

# Tilton-Northfield Fire & EMS Special Commissioners' Meeting Purchasing Policy Review

Meeting called by:	Commissioners	Date, Time:	November 8, 2007 at 17:30 to 19:08
Note taker:	Janine Vary	Place:	Center Street Station

Attendees: Comm. Tom Gallant, Comm. Bob Watson, Comm. Kevin Waldron, Deputy Mike Robinson and Capt. Brad Ober sitting in for Chief Steve Carrier, and Clerk Janine Vary.

Tom called meeting to order at 5:35PM. Work session for review of purchasing policy. Dated 9/19/07 draft put together by Chief Carrier who indicated it was a spin-off of other town policies. Tom opened floor as to how to approach. Bids, RFPs, etc. Kevin has read the document, seems overly complicated. City of Laconia and City of Concord. Kevin feels Laconia and Concord are bigger than us and we can pare it down. Kevin crafted one that is common sense to him. He feels more direct and puts authority where it belongs. Kevin passed out copies to those present. Tom said he had a problem with the limit of \$300 and up on Kevin's proposed policy. Kevin feels if it is one vehicle down and we have others to compensate. Mike: that is our nightmare in his business. Now disabled vehicle in the garage. Tom asked how can you get another bid if the vehicle is located at one of the vendors already taken apart. Tom said it isn't the purpose to micromanage the fire dept. You are handcuffing the authority of the fire chief. If you get a quote, with the vehicle apart in a garage, how do you get the other bids? Kevin feels that if the truck will cost a lot of money to fix, don't just say "fix it and bill us". He now understood the 3 bid question if the vehicle is all apart. Bob said if we have a good relationship with the vendor, you have to trust them. Mike stated that with mechanical devices you don't know what the problem is, you have to take it apart. Tom said if we have a problem with our ambulance, let's say the battery is draining down, send it somewhere to be assessed. That will cost you more than \$300 to start with. Tom doesn't want to run the fire dept on a day to day basis. If we can't hire someone that we can have confidence in doing the day to day work, then we shouldn't have hired him. Mike: doesn't disagree with Kevin as to the length of the original purchasing procedure. One thing he didn't see in the original purchasing proposal are the words "we reserve the right to accept or deny any and all bids."

Back to original document, who determines who is qualified. Tom says he has a problem with the "lowest" bidder and being held to that. Often one product meets the specifications as another but at some point there is a bias that says one is better than the other. The RFP cannot address that so you'll spend less money but what weight does that carry, not much to him. Tom agrees that the original proposal is way too comprehensive. Mike said it is the vendor's dream and all other things go out the window. State of NH does it this way and they get stuck. Page 2 item c 4 3, bids are non negotiable. Bids don't have to be comprehensive. Mike just wants to make sure that we have the right to accept or reject. Tom says the state puts out an RFP. The RFP is a bid. That written quote is not in response to a written RFP. If an RFP is out there, with responses, you don't have to accept any of the bids if you don't want. Lets say we have \$30,000 approved to do x and put out an RFP and they come back at \$35,000 and up. We can accept or reject those bids. You have to determine when you will require the use of an RFP. Mike it is putting the dept in the direction you want to go. Don't use quotes, bids and RFP as the same term. Mike thinks it starts in good but then gets lengthy. Tom said those words are taken very carefully and placed carefully in the document. Probably had a good amount of legal scrutiny.

Going to Kevin's proposal, other than the numbers, it goes more smoothly. Kevin said that he didn't think that for vehicle repairs he wasn't thinking of the bids. Tom said lets say we need to replace 5 pagers, this will cost more than \$300. If we have a particular vendor that we have used over years and we know that we get the best prices, why should we go out and get more bids. Are there dozens of distributors who handle Motorola pagers? Brad said not in the local area, but there are several. Tom asked even if we have to get three bids, why do the commissioners have to approve that? Brad said they are about \$400 each with the warranty. Mike said pagers are an existing item that needs to be repaired or replaced. That is a replaceable item. He feels we are trying to protect us on a different purchase. Tom say they are \$400, then the \$1000 figure makes more sense to me. I have three quotes and I believe this is the best vendor. Do the commissioners ask why? Mike said we have seen the pager supplier change as time has gone on. Brad asked about fire prevention materials, he looks at all the catalogues and decides who has the best price. Does he need to go out for bids? Also, with a limit of \$300.00, how would that affect large orders, like the purchase of medical equipment? That can easily go over \$300. Kevin asked if we can buy in bulk. If we are going to use 15 boxes of something, we should know that on a yearly average and that shouldn't be bought at a local store but buy in bulk. Janine commented one problem with that would be appropriate storage and Brad mentioned expiration dates. Brad asked if getting a quote on the price of something is the same/different from a bid. Mike commented that if there is no advantage to buy a years supply (price wise), then why not buy at 6 months. Brad also disagreed with the dollar amount set forth in Kevin's proposed policy. It could force the purchaser to buy in smaller quantities just to keep under the bid limit. There was more discussion on this.

Tom commented that the line in Kevin's proposal stating "all vehicle acquisitions must be approved by the voters at the annual District meeting." is a good political statement but not necessarily required by state RSAs. Brad commented that if you found a vehicle you could really use at the state auction for \$1000, then you wouldn't have flexibility to do that purchase with the "all vehicle purchases..." line of Kevin's policy.

RFP's (original proposal: Purchasing Procedures, 1, paragraph c, number 2. If you choose to use an RFP, bids can be accepted or rejected. Mike doesn't like the word bid, feels it should be left out. A bid comes with 9 pages of legal mumbo jumbo. A quote is a proposal that is negotiable depending on what is found and may be modified. Mike gives quotes and always puts in a disclaimer that when the item is taken apart they will contact the owner before repair is done. A bid says this is it and that is all. Tom said an RFP states what needs to be supplied. There was no room to do anything else but what the RFP calls for. Kevin asked to remove the word bid and replace with quote. Tom said it can in certain circumstances. "But are recommended." Kevin agrees that you shouldn't always be bound to take the lowest offered amount. If comparing apples to apples, fine. Tom but if that product requires service and one is located locally and the other further away, then go with the local. Tom said a broad brush guideline is what we are looking to do here. Mike said if we have 4 computers and we wanted to change to 9. here is a number to maintain what you have. The comm. Want to protect the community from new items not currently in the inventory of the department being purchased. Brad commented from experiences the lower you put the bracket, the invoices can all be kept under that low number by getting a number of invoices. Mike would like to shorten this but likes the wordage. If a new item in the department, put a 500 limit? If an air pack gets destroyed, can we replace? Mike yes, because it's replacement. Tom felt \$4000 was too high a limit. He felt \$1 to \$3000 for maintenance and upkeep of equipment with good purchasing practices would be acceptable. Tom asked Kevin where the \$300 number came from. Kevin stated he came up to that number for things that were bought and purchased, like the blackberries. These were purchased without commissioners input. This was a change in the way things are going. Tom asked what the things are that the commissioners need to be made aware of to make these decisions. A truck down at Donovan that will cost \$2500. But you could reduce to the amount to \$500 for any new equipment. Brad said he orders Fire prevention handouts each year which is not equipment. Recurring things, not necessary. Now if a maintenance agreement doubles in price, we need to be made aware. Kevin thinks he addressed recurring purchases, service contracts, in his policy.

Brad said the state puts out annually a state bid list. New items, vehicles, etc. would you accept the prices from those bid lists? Tom said. anything for selective bidding – Brad said E-One wouldn't be able to respond to a bid request under the conditions we have described here. We would have to advertise it locally. Brad said to add "also selective bidding" to alert out of state qualified vendors. Kevin asked if purchase orders are used. Janine responded only in certain situations. When Brad orders, he doesn't use a PO. Mike said he doesn't care if you have a PO or not, you are liable for the total. The PO is for the purchasers system, not the vendors. Tom said working with Kevin's proposal is easier with some modifications. Need to change the limit, need to put under a different section the whole area of new equipment verses current. He believes the new roof on Park Street should have gone out to bid. They would have opened the bid. The commissioners would select the winning bid. He thinks we could have two levels of purchasing and then a third level of purchasing other items. He doesn't believe adding one pager is needed to be known. Doesn't want to micromanage the department. Modify Kevin's proposal, and it could be workable and monitor to see if we could change it. The end product will probably continue to change. Tom wants a consensus as to dollar limitations. Then all of commissioners look at it and get together again to formalize it. These policies are referenced to a city, Kevin said we should make vehicle repairs be looked at differently than buying something new. Doesn't make sense to leave a truck down for a period of time. It's broken and should be fixed. Tom said however, the commissioners should be consulted about that repair. Generator is a \$1200 item. You go to get repaired and find it'll cost \$600 to fix. The commissioners should be made aware of that. The commissioners could see if the person requesting the repair or replacement is using good judgment. Are there instances that a repair compared to a purchase needs to be looked at?

Mike that is why he says using either one, 1 to 3000 for current approved department items. Take the same verbiage any new purchases over the amount of 500 you have all these steps and get commissioners approval. A new additional item over 500. tom said they need to come up with a separate draft. Kevin's will get a little longer. New equipment that costs more than what? All new equipment? In excess of 500? He thinks the cutoff of \$500 is good amount. Verbiage should be clear, multiple items purchased totaling more than \$500. Kevin said in Tom's example, that if Chief wants the PDA's, he would have to ask, or buy one 1 month and another the next month. Mike said \$500 for the small office supply purchase. Tom recommended that each go away and come back with terminology. Mike said he feels the general consensus is - don't tie the hands of the ones who have to order. Tom asked Kevin to email to each of the commissioners a copy of his proposed purchasing policy. Mike asked if we made a commitment on an email by a certain date that everyone have an idea emailed. Tom said no, it constitutes a meeting. It was agreed to meet on Thursday, December 6 at 5:30PM at Center Street station update on purchasing procedures. All will bring their draft copies to discuss. Brad mentioned under disposal of surplus property on the shorter version we need to include the transfer station. Tom called meeting of 11/8 to adjourn, Kevin seconded at 7:08PM.