a solicitation permitting not only a range of alternative proposals, but evaluation, discussion, and negotiation of them before making the award.
 - (7) What is practicable and advantageous to the Town.
 - (8) The availability of vendors.
 - (9) The efficiency of the process.
 - (10) The fair and equitable treatment of potential participants.
 - (11) The degree to which specifications can be made clear and complete.
 - (12) The timeliness of the process to the needs of the Town.
- D. Award of contract. Contracts shall be awarded, by the Purchasing Agent to the vendor who offers the best value to the Town. The Finance Committee shall be advised in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent awards a contract for goods or services for \$10,000 or more (but not professional services as defined in Subsection I) other than by competitive sealed bid in accordance with Article V, § C506B(1)(c), of the Town Charter. Best value shall be determined by consideration of some or all of the following factors as deemed appropriate by the Purchasing Agent.

On behalf of the Town, the Purchasing Agent shall have the authority and responsibility to execute contracts for the purchase of all products and services for the Town, determining the length of the contract, payment terms, and other specifications. Following the termination of any contract, the Purchasing Agent will initiate a new procurement

process if additional quantities of the goods or additional services are required.

The Finance Committee shall be advised on a quarterly basis of all vendors whose cumulative contracts with the Town or Board reach \$50,000. **[Amended 6-26-2017, effective 7-17-2017]**

- (1) The quality, availability, adaptability, and efficiency of use of the products and service to the particular use required.
- (2) The degree to which the provided products and services meet the specified needs of the Town, including consideration, when appropriate, of the compatibility with and ease of integration with existing products, services or systems.
- (3) The number, scope, and significance of conditions or exceptions attached or contained in the bid and the terms of warranties, guarantees, return policies, and insurance provisions.
- (4) Whether the vendor can supply the product or service promptly, or within the specified time, without delay or additional conditions.
- (5) The competitiveness and reasonableness of the total cost or price, including consideration of the total life-cycle cost and any operational costs that are incurred if accepted.
- (6) A cost analysis or a price analysis including the specific elements of costs, the appropriate verification of cost or pricing data, the necessity of certain costs, the reasonableness of amounts estimated for the necessary costs, the reasonableness of allowances for contingencies, the basis used for allocation of indirect costs, and the appropriateness of allocations of particular indirect costs to the proposed contract.
- (7) A price analysis involving an evaluation of prices for the same or similar products or services. Price analysis criteria include, but are not limited to: price submissions of prospective vendors in the current procurement, prior price quotations and contract prices charged by the vendor, prices published in catalogs or price lists, prices available on the open market, and in-house estimates of cost.
- (8) Whether or not the vendor can supply the product or perform the service at the price offered.
- (9) The ability, capacity, experience, skill, and judgment of the vendor to perform the contract.
- (10) The reputation, character and integrity of the vendor.
- (11) The quality of performance on previous contracts or services to the Town or others.

- (12) The previous and existing compliance by the vendor with laws and ordinances or previous performance relating to the contract or service, or on other contracts with the Town or other entities.
- (13) The sufficiency, stability, and future solvency of the financial resources of the vendor.
- (14) The ability of the vendor to provide future maintenance and service for the use of the products or services subject to the contract.

E. Common specifications and standards.

- (1) In accordance with this chapter, all of the Town's departments, agencies, boards and commissions shall work together with the Purchasing Agent to identify common needs and establish standard specifications for the purchase of goods and contractual services which are commonly used by more than one department, agency, board, or commission.
- (2) The Purchasing Agent shall be responsible for identifying goods and contractual services common to the needs of the Town, School Department and their boards and commissions and for preparing and utilizing standard written specifications submitted for such goods and contractual services. After adoption, each standard specification shall, until revised or rescinded, apply in terms and effect to every purchase and contract for said goods or contractual service. The Town Manager may exempt any using agency of the Town from the use of the goods or contractual services in such standard specification if, in his/her judgment, it is in the best interest of the Town to so do.

F. Sole-source procurement and brand name specification.

- (1) It is the policy of the Town to encourage fair and practicable competition consistent with obtaining the best possible value for the necessary products and services required by the Town. Since the use of sole-source procurement or a brand name specification is restrictive, it may be used only when the Purchasing Agent makes a written determination that there is only one practical source for the required product or service or that only the identified brand name item or items will satisfy the Town's needs and the Town Manager concurs with such finding. A requirement for a particular brand name does not justify sole-source procurement if there is more than one potential vendor for that product or service.
- (2) Any request by a using agency that procurement be restricted to one potential contractor or be limited to a specific brand name shall be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.
- (3) A record of all sole-source procurements and brand name specifications shall be maintained. Sole-source records shall list

each contractor's name; the amount and type of each contract; a listing of the products or services procured under each contract; and the effective dates of the contract. Brand name records shall list the brand name specification used, the number of suppliers solicited, the identity of these suppliers, the supplier awarded the contract, and the contract price. The Town Council Finance Committee shall be advised, in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent and the Town Manager have made a determination of brand name or sole-source selection.

- G. All purchases made and contracts executed by the Purchasing Agent shall be pursuant to a written or electronic purchase order from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any vendor unless and until the Director of Finance certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued. This requirement may be deferred in the event that an emergency situation requires prompt action by the Purchasing Agent. This subsection will not prevent the use of open purchase orders or the use of a purchasing card program designed to consolidate many small transactions onto a single monthly invoice.
- H. The responsible head of each department, office, institution, board, commission, agency or instrumentality of the Town shall certify, in writing, to the Purchasing Agent the names of such officers or employees who shall be exclusively authorized to sign purchase orders for such respective department, office, institution, board, commission, agency or instrumentality, and all requests for purchases shall be void unless executed by such certified officers or employees and approved by the Purchasing Agent.
- I. Professional services. As the procurement of professional services is generally exempt from the requirements of competitive sealed bidding, all contracts for professional services, including legal services, shall be obtained in accordance with the following guidelines, with the exception of the Town Attorney who shall be chosen in accordance with Article III, § C305, of the Town Charter. The Town Manager shall execute an agreement for professional services with the appointed Town Attorney.
- (1) A request for proposal (RFP) or request for qualifications (RFQ) shall be written for all requests for professional services [except as described in Subsection I(3) below] of \$25,000 or more. The RFP or RFQ shall be written in such a manner as to describe the requirement to be met, without having the effect of exclusively requiring a proprietary product or service, or procurement from a sole source, unless approved in accordance with the requirements of this section. This requirement may be met by using state-

contracted pricing or prequalified pricing through other governmental or cooperative agency arrangement, including but not limited to the Connecticut Conference of Municipalities (CCM) and Capital Region Council of Governments (CRCOG). **[Amended 6-26-2017, effective 7-17-2017]**

- (2) ¹In accordance with Article III, § C305C, of the Town Charter, the Town Manager, with the approval of the Town Council, may obtain special legal services other than the Town Attorney. In obtaining those services, the Town Manager may consider, in addition to hourly rate, the reputation, character and integrity of the firm, the quality of performance on previous contracts and services to the Town, the ability of the firm to provide these services over an extended period, and the ability, capacity, experience, skill and judgment of the attorneys performing the service.
- (3) The award of a professional services contract shall be done in a manner designed to obtain the best possible value to the Town and with consideration of the factors listed in Subsection D of this section, titled "Award of contract."
- (4) Professional services defined.
 - (a) Professional services are defined as:
 - [1] Work requiring knowledge of an advanced type in a field of study and which frequently requires special credentialing, certification or licensure. Such areas include but are not limited to engineers, architects, appraisers, medical service providers, consultants, actuaries, banking services, and legal; or
 - [2] Work that is original and creative in character in a recognized field or artistic endeavor or requires special abilities and depends primarily on a person's invention, imagination, or creative talent. Such fields or artistic endeavors include but are not limited to the following: health and fitness, cultural arts, crafts, ice skating, and specialty area instructors; and
 - [3] Work that requires consistent exercise of independent discretion and judgment to perform according to a provider's own methods and without being subject to the control of the Town except as to the result of the work.
 - (b) Professional service providers shall not be dependent on the Town as their sole client, and must be clearly considered an

1. **Editor's Note: Former Subsection I(2), regarding use of competitive negotiation as the preferred method for obtaining professional services for a less precise scope of work, was repealed 6-26-2017, effective 7-17-2017. This ordinance also provided for the redesignation of former Subsection I(3) through (6) as Subsection I(2) through (5), respectively.**

independent contractor as opposed to an employee as defined by state and federal laws, regulations, and court decisions.

- (5) On behalf of the Town, the Purchasing Agent shall have the authority and responsibility to execute professional service contracts under \$25,000, determining the length of the contract, payment terms, and other specifications. The Town Manager shall have the authority and responsibility to execute professional service contracts of \$25,000 or more, determining the length of the contract, payment terms, and other specifications. Following the termination of any contract, the Purchasing Agent will initiate a new procurement process if additional quantities of the goods or additional services are required. **[Amended 6-26-2017, effective 7-17-2017]**
- J. Invoice schedule. All contracts for goods, contractual services and professional services to which the Town is a party shall include a provision requiring the vendor or contractor to invoice the Town in a timely manner, pursuant to a schedule established by the Purchasing Agent.
- K. Custody of contracts. All contracts for goods, contractual services and professional services to which the Town is a party shall be kept in the office of the Purchasing Agent and shall be under the care and custody of the Purchasing Agent unless the Purchasing Agent has delegated the authority to take custody of such a contract to another Town official in accordance with Subsection B of this section. All other contracts to which the Town is a party or to which any officer or board, bureau or commission of the Town, acting in behalf of the Town, is a party shall be kept on file in the Town Clerk's office and shall be under the care and custody of the Town Clerk. When any officer, board, bureau or commission of said Town shall require any original contract in which the Town is interested, as aforesaid, the contract shall not be taken from the Town Clerk's or Purchasing Agent's office until such officer, board, bureau or commission has given a receipt therefor, and a copy of such contract shall be filed with the Town Clerk or Purchasing Agent as soon as the same can be made. The above provisions shall not apply when any such contract is needed for temporary use in the Town building and is returned on the same day that it is taken.

ARTICLE III
Municipal Purchases

§ 2-86. through § 2-91. (Reserved)¹

§ 2-92. Bids. [Ord. of 10-7-1959; Ord. of 8-14-1964; Ord. of 10-12-1978; Ord. of 12-16-1986; Ord. of 6-11-1990; Ord. of 8-9-1993; Ord. of 9-27-2010; Ord. of 1-10-2011]

- (a) *Purchasing authority defined.* Except as set forth in paragraph (l), as used in this section, "purchasing authority" shall mean the Director of Finance and the Mayor.
- (b) *Competitive bidding requirement.* Except as otherwise provided in this § 2-92 or by any provision of the Connecticut General Statutes, when any board, commission, agency, department, officer or employee of the Town of New Milford is authorized to make purchases in the name or on behalf of the Town of New Milford and requires the purchase of materials, supplies, furnishings, equipment, services, livestock or other personal property which is expected to exceed the sum of \$10,000 in cost or value, such board, commission, agency, department, officer or employee shall submit the particulars and specifications of such purchase, in writing, to the purchasing authority for the purpose of inviting competitive bids. The purchasing authority shall solicit competitive bids for the item(s) to be purchased by publication in a newspaper having a general circulation in the Town of New Milford, by invitations mailed to known vendors and by posting on a public bulletin board in the Town Hall. All invitations to bid shall include detailed particulars and specifications or shall indicate where such particulars and specifications may be obtained and shall specify the times and places where the bids shall be filed and opened. Bids shall be opened at the time and place specified, and the full details of all bids shall be recorded. If the item(s) to be purchased have been bid upon by any department or agency of the State of Connecticut and such bid price is also applicable to the Town, the purchasing authority may accept such bid if it determines that the state bid price likely would be the lowest qualified bid if competitive bids were invited. If competitive bids are invited on an item for which there is a state bid price

1. Editor's Note: Former § 2-86, Purchasing authority established; § 2-87, Comptrollers endorsement of requisitions; § 2-88, Procedure when budget would be exceeded by requisition; § 2-89, Purchasing authority's approval required prior to payment of vouchers, etc.; § 2-90, When Board of Selectmen's approval of contract is required; and § 2-91, Sections 2-86 through 2-90 not to apply to Board of Education, were repealed by Ord. of 8-16-1984.

applicable to the Town, the state bid price shall be considered a valid bid and shall properly be noted at the public opening. The purchasing authority shall evaluate all bids received, shall consult with the board, commission, agency, department, officer or employee for which the purchase is to be made and, within a reasonable time after the opening of the bids, shall award the purchase to the lowest qualified bidder or reject such bids in accordance with the provisions of Subsection (f).

- (c) *Purchases under \$10,000.* If the amount of expenditures is estimated to be less than \$10,000, the purchase may be in the open market without the necessity for competitive bidding pursuant to Subsection (b), except that, where the amount is estimated to be between \$3,000 and \$10,000 written quotations from at least three bidders are to be obtained whenever possible by the board, commission, agency, department, officer or employee requesting the purchase and submitted to the purchasing authority; where the amount is less than \$3,000, at least three verbal price quotes shall be obtained whenever possible by the board, commission, agency, department, officer or employee requesting the purchase and submitted to the purchasing authority. Awards pursuant to this subsection shall be made to the lowest qualified person submitting a quote, subject to the right of rejection set forth in Subsection (f).
- (d) *Lowest qualified bidder.* In determining the lowest qualified bidder pursuant to this section, the purchasing authority shall consider, in addition to price:
- (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 existing compliance by the bidder with laws and ordinances relating to the contract or service.
 - (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.

- (7) Whether the bidder has submitted requested financial information or other information requested by the purchasing authority.
 - (8) The quality, availability and adaptability of the supplies or contractual services to the particular use required.
 - (9) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
 - (10) The number and scope of conditions attached to the bid.
- (e) *Delinquent taxpayers.* Each person who submits a bid or quote to the purchasing authority for any item to be purchased or contract to be awarded by the Town shall be deemed to have agreed that the Town may apply payments otherwise properly due to such person to the reduction of all real estate or personal property taxes and/or sewer use charges (including interest, fees and penalties thereon) owed to the Town by such person, which taxes are delinquent and have been so delinquent for a period of not less than one year. Any person who submits a competitive bid or quote pursuant to Subsections (b) and (c) shall disclose to the purchasing authority whether such person is delinquent in the payment of Town real property or personal property taxes and/or sewer use charges. Prior to making any payment to any person awarded a bid or contract pursuant to this section, the purchasing authority shall ascertain from the Tax Collector whether such person owes past due taxes on real or personal property or sewer use charges and shall deduct from such payment the amount of taxes or charges (plus penalties, interest and fees thereon) which are delinquent and have been delinquent for a period of at least one year as of the time of withholding.
- (f) *Rejection of bids.* The purchasing authority shall have the right to reject any, all or part of any bids or proposals or to accept the bid or proposal or part thereof which, in its judgment, will be in the best interests of the Town. Rejection or acceptance of bids shall be made within a reasonable time after the opening of the bids. Whenever the purchasing authority rejects any bid or bids, it shall state the reasons for such rejection in the minutes kept for that purpose by the purchasing authority. Such minutes shall be a matter of public record and shall be open for public inspection in the same manner as other public records of the Town. The purchasing authority may waive bid irregularities or informalities.

- (g) *Bonds.* In connection with each request for bids or quotes, the purchasing authority may require a certified check or a bid bond to be submitted with the bid, which checks or bid bonds shall be submitted subject to any requirements governing contracts for work to be done on Town projects. In the event that any bidder shall refuse to accept, within a time specified by the purchasing authority, a contract awarded to the bidder, the bidder shall forfeit its bond to the Town, and such contract may be awarded to the next lowest qualified bidder, subject to the same terms and conditions as set forth herein. The purchasing authority may require the successful bidder to furnish a performance bond and/or a payment bond, subject to the requirements of Sections 49-41, 49-41a and 49-41b of the Connecticut General Statutes.
- (h) *Recording of bids.* All bids and awards shall be kept on file by the purchasing authority for five years thereafter and shall be available for public inspection during business hours.
- (i) *Formal contracts.* Whenever the purchasing authority deems it necessary that a formal contract be entered into between the Town and the successful bidder, the form of such contract shall be prepared and/or approved by the Town Attorney prior to the solicitation of competitive bids. Such contract shall be included in the particulars and specifications of and shall be executed by the successful bidder.
- (j) *Waiver of competitive bidding requirement.* When, in the opinion of the purchasing authority or during an emergency under Section 708 of the Charter, sufficient time shall be unavailable for the solicitation of competitive bids or quotes for a particular purchase because of the existence of an urgent situation, then the purchasing authority or, during an emergency, the Mayor may make such purchase without competitive bidding. A record of all such urgent transactions shall be kept in the minutes of the purchasing authority and notification made to the responsible board, commission, agency, department, officer or employee and to the Town Council.
- (k) *Professional services.* This section shall not apply to any contract made by any board, commission, agency, department, officer or employee of the Town for professional services, which shall include but not be limited to such services as legal, insurance, architectural and engineering nor to the hiring of employees by any Town board, commission, agency or department. Contracts for professional services that continue in force from year to year or are renewed at regular intervals and where the cost of such

service exceeds \$25,000 annually shall be reviewed by the Board of Finance and the Town Council, at intervals not to exceed three years, who shall forward their findings, in writing, to the purchasing authority. Contracts for professional services which can reasonably be expected to exceed \$25,000 in one calendar year, while exempted from formal bidding, shall be approved by the Town Council on the advice of the Board of Finance.

- (l) *Board of Education and library purchases.* This section shall apply to any purchases made by the New Milford Library. The purchasing authority for the New Milford Library shall be those persons assigned and designated as such by the Library Board of Trustees when such purchases are to be made with monies from fund sources designated in Chapter 11, § 11-3 of the New Milford Code of Ordinances. For all other library purchases requiring the expenditure of funds other than or in addition to monies from such designated sources, the purchasing authority shall be the Director of Finance and the Mayor. This section shall not apply to purchases made by the New Milford Board of Education, provided that the Board of Education shall have and maintain in force, a purchasing policy and protocol, as it may from time to time amend, for its purchases. The purchasing authority for the Board of Education shall be those persons assigned and designated as such by the Board of Education.
- (m) *Public auction or private sale.* Notwithstanding the provisions of Subsections (b) and (c), if the purchasing authority determines that the Town should purchase materials, supplies, furnishings, equipment, services or other personal property at public auction or private sale, the purchasing authority shall be permitted to bid for and purchase the same at public auction or private sale, provided that prior to bidding at such auction or private sale the particulars are submitted to the Town Council, the Town Council authorizes the purchasing authority to purchase such materials, supplies, furnishings, equipment, services or other personal property at such public auction or through such private sale, and the purchasing authority does not bid in excess of the amount appropriated. A record of all such transactions, including evidence of Town Council proceedings and authorization, shall be kept in the minutes of the purchasing authority for five years thereafter and shall be available for public inspection during business hours.
- (n) *Disposal of surplus property.* Whenever any board, commission, agency, department, officer or employee of the Town requires the disposal of any material or equipment belonging to the Town with

an original cost or value in excess of \$100, such board, commission, agency, department, officer or employee shall submit, in writing, the particulars to the purchasing authority. If the purchasing authority determines that such material or equipment is no longer needed by the Town, the purchasing authority shall sell said material or equipment by invitation for sealed competitive bids or, with the prior approval of the Town Council, by public auction. In the event of sale by sealed competitive bids, the purchasing authority shall advertise the particulars in a newspaper having a general circulation in the Town inviting the necessary bids and specifying the time and place when the bids shall be publicly opened and noted. The purchasing authority shall evaluate all bids received in accordance with other subsections of this section and make appropriate recommendations to the Town Council, who shall have final approval on the disposal of any such material or equipment. In the event of sale by public auction, the purchasing authority shall consult with the Town Council with respect to the terms and conditions of sale, including questions regarding minimum bids. The purchasing authority shall advertise, in a newspaper having a general circulation in the Town, the date, time, place and particulars of the item(s) being sold and the terms and conditions of the sale. At the public auction, the purchasing authority shall sell to the highest bidder meeting the terms and conditions of sale. This subsection shall not apply to the trade-in of materials or equipment when the trade-in is to be considered in the offset of the price for the materials or equipment to be purchased.

- (o) *Employment preferences.* In the employment of mechanics, laborers and workers in the construction, remodeling or preparing of any building or other public works by the Town, preference shall be given to citizens of the Town in accordance with Sections 31-52, 31-53 and 7-112 of the Connecticut General Statutes, as amended.
- (p) *Fixed asset inventory.* The Town shall maintain an inventory record for all Town-owned assets that have an acquisition value or cost equal to or greater than \$2,500 per item. The inventory items shall be carried on each annual inventory until the property is disposed of. Each department shall report any and all additions, dispositions and transfers of its inventory to the Finance Department when such change occurs.

*Town of Simsbury, CT
Wednesday, April 21, 2021*

Chapter A161. Purchasing

§ A161-1. Purpose; objectives.

- A. Be it resolved by the Board of Selectmen of the Town of Simsbury that in order to amplify Section 812 of the Town Charter and to provide a systematic and uniform standard of purchasing policies, the Board hereby adopts the following procedures which are incorporated into this chapter.
- B. Purchasing objectives:
 - (1) To procure materials, supplies, equipment, public improvements, and services at the lowest cost while obtaining the highest quality products and services possible.
 - (2) To conduct purchasing without regard to political affiliation, race, color, creed, sex, age, religion, national origin, marital status, sexual orientation, genetic makeup, gender identity, military service and veteran's status, disability, or any other protected class, family relationship or business associations of vendors, contractors or consultants.

§ A161-2. Purchase orders required.

- A. All proposed purchases shall be supported by a purchase order, signed by the issuing department head and the Finance Director or his/her agent. Oral approval may be given in emergencies but shall be followed immediately by a written purchase order.
- B. Notwithstanding the provisions of this section, the Finance Director may allow budgeted agencies to use purchasing cards for purchases not exceeding \$1,000, unless such agency receives written approval from the Finance Director to exceed such amount. No budgeted agency, or any official, employee or agent of a budgeted agency, shall incur any obligation using such a card, except in accordance with procedures established by the Finance Director.

§ A161-3. Annual orders.

Annual orders of items used on a volume basis which exceed, in the aggregate, \$10,000 shall follow the procedures outlined below.

§ A161-4. Verbal and written quotes.

Purchases in excess of \$10,000 but less than \$25,000 shall have documented verbal or written quotes, whenever possible, from at least two vendors.

§ A161-5. Bids; contracts required.

- A. Purchases or contracts expected to exceed \$25,000 shall require formal sealed bids and the execution of a written contract between the qualified bidder and the Town. Such sealed bids shall be opened in public at the time and place designated in the specifications. The Town may accept substitutes that meet the same criteria as outlined in the specifications. Requests for formal sealed bids shall be issued by the issuing department head, received by the date due and turned in to the Finance Director.
- B. Purchases or contracts expected to exceed \$25,000 shall be advertised at least 10 days prior to the bid opening on a website such as but not limited to the Connecticut Department of Administrative Services website or the Town's official website as a means of a formal "invitation to bid."
- C. An appropriate fee may be charged for a copy of plans and specifications, said fee, or portion thereof, to be refunded upon return of the plans and specifications within the designated period.
- D. Bid bonds will be evaluated as part of the bid process. The Department Head, in conjunction with the Finance Director, will determine if the inclusion of a bid bond is in the best interest of the Town.

§ A161-6. Awarding of contract.

The Finance Director, or his/her designee, or Town Manager, or his/her designee, is authorized to award contracts.

§ A161-7. Signing of purchase orders or contract.

- A. The Finance Director, or his/her designee, and/or Town Manager, or his/her designee, is authorized to sign all purchase orders. The Town Manager, or his/her designee, is authorized to sign all formal contracts approved under the appropriate procedure as stipulated herein.
- B. Under an existing contract, any change order which increases the contract amount shall be subject to prior budgetary approval by the Finance Director and approved by the Town Manager, or his/her designee, for any change in the scope of the project.

§ A161-8. Rejection of bids.

The board, person or agent having the authority to award may reject any or all bids, part of all bids or all bids for any one or more supplies or contractual services included in the proposed contract, or waive defects in same when the public interest will be served best thereby.

§ A161-9. Local vendor preference; Town-based business.

If any Simsbury-based vendor responds to a bid notice and comes within 5% of the lowest bidder, all qualifications considered equal, the local-based vendor will be allowed the opportunity to adjust their bid to match that of the lowest bidder.

§ A161-10. Exemption from bids.

- A. Purchases made through or on the basis of regional, state, local government or cooperative

agency bids shall be exempted from any bidding procedures.

- B. A purchase may be made or contract awarded for a supply, service or construction item without a competitive bid when it is determined that there is only one source for the required supply, service or construction item.
- C. The bid procedures outlined herein can be waived at any time if it is deemed to be in the best interest of the Town of Simsbury by the Finance Director and the Town Manager. All waivers shall be reported to the Board of Selectmen at the next regularly scheduled meeting for review.

§ A161-11. Professional services contracts.

Contracts for professional services (legal, engineering, architectural, etc.) in excess of \$50,000 are required to go out for a request for qualifications (RFQ). Services under \$50,000 shall not be governed by these regulations, but every effort shall be made to secure well-qualified professionals at the best terms possible for the Town.

§ A161-12. Emergencies.

- A. In case of emergency, the Finance Director may, or in the best interest of the Town, the Town Manager may, waive the procedures outlined herein.
- B. Emergency situations shall be those in which the operation of a department would be seriously hampered; or in which life, limb or property may be endangered; or in which the health or welfare of the general public is seriously threatened; or a natural or man-made disaster has occurred.

§ A161-13. When effective; revisions.

These bidding and purchasing regulations shall become effective as of November 14, 2018, and may be revised or amended from time to time by formal action of the Board of Selectmen.

§ A161-14. Board of Education transactions.

Separate procedures shall be established for Board of Education transactions.

§ A161-15. Conflict with Charter or state law.

In the event of any conflict between these procedures and the Charter of the Town of Simsbury or the Connecticut General Statutes, these procedures shall be construed to conform to the Charter or statutes, as the case may be.

§ A161-16. Review and adoption.

The procedures outlined herein shall be reviewed, amended, and adopted by the Board of Selectmen as needed. These procedures shall remain in effect until amended.

ARTICLE II. PURCHASING

ARTICLE II. PURCHASING ^[12]

[Sec. 23-14. Regulations established.](#)

[Sec. 23-15. Definitions.](#)

[Sec. 23-16. Purchase of supplies, materials and equipment and general services.](#)

[Sec. 23-17. Competitive bidding process.](#)

[Sec. 23-17.1. Awarding of contracts which contain alternates.](#)

[Sec. 23-18. Special or professional services and design/build services.](#)

[Sec. 23-18.1. Competitive proposal process: Requests for Proposals and Quality Based Selection.](#)

[Sec. 23-18.2. Office of Operations to be responsible.](#)

[Sec. 23-18.3. Waivers of competitive bid process or competitive proposal process.](#)

[Sec. 23-18.4. Contracts.](#)

[Sec. 23-18.4.1. Set-off of property taxes owed to city.](#)

[Sec. 23-18.4.2. Procedure.](#)

[Sec. 23-18.4.3. Contract compliance officer.](#)

[Sec. 23-18.5. State and federal bids. Cooperative associations of municipalities.](#)

[Sec. 23-18.6. Centralized purchasing.](#)

[Sec. 23-18.7. Exemptions.](#)

[Sec. 23-18.8. Reports.](#)

[Sec. 23-18.9. Audit.](#)

[Sec. 23-18.10. Violations and penalties.](#)

[Sec. 23-18.11. Purchases involving federal or state grant funds.](#)

[Sec. 23-18.12. Disqualification of contractors from bidding on city contracts.](#)

[Sec. 23-18.13. Surplus personal property and equipment.](#)

Sec. 23-14. Regulations established. ^[13]

Pursuant to C.G.S. § 7-148v, as amended, and Sec. C5-50-2(j) of the Charter of the City of Stamford, regulations governing the purchasing of supplies, materials, equipment and services are hereby established.

Sec. 23-15. Definitions. ^[14]

For the purpose of this Article, the following definitions shall apply:

- CODE OF ORDINANCES
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ARTICLE II. PURCHASING

Bidder or service provider list. A list, maintained by the purchasing agent, of all suppliers, vendors, contractors or service providers who have requested, in writing, that they received notice of bids or requests for proposals sought by the city.

Competitive bidding. The procedure for obtaining goods or services in which sealed bids are submitted in response to specifications provided by the city. This method does not include negotiation with bidders after the receipt and opening of bids.

Competitive proposal. A procedure for obtaining special or professional services in which proposals are solicited by a request for proposals (RFP), and specific terms and prices may be negotiated by the city after receipt of the proposals.

Critical emergency purchases. Those purchases of goods or services which, if not purchased or ordered immediately, can result in injury or damage to human life or property. This shall include all goods or services needed on an emergency basis to comply with federal, state or local public health, safety or housing codes and emergency repair of city-owned property, buildings, infrastructure, equipment and vehicles.

Department. Any entity of the city, including but not limited to any office, agency, board, commission, department or part thereof.

Department head. Any Director of an Office, Bureau Chief or such other employee with purchasing authority commensurate with the purchase to be made.

Design/build services. A combination of professional and general services as defined under this chapter, to be performed by one contractor under the Competitive Proposal Process with the approval of the Boards of Finance and Representatives.

General services. All services which result in a measurable end product which can be defined by bid specifications and all services used in the process of building, altering, improving or demolishing any city property, structure or building or any public infrastructure, but excluding architectural, engineering and other design services. Examples include, but are not limited to, electrical work, road resurfacing, sewer repair, building demolition, equipment maintenance and haul-away or disposal of waste products.

Lowest responsible qualified (or pre-qualified) bidder. The bidder whose bid is the lowest of those bidders possessing the skill, ability and experience necessary for faithful performance of the work based on objective criteria considering past performance and financial responsibility. Bidders may be excluded, provided that they have been disqualified pursuant to § 23-18.12 of this Code. Bidders may also be pre-qualified utilizing the Request for Qualifications Process described in § 23-18.1 B 1 of this Code or otherwise using recognized industry standards, provided that such pre-qualification criteria have been certified in writing to the purchasing agent as commercially relevant by the department head and/or the Director responsible for the purchase.

Requests for qualification/quality based selection. A procedure for selecting pre-qualified proposers for the provision of special or professional services, or for the final selection of such proposers under § 23.18.1 A and B of this chapter, respectively, where the selection criteria may be primarily influenced by the qualifications or experience of the proposer in similar or related projects.

Special or professional services. The furnishing of judgment, expertise, design, advice or effort by persons other than city employees, not involving the delivery of a specific end product defined by bid specifications. This shall include consulting, professional, legal, financial, personal and technical services. Examples include, but are not limited to, architects, auditors, attorneys, physicians, real estate appraisers, actuaries, engineers, computer programmers, professional construction managers, and systems designers. Special services shall also include repair services for city-owned property, equipment and vehicles where the nature of the repair cannot be defined in advance by bid specifications and the professional expertise of the service provider is more important than the lowest cost.

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Summary bid process. A competitive bid process which may be utilized among original responsible qualified bidders for a specific project or purchase when all bids exceed the budget appropriation for such project or purchase after deduction of all reasonably anticipated contingencies or the budget for such project or purchase, as is authorized under § 23-17 H of this chapter.

Supplies, material and equipment (Collectively referred to as goods). Any and all articles, whether purchased or leased, furnished to or used by any city department. Examples include, but are not limited to, fuel oil, desks, typewriters, paper, sand and high technology equipment such as computers, commercial software, telecommunications equipment and photocopying equipment.

Sec. 23-16. Purchase of supplies, materials and equipment and general services. ^[15]

- A. Purchases requiring formal competitive bid process. All purchases of goods and general services, as defined above which are listed on a requisition to an individual vendor, and which are anticipated to exceed the limit set annually by the Board of Finance shall be made by sealed competitive bid as described in § 23-17 of this article. Purchase requisitions shall not be split to avoid this requirement. In accordance with C.G.S. § 7-148v, as amended, said limit set by the Board of Finance shall not exceed \$7,500 or such other maximum amount as set by said statute. [Amended 12-2-1996 by Ord. No. 805]
- B. Purchases requiring informal competitive quotation process. Purchases of goods or general services which are in excess of three thousand dollars (\$3,000.00) but are less than the limit set by the Board of Finance, shall be based upon price quotations. Purchase requisitions shall not be split to avoid this requirement. Upon compliance with this section, a purchase order shall be issued.
- (1) Price quotations, either oral or written, shall be solicited from at least three (3) vendors or service providers or obtained from current catalogues or price sheets. The refusal to quote from an otherwise valid supplier shall qualify as a quotation. The process shall be documented in writing by the purchaser. If a single reasonable source exists for the purchase, this shall be documented in writing.
 - (2) A purchase of goods or general services shall be counted as one (1) purchase for like items. Unlike items, grouped together on one (1) purchase requisition, shall require price quotations only for those items on the purchase requisition that are in excess of three (\$3,000.00) thousand dollars. The determination of like and unlike items shall be based on the commodity codes assigned such items under the then current City financial system.
 - (3) The soliciting of price quotations may be waived for any critical emergency, as defined above, or for any of the reasons for waiving a bid process in § 23-18.3B. Said waivers shall require the approval of the department head or designee, who shall certify in writing to the purchasing agent the need for a waiver, and the approval of the purchasing agent or designee. No further approval shall be required. Said waivers shall be included in the purchasing agent's quarterly report.

Sec. 23-17. Competitive bidding process. ^[16]

For each purchase of goods or services made by competitive bid, the following shall apply.

- A. All requirements, terms and conditions sought by the city, including quality, delivery terms and vendor or contractor qualifications shall be contained in the bid specifications. For purchases requiring a contract, a draft contract shall be made a part of the bid specifications whenever possible.
- B. The purchasing agent shall publish a notice inviting sealed competitive bids at least once in a daily newspaper in the City of Stamford. The notice shall be published not less than ten (10)

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working days before the final date for submitting bids. Said notice shall contain a general description of the goods desired, the place where the bid specifications may be obtained and the day, hour and place the bids will be opened.

- C. The purchasing agent shall, in addition to the notice required, solicit sealed bids from all qualified potential suppliers who have requested that their names be placed on the bidder list by sending them copies of the newspaper notice or any other form of publicly available notice that will acquaint them with the proposed purchase at least ten (10) working days before the final date for submitting bids. Mailings made by the purchasing agent to qualified potential suppliers shall be solely for the convenience of suppliers. The failure of the purchasing agent to provide any supplier with notice of any bid shall not invalidate the bid process nor shall it prejudice the city in any manner.
- D. The purchasing agent may revise the bidder lists by dropping vendors and service providers who have not responded to three (3) consecutive bid notices sent to them and have not given written notice of interest in remaining on the list.
- E. All bids shall be submitted sealed to the purchasing agent and shall be accompanied by security in the form of certified check or bond in the amount stated in the public notice. The bids shall be opened in public at the time and place stated in the notice.
- F. For each purchase made by competitive bidding, a record of all bids submitted, giving the names of the bidders and amounts of the bids and indicating the successful bidder, together with the originals of all sealed bids and any other pertinent documents, shall be preserved by the purchasing agent for not less than three (3) years in a file which shall be open to public inspection.
- G. The contract for which the sealed bids are submitted shall be awarded to the lowest responsible qualified bidder or pre-qualified bidder who meets the requirements, terms and conditions contained in the bid specifications.
- H. In the event all bids submitted by responsible qualified bidders exceed the budget appropriation for such purchase after deduction of all reasonably anticipated contingencies, or the budget for such purchase, at the request of the department head the purchasing agent shall provide a summary bid process open only to such responsible qualified bidders that originally submitted a bid. Such summary bid process may include a post-bid conference, and shall permit resubmission of such original bids or the submission of new bids in not less than three (3) days from the mailing of notice to the original bidders, and may provide for the deletion or modification of one or more alternates or specifications provided in the original bid package as determined by the department head. ^[17]

Sec. 23-17.1. Awarding of contracts which contain alternates. ^[18]

- A. All bid specifications for a project for which alternates are to be included shall have the alternates listed in their order of priority.
- B. Prior to awarding a contract for which the bid specifications list alternates to be included, the purchasing agent shall be informed which alternates are to be included in the contract.

Sec. 23-18. Special or professional services and design/build services. ^[19]

- A. Services requiring formal competitive proposal process. Purchases of special or professional services, as defined above which are anticipated to exceed twenty-five thousand dollars (\$25,000.00), or design/build services shall be made by a competitive proposal process as described in § 23-18.1 of this Article. The award of any contract for design/build services shall require the

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approval of the Boards of Finance and Representatives. Notwithstanding the requirements of this section, said purchases may be made by competitive bid if the selection of a provider can reasonably be based upon the lowest possible price as determined by the department head.

- B. Purchases requiring informal competitive proposal process. Purchases of special or professional services which do not exceed twenty-five thousand dollars (\$25,000.00) but are in excess of ten thousand dollars (\$10,000.00) shall be based upon a reasonable and documented attempt to solicit proposals.
- (1) Proposals shall be solicited from at least three (3) qualified or pre-qualified service providers. The refusal to submit a proposal from an otherwise valid provider shall qualify as a proposal. The process shall be documented in writing by the purchaser. If a single reasonable source exists for the service, this shall be documented in writing.
 - (2) The soliciting of proposals may be waived for any critical emergency, as defined above, or for any of the reasons for waiving a proposal process in § 23-18.3B. Said waivers shall require the approval of the department head or designee, who shall certify in writing to the purchasing agent the need for a waiver, and the approval of the purchasing agent or designee. No further approval shall be required. Said waivers shall be included in the purchasing agent's quarterly report.

Sec. 23-18.1. Competitive proposal process: Requests for Proposals and Quality Based Selection. ^[20]

- A. Requests for Proposals. Except as authorized pursuant to § 23.18.1 B, for each purchase of special or professional services in excess of twenty-five thousand dollars (\$25,000.00) made by competitive proposal, the following shall apply:
1. Preparation of the request for proposals.
 - (a) Requests for proposals shall be prepared by the department head requesting the service. The purchasing agent shall assist in the preparation if needed. For purchases which require an additional appropriation, the request for proposals shall clearly state that the awarding of a contract is contingent upon the appropriation of funds.
 - (b) For requests for proposals for services anticipated to exceed \$100,000.00, a selection committee shall be formed which shall review the proposals. The committee shall include the purchasing agent and representation from all departments directly involved in the project. Additional members may be appointed by the Mayor. One (1) department head shall be designated as the lead department by the Mayor.
 - (c) All requirements, terms and conditions, including provider qualifications, desired by the city in the proposal shall be contained in the request for proposals. Whenever possible, a draft contract shall be made a part of the request for proposals.
 2. Solicitation of proposals.
 - (a) Unless preceded by a Request for Qualifications process as provided in § 23-18.1B1. of this Code, the purchasing agent shall publish notice of the request for proposals at least once in a daily newspaper in the City of Stamford at least ten (10) working days prior to the deadline to submit proposals. Whenever the service requested is so specialized that few appropriate providers can reasonably be expected to respond to said notice, it shall also be published in other newspapers or periodicals appropriate to the nature of the service requested.

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- (b) The notice shall include a general description of the services sought, the location where requests for proposals may be obtained and the deadline for the acceptance of proposals.
 - (c) In addition to the notice required, proposals shall be solicited from persons or firms thought to be qualified potential providers of the requested service and from qualified potential service providers who have requested that their names be placed on a service provider list. Solicitation shall be made by sending copies of the newspaper notice or any other form of publicly available notice that will acquaint providers with the proposed purchase of services at least ten (10) working days prior to the deadline to submit proposals. All mailings made by the purchasing agent to qualified potential proposers shall be solely for the convenience of proposers. The failure of the purchasing agent to provide any proposer with notice of any request for proposal shall not invalidate the proposal process nor shall it prejudice the City in any manner.
 - (d) The proposal process may be waived for any critical emergency, as defined above, or for any of the reasons contained in § 23-18.3B. Said request for a waiver shall be carried out in accordance with § 23-18.3B of this Article.
3. Awarding of contract.
- (a) Procedures and criteria for reviewing and evaluating proposals shall be defined by the department head or selection committee in advance of the deadline to submit proposals. For projects anticipated to exceed one hundred thousand dollars (\$100,000.00), the committee shall, if possible, interview the most qualified proposers.
 - (b) No proposal shall be reviewed by the city until after the deadline for proposals.
 - (c) The contract shall be awarded to the proposer whose proposal is deemed by the department head or selection committee to best provide the services desired, taking into account the requirements, terms and conditions contained in the request for proposals and the criteria for evaluating proposals.
 - (d) For each purchase of services by competitive proposal, a record of all proposals submitted, giving the names of the proposers and indicating the successful proposer, together with the originals of all proposals and any other documents pertaining to the selection process, shall be preserved by the purchasing agent for not less than seven (7) years in a file which shall be open to public inspection. The basis for selection of the successful proposal shall be clearly stated.
- B. Solicitation of Proposals using Quality Based Selection.
1. Quality Based Selection as Pre-Qualification.
- a. A Request for Qualifications process may be utilized in the pre-qualification of proposers in the purchase of special or professional services, or bidders in a competitive bidding process, where it is determined by the department head that such services are unique or that the nature of the project requires selection criteria primarily influenced by the past experience of a proposer in similar or related projects. Such determination shall be made in writing and approved by the Director with oversight responsibility for such department head. Copies of the written determination and Director's approval shall be immediately forwarded to the Boards of Finance and Representatives.
 - b. The notification and publication requirements in §23-18.1B of this Code shall be deemed to have been satisfied where such procedures have been utilized in a preliminary process of Requests for Qualifications. Where a Request for Qualification has been so utilized, the Request for Proposals may be exclusively directed to the proposers deemed qualified by the selection committee.

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- c. Requests for Qualification shall be prepared by the department head most closely involved in the project. A selection committee shall be formed which shall evaluate the responses. The committee shall include the purchasing agent and representation from all departments directly involved in the project. Additional members may be appointed by the Mayor. One (1) department head shall be designated as the lead department by the Mayor.
 - d. The selection committee shall review all qualifications submitted and shall interview not less than three proposers (or such lesser number as shall have submitted qualifications), and shall determine which of the proposers are qualified under such qualification criteria as shall have been certified in writing to the purchasing agent as commercially relevant by the department head and/or the Director responsible for the purchase. The selection committee shall furnish a list of such pre-qualified proposers to the purchasing agent. Thereafter, a Request for Proposals process shall be utilized pursuant to §23.18.1A of this chapter. In the case of a purchase of supplies, materials, equipment or general services a Competitive Bid Process pursuant to § 23-17 shall be utilized, except that bids may be solicited exclusively from the list of pre-qualified bidders.
2. Quality Based Selection as a final selection process.
- a. A Request for Qualifications process may be utilized in the purchase of special or professional services in lieu of the Request for Proposals process, where it is determined by the department head that such services are unique or that the nature of the project requires selection criteria primarily influenced by the past experience of a proposer in similar or related projects, and that the best interests of the City will be served by the use of such process. Such determination shall be made in writing and approved by the Director with oversight responsibility for such department head. Copies of the written determination and Director's approval shall be immediately forwarded to the Boards of Finance and Representatives.
 - b. Requests for Qualification shall be prepared by the department head most closely involved in the project. A selection committee shall be formed which shall review and evaluate the responses. The committee shall include the purchasing agent and representation from all departments directly involved in the project. Additional members may be appointed by the Mayor. One (1) department head shall be designated as the lead department by the Mayor.
 - c. The purchasing agent shall publish notice of the Request for Qualifications at least once in a daily newspaper in the City of Stamford at least ten (10) working days prior to the deadline to submit proposals. Whenever the service requested is so specialized that few appropriate providers can reasonably be expected to respond to said notice, the publication may be waived or limited to newspapers or periodicals appropriate to the nature of the service requested. The notice shall include a general description of the services sought, the location where requests for qualifications may be obtained and the deadline for the acceptance of proposals. Mailings made by the purchasing agent to potential proposers shall be solely for the convenience of proposers. The failure of the purchasing agent to provide any proposer with notice of any request for qualification shall not invalidate the proposal process nor shall it prejudice the city in any manner.
 - d. In addition to the notice required, proposals may be solicited from persons or firms thought to be qualified potential providers of the requested service and from qualified potential service providers who have requested that their names be placed on a service provider list. Solicitation may be made by sending copies of the newspaper notice or any other form of publicly available notice that will acquaint providers with the proposed purchase of services at least ten (10) working days prior to the deadline to submit proposals.
 - e. The selection committee shall review all qualifications submitted and shall interview not less than three proposers (or such lesser number as shall have submitted qualifications),

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and shall determine which of the proposers are qualified under such qualification criteria as shall have been certified in writing to the purchasing agent as commercially relevant by the department head and/or the Director responsible for the purchase. The selection committee shall rank the proposers based upon such qualification criteria in order of preference and shall provide a list thereof to the purchasing agent.

- f. The department head shall then negotiate a contract with the highest qualified firm with the assistance of the Office of Legal Affairs, at a compensation determined by the department head to be fair and reasonable to the city, considering the estimated value, the scope, the complexity and the professional nature of the services to be rendered. Should the department head be unable to negotiate a satisfactory contract with such firm, negotiations shall be formally terminated. The department head shall then undertake negotiations with the second most qualified firm. Failing an agreement with the second most qualified firm, the department head shall formally terminate negotiations with that firm, and shall proceed to the next most qualified firm(s) in the order of rank and in the same fashion, until a contract is negotiated at a fair and reasonable compensation to the city.
- g. For each purchase of services by quality based selection, a record of all qualifications and proposals submitted, the names of all proposers and the selection committee's list and rank of the qualified vendors, together with the originals of all proposals and any other documents pertaining to the selection process, shall be preserved by the purchasing agent for not less than seven (7) years in a file which shall be open to public inspection.

Sec. 23-18.2. Office of Operations to be responsible. [\[21\]](#)

The Office of Operations shall have the primary responsibility for all bid specifications and for all requests for proposals for technical services, including architectural and engineering services, for construction, alteration or demolition of city buildings or infrastructure, even if the building or structure being designed or constructed will be operated or used by another city department when finished.

Sec. 23-18.3. Waivers of competitive bid process or competitive proposal process. [\[21\]](#)

A. Critical emergency purchases.

- (1) Critical emergency purchases, as defined above, may be made by waiving the competitive bid or proposal process. Emergency procurement shall be limited to those supplies, services or construction items necessary to meet the emergency. Said purchases shall be authorized by the appropriate department head or designee with the written consent of the Mayor or the Director of Administration if the Mayor is unavailable.
- (2) Written certification of the emergency and the reason for the selection of the particular supplier, signed by the department head or designee, shall be submitted to the purchasing agent, the Director of Administration and the Mayor within five (5) working days of the authorization of the waiver and shall be made a part of the purchase file.
- (3) Notification of all such emergency purchases shall be made to the Board of Finance and Board of Representatives within two (2) weeks of authorization.

B. Other purchases made by a waiver of bid or proposal process.

- (1) Purchases of goods and services, other than critical emergency purchases, may be made by waiving the bid or proposal process for the following reasons:

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- (a) Only one (1) reasonable or qualified source can be identified. This shall include situations where only one (1) vendor or provider is manufacturer authorized or certified or where parts are available only through a single distributorship.
 - (b) A special source, including but not limited to a sale, purchasing plan, government discount or trade-in allowance, will provide a lower cost than that which would result from a bid process.
 - (c) Time is a critical factor.
 - (d) A bid or proposal process would result in substantially higher costs to the city or inefficient use of personnel or cause disruption to city operations.
 - (e) Prices of goods or services are federal or state regulated.
- (2) Such purchases shall require the written certification of the reason for the waiver, signed by the department head, and the written approval of the purchasing agent, the Director of Administration and the Mayor. Purchases over fifty thousand dollars (\$50,000.00) shall require the approval of the Board of Finance.
- (3) Sole source bid and proposal waivers shall clearly document that only one (1) reasonable or qualified source exists. Bid waivers for other reasons shall include price quotations sought from three (3) vendors, if available. All waiver documentation shall be made a part of the purchase or contract file.
- (4) A written record of all waivers of the competitive bid or proposal process shall be kept by the purchasing agent and be included in the quarterly report. This record shall include the reasons why a bid waiver was used.

Sec. 23-18.4. Contracts. [\[23\]](#)

- A. Contract required. A written contract between the city and a contractor or service provider is required for any service which exceeds twenty-five thousand dollars (\$25,000.00). Said contract shall be reviewed and approved as to form by the Office of Legal Affairs, approved by the Risk Manager if insurance is required and signed by the Mayor in accordance with the procedure established by the Office of Legal Affairs. Purchases of services for less than twenty five thousand dollars (\$25,000.00) shall be made by purchase order on a form approved by the Office of Legal Affairs.
- B. Contract approval. All contracts for services which exceed one hundred thousand dollars \$100,000.00, obtained through the competitive proposal (Request for Proposals or Request for Qualifications) process or by bid waiver, shall require the approval of the Board of Finance and Board of Representatives in that order. If the Board of Finance does not act upon said contract within 30 days of receipt of the contract, or the Board of Representatives within 60 days or the second regular Board of Representatives meeting following said Board's Steering Committee meeting for which said contract was submitted, whichever occurs later, the contract shall be considered to be approved by that respective Board. Approval shall be by a majority of each board present and voting. If modifications are made to the contract after approval by the Board of Finance, said modifications need not be approved by the Board of Finance, provided that the Board of Representatives approves the revised contract by a majority vote of the entire Board. [Amended 4-2-1996 by Ord. No. 771]
- C. Contracts which exceed the contracted price. No extra work shall be authorized or paid for in connection with any service contract unless the following have been complied with:
- (1) Contracts for public improvements, including special or professional services associated with such contracts such as architectural, engineering and construction management, shall follow the procedure in Charter Sec. C5-50-2(d). [Amended 12-2-1996 by Ord. No. 805]

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- (2) Contracts for other services which required the approval of any board and which exceed the contract price by 15% or more shall require the approval of the Director of Administration, the Mayor, and the Board of Finance before the additional cost shall be paid. Said contracts shall specifically refer to this section of the Code of Ordinances, and the city shall not be liable for payment of any additional costs unless this provision shall have been fully complied with.
- D. Contract extensions. [Amended 10-5-1992 by Ord. No. 698; 5-1-1995 by Ord. No. 754]
- (1) No contract for goods or services which would require a formal bid or proposal process may be extended beyond the contracted time period unless the department head certifies the necessity of such extension and the purchasing agent approves and submits such request to the Mayor. For contracts for special services obtained by the request for proposals process, the department head shall certify the necessity of such extension directly to the Mayor. Extension of a contract for services which originally exceeds one hundred thousand dollars (\$100,000.00), or will exceed said sum after such extension, obtained by the request for proposals process shall require the approval of the Mayor and of the Board of Finance and Board of Representatives, in that order. The same procedure as that for contract approval, mandated by § 23-18.4B, above, shall apply to the approval of an extension of a contract. Extension of all other contracts shall require approval by the Mayor and the Director of Administration.
- (2) Contracts may be extended without formal bid or proposal for the following reasons:
- (a) The contractor is the sole qualified or reasonable provider of such goods or services. This shall include exclusive service/maintenance contracts for existing equipment or vehicles.
- (b) New competitive bids or requests for proposals would result in an increase in the cost of goods or services or significant disruption of city operations. Employee health and life insurance shall be included in this category. For contracts obtained by bid, an increase in price shall be documented by price quotations, if possible, in addition to a written quotation submitted by the present contractor.
- (c) City services cannot be discontinued and a new contractor has not been acquired to replace the current contractor. There shall be a six-month limit on the contract extension.
- (d) The option for an extension is included in the original contract.
- (3) The extension of all special or professional contracts awarded under the competitive proposal process shall be reported by the appropriate department head to the purchasing agent, who shall include said information, together with the extension or renewal of all bid contracts, in the quarterly report.
- E. Subsequent purchases from a contractor. The city shall not purchase from a consultant or service provider engaged by the city any subsequent goods or services of any kind which are not provided for in the contract unless said goods or services are purchased in compliance with this Article or the contract is extended in accordance with this section.

Sec. 23-18.4.1. Set-off of property taxes owed to city. [\[24\]](#)

- A. Pursuant to Section 12-146b of the Connecticut General Statutes, as amended, the city shall have the right to set-off or withhold any payment, or portion thereof, due to any business enterprise pursuant to any contract or purchase order for the purchase of any supplies, material, equipment and services if any taxes levied by the city against any property, both real and personal, owned by such business enterprise are delinquent and have been so delinquent for a period of not less than one year; provided, however, that no such amount withheld shall exceed the amount of tax, plus penalty, lien fees and interest, outstanding at the time of withholding.

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- B. A statement that the city shall have said right of set-off or withholding shall be included in all documents used for the purchase of goods and services, including but not limited to bid documents, requests for proposals, purchase orders and contracts. Pursuant to Sec. C5-20-3 of the Stamford Charter, the Corporation Counsel shall prepare or cause to be prepared all such documents. Any contractor or vendor signing a contract or executing a purchase order with the City of Stamford shall thereby authorize the city to execute such set-off.

Sec. 23-18.4.2. Procedure. [\[25\]](#)

- A. Within one month after the due date for the payment of real and personal property taxes, the Tax Collector shall notify the City Controller and the Office of Legal Affairs of all property taxes delinquent for a period of one year or more. The City Controller, with the approval of the Corporation Counsel, shall have the authority to withhold any payment owed to any business enterprise as provided in § 23-18.4.1 above.
- B. Any contractor or vendor shall have the opportunity to dispute the delinquency and/or to negotiate a reasonable and acceptable payment arrangement. Pursuant to Sec. C5-20-3 of the Stamford Charter, the Corporation Counsel shall have the authority to make any such payment arrangement. The City Controller, at the direction of the Corporation Counsel, shall have the authority to withhold payment, pending resolution of such appeal.
- C. A procedure to accomplish the set-off or withholding of payments, as provided above, shall be developed by the Office of Legal Affairs, Director of Administration, City Controller and Tax Collector and shall be supplied to the Board of Representatives.

Sec. 23-18.4.3. Contract compliance officer. [\[25.1\]](#)

- A. Designation of a Contract Compliance Officer. The Office of Administration shall hereby designate a Contract Compliance Officer of the City of Stamford who shall have, but not be limited to, the duties set forth in this ordinance.
- B. Tracking of contracts; biannual report.
 - 1. The Contract Compliance Officer, with the assistance of the Office of Legal Affairs, shall maintain a system for the tracking of contracts for goods and services in excess of twenty-five thousand dollars (\$25,000.00) or in an amount as set forth in § 23-18.4 A of the Code of Ordinances (Purchasing Ordinance: Contracts) as the same may be amended from time to time.
 - 2. The Contract Compliance Officer shall prepare a biannual report to the Board of Representatives, the Board of Finance and the Mayor to be delivered on or before January 15 and July 15 of each year and which shall provide the following information as of January 1 and July 1 of that year.
 - a. A list of all valid and approved contracts for goods and services, listed by the name of the contractor or service provider, for which payments by the City of Stamford exceed, or in the opinion of the Contract Compliance Officer are likely to exceed, one hundred thousand dollars (\$100,000.00) for each contract.
 - b. The expiration date of all such contracts, if applicable.
 - c. The scope of services for all such contracts.
 - d. The compensation provided for in all such contracts.

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- C. Listing of contractors and providers providing goods and services without a contract. Said biannual report shall also list separately all contractors or service providers who, at the time of the report, are known by the Contract Compliance Officer to be providing goods or services without a valid and approved contract with the City of Stamford, and to whom payments by the City of Stamford exceed, or in the opinion of said officer are likely to exceed, one hundred thousand dollars (\$100,000.00).
- D. Effective date. This ordinance shall take effect on July 1, 2001 and the first report shall be submitted to the Board of Representatives, the Board of Finance and the Mayor on or before January 15, 2002.

Sec. 23-18.5. State and federal bids. Cooperative associations of municipalities. [\[26\]](#)

- A. Contracts obtained by competitive bid by the State of Connecticut or by the Connecticut Hospital Association or its affiliates or by the federal GSA or through a cooperative association of municipalities, may be utilized when it is determined, in writing, by the purchasing agent to be in the best interest of the city, provided that proper bidding and awarding procedures have been used and the bid specifications are as stringent as city requirements.
- B. Said certification shall be made part of the contract file, and all such purchases shall be included in the quarterly report.

Sec. 23-18.6. Centralized purchasing. [\[27\]](#)

- A. Purchased goods or services common to many departments, where the total annual purchases of such goods or services are in excess of \$25,000, shall be bulk purchased by the purchasing agent for all departments. Such goods or services shall include but not be limited to alarm services, personal computers, long-distance telephone services, office and general supplies and copying goods and services.
- B. Specific departments or specific goods or services may be excluded from centralized purchasing, provided that:
 - (1) A written determination, with documentation, is made by the purchasing agent and signed by the Director of Administration that no significant savings in cost can be achieved through centralized purchasing; or
 - (2) A written determination is made by the appropriate department and signed by the Director of Administration that the unique requirements of that department require it to purchase specific goods or services separately from centralized purchasing.
- C. The purchasing agent, at his discretion, may purchase common items under one contract, or may obtain a master, or umbrella contract from which departments may obtain goods or services directly from the provider, subject to department budget limitations. In selecting a master contract, the total cost of all goods or services at the expected quantity or amounts to be purchased shall be used in determining the total cost of the proposal or bid.
- D. The purchasing agent shall solicit departmental requirements in the purchasing of centralized goods and services and, as appropriate, shall utilize committees drawn from the appropriate departments to set specifications.
- E. The proportionate cost of any centrally purchased goods or services utilized by an individual department shall be charged to that department.
- F. This provision shall take effect July 1, 1992.

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Sec. 23-18.7. Exemptions.

Public utilities are not subject to the provisions of this Article.

Sec. 23-18.8. Reports. [\[28\]](#)

- A. The purchasing agent shall prepare written quarterly reports to be submitted to the Director of Administration, the Mayor, the Board of Finance and the Board of Representatives. Said reports shall contain the following information:
- (1) Contracts awarded by the competitive bidding process.
 - (2) Contracts awarded by the competitive proposal process.
 - (3) Waivers of the competitive bidding or proposal process.
 - (4) Contracts which have been extended.
 - (5) Contracts obtained through state bids.
 - (6) Waivers of informal bid and proposal process.
- B. A list of all contracts awarded by the City of Stamford for the purchase of goods and services shall be filed annually by the purchasing agent with the Town and City Clerk. Said list shall include the name, address and minority and/or female status of the vendor or contractor, the department making the purchase, the type of goods or services purchased and the total price paid by the city.

Sec. 23-18.9. Audit.

The purchasing process shall be audited every three (3) years by the City Internal Auditor. Notwithstanding this requirement, an audit may be performed at any time by an auditor hired by the Board of Finance.

Sec. 23-18.10. Violations and penalties.

Any deliberate and willful attempt to violate or circumvent the purchasing process established by this Article shall be a violation of the Code of Ethics of the City of Stamford. [\[29\]](#) This section shall take effect on January 1, 1992.

Sec. 23-18.11. Purchases involving federal or state grant funds. [\[30\]](#)

Notwithstanding the provisions of this chapter, in any situation wherein federal or state grant funds are utilized to support a city purchase of goods or services, and either a majority of the funding is provided by the federal or state government, or as a condition of such grant the city is required to follow the grantor's procurement regulations, such grantor's procurement regulations may be followed in lieu of compliance with this chapter.

Sec. 23-18.12. Disqualification of contractors from bidding on city contracts. [\[31\]](#)

- A. Purpose/definitions.
- (1) In order to help ensure that the city does business with qualified contractors, there shall be a system of disqualification of contractors created pursuant to C.G.S. § 7-148w., as amended.

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- (2) As used in this ordinance, the term "contractor" means any person, firm or corporation which has contracted or seeks to contract with the city of Stamford, or to participate in such a contract, in connection with any public works of the city, including professional consultants.
- (3) As used in this ordinance, the term "hearing officer", shall mean a person, appointed by the Mayor, to hear and decide allegations that any contractor should be disqualified pursuant to this ordinance, except that no hearing officer shall be appointed who has personally carried out the function of an investigator in any contested issue before that hearing officer.
- (4) Any contractor may be disqualified for a period not to exceed two years from bidding on, applying for, or participating as a subcontractor under, contracts with the city for one or more causes set forth under § 23.18-12 C of this ordinance.

B. Hearing/Procedure.

- (1) The hearing shall be conducted in accordance with C.G.S. §§ 4-176e through 4-181a, as amended. The hearing officer shall issue a written decision within ninety days of the last date of such hearing and state in the decision the reasons for the action taken and, if the contractor is being disqualified, the period of such disqualification. The existence of a cause for disqualification shall not be the sole factor to be considered in determining whether the contractor shall be disqualified. In determining whether to disqualify a contractor, the hearing officer shall consider the seriousness of the contractor's acts or omissions and any mitigating factors. The hearing officer shall send the decision to the contractor by certified mail, return receipt requested.

C. Disqualification/reinstatement/exception.

- (1) Causes for disqualification from bidding on, applying for or participating in, contracts shall include the following:
 - (a) Conviction or entry of a plea of guilty or nolo contendere for or admission to commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 - (b) Conviction or entry of a plea of guilty or nolo contendere or admission to the violation of any state or federal law for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a municipal contractor;
 - (c) Conviction or entry of a plea of guilty or nolo contendere or admission to a violation of any state or federal antitrust, collusion or conspiracy law arising out of the submission of bids or proposals on a public or private contract or subcontract;
 - (d) A willful failure to perform in accordance with the terms of one or more public contracts, agreements or transactions;
 - (e) A history of failure to perform or of unsatisfactory performance of one or more public contracts, agreements or transactions; or
 - (f) A willful violation of a statutory or regulatory provision or requirement applicable to a public contract, agreement or transaction.
- (2) For purposes of a disqualification proceeding under this ordinance, conduct may be imputed as follows:
 - (a) The fraudulent, criminal or other seriously improper conduct of any officer, director, shareholder, partner, employee or other individual associated with a contractor may be imputed to the contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the contractor and the contractor knew of or had

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reason to know of such conduct. The term "other seriously improper conduct" does not include advice from an attorney, accountant or other paid consultant if it was reasonable for the contractor to rely on such advice.

- (b) The fraudulent, criminal or other seriously improper conduct of a contractor may be imputed to any officer, director, shareholder, partner, employee or other individual associated with the contractor who participated in, knew of or had reason to know of the contractor's conduct.
 - (c) The fraudulent, criminal or other seriously improper conduct of one contractor participating in a joint venture or similar arrangement may be imputed to other participating contractors if the conduct occurred for or on behalf of the joint venture or similar arrangement and these contractors knew of or had reason to know of such conduct.
- (3) The city may reduce the period or extent of disqualification, upon the contractor's request, supported by documentation, for the following reasons:
- (a) Newly discovered material evidence;
 - (b) Reversal of the conviction upon which the disqualification was based;
 - (c) Bona fide change in ownership or management;
 - (d) Elimination of other causes for which the disqualification was imposed; or
 - (e) Other reasons the city deems appropriate.
- (4) The city may grant an exception permitting a disqualified contractor to participate in a particular contract or subcontract upon a written determination by department head and purchasing agent that there is good cause, in the interest of the public, for such action.

Sec. 23-18.13. Surplus personal property and equipment. [§31.11](#)

1. *Listing of Surplus Property.* Each city office, department, board, commission, authority, the Board of Education or other agency shall furnish to the Purchasing Agent, on such forms and at such time as the Purchasing Agent may prescribe, a statement of surplus or unusable supplies, material or equipment in its custody or control. To the extent that it is possible, using due diligence and inquiry, said statement shall include the date such items were purchased, the purchase price, and the use to which they were put from the date of purchase to the present. Copies of said statements shall be provided by the Purchasing Agent to the Board of Representatives.
2. *Disposal by Public Auction.* If the Purchasing Agent believes that the surplus or unusable supplies, materials or equipment cannot be used or made available for use by the City, the Purchasing Agent may dispose of such supplies, materials or equipment from time to time at public auction or upon sealed bids.
3. *Exemptions.*
 - (a) The provisions of this ordinance shall not require a public auction for the disposal of surplus or unusable supplies, materials or equipment which has a current value of one thousand dollars (\$1,000.00) or less. The Purchasing Agent may, at his or her own discretion, dispose of such property, either singularly, or in lots, by the sealed bid process.
 - (b) In the event that the Purchasing Agent determines that surplus or unusable supplies, materials or equipment have no market value, then he or she shall make a list of said property and forward said list to the Mayor. Upon written approval of the Mayor, the Purchasing Agent may throw out or otherwise dispose of said surplus or unusable supplies, materials or equipment.

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4. *Donation of Surplus Property.* Upon written approval of the Mayor, the Purchasing Agent may donate city surplus or unusable supplies, materials or equipment to not-for-profit agencies and/or causes, or other governmental or quasi-governmental agencies.
5. *Records to be Maintained.* The Purchasing Agent shall maintain records of all transactions made pursuant to this ordinance. Said records shall include, but not be limited to: lists of equipment that has been sold, including the name of the purchaser and the purchase price; lists of equipment that has been disposed of; and lists of equipment that has been donated, including the name and address of the donee, the date of the transaction and the approximate value of the equipment on the date that it was donated.

FOOTNOTE(S):

--- (12) ---

Adopted 4-1-1991 as Ord. No. 669, Amended in its entirety 10-7-1991 by Ord. No. 683. [\(Back\)](#)

Editor's note— This ordinance also repealed former Art. II, Purchasing, adopted as Secs. 6-50 through 6-54 of the 1972 Code. [\(Back\)](#)

--- (13) ---

Amended 12-2-1996 by Ord. No. 805; Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (14) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (15) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (16) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (17) ---

Editor's note—Former Subsection H, which provided for appeals by unsuccessful bidders, was repealed 12-2-1996 by Ord. No. 805. [\(Back\)](#)

--- (18) ---

Added 5-1-1995 by Ord. No. 759. [\(Back\)](#)

--- (19) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (20) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (21) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

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--- (22) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (23) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (24) ---

Added 7-7-1997 by Ord. No. 826. [\(Back\)](#)

--- (25) ---

Added 7-7-1997 by Ord. No. 826. [\(Back\)](#)

--- (25.1) ---

Added 4-4-2001 by Ord. No. 955. [\(Back\)](#)

--- (26) ---

Amended 5-1-1995 by Ord. No. 759; Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (27) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (28) ---

Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (29) ---

Editor's note—See Ch. 19, Ethics, Code of. [\(Back\)](#)

--- (30) ---

Added 9-7-1993 by Ord. No. 715; Amended 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (31) ---

Added 2-1-1999 by Ord. No. 865. [\(Back\)](#)

--- (31.1) ---

Adopted 11-3-1999 as Ord. No. 912. [\(Back\)](#)

TOWN OF HEBRON DEBT MANAGEMENT POLICY

Our Mission

To provide a comprehensive, viable and consistent debt management policy which recognizes the capital improvement needs of the Town of Hebron as well as the taxpayer's ability to pay while considering the existing legal, economic, financial and debt market factors.

Purpose

The basic purpose of this policy is to establish parameters and guidance for the Board of Selectmen and Board of Finance in decision making on capital spending and the issuance and management of debt. This debt policy is the Board's recognition of a binding commitment to ensure sound debt repayment, position and credit quality protection.

Relevant Factors for Debt Issuance

- Legal Constraints on debt capacity and various financial alternatives.
- Maintenance of the formally adopted Capital Improvement Plan Program by the Board.
- Maintenance of the formally adopted General Fund Unassigned Fund Balance.
- Urgency of capital requirements, economic costs, demographic trends and possible delay ramifications.
- Willingness and financial ability of the taxpayers to pay for capital improvements.
- Current interest rates and other market economic considerations.
- Overall financial condition of the Town of Hebron.
- The sources, availability and stability of revenues to be pledged towards repayment of debt.
- Type of debt to issue, whether short term or long term and proper balance between internal and external financing.
- Nature of the projects to be financed.
- Determination of "pay as you acquire" versus "pay as you use" approach.

Debt Management Elements & Objectives

1. Capital Improvement Projects that may be financed by debt shall be repaid annually through tax revenues or other available revenue sources when designated for same and not feasible through a pay as you acquire format. Current operating expenditures shall not be funded through issuance of debt, i.e.; small, recurring maintenance or rolling stock (excluding vehicles with an excess cost of \$500,000 and a life expectancy greater than 15 years), or salaries.

2. Cash surpluses, grants, contributions or other revenue that may be designated for specific capital improvements or from the Capital Improvement Reserve Fund or Non-recurring Fund (excluding the General Fund) and where available and applicable should be utilized to finance scheduled capital improvements.
3. Short term debt may be utilized to provide interim cash flow to facilitate timing of bond sales, avoid locking in high long-term interest rates during periods of market turmoil or to partially finance projects where the final cost is uncertain. It is not to be used to defer the operating budget impact on bonded debt service or to speculate market rates. Interest and issuance costs for short term debt will be included in the capital request and will be charged to the applicable project.
4. General obligation bonds are issued to finance traditional public improvements. Revenue or limited obligation bonds may be issued within statutory parameters to finance only those projects or programs which directly support the Town's long term economic development, housing interests, or where service is of limited constituency and is clearly self-supporting.
5. Long term leases may be utilized for copiers, computers, major equipment, rolling stock or other capital items when it is cost efficient and justifiable to do so.
6. Alternate methods of creative financing such as swaptions (interest rate swap option), variable rate debt, etc., shall be fully disclosed, discussed and approved by the Board of Selectmen and Finance.
7. The Town of Hebron shall issue debt for the purpose of constructing or acquiring large non-recurring permanent capital improvements and for major renovations to existing capital improvements that are inclusive of the Town's Capital Improvement Plan Program. The exception to this element would be subject to approval of the Board of Finance.
8. All capital improvements financed through debt issuance shall be financed for a period not to exceed the useful life of improvements, but in no event, exceed 20 years (30 years for sewer projects) as in accordance with Connecticut State Statutes.
9. The Town of Hebron shall not construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of said facility.
10. The Town of Hebron will, at all times, manage its debt and sustain its financial position with the highest possible credit rating.
11. The Town of Hebron will ensure that an adequate system of internal financial control exists to maintain reasonable assurance and compliance with appropriate laws, rules, regulations and covenants associated with outstanding debt.
12. Revenue sources will only be pledged for debt when legally available and in similar situations where they have previously been used for operation and maintenance expenses/general operating expenditures.
13. The Town of Hebron will market its debt through the use of competitive bid process whenever deemed feasible, cost effective and advantageous to do so. However, it shall be recognized that in some situations, certain complexities and intricacies of a particular debt issue are such that it

may be advantageous to market the debt via negotiated sale. Bidders shall be encouraged to market the bonds to local investors.

14. The Town of Hebron will continually monitor its outstanding debt in accordance to existing conditions in the debt market and will refund/refinance outstanding debt when significant cost savings can be realized.
15. Credit enhancements will be used only in those instances where the anticipated savings in terms of reduced interest exceeds the cost of the credit enhancement.
16. The Town of Hebron will always attempt to issue debt that carries a fixed interest rate in order to maintain a stable and sustainable debt service burden. However, certain circumstances may warrant the issuances of variable rate with constant monitoring for an appropriate stabilization arrangement.

Continuing Disclosure:

The Town is committed to continuing disclosure of financial and pertinent credit information relevant to the Town's outstanding securities and will abide by the Provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure and its executed Continuing Disclosure Agreements.

Policy Review

This policy should be jointly reviewed by the Board of Selectmen, Board of Finance, Town Manager and Finance Director periodically as deemed necessary in order to maintain a stable debt service burden.

Revised 2/12/16

Adopted 3/1/16

TOWN OF HEBRON DEBT SERVICE FUND

DESCRIPTION

Governments frequently incur long-term-debt that they intend to repay from the financial resources of the general government. Often governments set aside monies to meet current and future debt service requirements on a general government debt. The Debt Service Fund is established for the accumulation of assets to meet current and future debt service requirements.

PURPOSE

1. **Creation.** Creation of a Debt Service Fund is hereby established for the Town of Hebron, which shall be used to account for the accumulation of financial resources to be used to offset the impact of current and future principal and interest requirements on general long-term debt. The purpose is to accumulate adequate reductions in revenues. Accordingly, the Governmental Accounting Standards Board's (GASB), Section 1300.104, establishes the debt service fund type "to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest."
2. **Appropriations.** Appropriations to the Debt Service Fund may occur as a result of budgeted funding or from a transfer from the Unassigned Fund Balance which would be recommended by the Board of Finance. The Board of Finance shall review the Unassigned Fund Balance with the Finance Director as soon as practicable after the conclusion of the prior year's audit by the Town's Independent Auditors. The Board of Finance shall determine the amount of the appropriation, if any, to be made to the Debt Service Fund. The appropriation amount, together with a recommendation, will be provided to the Board of Selectmen. The Board of Selectmen shall determine when to go to Town Meeting for approval by Hebron's residents.
3. **Expenditures.** Expenditures from the Debt Service Fund shall be made as budgeted interfund transfers to the General Fund for payment of debt service principal and interest requirements.
4. **Fund Balance.** The unexpended balance of the Debt Services Fund existing at the close of any fiscal period shall remain credited to such fund and shall not lapse to the General Fund. The fund shall accumulate investment earnings that shall become part of the fund balance.

§ 3-14. Local bidder preference. [Added 9-2-1997¹]

- A. For the purposes of this section, "City-based business" shall mean a business with its principal place of business located within the boundaries of the City of Meriden. A business shall not be considered a "City-based business" unless evidence satisfactory to the Department of Finance has been submitted with each bid by said business to establish that it has a bona fide principal place of business in the City of Meriden. Such evidence may include evidence of ownership of or a long-term lease of the real estate from which the principal place of business is operated or payment of property taxes on the personal property of the business.
- B. The Department of Finance shall determine the lowest responsible bidder in the following order:
- (1) Any City-based business responsible bidder which has submitted a bid not more than 10% higher than the low bid, provided that such City-based business responsible bidder agrees to accept the award of the bid at the amount of the lowest bid. The acceptance shall be submitted in writing to the Department of Finance during the next business day following the opening of the bid. If more than one City-based business responsible bidder has submitted bids not more than 10% higher than the lowest bid and has agreed to accept the award of the bid at the amount of the lowest bid, the lowest responsible bidder shall be that one of the City-based business responsible bidders which has submitted the lowest bid. This subsection shall not apply in those instances where the bid requested involves a cooperative purchasing arrangement between the City of Meriden and other municipalities or the State of Connecticut.
 - (2) The low responsible bidder.

1. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. II).

§ 78-8. Formal contract procedure. [Amended 9-4-2007 by Ord. No. 20-07; 5-2-2013 by Ord. No. 11-13; 9-8-2015 by Ord. No. 21-15]

Purchases shall be made in accordance with this Code of Ordinances, provided that if any purchase or contract for purchasing, including a continuing order or contract for the purchase of the same commodity or service over a period of four months, involves the expenditure of \$25,000, the Director of Finance or Supervisor of Purchasing, when designated, unless it shall be determined by the Council to be against the best interest of the City, or unless the item is a proprietary or one-source item or may be purchased cooperatively as described in § 78-7B and C, based on the considerations listed below, shall invite sealed bids or proposals, giving 10 days' notice thereof by publication at least once in a newspaper having a circulation in the City, and shall let the purchase or contract to the lowest responsible bidder thereon or may reject any or all such bids or proposals. All such sealed bids or proposals shall be opened publicly. The reason for rejection shall be placed on file with the bids.

- A. In reaching a determination if a waiver of the bidding procedure is in the best interest of the City, the Council shall consider factors such as the urgency of the sale, purchase or contract; the type of purchase, sale or contract; the amount of money involved; the necessity of the purchase, sale or contract; the lack of an appearance of favoritism or impropriety; and other factors which the Council deems to be applicable to the situation. Any Director seeking a waiver shall be responsible to supply to the Mayor's office, in a timely manner, prior to the Common Council meeting at which the bid waiver request is to be heard, complete documentation to support the request to waive the bidding procedures, addressing all considerations the Director feels relevant, including but not limited to the factors previously stated above. Said documentation shall be included in the Common Council notice and agenda served on Council members prior to their regularly scheduled meeting. At the Common Council meeting, the Director shall be expected to address all of the foregoing considerations and be ready to answer any and all other questions related to the bid waiver request.
- B. Scope of notice. The newspaper notice required herein shall include a general description of the supplies or contractual services required and shall state where bid blanks and specifications may be secured and the time and place for opening bids.

- C. Bidders list. The Director of Finance or Supervisor of Purchasing, when designated, shall also solicit sealed bids from responsible prospective suppliers selected from a bidders list, which the Director of Finance or Supervisor of Purchasing, when designated, shall maintain, by sending them a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders list shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.
- D. Bulletin board. The Director of Finance or Supervisor of Purchasing, when designated, shall also advertise all pending purchases or sales by a notice posted on the public bulletin board in the Municipal Building.
- E. Bid deposits. When deemed necessary by the Director of Finance or Supervisor of Purchasing when designated, bid deposits shall be prescribed in the public notices inviting bids. Bid deposits may be provided by a bid bond, certified check or legal tender, bid bonds or certified checks to be made payable to the Treasurer of the City. Unsuccessful bidders shall be entitled to return of surety where the Director or Supervisor of Purchasing, when designated, has required bid deposits. Such return shall be made within 48 hours after rejection. A successful bidder shall forfeit any surety required by the Director of Finance or Supervisor of Purchasing, when designated, upon failure on his part to enter into a contract or submit a letter of intent within 10 days after the award.
- F. Bid opening procedure.
- (1) Sealed. Bids shall be submitted sealed to the Director of Finance or Supervisor of Purchasing, when designated, and shall be identified as bids on the envelope.
 - (2) Openings. Bids shall be opened in public at the time and place stated in the public notice.
 - (3) Tabulation. A tabulation of all bids received shall be posted for public inspection.
- G. Rejection of bids; bidders in default to City.
- (1) The Director of Finance or Supervisor of Purchasing, when designated, with the approval of the Mayor, shall have the authority to reject all bids or parts of all bids for any one or more supplies or contractual services included in the

proposed contract when the public interest will be served thereby.

- (2) Bidders in default to City. The Director of Finance or Supervisor of Purchasing, when designated, shall not accept the bid of a contractor who is in default on the payment of taxes, licenses or other monies to the City.

H. Award of contract.

- (1) Authority in Director. The Director of Finance or Supervisor of Purchasing, when designated, shall have the authority to award contracts within the purview of this chapter after approval of the form by the General Counsel.
 - (2) Lowest responsible bidder. Contracts shall be awarded to the lowest responsible bidder. In determining "lowest responsible bidder," in addition to price, the Supervisor of Purchases shall consider:
 - (a) The ability, capacity and skill of the bidder to perform the contract or provide the services required in relation to the standards and specifications as required.
 - (b) Whether the bidder can perform the contract or provide the service promptly or within the time specified without delay or interference.
 - (c) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 - (d) The quality of performance of previous contracts or services.
 - (e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services.
 - (f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
 - (g) The quality, availability and adaptability of the supplies or contractual services to the particular use required.
 - (h) The number and scope of conditions attached to the bid.
- I. Award to other than low bidder. When the award is not given to the lowest bidder, a full and complete statement of the reason for placing the order elsewhere shall be prepared by the Director of

Finance or Supervisor of Purchasing when designated and filed with the other papers to the transaction.

J. Tie bids.

(1) Local vendors. If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to a local bidder.

(2) Outside vendors. Where Subsection J(1) of this section is not in effect, the Director of Finance or Supervisor of Purchasing, when designated, shall award the contract to one of the tie bidders by drawing lots in public, after giving due notice by mail to the tied bidders.

K. Performance bonds. The Director of Finance or Supervisor of Purchasing, when designated, shall have the authority to require a performance bond, a payment bond, and liability insurance coverage before entering a contract, in such amount as he shall find reasonably necessary to protect the best interest of the City. Such bond and insurance coverage, if required, must be provided by the contractor, at his own expense, to the City of Middletown and written by a company authorized to write business in the State of Connecticut and subject to the approval of the Director of Finance, the Mayor and the General Counsel. A log shall be maintained by the Director of Finance or Supervisor of Purchasing, when designated, of the agents writing each bond.

L. Prohibition against subdivision of contracts. No contract or purchase shall be subdivided to avoid the requirements of this section.

M. Bid preference for local vendors.

(1) Definitions. As used in this section, the following terms shall have the meanings indicated:

CITY-BASED BUSINESS — A business with a principal place of business located within the City of Middletown. A business shall not be considered a City-based business unless evidence satisfactory to the Director of Finance or Supervisor of Purchasing, when designated, has been submitted with each bid submitted by said business to establish that said business has a bona fide principal place of business in Middletown. Such evidence may include evidence of ownership of or a long-term lease of the real estate from which the principal place of business is operated or payment of property taxes

on the personal property of the business to be used in performance of the bid.

PROJECT — All bids and all quotes solicited for purchases exempted from bidding pursuant to § 78-8, as amended, except requests for proposal and contracts for professional services pursuant to § 78-10, as amended.

(2) On any project, the lowest responsible bidder shall be determined in the following order:

(a) City-based bidders.

[1] On projects the cost of which is \$1,000,000 total contract price or less, any City-based bidder which has submitted a bid not more than 10% higher than the low bid, provided such City-based bidder agrees to accept the award of the bid at the amount of the low bid. If more than one City-based bidder has submitted bids not more than 10% higher than the low bid and has agreed to accept the award of the bid at the amount of the low bid, the lowest responsible bidder shall be that one of such City-based bidders which submitted the lowest bid.

[2] On projects the cost of which is over \$1,000,000 but less than \$5,000,000 total contract price, any City-based bidder which has submitted a bid not more than 5% higher than the low bid, provided such City-based bidder agrees to accept the award of the bid at the amount of the low bid. If more than one City-based bidder has submitted bids not more than 5% higher than the low bid and has agreed to accept the award of the bid at the amount of the low bid, the lowest responsible bidder shall be that one of such City-based bidders which submitted the lowest bid.

[3] On projects the cost of which is over \$5,000,000 total contract price, any City-based bidder which has submitted a bid not more than 3% higher than the low bid, provided such City-based bidder agrees to accept the award of the bid at the amount of the low bid. If more than one City-based bidder has submitted bids not more than 3% higher than the low bid and has agreed to accept the award of the bid at the amount of the low bid, the lowest responsible bidder shall be

that one of such City-based bidders which submitted the lowest bid.

(b) The low bidder.

DIVISION 3. - COMPETITIVE BIDDING REQUIREMENTS

Sec. 2-483. - Preference for city-based businesses.

(a) For the purpose of this section "city-based business" shall mean a business with its principal place of business located within the City of New Haven. A business shall not be considered a "city-based business" unless evidence satisfactory to the purchasing agent has been submitted with each bid to establish that said business has its bona fide principal place of business in New Haven. Such evidence may include evidence of ownership of or a long-term lease of the real estate from which its principal place of business is operated, or payment of property taxes on the personal property of the business. A "city-based business" shall maintain such status throughout the term of any contract with the City of New Haven. Failure to maintain such status shall be grounds for the city to terminate said contract.

(b) On any contracts or purchases the lowest responsible bidder shall be determined in the following order:

(1) On contracts or purchases involving a total contract price of one million dollars (\$1,000,000.00) or less: any city-based bidder that submitted a low bid not more than ten (10) percent higher than the lowest bid, provided such city-based bidder agrees to accept the award of the bid at the lowest bid amount. If more than one (1) city-based bidder has submitted bids not more than ten (10) percent higher than the lowest bid, and has agreed to accept the award of the bid at the lowest bid amount, the lowest responsible bidder shall be the city-based bidder that submitted the lowest bid.

(2) On contracts or purchases involving a total contract price of over a million dollars (\$1,000,000.00) but less than five million dollars (\$5,000,000.00): any city-based bidder that submitted a bid not more than five (5) percent higher than the lowest bid, provided such city-based bidder agrees to accept the award of the bid at the lowest bid amount. If more than one (1) city-based bidder has submitted bids not more than five (5) percent higher than the lowest bid, and has agreed to accept the award of the bid at the lowest bid amount, the lowest responsible bidder shall be the city-based bidder that submitted the lowest bid.

(3) On contracts or purchases involving a total contract price of over five million dollars (\$5,000,000.00): any city-based bidder that submitted a bid not more than three (3) percent higher than the lowest bid, provided such city-based bidder agrees to accept the award of the bid at the lowest bid amount. If more than one (1) city-based bidder has submitted bids not more than three (3) percent higher than the lowest bid, and has agreed to accept the award of the bid at the lowest bid amount, the lowest responsible bidder shall be the city-based bidder that submitted the lowest bid.

(4) The responsible low bidder.

(c) The City of New Haven's policy on city-based businesses shall be stated in the invitation to bid.

(d) Paragraph (b)(1), (2) and (3) shall apply to any contracts or purchases that are put out to competitive bid, and the city and the contractor are to share in the revenue generated by the contractor's services.

(Ord. No. 1391, 9-19-05)

Editor's note—

§ 2-483 amends and supersedes former **§ 2-153** which derived from Ord. of 12-21-92.

TOWN-BASED BIDDING PREFERENCE

ORDINANCE RE: A BUSINESS WITH ITS PRINCIPAL PLACE OF BUSINESS
LOCATED WITHIN THE TOWN OF STONINGTON HAVING
BIDDING PREFERENCE OVER A NON-TOWN BASED BUSINESS

BE IT HEREBY ORDAINED BY THE LEGAL VOTERS OF THE TOWN OF STONINGTON
IN LAWFUL MEETING DULY ASSEMBLED THAT THE FOLLOWING ORDINANCE BE
ESTABLISHED BY THE TOWN
OF STONINGTON:

SECTION I. DEFINITIONS

Whenever in this ordinance the following terms are used they shall be the meaning respectively ascribed to them in this section.

- a. **TOWN-BASED BUSINESS** - A business, the principal place of business of which is located within the Town of Stonington. A business shall not be considered to be town-based business unless evidence to establish that said business has a bona fide principal place of business in Stonington is submitted with each bid submitted by said business. Such evidence may include satisfactory proof of ownership of or a long-term lease of the real estate at which the principal place of business is operated or payment of property taxes to the Town of Stonington on the personal property of the business to be used in performance of the bid. A "town-based business" shall be required to maintain such status throughout the term of any contract with the Town of Stonington. Failure to maintain such status shall constitute grounds for the town to revoke said contract at its sole option. A business shall not be considered to be a town-based business if at the time of the bid award the business is delinquent in the payment of any real estate, personal property taxes or water and sewer charges.
- b. **BIDDER** – A person, firm or corporation submitting a competitive bid in response to a solicitation.
- c. **BID/PROPOSAL** – The submission of prices by persons, firms or corporations competing for a contract to provide buildings, facilities, supplies, materials, equipment, contractual services or any other facilities, goods or services.
- d. **AWARDING** – The decision by the (commission, agency or department of the state/political subdivision) to offer a contract to a bidder.

SECTION II. DETERMINATION OF THE LOWEST RESPONSIBLE BIDDER

Except as provided in Section IV, in every instance of purchase or contract advertised for bid as to which a qualified town-based business is a bidder, the lowest responsible bidder shall be determined in the following order:

- a. Provided that such town-based business meets all requirements set forth in Section I(a) and Section III, where all bids submitted for purchases or contracts exceed Ten Thousand and 00/100 (\$10,000.00) Dollars but are less than Five Hundred Thousand and 00/100 (\$500,000.00) Dollars, any qualified town-based business which has submitted a bid not more than ten (10%) percent higher than the bid of the otherwise lowest responsible bidder may be awarded the bid provided that such town-based business agrees to accept the award of the bid at the amount of the bid of the otherwise lowest responsible bidder.
- b. Provided that such town-based business meets all requirements set forth in Section I(a) and Section III, where all bids submitted for purchases or contracts exceeding Five Hundred Thousand and 00/100 (\$500,000.00) Dollars but are less than Five Million and 00/100 (\$5,000,000.00) Dollars, any qualified town-based business which has submitted a bid not more than five (5%) percent higher than the bid of the otherwise lowest responsible bidder may be awarded the bid provided that such town-based business agrees to accept the award of the bid at the amount of the bid of the otherwise lowest responsible bidder.
- c. Provided that such town-based business meets all requirements set forth in Section I(a) and Section III, where all bids submitted for purchases or contracts exceeding Five Million and 00/100 (\$5,000,000.00) Dollars any qualified town-based business which has submitted a bid not more than three (3%) percent higher than the bid of the otherwise lowest responsible bidder may be awarded the bid provided that such town-based business agrees to accept the award of the bid at the amount of the bid of the otherwise lowest responsible bidder.
- d. Whenever more than one qualified town-based business has submitted a bid within the required percentage amount to qualify it as the lowest responsible bidder pursuant to Section II(a), (b) and (c) herein, the town-based business which has submitted the lowest bid shall be considered the qualified town-based business for purposes of receiving the award of the bid at the amount bid by the lowest responsible bidder.

SECTION III. IMPLEMENTATION OF TOWN-BASED BUSINESS PREFERENCE

Any bidder town-based business capable of meeting the requirements of a town-based business as defined herein responding to a bid solicitation shall be required to submit a town-based business Affidavit Form signed by an authorized representative of the bidder of the bid submittal. Failure to submit a town-based business affidavit on the form approved by the Town of Stonington will result in disqualification of town-based business status and loss of any preference given to a town-based business on the part of such bidder as to its bid.

SECTION IV. RESTRICTIONS ON USE OF TOWN-BASED PREFERENCE

Section I (a) and Section III shall not apply in all instances where a bid requires a cooperative purchasing agreement or arrangement between the town and another municipality or municipalities; in cases of grants or loans provided by the State of Connecticut or the United

States of America or where precluded by state or federal law or other ordinance of the Town of Stonington.

SECTION V. EFFECTIVE DATE

This Ordinance shall become effective fifteen (15) days after publication in a newspaper having a substantial circulation in within the Town.

Amended March 18, 2014



TOWN OF STONINGTON

152 Elm Street
Stonington, CT 06378

LOCAL VENDOR PREFERENCE AFFADAVIT

I certify that _____ meets all of the following qualifications to be eligible for the local vendor preference:
(Name of Company)

(1) That _____ maintains an office within the legally defined boundaries of the Town of Stonington, Connecticut and have a majority of full time employees, chief officers, and managers regularly conducting work and business from these offices.
(Name of Company)

(2) That _____ is not delinquent in the payment of any real estate, personal property taxes, or water and sewer charges.
(Name of Company)

I make this certification with the full knowledge that should any information provided prove to be false, that _____ could be excluded from bidding on Town requirements.
(Name of Company)

Company Name: _____

Physical Address: _____

Mailing Address (if different): _____

Phone Number: _____ **Email:** _____

Owner's Name/Authorized Representative: _____

Signature: _____

Sworn to before me this _____ day of _____, 20____

Notary Public for the State of _____

My Commission Expires: _____

To be completed by Authorized Town Representative:

Vendor Certified: _____ **Date:** _____

Authorized Signature

Debt Management

Debt Overview

Debt consists primarily of bonds (long-term debt), capital loan obligations (long-term debt) and bond anticipation notes (short-term debt). Bonds are issued to permanently finance general purpose and school projects; capital loan obligations fund wastewater infrastructure projects and are converted to Clean Water Fund loans at the completion of the project; bond anticipation notes provide temporary financing for general purpose projects. The Debt Service Fund was created to account for expenditures and related payments made by the City for principal and interest payments for short-term and long-term debt. The Debt Service Fund is not a budgetary fund. Deposits to the Debt Service Fund are in the form of operating transfers out from the general fund or other Special Revenue Funds.

Shown below is a chart summarizing the long-term debt obligations of the City of Bristol including the self-supporting water (Enterprise Fund) debt. Displayed on the chart is the original issue amount, the fiscal year maturity and the balance as of July 1, 2021.

Long-Term Debt As of July 1, 2021					
Issue	Purpose	Rate	Original Issue	Balance Outstanding	Fiscal Year Maturity
6/30/2002	Cleanwater Loan 415 D/C	2.00	1,409,533	0	2021
6/30/2002	Cleanwater Loan 498 D/C	2.00	1,483,380	0	2021
12/31/2003	Cleanwater Loan 504 C	2.00	1,488,101	132,142	2023
11/30/2004	Cleanwater Loan 562 C	2.00	693,527	98,322	2024
5/31/2006	Cleanwater 464 C	2.00	470,225	129,687	2026
6/15/2011	Water 2014 - Old Wolcott Tank	2.00	501,000	333,002	2033
8/24/2011	General Improvement 2011 Refunding Bonds	3.00	15,589,000	2,479,000	2023
8/24/2011	School 2011 Refunding Bonds	3.00	6,234,000	1,391,000	2023
8/24/2011	Water 2011 Refunding Bonds	3.00	2,112,000	445,000	2023
9/30/2015	Water 2016 Note - Grove Street Tank	2.00	344,155	248,640	2035
10/16/2018	Water 2019 Note - DeWitt Tank	2.00	497,096	442,880	2039
11/17/2015	Schools 2015 Refunding Bonds	3.06	2,991,000	99,000	2025
11/17/2015	General Improvement 2015 Refunding Bonds	3.06	4,126,000	2,046,000	2025
1/20/2016	Cleanwater 2015 - I/O Reduction 622-CSL	2.00	631,833	451,659	2035
3/30/2016	Cleanwater Loan 640 DC	2.00	7,530,046	6,637,265	2039
5/30/2017	General Improvement 2017 Bonds	2.25	17,739,000	14,600,000	2035
5/30/2017	Schools 2017 Bonds	2.25	3,391,000	2,795,000	2035
11/9/2017	General Improvement 2017 Refunding Bonds	3.00v	5,437,000	4,441,000	2030
11/9/2017	Schools 2017 Refunding Bonds	3.00v	16,094,000	13,151,000	2030
11/9/2017	Sewer 2017 Refunding Bonds	3.00v	3,401,000	2,781,000	2030
11/9/2017	Water 2017 Refunding Bonds	3.00v	503,000	412,000	2030
10/25/2018	General Improvement 2018 Series A Bonds	2.5-5.0	18,094,096	16,818,000	2039
10/25/2018	Schools 2018 Series A Bonds	2.5-5.0	4,280,904	3,975,000	2039
10/25/2018	Sewer 2018 Series A Bonds	2.5-5.0	125,000	117,000	2039
10/25/2018	General Improvement 2018 Series B Taxable Bonds	3.65-4.05	7,900,000	7,320,000	2039
11/12/2019	Schools 2019 Bonds	2.125-5.0	19,625,000	19,625,000	2040
11/12/2019	General Improvement 2019 Bonds	2.125-5.0	5,375,000	5,375,000	2040
Total			\$ 148,065,896	\$ 106,343,596	
Water Department			\$ 3,957,251	\$ 1,881,522	
General City			\$ 144,108,645	\$ 104,462,075	

Debt Policy

The City adopted a debt policy in 2001 that can be found within the Policy Initiatives section of this document.

The City issues debt only for projects included in its Capital Improvement Program, approved in its annual capital budget or presented as a one-time opportunity during the year. Before doing so, the City reviews the status of previously approved projects, develops information for new projects, and examines capital project alternatives. Debt levels are carefully analyzed to assess how much borrowing to allow. Taken into consideration are environmental factors such as community needs and resources, external economic conditions; financial factors, such as expected year-end operating position, financial condition, proposed debt structure, market conditions, and fund balance levels; as well as statistical benchmarks evaluated by rating agencies. Used in combination, these factors help facilitate any debt service decision making process.

Connecticut municipalities are regulated by state laws to keep debt issuances within statute-provided limits. While these authorized versus issued limits are set reasonably high, the City's total debt outstanding is well below these limits. A Schedule of Legal Debt Limitation, presented later in this section, shows the calculation of the debt limitation imposed by the State, the debt authorized and outstanding by the City and the amount of debt limitation in excess of authorized and outstanding debt.

Long-term Strategy

Capital infrastructure is essential to all municipalities large and small. It is important to prepare a short-term and a long-term plan for the replacement of and/or addition to City infrastructure and fixed assets and to estimate available funding sources. To implement both plans (short-term and long-term), the City prepares a Capital Improvement Program (CIP). The CIP is a multi-year plan that identifies capital projects to be funded during a ten year planning period. The City also approves a Capital Budget, which represents the first year of the CIP which is the City's annual appropriation for capital spending and is legally adopted by the City.

To fund its capital projects, the City uses a mix of cash provided by current revenues, state and federal grants and loans, intergovernmental contributions, and the issuance of bonds. The amounts that can be budgeted and expended for debt service have a direct relationship to the City's strategies for financing capital improvements. Recognizing that the City's CIP is dependent upon debt service for funding, City officials annually review debt service projections to prudently schedule bond issues to finance capital projects.

Capital Projects

The approved 2022 Capital Budget of \$46,956,350 may be found in the Capital Budget section of this document. The City will fund \$39,046,350 of these capital projects with future bonding.

In its most recent bond issue, November 2019, the City issued \$25,000,000 in tax-exempt bonds the proceeds of which were used to fund such capital projects as the purchase of a new fire truck (\$1,325,000), the Stevens Street Channel at Richard Court (\$450,000), renovation of Page Park pool renovation now underway (\$3,600,000) and upcoming school projects at Southside School (\$3,597,160) and at Memorial Boulevard Arts Magnet School (\$16,027,840).

Bond Anticipation Notes

Bond Anticipation Notes have been issued to provide temporary financing for general purpose projects including the purchase of land, demolition, abatement, clean-up and other work at the former Bristol Centre Mall site (now Centre Square); a new radio communications system replacement; streetlights upgrade; and various other road and infrastructure projects.

There are currently no Bond Anticipation Notes outstanding.

Bond Rating

The Government Finance Officers Association (GFOA) Elected Official's Guide to Rating Agency Presentations describes a bond rating as an independent assessment of the relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The rating focuses on the City's ability and willingness to make full and timely payments.

In assigning a credit rating, the rating agency will focus on four primary factors: economic base (tax base and demographics), financial performance (financial position and/or changes in financial position), debt management (total debt and ability to pay) and administration (organization and authority).

The City obtains ratings from Moody's Investor Services, Standard & Poor's Rating Service and Fitch, Inc.

Below is a chart showing the City of Bristol's bond ratings for its most recent bond issues. Bond ratings above an A indicate the bonds are rated high and indicate a very strong capacity to pay.

CITY OF BRISTOL RECENT BOND ISSUES AND RATINGS					
<u>Issue Date</u>	<u>Type</u>	<u>Amount</u>	<u>Moody's Rating</u>	<u>Standard & Poor's Rating</u>	<u>Fitch's Rating</u>
November 12, 2019	Tax Exempt	\$25,000,000		AA+	AAA
October 25, 2018 A	Tax Exempt	\$22,500,000		AA+	AAA
October 25, 2018 B	Taxable	\$7,900,000		AA+	AAA
November 9, 2017	Refunding	\$25,435,000		AA+	
May 30, 2017	Tax Exempt	\$21,130,000	Aa2	AA+	AAA

Current Debt Service Budget

The City's debt service budget for 2021-2022 for bonded debt is \$10,500,000. As shown in the following Debt Service Summary, the required bonded debt principal and interest payments have been reduced by \$199,060, the amount to be paid by Water Pollution Control (WPC), by the remaining \$700,000 of available bond premium and the use of \$522,176 of debt service reserves.

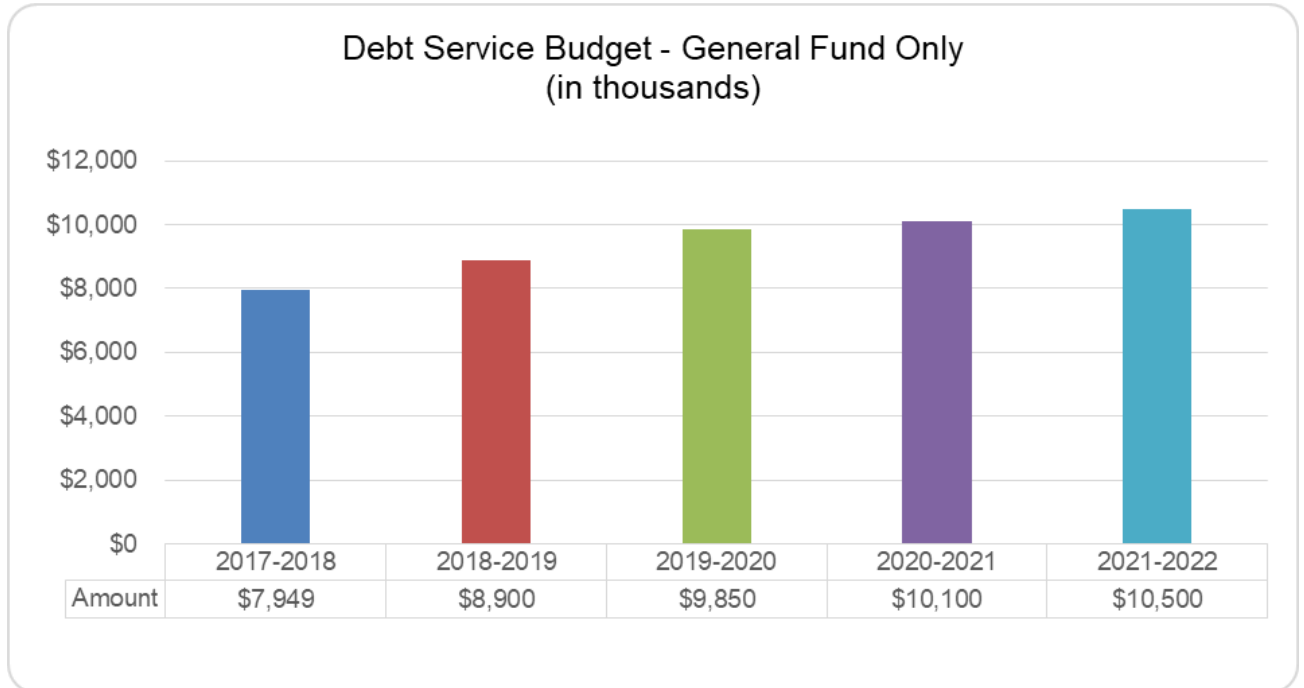
**CITY OF BRISTOL, CONNECTICUT
2021-2022 BUDGET
DEBT SERVICE SUMMARY**

ORGCODE	DESCRIPTION	2020 ACTUAL EXPENDITURE	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	2022 BUDGET REQUEST	2022 APPROVED BUDGET
DEBT1019	LONG TERM DEBT PRINCIPAL PAYMENT	\$6,931,000	\$7,357,000	\$7,357,000	\$8,521,000	\$8,521,000
DEBT1019	LONG TERM DEBT INTEREST PAYMENT	3,418,437	3,770,262	3,770,262	3,400,236	3,400,236
		\$10,349,437	\$11,127,262	\$11,127,262	\$11,921,236	\$11,921,236
	WATER POLLUTION CONTROL PAYMENTS		(202,790)	(202,790)	(199,060)	(199,060)
	USE OF DEBT RESERVES/BOND PREMIUM		(824,472)	(824,472)	(1,222,176)	(1,222,176)
TOTAL DEBT SERVICE		\$10,349,437	\$10,100,000	\$10,100,000	\$10,500,000	\$10,500,000

SUMMARY OF DEBT SERVICES PAYMENTS BY TYPE

SCHOOL DEBT	\$3,228,498	\$3,912,326	\$3,912,326	\$4,564,781	\$4,564,781
GENERAL IMPROVEMENT DEBT	6,765,772	6,817,518	6,817,518	6,967,262	\$6,967,262
SEWER OPERATING	355,167	397,418	397,418	389,193	\$389,193
WATER POLLUTION CONTROL PAYMENTS		(202,790)	(202,790)	(199,060)	(\$199,060)
USE OF DEBT RESERVES/BOND PREMIUM		(824,472)	(824,472)	(1,222,176)	(\$1,222,176)
TOTAL DEBT SERVICE	\$10,349,437	\$10,100,000	\$10,100,000	\$10,500,000	\$10,500,000

The graph below shows budgeted debt service for the past five years.



Debt Management

Shown below are the amortization tables for School, General Improvement and Sewer bonds as of July 1, 2021.

School Long-term Debt As of July 1, 2021 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2021					\$ 41,036,000	22.0
2022	\$ 41,036,000	\$ 3,082,000	\$ 1,482,781	\$ 4,564,781	\$ 37,954,000	27.9
2023	\$ 37,954,000	\$ 3,228,000	\$ 1,333,621	\$ 4,561,621	\$ 34,726,000	34.0
2024	\$ 34,726,000	\$ 2,681,000	\$ 1,190,756	\$ 3,871,756	\$ 32,045,000	39.1
2025	\$ 32,045,000	\$ 2,780,000	\$ 1,056,681	\$ 3,836,681	\$ 29,265,000	44.4
2026	\$ 29,265,000	\$ 2,792,000	\$ 928,619	\$ 3,720,619	\$ 26,473,000	49.7
2027	\$ 26,473,000	\$ 2,804,000	\$ 806,441	\$ 3,610,441	\$ 23,669,000	55.0
2028	\$ 23,669,000	\$ 2,807,000	\$ 695,001	\$ 3,502,001	\$ 20,862,000	60.4
2029	\$ 20,862,000	\$ 2,802,000	\$ 588,451	\$ 3,390,451	\$ 18,060,000	65.7
2030	\$ 18,060,000	\$ 2,852,000	\$ 480,626	\$ 3,332,626	\$ 15,208,000	71.1
2031	\$ 15,208,000	\$ 2,849,000	\$ 381,008	\$ 3,230,008	\$ 12,359,000	76.5
2032	\$ 12,359,000	\$ 1,508,000	\$ 317,621	\$ 1,825,621	\$ 10,851,000	79.4
2033	\$ 10,851,000	\$ 1,508,000	\$ 279,426	\$ 1,787,426	\$ 9,343,000	82.2
2034	\$ 9,343,000	\$ 1,509,000	\$ 239,715	\$ 1,748,715	\$ 7,834,000	85.1
2035	\$ 7,834,000	\$ 1,509,000	\$ 199,170	\$ 1,708,170	\$ 6,325,000	88.0
2036	\$ 6,325,000	\$ 1,309,000	\$ 158,345	\$ 1,467,345	\$ 5,016,000	90.5
2037	\$ 5,016,000	\$ 1,310,000	\$ 122,684	\$ 1,432,684	\$ 3,706,000	93.0
2038	\$ 3,706,000	\$ 1,310,000	\$ 86,328	\$ 1,396,328	\$ 2,396,000	95.4
2039	\$ 2,396,000	\$ 1,311,000	\$ 48,994	\$ 1,359,994	\$ 1,085,000	97.9
2040	\$ 1,085,000	\$ 1,085,000	\$ 14,919	\$ 1,099,919	\$ -	100.0
Totals:		\$ 41,036,000	\$ 10,411,189	\$ 51,447,189		

General Improvement Long-term Debt As of July 1, 2021 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2021					\$ 53,079,000	28.5
2022	\$ 53,079,000	\$ 5,172,000	\$ 1,795,264	\$ 6,967,264	\$ 47,907,000	35.5
2023	\$ 47,907,000	\$ 4,075,000	\$ 1,591,208	\$ 5,666,208	\$ 43,832,000	41.0
2024	\$ 43,832,000	\$ 3,561,000	\$ 1,413,183	\$ 4,974,183	\$ 40,271,000	45.8
2025	\$ 40,271,000	\$ 3,626,000	\$ 1,251,923	\$ 4,877,923	\$ 36,645,000	50.7
2026	\$ 36,645,000	\$ 3,149,000	\$ 1,144,275	\$ 4,293,275	\$ 33,496,000	54.9
2027	\$ 33,496,000	\$ 3,154,000	\$ 1,045,863	\$ 4,199,863	\$ 30,342,000	59.1
2028	\$ 30,342,000	\$ 3,155,000	\$ 947,335	\$ 4,102,335	\$ 27,187,000	63.4
2029	\$ 27,187,000	\$ 3,155,000	\$ 849,660	\$ 4,004,660	\$ 24,032,000	67.6
2030	\$ 24,032,000	\$ 3,154,000	\$ 749,908	\$ 3,903,908	\$ 20,878,000	71.9
2031	\$ 20,878,000	\$ 3,153,000	\$ 647,576	\$ 3,800,576	\$ 17,725,000	76.1
2032	\$ 17,725,000	\$ 2,700,000	\$ 556,103	\$ 3,256,103	\$ 15,025,000	79.8
2033	\$ 15,025,000	\$ 2,700,000	\$ 471,926	\$ 3,171,926	\$ 12,325,000	83.4
2034	\$ 12,325,000	\$ 2,699,000	\$ 386,595	\$ 3,085,595	\$ 9,626,000	87.0
2035	\$ 9,626,000	\$ 2,699,000	\$ 300,296	\$ 2,999,296	\$ 6,927,000	90.7
2036	\$ 6,927,000	\$ 1,659,000	\$ 212,603	\$ 1,871,603	\$ 5,268,000	92.9
2037	\$ 5,268,000	\$ 1,658,000	\$ 155,142	\$ 1,813,142	\$ 3,610,000	95.1
2038	\$ 3,610,000	\$ 1,658,000	\$ 97,411	\$ 1,755,411	\$ 1,952,000	97.4
2039	\$ 1,952,000	\$ 1,657,000	\$ 38,329	\$ 1,695,329	\$ 295,000	99.6
2040	\$ 295,000	\$ 295,000	\$ 4,056	\$ 299,056	\$ -	100.0
Totals:		\$ 53,079,000	\$ 13,658,654	\$ 66,737,654		

Debt Management

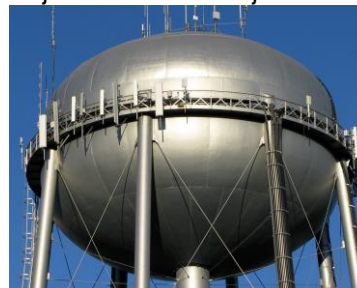
Sewer Long-term Debt As of July 1, 2021 (Pro-Forma)							
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments		Principal Ending Balance	Cumulative % Principal Retired
2021						\$ 2,898,000	17.8
2022	\$ 2,898,000	\$ 267,000	\$ 122,193	\$ 389,193	\$	\$ 2,631,000	25.4
2023	\$ 2,631,000	\$ 272,000	\$ 108,717	\$ 380,717	\$	\$ 2,359,000	33.1
2024	\$ 2,359,000	\$ 278,000	\$ 94,967	\$ 372,967	\$	\$ 2,081,000	41.0
2025	\$ 2,081,000	\$ 283,000	\$ 81,002	\$ 364,002	\$	\$ 1,798,000	49.0
2026	\$ 1,798,000	\$ 287,000	\$ 66,888	\$ 353,888	\$	\$ 1,511,000	57.1
2027	\$ 1,511,000	\$ 290,000	\$ 54,017	\$ 344,017	\$	\$ 1,221,000	65.4
2028	\$ 1,221,000	\$ 291,000	\$ 42,457	\$ 333,457	\$	\$ 930,000	73.6
2029	\$ 930,000	\$ 291,000	\$ 30,878	\$ 321,878	\$	\$ 639,000	81.9
2030	\$ 639,000	\$ 292,000	\$ 19,282	\$ 311,282	\$	\$ 347,000	90.2
2031	\$ 347,000	\$ 291,000	\$ 7,693	\$ 298,693	\$	\$ 56,000	98.4
2032	\$ 56,000	\$ 7,000	\$ 1,798	\$ 8,798	\$	\$ 49,000	98.6
2033	\$ 49,000	\$ 7,000	\$ 1,575	\$ 8,575	\$	\$ 42,000	98.8
2034	\$ 42,000	\$ 7,000	\$ 1,348	\$ 8,348	\$	\$ 35,000	99.0
2035	\$ 35,000	\$ 7,000	\$ 1,116	\$ 8,116	\$	\$ 28,000	99.2
2036	\$ 28,000	\$ 7,000	\$ 875	\$ 7,875	\$	\$ 21,000	99.4
2037	\$ 21,000	\$ 7,000	\$ 630	\$ 7,630	\$	\$ 14,000	99.6
2038	\$ 14,000	\$ 7,000	\$ 385	\$ 7,385	\$	\$ 7,000	99.8
2039	\$ 7,000	\$ 7,000	\$ 131	\$ 7,131	\$	-	100.0
Totals:		\$ 2,898,000	\$635,952	\$3,533,952			



Clean Water Fund Loans

The State Clean Water Fund provides a combination of grants and loans to municipalities to undertake wastewater infrastructure projects at the direction of the Department of Energy and Environmental Protection (DEEP).

The City has taken advantage of the program and entered into Project Loan and Project Grant Agreements with DEEP from 2002 through 2018. The current loans are payable in monthly installments including interest at 2% per annum through a maturity date of August 2038.



The latest City Clean Water Fund loan (640-DC) was completed in September 2018 and along with a grant of \$7,233,846, financed the \$15 million upgrade of the WPC wastewater treatment plant to be able to reduce phosphorus compounds in its effluent discharge.

Shown below is an amortization table for Clean Water Fund loans as of July 1, 2021.

Clean Water (SEWER) Loans As of July 1, 2021 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2021					\$ 7,449,075	45.7
2022	\$ 7,449,075	\$ 510,583	\$ 144,384	\$ 654,967	\$ 6,938,492	49.4
2023	\$ 6,938,492	\$ 475,953	\$ 134,265	\$ 610,218	\$ 6,462,539	52.9
2024	\$ 6,462,539	\$ 419,232	\$ 125,384	\$ 544,616	\$ 6,043,307	55.9
2025	\$ 6,043,307	\$ 406,541	\$ 117,219	\$ 523,760	\$ 5,636,766	58.9
2026	\$ 5,636,766	\$ 404,584	\$ 109,026	\$ 513,610	\$ 5,232,182	61.8
2027	\$ 5,232,182	\$ 394,068	\$ 101,050	\$ 495,118	\$ 4,838,114	64.7
2028	\$ 4,838,114	\$ 402,022	\$ 93,096	\$ 495,118	\$ 4,436,092	67.6
2029	\$ 4,436,092	\$ 410,136	\$ 84,982	\$ 495,118	\$ 4,025,956	70.6
2030	\$ 4,025,956	\$ 418,415	\$ 76,703	\$ 495,118	\$ 3,607,541	73.7
2031	\$ 3,607,541	\$ 426,860	\$ 68,258	\$ 495,118	\$ 3,180,681	76.8
2032	\$ 3,180,681	\$ 435,475	\$ 59,643	\$ 495,118	\$ 2,745,206	80.0
2033	\$ 2,745,206	\$ 444,265	\$ 50,852	\$ 495,117	\$ 2,300,941	83.2
2034	\$ 2,300,941	\$ 453,233	\$ 41,885	\$ 495,118	\$ 1,847,708	86.5
2035	\$ 1,847,708	\$ 446,421	\$ 32,790	\$ 479,211	\$ 1,401,287	89.8
2036	\$ 1,401,287	\$ 433,044	\$ 24,075	\$ 457,119	\$ 968,243	92.9
2037	\$ 968,243	\$ 441,784	\$ 15,335	\$ 457,119	\$ 526,459	96.2
2038	\$ 526,459	\$ 450,702	\$ 6,417	\$ 457,119	\$ 75,757	99.4
2039	\$ 75,757	\$ 75,757	\$ 191	\$ 75,948	\$ -	100.0
Totals:		\$ 7,449,075	\$ 1,285,555	\$ 8,734,630		

Debt Management

SCHEDULE OF LEGAL DEBT LIMITATION

State of Connecticut general statutes indicate that *in no case shall total indebtedness exceed seven times annual receipts from taxation.*

The following table shows the City of Bristol Debt Limitation and actual debt authorized in the five major categories: General Purpose, Schools, Sewers, Urban Renewal and Pension Deficit. The table clearly indicates that Bristol is well below the statutory requirements for debt issuance.

Schedule of Debt Limitation June 30, 2020

Total Fiscal Year 2019 tax collections (taxes, interest and fees)	\$ 146,279,000
Base for Establishing Debt Limit	\$ 146,279,000

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>	<u>Total</u>
Debt Limitation:						
2 1/4 times base	\$ 329,127,750					\$ 329,127,750
4 1/2 times base		658,255,500				658,255,500
3 3/4 times base			548,546,250			548,546,250
3 1/4 times base				475,406,750		475,406,750
3 times base					438,837,000	438,837,000
Total debt limitation	<u>329,127,750</u>	<u>658,255,500</u>	<u>548,546,250</u>	<u>475,406,750</u>	<u>438,837,000</u>	<u>2,450,173,250</u>
Debt, as defined by Statute:						
Bonds and notes payable	57,875,000	43,335,000	11,281,733			112,491,733
Bonds authorized and unissued	16,715,672	130,285,445	743,167			147,744,284
State grant commitments	<u>(4,127,073)</u>	<u>(61,177,816)</u>	-			<u>(65,304,889)</u>
Total indebtedness	<u>70,463,599</u>	<u>112,442,629</u>	<u>12,024,900</u>	<u>-</u>	<u>-</u>	<u>194,931,128</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 258,664,151</u>	<u>\$ 545,812,871</u>	<u>\$ 536,521,350</u>	<u>\$ 475,406,750</u>	<u>\$ 438,837,000</u>	<u>\$ 2,255,242,122</u>

Notes:

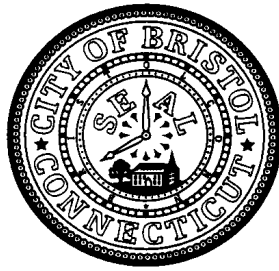
1. In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$1,023,953,000.
2. Water related debt of \$2,219,107 has been excluded from the calculation.

Debt Management

The following summary shows all the Capital Projects that have been approved by the City of Bristol that have not had long-term obligations issued at this time.

City of Bristol
Bonding Appropriations Outstanding
(Excluding Water)

Bonding Type			Bonding Amount Outstanding
General	18C07	Centre Square Infrastructure Project	\$ 474,702
General	19C15	City Hall Office Building Program	1,650,000
General	19C14	City Hall Unit Heater/AC Perimeter Replacement	675,000
General	20C08	City Wide Fiber Network	100,000
General	16C05	Down Street Bridge	45,000
General	18C11	DPW Vincent P. Kelly Facility Renovations Phase II (\$350,000-\$330,000 ISSUED)	20,000
General	20C06	Fire Headquarters	1,350,000
General	20C07	Fire Station 3 Reconstruction	400,000
General	20C14	Jerome Bridge	198,000
General	19C12	Lake Avenue Bridge Replacement	540,000
General	21C07	Landfill Erosion	45,000
General	19C08	Louisiana Bridge	844,056
General	20C18	Main Library LED Conversion	333,970
General	21C12	Memorial Boulevard Retaining Wall	1,530,000
General	15C07	Memorial Bridge	4,100,000
General	17G02	Middle Street (TOTAL IS \$2,849,000)	618,600
General	21C05	Muzzy Field Restorations	950,000
General	21C10	North Main Street Streetscapes	70,000
General	20C05	Page Park Maintenance Area Improvements	100,000
General	19C04	Page Park Pool and Bathhouse (\$4,100,000-\$3,600,000 ISSUED)	110,000
General	20C03	Parks Master Plan	150,000
General	20C04	Pequabuck River Conduit Replacement	700,000
General	21C11	Route 72 Corridor	55,000
General	19G14	Shrub Road Acquisition (DEEP Open Space Grant)	2,100,000
General	10C05	Stevens Street Bridge- Richard Court Berm	52,000
General	19C11	Wolcott Street Reconstruction	95,000
		General	17,306,328
School	21C03	All Schools Smartboards	1,254,000
School	20C02	All Schools Tech Upgrade	445,835
School	17C21	Chippens Hill Roof	499,796
School	16C03	Hubbell School Roof	708,305
School	18C16	Memorial Boulevard Intradistrict Arts Magnet School	42,982,149
School	20C21	Northeast Middle Gym Floor	244,000
School	20C01	Northeast Middle School Ceiling	514,810
School	19C02	Southside School HVAC	275,000
School	19C03	Stafford School Roof	1,985,093
		School	48,908,988
Sewer	11C08	Broad Street Pump Force Main	763,167
		Sewer	763,167
		Total	\$ 66,978,483



TOWN OF EAST HADDAM DEBT MANAGEMENT POLICY

Purpose:

The Town of East Haddam believes that debt is an equitable means of financing projects and represents an important tool for meeting its fiscal responsibilities. The Finance Director, in accordance with authorizing resolutions of the Boards of Selectmen and Finance, and in coordination with the First Selectman and Treasurer, manages debt instruments, administers debt proceeds, manages ongoing disclosure and debt compliance and makes debt service payments, acting with prudence and diligence and with attention to prevailing economic conditions.

This debt management policy primarily addresses debt instruments/securities issued by the Town in public or private bond markets. This policy is consistent with examples of debt management policies of other comparable municipalities, GFOA guidelines, and rating agency guidelines. This policy pertains to debt that is typically incurred when capital is raised in the public or private markets, including borrowings from sophisticated qualified institutional buyers, to meet the Town's funding needs (the purpose and need for financings is discussed within the policy). Such debt constitutes obligations whereby a third party has provided funds, which is evidenced by the formal execution of a bond or note certificate (or similar instrument), and is held by the third party until repaid.

This policy documents the Town's procedures and goals for the use of debt to finance Town needs. A regularly updated debt management policy, in conjunction with the Town's Ten Year Capital Improvements Plan, the Five-Year Financial Outlook, the Investment Policy, and the Reserve Policy, serves as an important tool that supports the use of the Town's resources to meet its financial commitments and to maintain sound financial management practices. This policy is enacted in an effort to standardize and plan the issuance and management of debt by the Town. While this debt management policy serves as a guideline for general use, it allows for exceptions in extraordinary circumstances.

The primary objectives of this debt management policy are to establish guidelines for the use of various categories of debt, create procedures and policies that minimize the Town's debt service and issuance costs, retain the highest practical credit ratings and provide full and complete financial disclosure and reporting.

The Town's Debt Management Policy is also designed to:

- Establish parameters for issuing and managing debt;
- Provide guidance to decision makers related to debt affordability standards;
- Document the pre-and post-issuance objectives to be achieved by staff;
- Promote objectivity in the debt approval decision making process; and
- Facilitate the actual financing process by establishing important policy decisions in advance.

Guidance:

This Debt Management Policy requires the development of the following:

- Five-Year Financial Outlook
- Reserve Policy

It is the recommendation of the Board of Finance Financial Policies Subcommittee to fully implement this Debt Management Policy and that the Subcommittee draft a Reserve Policy. The Subcommittee also recommends that the Board of Finance begin the implementation process for the Five-Year Financial Outlook.

SECTION I—PURPOSE AND NEED FOR FINANCING

Purpose of Financing

The Town of East Haddam borrows money primarily to fund long-term capital improvement projects, essential equipment and vehicle needs, and to refinance existing debt. Debt will be used to finance eligible projects only if it is the most cost-effective means available to the Town. The “pay-go” funding option is a technique that requires current citizens to pay taxes over long periods of time in order to accumulate reserves sufficient to pay for capital projects. While the “pay-go” means of using current revenues to pay for capital projects is often considered the preferred means of financing because it avoids interest payments, it may not be entirely equitable. The Town would be able to undertake capital projects under this method only if sufficient cash accumulates. Prudent use of debt financing rather than pay-go funding of capital projects can facilitate better allocation of resources and increased financial flexibility.

The three primary borrowing purposes for which bond proceeds may be used are summarized below:

A. Long-Term Capital Improvements

The Town shall prepare a Ten-Year Capital Infrastructure Planning Outlook that is utilized to prepare the Capital Improvements Program (CIP) budget for each fiscal year. The CIP budget includes projects for ten upcoming fiscal years and is updated during the annual budget process or if there are significant changes to the scope and/or cost of projects. Future operations and maintenance costs associated with capital improvement projects are to be determined and identified prior to submission of the project for approval. The Finance Director works with Town departments, boards and commissions ensuring that a complete budget of the CIP is prepared as part of the Annual Budget process.

Since the aggregate cost of desired capital projects generally exceeds available funds, the capital planning process prioritizes projects and identifies its funding needs. The Town will initially rely on internally-generated funds and/or grants and contributions from other governmental sources to finance its capital needs. Debt is issued for a capital project only when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries and if a revenue source is identified to repay the debt.

The Finance Director under the direction of the First Selectman, working with Town departments, boards and commissions, within the context of the CIP and the Town’s Five-Year Financial Outlook, oversees and coordinates the timing, processing and marketing of the Town’s borrowing and capital funding activities. Close coordination of capital planning and debt planning ensures that the maximum benefit is achieved with the limited capital funds. The debt management process determines the availability of funds which can be raised through debt based upon the debt capacity/affordability analysis.

B. Essential Vehicle and Equipment Needs

In addition to capital projects, the Town regularly finances certain essential equipment and vehicles. These assets range from public safety vehicles and garbage trucks to information technology systems. The underlying asset must have a minimum useful life of three years.

Short-term financings, including loans and capital lease purchase agreements, are executed to meet such needs.

C. **Refinancing/Refunding of Existing Debt**

The Finance Director, working with the Town's Municipal Advisor, shall periodically evaluate the Town's existing debt and recommend refinancing when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds, notes or other obligations.

1.1 **Financing Priorities**

The Finance Director shall be responsible for analyzing all borrowing or debt refunding proposals to determine if it is beneficial to the Town and that it complies with the Town's long-term financial planning objectives. Borrowing requests include any new money or refunding debt proposals made to the Town involving a pledge or other extension of the Town's credit through the sale or issuance of securities, execution of leases, or otherwise involving directly or indirectly the pledging of the Town's credit.

For each financing proposal related to a new capital improvement project, the Finance Director will work with Town departments, boards and commissions to assess the feasibility and the impact of debt to fund the project based on the following assessments:

a) **Nature of Project and Use of Funds**

Each proposal is evaluated by comparing the nature of the project and use of funds with competing proposals on the basis of the benefits derived and how it furthers the Town's policy objectives as laid out in the Town's Annual Budget, Five-Year Financial Outlook and Ten-Year Capital Improvement Program.

b) **Cost-Benefit Analysis of Project**

A cost-benefit analysis is required for each project.

- i. The benefits of a proposed project must be defined and, where appropriate, quantified in monetary terms. The funding sources are identified and estimated. Where revenues are part of the benefits, all assumptions made in deriving the revenues are documented. The validity of the assumptions and the risks associated with the revenue streams are assessed.
- ii. The costs of the project are estimated, with the risks associated with the estimates assessed. The uses of funds are identified and estimated.
- iii. Identify whether the project will increase or reduce ongoing operation and maintenance expenses.

c) **Expenditure Plan**

A detailed plan for the expenditure of funds is developed for each project, and the underlying assumptions of the project cost expenditure plan are documented and the risks associated with these projections are analyzed. The Town's bond counsel should conduct a preliminary review of such plan to assess whether such plan satisfies applicable federal tax code requirements.

d) **Revenue for Debt Service Payment**

A detailed plan for the debt repayment is developed for each project. The underlying assumptions of revenue cash flow estimates are documented and the risk associated with these revenue streams is analyzed. Where general fund revenues are proposed to service debt, the impact upon budgets is assessed.

All requests are prioritized based upon this evaluation. If the Finance Director concurs with the proposing department, the Finance Director will prepare the financing proposals for the review/approval of the Boards of Selectmen and Finance and ultimately voter approval should both Boards deem the proposal viable.

1.2 **Asset Life**

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and to maximize a capital asset's useful life, the Town makes every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for periods exceeding the useful life or average useful lives of projects to be financed.

The Town will consider short or long-term financing for the acquisition, maintenance, replacement, or expansion of capital assets, including land. For short-term financing, the capital asset must have a minimum useful life of three years; for long-term financing, the physical asset must have a minimum useful life of ten years.

SECTION II—CREDIT RATINGS

2.1 **Credit Ratings**

The Town seeks to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the Town's policy objectives. Ratings are a reflection of the general fiscal soundness of the Town, the local economy and other regional economic factors, and the capabilities of Town management. By maintaining the highest possible credit ratings, the Town can issue its debt at a lower interest cost. To enhance creditworthiness, the Town is committed to prudent financial management, systematic capital planning, interdepartmental cooperation and coordination, and sound long-term financial planning.

Rating agencies consider various factors in issuing a credit rating; these typically include:

- Town's fiscal status
- Town's financial and general management capabilities
- Economic conditions that may impact the stability and reliability of debt repayment sources
- Town's general reserve levels
- Town's debt history and current debt structure
- The capital improvement project that is being funded
- Covenants and conditions in the governing legal documents

The Town recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Each proposal for additional debt will be analyzed for its impact upon the Town's debt rating of its outstanding debt. There are no predetermined credit rating formulas available from the rating agencies, although recent

updates to rating methodologies from certain rating agencies have added transparency to their credit evaluation processes. This information provides a better understanding of how key quantitative and qualitative factors and risk factors are likely to affect rating outcomes. The Town will monitor rating agency guidelines and methodologies regularly to stay informed of changes to the rating metrics and processes.

The Finance Director is responsible for managing the rating reviews associated with the Town's various debt obligations. This effort includes providing periodic updates, both formal and informal, on the Town's general financial condition and coordinating meetings and presentations in conjunction with a new debt issuance when determined necessary. Credit material provided to the rating agencies shall be prepared by the Finance Director with the assistance of the Town's Municipal Advisor.

The Finance Director, in consultation with the Town's Municipal Advisor, shall be responsible for determining whether a rating shall be requested on a particular financing, and which of the principal rating agencies shall be asked to provide such a rating.

SECTION III—TYPES OF FINANCING INSTRUMENTS

There are many different types of financing instruments available to the Town as defined below.

Direct Debt Obligations

3.1 General Obligation Bonds

General obligation (GO)-bonds are secured by a pledge of the full faith and credit of an issuer which includes a promise to levy taxes in an unlimited amount as necessary to pay debt service on such bonds. GO bonds usually achieve lower rates of interest than other financing instruments since they are considered to be a lower risk.

3.2 Bond Anticipation Notes

General obligation bond anticipation notes (BANs) are short-term interest-bearing notes issued in the anticipation of long-term future bond issuances. The Town may choose to issue BANs as a source of interim financing when it is considered by the Finance Director to be prudent and advantageous to the Town.

3.3 Temporary Notes

Under State Statute, the Town may issue general obligation temporary notes to finance capital projects related to sewer and water systems which notes may be renewed for up to fifteen years subject to compliance with certain statutory pay down requirements.

3.4 Lease—Purchase Financings

The Town may undertake short term financing to purchase essential equipment, such as fire engines, vehicles and other capital items, through a lease-purchase mechanism. Lease purchase terms are typically from three to ten years and shall not exceed the useful life of the equipment being financed. Under this financing vehicle, the Town enters into a lease purchase agreement with a lessor to finance the lease purchase of certain equipment. The Town may also select a master lease arrangement whereby multiple pieces of equipment are financed over a period of time up to a maximum amount on an as needed basis.—Such lease purchase arrangements are subject to annual appropriation.

3.5 State and Federal Loans

State and federal loan proceeds are an important source of funds for capital projects in addition to the issuance of notes and bonds. A typical state borrowing program is the State's Clean Water Fund program which enables municipalities to finance wastewater infrastructure projects through a combination of loans and grants.

SECTION IV—DEBT RATIO GUIDELINES

4.1 Guidelines General Obligation Bonds

As discussed in section 3.1, general obligation bonds are secured by a pledge of the full faith and credit of the Town which includes a promise to levy taxes in an unlimited amount as necessary to pay debt service. Generally accepted measures of assessing the impact of general obligation bonds include:

Key considerations:

- Debt per capita: This is the outstanding principle as a percentage of population.
- Debt to taxable property value “debt burden”: This is the outstanding debt as a percentage of the grand list.
- Rate of debt retirement: This is the rate in which outstanding principal is retired.
- Debt service to budget: This is the annual debt service as a percentage of the budget.

Other considerations:

- Debt to personal income: This is the sum of personal income in Town divided by the debt per capita.
- Debt to operating revenue: This is a percentage of outstanding principal debt to operating revenue.

The Town shall monitor and strive to achieve and/or maintain these debt statistics at a low to moderate classification, as generally viewed by the municipal bond market.

4.2 General Fund-Supported Debt

An important ratio used in analyzing the Town's debt position with respect to General Fund supported debt securities (including lease revenue obligations and certifications of participation) is the required annual debt service/lease payment as a percentage of total available general revenues or expenditures (carrying charge). This analysis includes the annual debt service/lease payment for all long-term fixed obligations of the Town such as lease revenue bonds, capital leases backed by the Town's General Fund excluding debt liabilities of Town.

The Town shall strive to maintain the following key ratios:

- **Debt to full value of taxable Grand List. The recommend ratio is below 3%.** Rating agencies tend to consider this ratio as the most important criteria.
- **Debt as a percentage of the budget. The recommended ratio is below 10%, ideally between 2% and 8%.**

It is a strong financial management practice and an important planning tool to also evaluate the effects of other significant long term fixed costs.

SECTION V—STRUCTURE AND TERM OF TOWN INDEBTEDNESS

5.1 Term of Debt

Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future beneficiaries or users. Borrowings by the Town should be of a duration that does not exceed the useful life of the improvement that it finances and where feasible, should be shorter than the projected economic life. The standard term of long-term borrowing is typically 15 to 30 years. Longer terms of debt will be considered when after careful analysis it is determined to be a benefit to the town and in keeping with the useful life of the improvement.

5.2 Rapidity of Debt Repayment

In structuring a bond issuance, the Finance Director will manage the amortization of debt, and to the extent possible, match its cash flow to the anticipated debt service payments. **The Town shall strive to pay down a minimum of 50% of the total debt in ten years or less.**

The Town will seek to structure debt as permitted by Connecticut State Statute and in manner a determined to be most beneficial to the Town by the Finance Director.

5.3 Interest Rate

Fixed rate securities ensure budget certainty through the life of the securities and can be advantageous in a low interest rate environment. The Town currently issues securities on a fixed interest rate basis only. The Town in certain instances may consider the issuance of variable rate securities.

5.4 Debt Instrument Rating

The Finance Director, with a Municipal Advisor if appropriate, will assess whether a credit rating should be obtained for an issuance and make a recommendation to the First Selectman and Treasurer. If it is determined that a credit rating is desirable, the probable rating of the proposed debt issuance is assessed before its issuance, and necessary steps are taken in structuring the debt issuance to ensure that the best possible rating is achieved.

5.5 Credit Enhancement

Credit enhancement may be used to improve or establish a credit rating on a Town debt obligation. The Town may elect to utilize bond insurance if it is determined there is benefit to the Town. The Finance Director will recommend to the First Selectman and Treasurer the use of a credit enhancement if it reduces the overall cost of the proposed financing or if, in the opinion of the Finance Director, the use of such credit enhancement furthers the Town's overall financial objectives.

5.6 Capitalized Interest

Generally, interest shall be capitalized for the construction period of a revenue producing project so that debt service expense does not begin until the project is expected to be operational and producing revenues. This includes, for lease back arrangements, such as those used for lease revenue bond transactions. When warranted, interest may be capitalized for a period longer than the construction period. Capitalized interest may also be referred to as "funded interest."

5.7 Call Options/Redemption Provisions

The Finance Director will recommend to the First Selectman and Treasurer the use of a call option, if any, and call protection period for each issuance.

A call option, or optional redemption provision, gives the Town the right to prepay or retire debt prior to its stated maturity. This option may permit the Town to achieve interest savings in the future through refunding of the bonds with lower interest rates. Often the Town must pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (“call premium”). Because the cost of call options can vary widely, depending largely on market conditions, an evaluation of factors such as the following will be conducted in connection with each issuance:

- Interest rate premium for adding call provision
- The call premium paid to the bond holder
- Level of rates relative to historical standards
- The time until the bonds may be called at a premium or at par
- Interest rate volatility

Generally, 20 year tax-exempt municipal borrowings are structured with an eight year call at no premium. From time to time, market conditions may facilitate shorter call options (five to seven years) with no premium

CHAPTER VI—METHOD OF ISSUANCE AND SALE

The Finance Director and Treasurer will coordinate the issuance of all debt, including issuance size, debt structure, interest rate options, cash flow analysis, and method of sale. The selection of the financing team and the role of the various consultants are discussed in Chapter VII.

6.1 Method of Sale

Debt issuances are sold by a single underwriter or to an underwriting syndicate through either a public offering or a private offering. The selected method of sale will be that which is the most advantageous to the Town in the judgment of the Finance Director, in terms of lowest net interest rate, most favorable terms in the financial structure used, and market conditions.

a) Public Offerings

Public offerings can be executed through either a competitive sale or a negotiated sale. Method of sale for each bond offering is based on the recommendation of the Finance Director with advice from the Town’s Municipal Advisor.

- i. **Competitive Sale:** In a competitive sale, bids will be awarded on a true interest cost basis (TIC), provided other bidding requirements are satisfied. In such instances where the Town deems the bids received unsatisfactory, it may, at the discretion of the First Selectman and the Treasurer to reject all bids and either elect to seek new bids or enter into negotiation for the sale of the securities. In general, the competitive sale method is recommended for “plain vanilla” or more typical financings with a strong underlying credit rating and generally stable and strong market conditions exist.

- ii. **Negotiated Sale:** The negotiated sale process provides the Town with control over the financing structure and the issuance timing, and provides flexibility of distribution. Negotiated sales may be executed when competitive sales are not suitable or not a viable option. Examples of such circumstances include unusual financing terms, market volatility, and weaker credit quality.

b) **Private Offerings:**

When determined appropriate by the First Selectman and the Treasurer, with guidance from the Finance Director, the Town may elect to negotiate financing terms with banks and other financial institutions for specific borrowings on a private offering basis.

Typically, private offerings (also referred to as direct purchase transactions) are executed by the Town when particular circumstances, terms or conditions preclude or disfavor public offerings or in order to avoid the costs of a public offering for smaller issuances.

- i. **Bidding Parameters:** In a competitive sale, the notice soliciting bids should be carefully drafted so as to ensure the best possible bid for the Town, in light of existing market conditions and other prevailing factors.

Parameters to be examined include:

- Interest rate
- Repayment acceleration
- Call provisions
- Other unique terms

6.2 **Initial Disclosure Requirements**

The Finance Director, in conjunction with the Town's Bond Counsel and Municipal Advisor, coordinates the preparation of all the necessary documents for disclosure, with input from various other Town departments (as applicable for a particular bond or note issuance) and outside consultants. Each publicly offered debt issuance will satisfy the disclosure requirements of the Securities and Exchange Commission (SEC) and other government agencies before and after the bond sale takes place. The disclosure documents, particularly the Official Statement, will contain full and accurate information concerning the financing and the financial condition of the Town and not omit any material information which would render the information presented misleading.

6.3 **Approval Process**

In managing the bond approval and issuance process, the Finance Director will work with the Town's Bond Counsel, other relevant Town departments, and outside consultants to obtain the necessary Town bonding authorization and prepare and assemble all bond related documents (see Chapter VII for the role of various outside consultants). The Town's Bond Counsel will assess any legal issues that may arise with respect to the issuance of the bonds.

All proposed debt financings shall be authorized by the Town Meeting upon recommendation of the Board of Finance except in the case of refundings which simply require the approval of the Board of Selectmen.

SECTION VII—FINANCING TEAM—ROLES AND SELECTION PROCESS

The Finance Director, working with the First Selectman, Chairman of the Board of Finance and Treasurer, shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement a debt issuance program for the Town. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing services at competitive prices.

7.1 Selection and Compensation

The identification of municipal advisors, paying agents, escrow agents and other professionals is accomplished through a selection process conducted by the Finance Director, and may also be based upon recommendations from advisors that are specifically skilled in the type of bond issuance being proposed.

Selection of consultants will be made from either an as-needed pool, which is assembled via a Request for Qualifications (RFQ) process, or a separate RFP issued for a specific bond issuance. Once the selection of a Municipal Advisor has occurred, the Municipal Advisor will assist the Town in the selection of other service providers, including broker-dealers/underwriters, trustees, escrow agents, credit enhancers, verification agents, title and insurance companies, and printers.

The Town may encumber and advance the fees associated with municipal advisory services, which are later reimbursed from the bond proceeds, or may enter into contracts on a contingent basis.

Compensation for the other service providers listed above is typically included in the cost of issuance, and paid from the bond proceeds.

The First Selectman's Office will take the lead in selecting the Town's Bond Counsel, with the guidance of the Finance Director. Bond Counsel compensation is typically paid from bond proceeds but may be paid outside of a bond issue closing in certain circumstances.

7.2 Financing Team: Outside Consultants

Municipal Advisors

As needed, the Finance Director, will identify an independent Municipal Advisor. The primary responsibilities of the Municipal Advisor are to advise and assist the municipal issuer concerning bond offerings, including the transaction structuring, advising on pricing, call provision options and timing of issuance, running debt service cash flow numbers, obtaining ratings on the proposed issuance, ensuring compliance with continuing disclosure obligations and generally acting as a financial consultant and economic and bond market advisor.

The Municipal Advisor, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder, including the Municipal Advisor Rule, has a fiduciary duty to the Town. Fiduciary duty is generally understood to encompass a duty of loyalty and a duty of care to the Town.

Bond Counsel

The Town will retain external Bond Counsel for all debt issuances. Bond Counsel will prepare the necessary authorizing resolutions, review disclosure documents and draft bond and note documents necessary to execute the financing. In addition, all debt issued by the Town will include a customary approving legal opinion of Bond Counsel.

Broker-Dealer/Underwriters

For a competitive sale, the criteria used to select a broker-dealer/underwriter shall be the bid providing the lowest true interest cost to the Town.

For a negotiated sale debt issuance, the Finance Director, working with the Municipal Advisor, will identify broker-dealers/underwriters. The Finance Director will recommend to the First Selectman and Treasurer the selected broker-dealer/underwriter or a syndicate of broker-dealers/underwriters. Underwriters will be required to demonstrate sufficient capitalization and experience related to the debt issuance being proposed, among other criteria determined for each issuance. The Finance Director will consider the following criteria in selecting a broker-dealer/underwriter and/or a syndicate:

- Experience with the particular type of financing, and size of the financing
- Overall experience
- Familiarity with the Connecticut market
- Marketing expertise
- Distribution capability
- Previous experience as managing or co-managing broker-dealer/underwriter
- Financial strength, as evidenced by the firm's current financial statements
- Experience of the public finance team assigned to the financing
- Resources to complete the financing
- Compensation

Paying Agent/Registrar/Transfer Agent/Certifying Bank

The Town by statute must designate a bank or trust company to certify the issue and to act as paying or disbursing agent. The Town's bond resolution typically authorizes the First Selectman and the Treasurer to appoint a paying agent to pay principal and interest on the Town's bonds or notes from monies provided by the Town. A certifying bank or authenticating agent certifies as to the bonds or notes of the Town including specifically as to the signatures of the First Selectman and Treasurer, the legal opinion of bond counsel and the seal of the Town.

The paying agent solicitation and selection is typically coordinated by the Municipal Advisor in consultation with the Finance Director for a new bond issuance. The Finance Director will monitor the ongoing performance of a paying agent. The Town, in consultation with the Municipal Advisor, may periodically solicit for paying agent services from qualified banks and trust companies.

A registrar maintains the registration books of the Town which identifies registered owners of the bonds or notes.

Typically, one institution serves the role of paying agent, registrar, transfer agent and certifying bank.

Other Service Providers

Other professionals may be selected, at the discretion of the Finance Director, on an as-needed basis. These include the services of credit rating agencies, escrow agents, bond insurance providers, credit and liquidity banks, verification agents, title insurance companies and printers.

SECTION VIII—REFUNDING OF TOWN INDEBTEDNESS

The Town will consider refunding its existing debt when benefits of the refunding outweigh the costs and risks.

8.1 Types of Refunding

a) Current Refunding

A current refunding is one in which the refunding bonds are issued less than 90 days before the date upon which the refunded bonds will be redeemed.

b) Advance Refunding

The Tax Cuts and Job Act of 2017 repealed the authority of municipal issuers to issue tax-exempt advance refunding bonds (bonds issued more than 90 days before the redemption date of the refunded bonds) after December 31, 2017. To the extent advance refunding transactions are reauthorized by Congress, the issuance of advance refunding bonds shall be an option for the Town.

8.2 Refunding Considerations

Refundings may be undertaken to:

- Take advantage of lower interest rates and achieve debt service cost savings
- Eliminate restrictive or burdensome bond covenants
- Restructure debt to either shorten/lengthen the duration of debt or free up reserve funds/smooth out debt service payments
- Refund outstanding indebtedness when existing financial structures impinge on prudent and sound financial management

Generally, the Town will consider a refunding only when there is a net economic benefit; i.e., when there is an aggregate net present value savings, expressed as a percentage of the par amount of the refunded bonds, at 2% and above for a current refunding and 3% and above for an advance refunding. In addition, in the case of an advance refunding, consideration is to be given to the impact of inefficient investment yields in the refunding escrow account (i.e., yield on the escrow investment is less than the yield on the refunding bonds. This inefficiency is also known as negative arbitrage.) Aggregate net present value savings should be greater than the aggregate amount of negative arbitrage to achieve an economic benefit. These savings requirements for a refunding may be waived by the First Selectman and Treasurer upon a finding that such a restructuring is in the Town's overall best financial interest.

8.3 **Refunding Escrows**

The Town will seek to purchase State and Local Government Securities (SLGS) to fund its refunding escrows, when available. However, upon the approval of the First Selectman and Treasurer, after consulting with the Finance Director and Town’s Municipal Advisor, the Town may choose to fund an escrow through purchase of treasury securities on the open market when market conditions make such an option financially preferred or necessary or when SLGS are not available.

SECTION IX—POST ISSUANCE COMPLIANCE AND ADMINISTRATION

9.1 **Expenditure and Investment of Bond Proceeds**

The proceeds of the bond sales will be expended and invested until used for the intended purposes in order to maximize utilization of the public funds. The investments will be made in accordance with the Town’s Investment Policy and the Town’s tax regulatory agreements and tax compliance certificates. The Treasurer or escrow agent, as directed in the escrow agreement, will invest the bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions. The Town has adopted Post-Issuance Compliance Procedures (the “Post-Issuance Procedures”) regarding the expenditure and investment of bond proceeds and shall comply with the requirements of such Post-Issuance Procedures.

9.2 **Arbitrage Compliance**

The Finance Director shall establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements as required by the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebate earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the Town’s outstanding debt issuances.

Additionally, general financial reporting and other requirements embodied in tax regulatory agreements and tax compliance certificates and the Post-Issuance Procedures shall be monitored and reviewed to ensure that all requirements are met. The ongoing compliance verification function will be managed by the Finance Director.

9.3 **Ongoing Disclosure**

The Town will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by-SEC Rule 15c2-12. The Finance Director shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board’s (MSRB’s) Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers. The Finance Director is responsible for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies, including the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Town may also employ the services of firms, such as the Municipal Advisor, to improve the availability of, or supplement, the Town’s EMMA filings.

The Town will provide full and complete financial disclosure to rating agencies, institutional and individual investors, other government authorities, and other persons required by applicable law using the appropriate channels/policies/procedures.

The Town shall comply with all requirements contained in its Post-Issuance Procedures to ensure its meeting its continuing disclosure requirements.

9.4 **Compliance with Other Bond Terms/Covenants**

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the Town is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments
- Taxes/fees are levied and collected where applicable
- Timely transfer of debt service/rental payments to the-paying agent or trustee, if applicable
- Compliance with insurance requirements
- Compliance with rate covenants where applicable
- Recordkeeping and continued public use of financed asset
- Compliance with tax covenants including the timely spend-down of project fund proceeds
- Compliance with all other bond terms/covenants

The Finance Director will coordinate verification of covenant compliance and will work with the Town’s Bond Counsel; and all other responsible entities to monitor compliance with the aforementioned compliance requirements.

9.5 **Compliance with State and Federal Reporting Requirements**

The Town will meet required State and Federal reporting requirements related to debt obligations. The Town shall also comply with all record keeping requirements set forth in the Town’s Post-Issuance Procedures.

CHAPTER X—COMPLIANCE WITH TOWN’S DEBT MANAGEMENT POLICY

Any proposed exceptions from this Debt Management Policy a particular bond or note issue should be identified by the Finance Director and then discussed and approved by the Treasurer, First Selectman and Board of Finance.

The Board of Finance will review and evaluate the Debt Management Policy annually or as needed. Implementation of this Policy is not intended to release or alter the Town’s current or future obligations to complete specific CIP projects by specified deadlines, as may be imposed by court order, or order of any federal, state or local regulatory agency.

Adopted 03/07/2020
Effective 03/07/2020
Reviewed 10/13/2021

Revised _____

TOWN OF GROTON, CONNECTICUT

DEBT POLICY

&

MANAGEMENT / FISCAL PRACTICES

Revised by the Town Council on: October 5, 2021

Revised by the Town Council on: November 28, 2017

Revised by the Town Council on: February 4, 2014

Revised by the Town Council on: May 19, 2009

ADOPTED BY THE TOWN COUNCIL ON: SEPTEMBER 21, 1993

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A. Purpose:

1. To establish a criteria for the issuance of debt obligations so as not to exceed acceptable levels of indebtedness.
2. To provide consistency and continuity to public policy development through the Town's Capital Improvement Program, a mechanism that provides evidence of a commitment to meet infrastructure needs through a planned program of future financing, and
3. To transmit a message to investors and rating agencies who value such evidence of a community's commitment to financial management.

B. Guiding Principles/General Policies:

1. The Town Charter Section 9.13 "Borrowing" and applicable State Statutes governs the Town's issuance of debt as it pertains to referendum requirements and state mandated debt limitations.
2. The Town will conduct its debt management functions in a manner designed to maintain or enhance its existing credit ratings (Fitch: AA; Moody's: AA2; and Standard & Poor: AA).
3. Debt issuance will be utilized by the town only in those cases where equity, effectiveness and efficient use of limited resources favor debt over alternative sources of funds. The Town shall view debt as a mechanism to equalize the costs of improvements to present and future residents. The issuance of debt should provide a sufficient sum of money to make major improvements when it is needed and should take into account the relative costs of obtaining the funds. Decision criteria considered shall include the following:
 - (a) Debt shall be primarily used to finance capital projects with a relatively long life expectancy, i.e., ten (10) years or greater. Capital requirements that are recurring, of relative small scale, or are for short-lived improvement should be funded through current funds or the Capital Reserve Fund.
 - (b) Debt shall be issued in such a way so that the term of the financing does not exceed the useful life of the asset.

4. All budgeted funds are required to be balanced. As such, total anticipated revenues, plus fund balance applied if applicable, must equal the sum of budgeted expenditures for each fund.
5. The Town maintains a financial and budgetary control system to ensure adherence to the budget and an awareness of the financial environment, preparing quarterly reports to compare actual revenues and expenditures to budgeted amounts.

C. Capital Improvement Program:

1. A Capital Improvement Program shall be prepared by Town staff and submitted to the Planning Commission as per Connecticut General State Statutes.
2. The Town Council shall approve a Capital Improvement Program annually.
3. The Capital Improvement Program shall consist of a multi-year priority listing of long term capital projects, accompanied by a financing plan which finances all projects in the plan, and is supported by the appropriate sources of revenue. The financing plan shall be in accordance with the debt management policies contained herein.
4. It is the intent of these policies that authorized projects must be part of an adopted Capital Improvement Program.
5. Appropriations for construction or for other permanent improvements from whatever source derived shall not lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned. However any project shall be deemed to have been abandoned if three (3) fiscal years lapse without any expenditure from or encumbrance of the appropriation therefore. Furthermore, any such appropriation which has not been completely expended at the end of five (5) years from the date thereof shall thereupon lapse, unless re-appropriated or extended.

D. Capital Reserve Fund:

1. A Capital Reserve Fund shall be funded annually to ensure that adequate funds are available to purchase equipment, repairs and improvements on a timely basis. This program is designed to stabilize budgeting for such purchases and to fund that part of the Town's capital budget related to those purchases.
2. As per council resolution adopted in December of 1984 and Ordinance Number 179 adopted on September 17, 1985, the Town Manager shall include in the proposed annual budget not less than four (4) percent of the total General Fund Budget for the purpose of paying current outstanding debt service and allocating funds to a "Reserve Fund for Capital and Non-Recurring Expenditures". The amount of said Capital Reserve Fund for capital items will be the remainder after subtracting the necessary debt service payments. The amount so allocated shall be subject to the annual budgetary process.

E. Management:

1. It shall be the responsibility of the Town Manager or his designee to maintain all necessary files associated with the issuance of Town debt.
2. The Town Manager shall submit for Council consideration a fiscal impact statement prior to any Council action to authorize a project involving the issuance of debt. The fiscal impact statement shall contain tables, charts and graphs which address the following:
 - (a) an estimate of the debt service levy to be required at the time of long term debt issuance,
 - (b) a calculation showing the impact of this additional levy to the existing debt service levy at that time,
 - (c) a schedule showing the impact of such issuance on the mill rate over the period of time that the issuance is for, and
 - (d) a table setting forth the computation of the debt limit of the Town and the debt incurring margin as set by State Statute and listing various debt ratios relating to the Town's indebtedness.

F. Debt Issuance Ratios/Limits and Repayment Schedules:

1. The Town shall use the following limits to guide issuance of debt:
 - (a) The Town shall not exceed fifty (50) percent of its statutory debt limit.
 - (b) Total direct indebtedness shall not exceed five (5) percent as percentage of full valuation (most recent equalized grand list as developed by the State of Connecticut).
 - (c) Total debt service shall not exceed ten (10) percent of the Total General Fund expenditures.
2. Repayment schedules shall be designed to relate to the useful life of the asset and generally be in accordance with the following:
 - (a) Fifteen (15) years for most general obligation public improvement debt.
 - (b) Twenty (20) years for benefit district debt and debt supported by special revenues.
 - (c) Ten (10) to twenty (20) years for capital improvement of town-wide significance and where justified by the magnitude of the project.
 - (d) On an overall basis, all general obligation debt shall be structured to retire at least fifty (50) percent of the Town's indebtedness within ten (10) years.

G. Operating Reserves:

1. The maintenance of adequate operating reserves is essential to the financial strength and flexibility of the Town. Undesignated levels should not be construed as surpluses or over taxation by the town but rather an element of sound fiscal management required for sustaining a high credit rating and financial management flexibility. They are an integral part of the financial structure of the Town and provide a cushion against potential revenue and expenditure volatility.

Operating reserves are a significant factor considered in evaluating and assigning credit ratings by the bond rating agencies.

2. The Town shall maintain the following reserves:
 - (a) An annual contingency reserve in the general fund operating budget which is not more than two (2) percent of annual expenditures.
 - (b) An unassigned General Fund reserve maintained in an amount equal to at least fifteen percent (15%) of annual general fund expenditures. In the event the balance falls below the minimum a plan will be developed to promptly address the shortfall.
 - (c) Any General Fund surplus exceeding 20% on a budgetary basis will be reviewed annually by the Council after completion & acceptance of the annual audit.
 - (d) A sixty (60) day reserve in special revenue funds in order to meet potential unanticipated needs.

H. Continuing Disclosure:

1. The Town is committed to continuing disclosure of financial and pertinent credit information relevant to the Town's outstanding securities and will abide by the provisions of the Securities and Exchange Commission (SEC), Rule 15c2-12 concerning primary and secondary market disclosure. The Town shall file such information through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system and where applicable on the Town's web page.

I. Alternative Financing Plan:

The Town Manager is allowed to suggest to the Town Council an alternative financing plan for proposed capital projects if a complete analysis indicates that an alternative approach is deemed in the best interests of the Town of Groton.

Chapter 11

BIDS

GENERAL REFERENCES

Funds — See Ch. 42.

Regional cooperation — See Ch. 112.

ARTICLE I
Local Bidder Preference
[Adopted 8-19-2010]

§ 11-1. Town-based business.

The term "Town-based business" shall mean a business with a principal business located within the Town of Hebron. A business shall not be considered a Town-based business, unless evidence is submitted with each bid submitted by said business to establish that said business has a bona fide principal place of business in Hebron. Such evidence may include evidence of ownership of or a long-term lease of the real estate from which the principal place of business is operated, or payment of property taxes on the personal property of the business to be used in performance of the bid.

§ 11-2. Lowest responsible bidders.

On any project, the lowest responsible bidder shall be determined in the following order.

- A. Provided that such Town-based resident bidder shall have met all other requirements set forth in this article, any Town-based resident bidder which has submitted a bid not more than 5% higher than the lowest most responsible bid may be awarded the bid, provided such Town-based bidder agrees to accept the award of the bid at the amount of the lowest most responsible bid.
- B. If more than one Town-based resident bidder has submitted a bid not more than 5% higher than the lowest responsible bid, the lowest responsible bidder shall be that one of the Town-based resident bidders which had submitted the lowest bid.

§ 11-3. Implementation of local bidder preference.

Any local vendor meeting the requirements of a local vendor as defined in the above article responding to the solicitation shall be required to submit a signed local bidder affidavit form with their bid submittal. Failure to submit an affidavit form, approved by the Town of Hebron, may result in your disqualification as a local vendor and ineligibility for contract award.

§ 11-4. Restriction of use of local bidder preference.

This article shall not apply in those instances where the bid requested involves a cooperation purchasing arrangement between the Town and other municipalities or the State of Connecticut.

TOWN OF NEWTOWN, CONNECTICUT

DEBT MANAGEMENT POLICY

I. PURPOSE

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the Town of Newtown.

Debt obligations, which include general obligation bonds, special assessment bonds, revenue bonds, bond anticipation notes, lease/purchase agreements and any other debt obligations permitted to be issued under Connecticut law. Issuance of debt shall follow the Capital Improvement Plan Policy (see Section 310)

II. POLICY STATEMENT

Under the requirements of Federal and state laws and Town Charter provisions, ordinances and resolutions, the Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. It is the Town's goal to assure that such debt obligations are issued and managed in such a manner as to obtain the best long-term financial advantage to the Town and its residents, while making every effort to maintain and improve the Town's bond ratings and reputation in the investment community. Newtown seeks the highest practical long-term obligation rating Moody's and Standard & Poor's confers on municipalities.

III. RESPONSIBILITY FOR POLICY

- A. The Finance Director shall be responsible for issuing debt, and managing the Town's debt program. In carrying out this policy, the Director shall periodically:
 1. Consider the need for debt financing based upon the approved Capital Improvement Plan.
 2. Review the Town's adherence to this policy statement and compare the debt ratios established in this policy with where the Town actually is.
 3. Review the Town's authorized but unissued debt to determine if any authorizations are no longer needed.
 4. Determine if there are any opportunities for refinancing current debt.
 5. Review every three years the services provided by the Town's financial advisor, bond counsel, paying agents and other debt financing service providers.
- B. The Finance Director shall report his/her findings to the Board of Selectmen, Board of Finance and Legislative Council in the September/October time period of each year, during the Town's review and formulation of the Capital Improvement Plan.

- C. Actual issuance of bonds and material changes to the measures identified below shall be reported to the Board of Finance at their next meeting by the Finance Director.

IV. GENERAL DEBT GOVERNING POLICIES

The Town hereby establishes the following policies concerning the issuance and management of debt:

- A. The Town shall only issue debt obligations for approved Capital Asset Projects as defined within 310-6 of the Capital Improvement Plan (“CIP”) Policy; or for refinancing existing debt obligations.
- B. The Town shall not issue debt obligations or use debt proceeds to finance current operations of the Town.
- C. The Town will utilize debt obligations when an approved Capital Asset Project cannot practically be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
- D. The Town will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty-year periods.
- E. The Finance Director will present a report on the measures in Section VI to the Board of Finance prior to their taking final action on the CIP. This report will include any funding parameters related to the Combined BOS and BOE proposed CIP Capital Asset Projects which may impact this policy.

V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Ratio of General Fund Total Bonded Debt to Taxable Net Grand List - An increasing ratio of debt to net grand list (over several years) is not desirable. This debt ratio should not go beyond 3%.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of twenty years. The estimated useful life of the Capital Asset Project being financed should be considered when determining the maturity of debt. In the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced shall remain the same maturity.
- C. Average Maturity of General Obligation Bonds –The Town shall have at least 50% of outstanding general obligation bonds mature in less than ten (10) years.
- D. Ratio of General Fund Annual Debt Service to Total Annual Budget (Debt Service Level) –The Town will adhere to a debt management cap that limits annual General Fund debt service to no more than 9.0% of the total General Fund budget. In addition, the Town will set a goal of limiting annual General Fund debt service to 8.5% or less of the total General Fund budget by July 1, 2023.
- E. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.

- F. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
- G. If the debt management indicators fall outside the recommended levels, the Finance Director shall recommend and submit to the Board of Finance for approval, a plan to bring the debt management indicators to their appropriate levels within a specific time frame.

VI. DEBT SERVICE INDICATORS

- A. The Town's debt measures will be annually compared to Connecticut Towns:
 - 1. In the immediate vicinity of the Town, including Bethel; Brookfield; Danbury; Monroe; New Fairfield; New Milford; Oxford; and Southbury;
 - 2. With the same bond rating;
 - 3. With a bond rating one level higher and
 - 4. Within our District Reference Group ("DRG").
- B. The Town recognizes that the below ratios are useful guides but not the exclusive means by which it should measure debt burden:
 - 1. Ratio of Debt to Equalized Net Grand List (see V.A)
Indicates Newtown's ability to repay its long term (bonded) debt. Increasing bonded long-term debt as a percentage of assessed valuation (taxable net grand list) is undesirable, as it suggests that debt is exceeding the government's ability to pay. Sustained growth in debt (well beyond tax base growth) may ultimately overburden a tax base and reduce economic viability by straining budget and tax resources and reducing flexibility. A government near its debt limit has less flexibility to meet future capital needs. Debt reduction, on the other hand, lowers taxes and generates economic capacity to the extent that infrastructure necessary for economic growth isn't underfunded. A low debt profile may indicate underinvestment in infrastructure and capital facilities. Neglecting critical capital needs may impede economic growth and endanger future tax revenue generation. Standard & Poors considers a Debt to Equalized Net Grand List (market value) of less than 3% to represent a low debt burden; 3% to 6% a moderate debt burden; and greater than 6% a high debt burden.
 - 2. Average Maturity of General Obligation Bonds (Section V.B)
Prudent use of debt dictates that the debt's term matches the useful economic life of the financed capital items. A faster maturity schedule may be desired to avoid increased interest costs, however, it can place undue strain on the operating budget. Tax-backed debt retirement that falls below 40% in 10 years is considered a weak fiscal practice.
 - 3. Debt Service Level (Section V.D)
Indicates the extent of Newtown's fixed costs for paying principal and interest on its local tax supported debt. Increasing debt service as a percentage of total budget reduces Newtown's expenditure flexibility and may suggest excessive debt and/or fiscal strain. Debt service above 10%

of total budget constitutes a level at which budgetary competition is a significant consideration.

4. Debt per Capita and Debt per Family

Calculated by dividing the Town's direct debt by most current population figure. A low ratio suggests Newtown has the ability to repay its long-term debt. If long-term debt is increasing as population stabilizes or declines, debt levels may be reaching or exceeding the government's ability to pay (assuming that the ability to generate revenue and repay debt is directly related to population size). A high ratio is not inherently bad, however, and must be considered in the local context.

5. Debt per Capita income

6. Median Household Income

7. Debt per Capita as a Percentage of per Capita Income

8. Debt per Capita as a Percentage of Median Household Income

- C. The Town will, at the discretion of the Finance Director, employ data taken from the latest State of Connecticut Municipal Fiscal Indicators Report, the CERC Town Profile or other report from the CT Data Collaborative to compile the above ratios and develop trend lines from same.

Policy Review

This policy shall be reviewed by the Board of Finance, at minimum, on a biennial basis during the month of January in each odd numbered year. Recommendations for change, if any will be presented to the Legislative Council for approval.

Adopted by Board of Finance on May 11, 2020

Approved by the Legislative Council: March 3, 2021

Town of Redding, CT
Debt Management Policy
Revised and Approved (Date)

- I. **PURPOSE:** The debt management policy for the Town of Redding, CT (Town) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Management Policy sets forth guidelines for the issuance and management of all financings of the Town¹. Monitoring and executing the policy is essential to ensure that the Town maintains a sound debt position and protects the credit quality of its obligations while providing flexibility in meeting the Town's capital needs.
- II. **POLICY STATEMENT:** Certain capital expenditures shall be financed by long-term debt to be repaid in accordance with the debt instrument. The Town will issue debt for the purposes of constructing or acquiring nonrecurring permanent capital improvements, major renovations, open space property, or other similar type projects it deems necessary. Current operating expenditures shall not be funded through the issuance of debt (except in limited circumstances by a tax anticipation note).

To qualify for long-term financing, the project as defined above shall have a minimum useful life of 7 years and cost at least \$100,000 individually, or in the aggregate for related items.

Capital expenditures which fall below these minimum bond thresholds, may be financed through one of the following:

- Budgeted operating expense
- State funds, such as LoCip (Local Capital Improvement Projects) or other grants
- Federal funds
- Capital non-recurring reserve (CNRE)
- Unassigned fund balance
- Contingency or other reserves that may exist

Exceptions or changes to this policy require approval of the Board of Finance.

¹ The Town participates with the Town of Easton, CT in providing a regional high school for students residing in each town. Accordingly, the outstanding debt and related interest expense of Regional School District No. 9 (the District) is shared by Easton and Redding. The District's Board of Education is responsible for approving the issuance of and managing the District's debt. The Town's Board of Finance does not approve the issuance of or manage the District's debt. However, the Town's Board of Finance should consider the entire debt burden, including the Town's share of the District's debt, when contemplating a debt issuance for the Town and when monitoring total indebtedness.

III. DEBT LIMITS

A. Legal Restrictions

Capital improvements financed through the issuance of long-term debt will be financed for a period not to exceed 20 years or in accordance with State Statutes. (S.7-371)

B. Public Policies

1. Type of debt that may be issued and purpose for which debt proceeds may be used:

Type of Debt that May be Issued	Purpose for Which Debt Proceeds May be Used
Bond Anticipation Notes (BAN)	Provides interim cash flows on a short-term basis to facilitate the timing of bond sales. The proceeds from the BANs may be used for the purpose for which the associated bonds are authorized.
Tax Anticipation Notes (TAN)	Provides interim cash flows to finance a current operation before the Town collects tax revenues. Proceeds are to be used to bridge the gap between the mismatch between the receipt of property taxes and ongoing expenditures.
General Obligation Bonds	For the purposes of constructing or acquiring nonrecurring permanent capital improvements, major renovations, open space property, or other similar type projects that the Town deems necessary.

2. Municipal Leases: A municipal lease is a type of debt which may be entered into using the following guidelines:
 - A municipal lease should be used for major equipment, rolling stock, and other capital items when it is cost justifiable
 - The minimum amount of a municipal lease shall be \$25,000
 - The term of a municipal lease shall not exceed 7 years.
3. Purpose for which debt proceeds are prohibited:
 - Current operating expenditures shall not be funded through the issuance of debt.
 - **Exception:** As noted above, a TAN may be issued to provide interim cash flows to finance a current operation before the Town collects tax revenues. CT statutory provisions exist that limit the term of the TAN to the same year as the expenditure.
4. Types of debt prohibited
 - Commercial lines of credit (as prohibited by CT State Statute)
5. Relationship to and integration with the Capital Plan
 - The Long Range Financial Planning Committee shall provide the Board of Finance with a copy of all capital requests made by the Town, schools, and Water Pollution Control Commission on an annual basis during the budget season. The capital plan should be updated, at a minimum, on an annual basis and should include both immediate and anticipated future capital needs.
 - The capital plan will assist the Finance Director and the Board of Finance in analyzing potential funding sources for the capital requests.

- The capital plan will assist the Finance Director, Town Treasurer, and the Board of Finance in analyzing the projected future debt levels of the Town.

C. Financial Restrictions, Ratios, and Planning Considerations

1. Covenants and Laws—The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
2. The Board of Finance shall exercise due care on behalf of the public interest, in managing the Town’s exposure to debt liabilities and debt service payments. As part of this responsibility to exercise due care, the Board of Finance shall actively monitor and report upon trends in the maturity dates of its General Obligation Bonds and of the Town’s share of the District’s debt, as well as the related annual costs of debt service.
3. Analytical review should be conducted by the Board of Finance on an annual basis and in contemplation of new debt issuances. The list below comprises ratios and other information that the Board of Finance may find relevant in conducting its analytical review. Those ratios and metrics should be looked at in context with each other and not in isolation. The Town recognizes that the ratios below are useful guides but not the exclusive means by which it should measure debt burden:
 - Debt per capita (long-term debt per capita, total debt per capita)
 - Ratio of bonded debt and other outstanding debt to net assessed value
 - Annual debt service payments
 - Annual debt service payments as a percentage of budgeted and actual expenditures (in total and separately for school-related debt and town-related debt)
 - Debt maturity schedule
 - Bond rating
 - Per capita income
 - Median household income
 - Debt per capita as a percentage of per capita income
 - Debt per capita as a percentage of median household income
4. The Town’s debt burden also should be compared to Towns in the immediate vicinity of the Town, with the same (or similar) bond rating, and to Towns in the same District Reference Group. The comparison should incorporate the list of ratios and metrics in the list above, to the extent the information is readily available.
5. To compile the above ratios and develop trend lines, the Town will use information from the following sources:
 - The Town’s latest CAFR (specifically, the long-term debt section in Management’s Discussion and Analysis, long-term liabilities information in the notes to the financial statements, and tables 8-12).
 - The latest State of Connecticut Municipal Fiscal Indicators Report at <https://portal.ct.gov/OPM/IGP-MUNFINSR/Municipal-Financial-Services/Municipal-Fiscal-Indicators>
6. The compilation and preparation of the above data is the responsibility of the Town’s Finance Director and shall be provided to the Board of Finance on an annual basis, no later than the start of the annual budget process. The Town’s Finance Director shall also update (as necessary) and provide that data to the Board of Finance in contemplation of new debt issuances. The Board of Finance shall review that data during the annual budget process before it recommends

a budget to the Town Meeting and in contemplation of new debt issuances.

IV. DEBT STRUCTURING PRACTICES

- A. **Minimum useful life and amount:** To qualify for long-term financing, the project shall have a minimum useful life of 7 years and cost at least \$100,000 individually, or in the aggregate for related items. The minimum amount of a municipal lease shall be \$25,000.
- B. **Maximum term:** Consideration should be given to the useful life of the asset(s) being financed in determining the bond term or the municipal lease term. The maximum term of the bond should be 20 years according to state statute. If debt obligations are being issued to refinance outstanding debt obligations, the final maturity of the debt obligations being refinanced shall remain the same maturity or a lesser maturity. The term of a municipal lease shall not exceed 7 years.
- C. **Debt service pattern:** Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis so that debt service payments will be a predictable and manageable part of the operating budget.
- D. **Use of optional redemption features:** For each transaction, the Issuer shall evaluate the costs and benefits of redemption provisions.
- E. **Bond insurance:** For each issue, the Town will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the Town shall be competitively procured.

V. DEBT ISSUANCE PRACTICES

- A. **Approval:** Approval of a debt issuance must be obtained from the Board of Finance and Board of Selectmen. Additionally, approval must be obtained by the Town as required by CT State Statutes.
- B. **Selection and use of professional service providers:** The Town's Board of Selectmen shall be responsible for solicitation and selection of Town Counsel, including bond counsel. The Finance Department shall be responsible for the solicitation and recommendation to the Board of Finance of professional services that are required to administer the Town's debt program (other than Town counsel which includes bond counsel). Examples of service providers include financial advisors, underwriters, and fiscal agents.
- C. **Costs of debt issuance:** The Town may choose to include costs of debt issuance as part of the total BAN or bond funding. These costs can include services provided by the financial advisor, bond counsel, rating agency, underwriters, and fiscal agents.
- D. **Method of sale:** The Town's Finance Department shall recommend to the Board of Finance a method of sale (for example, competitive bidding) that is most likely to achieve the lowest cost of borrowing while considering both short-range and long-range implications for taxpayers. The Board of Finance shall make the final decision on the method of sale.
- E. **Criteria for issuance of advance refunding and current refunding bonds:** The Town will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinancing of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding should not be pursued without a sufficient net present value benefit after expenses.
- F. **Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services:** The Town will continually strive to maintain its bond rating by improving financial policies, budgets, and the financial health of the Town so its borrowing costs are minimized and its access to credit is preserved. The Town will maintain good communication with bond rating agencies about its financial condition, coordinate meetings and presentations in conjunction with a new issuance, as necessary.

VI. DEBT MANAGEMENT PRACTICES

- A. **Investment of bond proceeds:** The Town shall comply with all applicable federal, state, and

contractual restrictions regarding the investment of bond proceeds, including the Town's Investment Policy.

- B. Continuing disclosure:** The Town shall provide disclosure information to the appropriate repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies.
- C. Arbitrage rebate monitoring and filing:** The Town will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the Town will comply with the arbitrage rebate requirements of the federal tax code and the Internal Revenue Service and will perform (whether internally or by contract with a third-party) arbitrage rebate calculations for each issue subject to rebate.
- D. Federal and State law compliance practices:** The Town shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local laws, rules, and regulations, as applicable.
- E. Ongoing market and investor relations efforts:** The Town shall endeavor to maintain a positive relationship with the investment community. The Town shall communicate through its Comprehensive Annual Financial Report and annual budget the Town's indebtedness and future financial plans.

VII. USE OF DERIVATIVES

No derivative products will be utilized unless permitted by law, and after adoption of a swap or derivative policy by the Board of Finance. No derivative products shall be utilized without an analysis by an independent municipal advisor.

Town of Tolland, Connecticut

Proposed Debt Management Plan Fiscal Years 2025 to 2029



February 8, 2024

Barry Bernabe
Managing Director



Executive Summary

Existing and Authorized-But-Unissued Debt

As of February 2024, the Town has outstanding tax-supported long-term debt outstanding of approximately \$38 million, and \$2,110,000 of short-term Notes that mature September 2024. Authorized-but-unissued debt totals approximately \$8.6 million.

Proposed Debt Issuance Plan

Actual and proposed capital projects for fiscal years ending 2024 through 2028 total \$4,020,000.

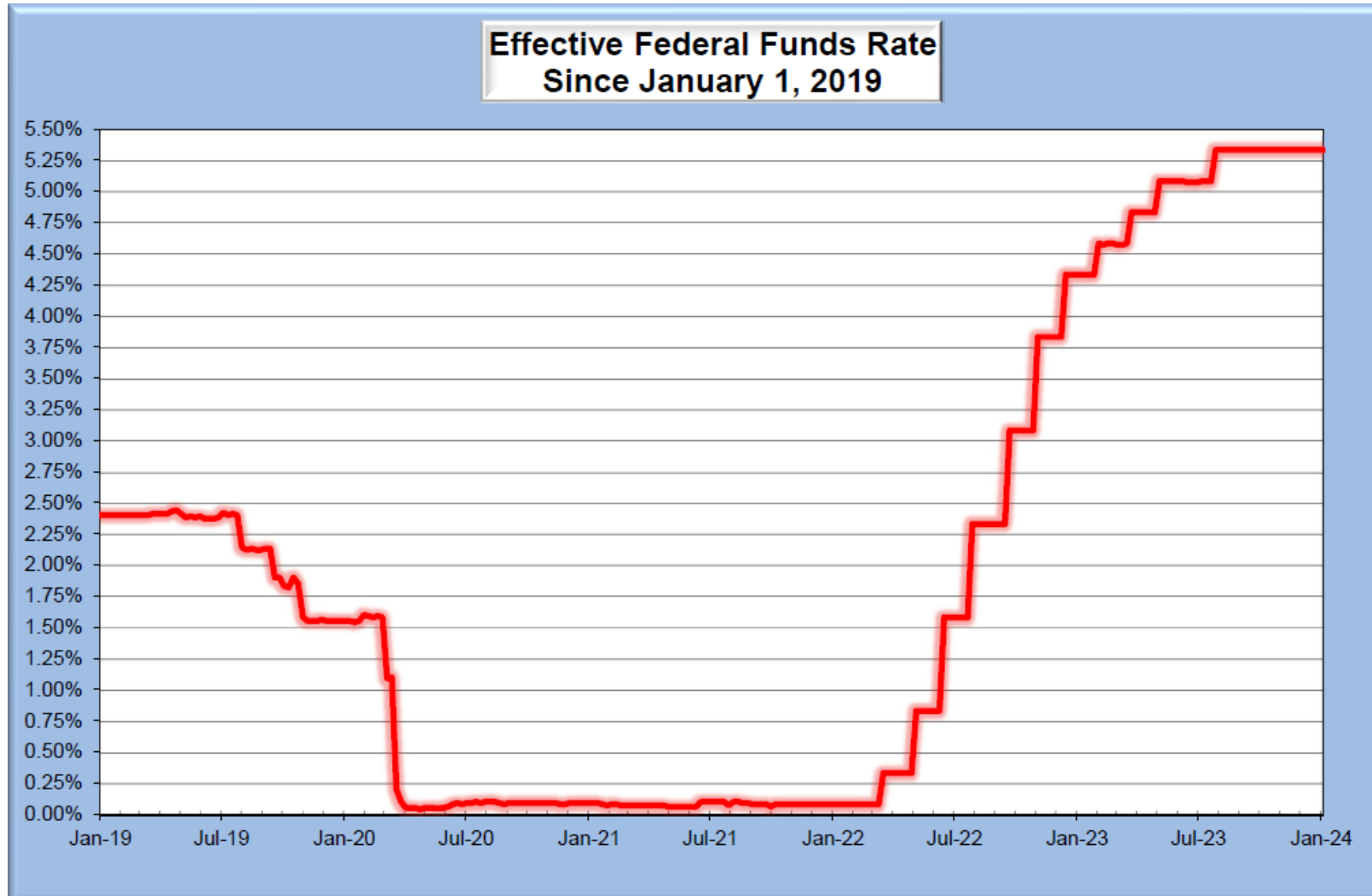
	Remaining Authorized But Not Issued	Capital Needs From CIP FY 24-25 Plan	Total Cash Needs
Year 1 - FY 2024-25	\$ 2,916,583	1,628,417	\$ 4,545,000
Year 2 - FY 2025-26	900,000	7,090,000	7,990,000
Year 3 - FY 2026-27	0	3,090,000	3,090,000
Year 4 - FY 2027-28	203,827	2,571,173	2,775,000
Year 5 - FY 2028-29	0	7,655,000	7,655,000
	-		-
	\$ 4,020,410	\$ 22,034,590	\$26,055,000
	Amount Issued		
YEAR 1	4,545,000	Issue BANS - Sept 2024	
YEAR 2	12,535,000	Issue Bonds - Sep 2025	
YEAR 3	3,090,000	Issue BANS - Sept 2026	
YEAR 4	5,865,000	Issue Bonds - Sep 2027	
YEAR 5	7,655,000	Issue BANS - Sep 2028	
	\$ 26,055,000	Total amount	

Long-term Interest Rates – Past 55 Years

Ten Year U.S. Treasury Yield - January 1970 to January 2024




Short-term Interest Rates



Town Bond Ratings

Standard & Poor's & Fitch Rating Scales



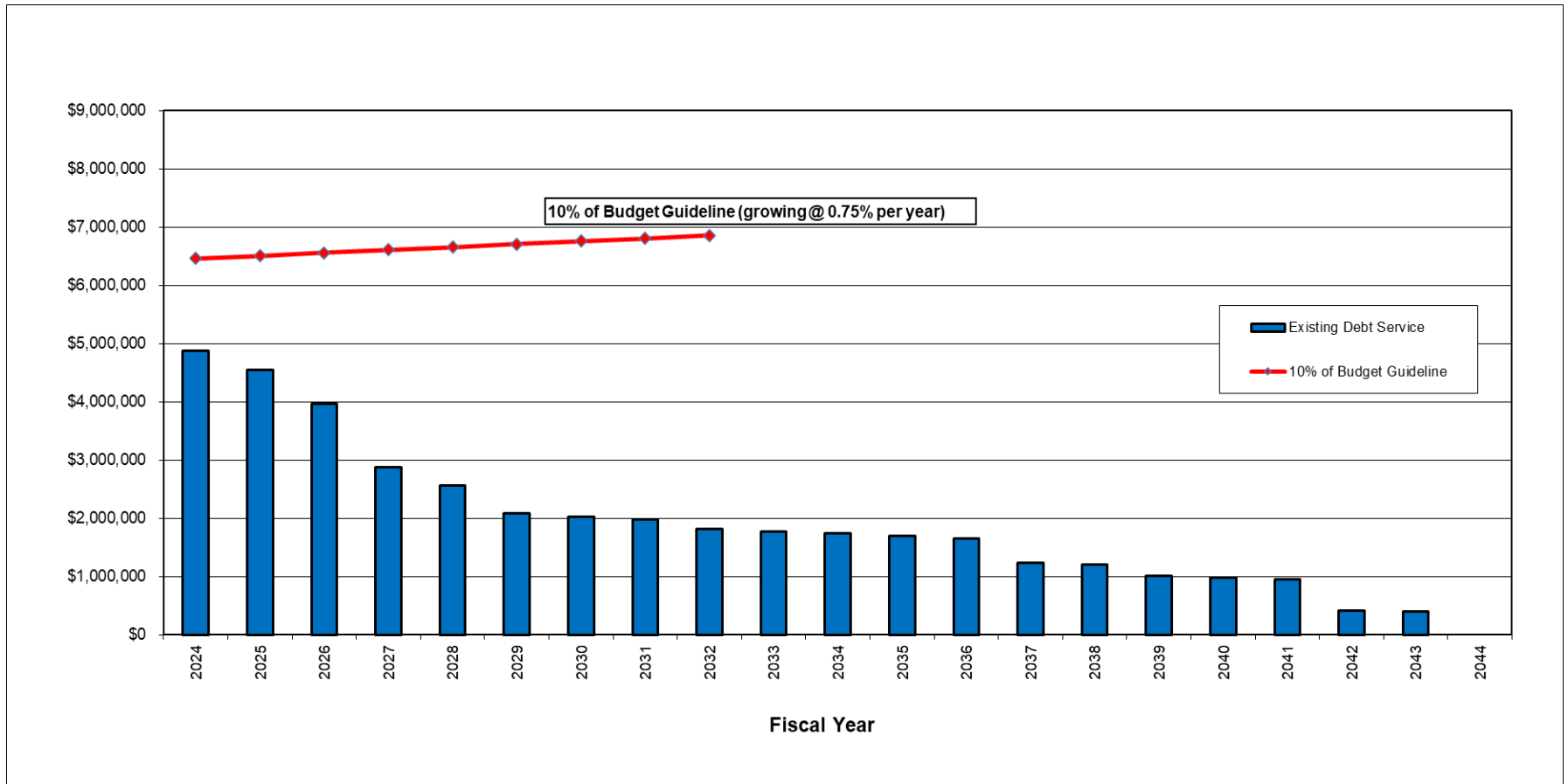
Highest	<u>AAA</u>	AAA
	<u>AA+</u>	AA+
	<u>AA</u>	AA
	<u>AA-</u>	AA-
	<u>A+</u>	A+
	<u>A</u>	A
	<u>A-</u>	A-
	<u>BBB+</u>	BBB+
	<u>BBB</u>	BBB
Lowest	<u>BBB-</u>	BBB-

Major Rating Assessment Categories

- 1) Management Practices – 25%
 - Fiscal Discipline and Ability to Plan, Monitor and Manage Government Finances
- 2) Economy & Demographics – 30%
 - Unemployment Rate, Housing Values
- 3) Financial Performance – 25%
 - Fund Balance Levels & Budgetary Discipline
- 4) Debt Management – 10%
 - Debt % of Budget, Debt % of Grand List
- 5) Long-term Liabilities – 10%
 - Pension & OPEB (Retirement Health Care)

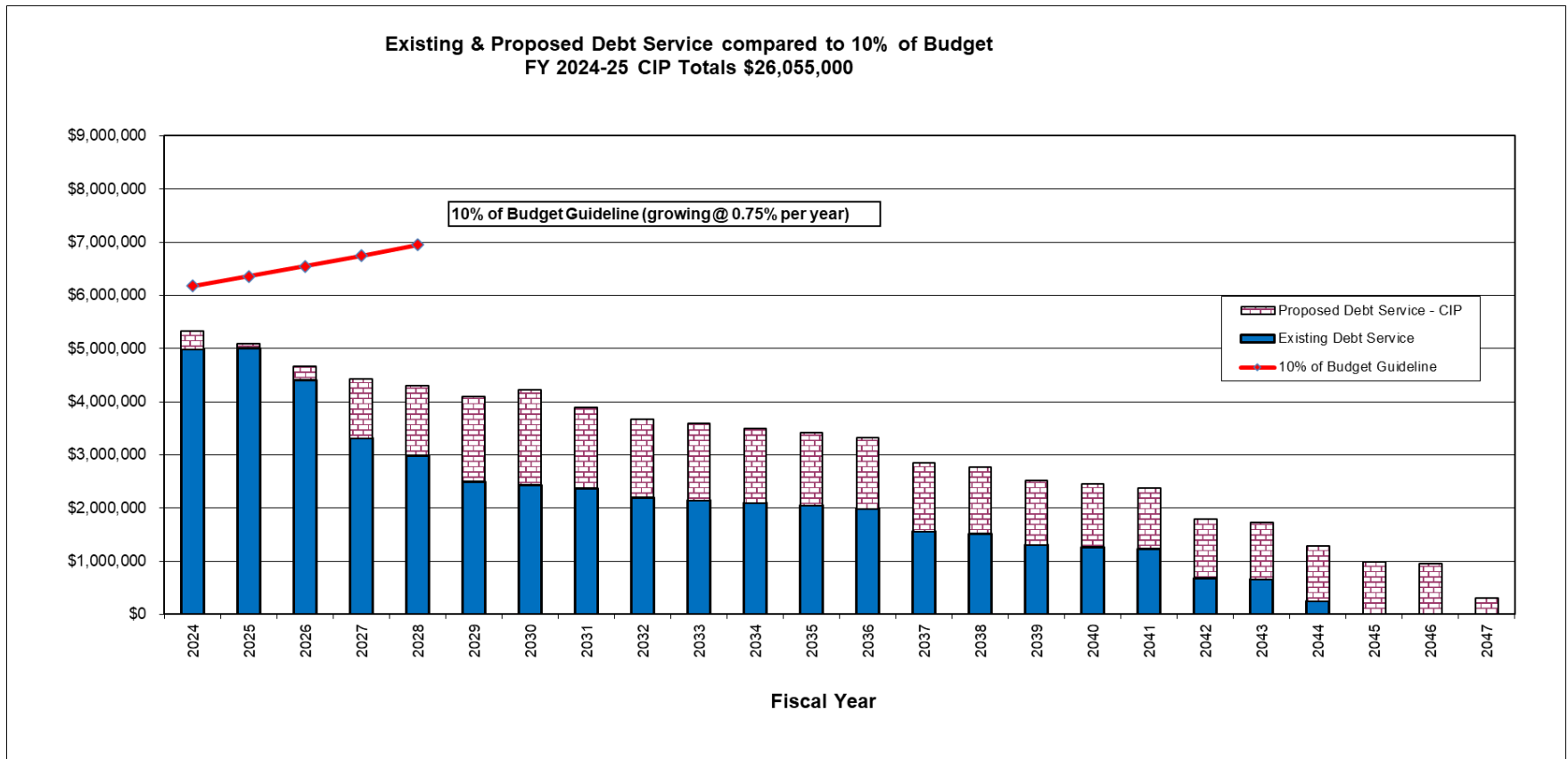
Existing Debt Service

The Town's existing debt service amortizes aggressively. This decrease will help to mitigate the impact of the new debt that will be issued for the Capital Improvement Program.



The Proposed Debt Issuance Plan makes the following assumptions:

- Bonds issues to be issued at a rate of 4.0%
- Bond issues are amortized over 20-years
- Growth in the grand list was assumed at 0.75% per year



Projected Impact of the Proposed Capital Plan on the Debt Service Budget

FY 2025 – existing debt service budget can stay flat at \$4,700,000

FY 2026 – stays flat

FY 2027 – stays flat or decreases

FY 2028 – stays flat or decreases

FY 2029 – stays flat or decreases

Summary Points

- Short-term rates have been close to zero for several years, but the Fed has increased short-term rates significantly in 2022 and 2023. Expectations are Fed will lower rates in 2024.
- Long-term rates hit all-time lows in 2020 and 2021, however long-term rates increased significantly in 2022 and 2023. Interest rate yield curve is currently inverted.
- The Town issued \$2,110,000 of short-term BANs for Birch Grove in September of 2023 to mature in September 2024.
- The Town has above average bond ratings: S&P & Fitch both rate the Town “AAA”. These highest possible ratings will allow the town to borrow at the lowest possible rate
- Some factors mentioned in the recent S&P and Fitch reports that justify the AAA ratings include: Very Strong Management Practices, Strong Budget Flexibility and Liquidity and Limited Pension and OPEB liabilities.
- The Town has numerous formalized policies that include - Fund Balance, Debt Service and Capital Improvement.
- The Town’s existing debt service amortizes aggressively, which helps to mitigate the impact of the proposed new debt.
- The proposed capital plan totals \$26,055,000 will not result in an increase to the current debt service budget. The Town’s use of the debt service fund helps to mitigate the impact of the new debt.
- The Town can handle the proposed debt issuance and not need to put additional burden on taxpayers. *(This could change if interest rates increase dramatically)*