

CHAPTER 7.

PURCHASING AND FINANCE

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CHAPTER 7. PURCHASING AND FINANCE

ARTICLE 1. PURCHASE AND SALE OF PROPERTY

Section 7.101. The Purchasing Agent; powers and duties.

The Purchasing Agent shall have under his/her supervision and management the purchase of all supplies, materials and equipment for the use of the City in the operation and maintenance of its several departments. He/She shall establish and enforce specifications with respect to supplies, materials, and equipment required by the City Government. He/She shall inspect or supervise the inspection of all deliveries of supplies, materials, and equipment and determine their quality, quantity and conformance with

specifications. He/She shall have charge of such general store-rooms and warehouses as the Council may provide by ordinance. He/She is granted authority to supervise and manage the sale or transfer of property within departments, including real estate, subject to the limitations of this Article.

Section 7.102 Conflict of Interest

City personnel shall not solicit a gift or accept a significant gift from any vendor or prospective vendor. A significant gift is defined as any item, service, favor, monies, credits, or discounts not available to others which could influence purchasing and sale decisions. Acceptance of social invitations to occasional business meals, entertainment, and hospitality will be subject to prudent judgement as to whether the invitation places or appears to place the City personnel under any obligations. Questions about the value of a gift or the appropriateness of an invitation should be referred to the City Manager and/or City Attorney.

City personnel are obligated to disclose any potential conflicts of interest and must recuse themselves from participating in making a decision for the City.

Section 7.103. Purchases; limitations.

No purchase of supplies, material and equipment shall be made unless funds are appropriated for by the Council, except as otherwise provided in the City Charter or by specific order of the City Council.

Section 7.104. Purchases; written requisition required.

Purchases shall be made by requisition, in such form as the Purchasing Agent may require. All such requisitions shall state the quantity, quality, description and other specifications of the item or items desired, and shall be signed by the head of the department, office or agency against whose appropriation such expenditure is to be charged. Specifications shall be in such forms as to permit competitive bidding whenever practicable.

Section 7.105. Purchases of Goods and Services; under \$10,000.00.

Purchases for goods and services involving less than Ten Thousand Dollars (\$10,000.00) may be made in the open market by the Purchasing Agent without competitive bids so long as the City considers the of cost of the goods or services are reasonable, but shall be on a competitive basis to the maximum extent practicable.

Section 7.106. Purchases of Goods and Services; \$10,000-\$250,000.

On all purchases of goods and services, except as provided in Sections 7-10. and 7-11. hereof, involving an expenditure of Ten Thousand Dollars (\$10,000.00) to Two Hundred and Fifty Thousand Dollars (\$250,000), the normal procedure shall be to informally solicit and

evaluate price and rate quotations from an at least three (3) qualified sources. If the purchase for the goods or services is uniquely complicated as determined by the Purchasing Agent, the procedure shall be to seek competitive bids. This may be accomplished by publishing a notice describing the supplies, materials, equipment, or services desired to be purchased and affixing a date and time limit for the reception of bids, said publication to be one (1) time in a newspaper having general circulation in the City of Bath, said time at least five (5) days prior to the date of closing of bids.

7.107 Purchases; competitive bid procedure

In instances when conditions are not appropriate for the use of sealed bids, such as large purchases of goods and services that are not being paid for with federal funds, the competitive bid process shall be used.

The bid for federally funded projects shall be advertised in a paper of general circulation at least 14 days prior to the close of the bid. All other projects are allowed to use the City's website and social media. The request for proposal must include all evaluation factors and their relative importance. The City shall solicit from at least three (3) qualified sources.

Section 7.108. Purchases; competitive sealed bid procedure . -

Sealed bids shall be used for purchases of goods or services over Two Hundred and Fifty Thousand Dollars (\$250,000) and for federally funded construction contracts regardless of contract price.

The bid for federally funded projects shall be advertised in a paper of general circulation at least 14 days prior to the close of the bid. All other projects are allowed to use the City's website and social media. The bids must be solicited from at least three (3) adequate sources. All bids shall be in writing, sealed, with outside envelope or wrapper plainly marked "Bid, not to be opened until" (with appropriate date inserted) and mailed to or filed with the Purchasing Agent. No official or employee of the City shall open such a bid until the appointed time. At the time and place stated in the notice, all bids shall be opened and publicly read by the City Purchasing Agent or by someone designated by him for that purpose. All such bids may be inspected by those present.

Section 7.109. Purchases; awards.

(a) Awards following competitive bids or proposals shall be made by the Purchasing Agent to the lowest bidder, price, quality and service considered, subject to the authority of the purchasing Agent to reject any and all bids. Nothing herein shall be construed to affect the authority of the Purchasing Agent to reject any bid on any reasonable basis.

(b) The Purchasing Agent, in determining lowest responsible bidder, price, quality and service considered shall allow all bidders having a place of business within the City limits of the City of Bath a preference of two per cent (2%) of the amount of such bid submitted by such local

bidder, and in the event that any bid submitted by local bidder shall be less than two per cent (2%) in excess of the bid submitted by a bidder not having a place of business within the limits of the City of Bath, such bid shall be awarded to such local bidder, providing such local bidder is in all other respects a qualified and responsible party and that his, hers or its bid shall meet all other specifications of such invitation to bid.

(c) All purchases exceeding One Hundred Thousand Dollars (\$100,000.00) shall be awarded in a public meeting by the City Council.

(d) Awards following competitive proposals or competitive sealed bids which contain federal funding must give preference to qualified minority owned or woman owned business enterprises so long as the bidder can adequately fulfill the contract for the price identified in the bid.

Section 7.110. Purchases; records

The Purchasing Agent shall keep a record of all submitted bids and all purchases made under Sections 7-110. and 7-111. hereof without bids, and such record shall be open to inspection by any interested person.

Section 7.111. Purchases; unusual.

When the nature of a purchase renders the competitive bidding process ineffective by virtue of a single supplier or other complication, the Purchasing Agent shall document in full detail the nature of the purchase and the technique used to ensure the best quality and price for the City. Such documentation shall suffice for the records required in Sections 7-105, 7-106, 7-107, and 7-108 of this Article.

Section 7.112. Purchases; emergency

In the case of any emergency or unusual circumstances, a department head, acting with the advice and approval of the City Manager, may require the immediate purchase of materials, supplies, apparatus, or property in the open market at the lowest price obtainable. The Purchasing Agent shall notify the City Council as soon as possible after the emergency situation has subsided, as to the steps taken to affect the purchase, the emergency situation that existed, and the methodology utilized to assure the best possible price given the attendant circumstances.

Section 7.113. Purchases; combined.

The City Purchasing Agent is hereby authorized to combine with other units of Government, the Maine Municipal Association, or any other organization formed to increase the purchasing power of the City for purchasing purposes, in which event such regulations as may be jointly agreed to shall be applicable in lieu of the regulations herein.

Section 7.114 Federal Procurement, Award, and Contracting Requirements

The following includes additional steps that must be included in bid proposals and contracts for federally funded purchases:

- A. Bid notices and proposal must state the type of federal funding included in the project;
- B. Bids for construction contracts in excess of Two Thousand Dollars (\$2000) must state that Davis Bacon Labor Standards apply and the bid must contain the labor wage rates applicable to the type of work being solicited;
- C. Bids for an award exceeding One Hundred Thousand Dollars (\$100,000) shall file the required certification under the Byrd Anti-Lobbying Amendment;
- D. Contracts shall not be awarded to parties that listed for exclusion on the System for Award Management; and
- E. All contracts shall include the following:
 - a. Equal Employment Opportunity clause;
 - b. City's rights to inventions made under a contract or agreement;
 - c. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide such sanctions and penalties as deemed appropriate; and
 - d. Address termination for cause and for convenience by the City, including the manner in which such termination will be effected and the basis for settlement.

Section 7.115. Sales; under \$5000.00.

The Purchasing Agent shall conduct the sale of any municipal supplies, material and equipment no longer required by the City, of value less than Five Thousand (\$5,000.00) on request of the proper department head, and in such manner as provided by this Article.

Section 7.116. Sales; over \$5000.00.

Municipal Property. No Municipal Property, supplies, material or equipment of a value that exceeds \$5,000 may be sold by the City of Bath unless the sale is authorized by Order of the Council. The sale will be conducted in the same manner and subject to the same requirements as those applicable to purchases in amounts of \$10,000 as provided in Section 7-5.

Section 7.117 Sales; Real Estate

A Real Estate.

- 1. General. With the exception noted in Subsection 2 below regarding tax acquired property, the City Council shall determine when and in what manner real estate owned by the City of Bath may be disposed of. The City Council may consider disposing of real estate under the following methods:
 - a. Sale by solicitation of public bids;
 - b. Sale by solicitation of limited bids where the market of the property appears limited to a few potential purchasers;
 - c. Lease where use of the property by another entity is deemed appropriate and in the city's interest but permanent disposal of the property is deemed inappropriate.

- d. Sale to an abutter without bid process where the nature of the property is such that only an abutter would have any interest in acquiring the real estate;
- e. Gift of the property without compensation to the City where it is deemed to be in the city's best interest (i.e. conveyance of property to a non-profit entity providing a service of benefit to the citizens of Bath, or disposition of real estate to put the property back on the tax roles etc.)
- f. Any other disposition of real estate by a method that is deemed by the City Council to be in the best interest of the City of Bath.

2. **Tax Acquired Property.** Property which has been acquired by the City of Bath for nonpayment of taxes pursuant to 36 M.R.S.A. Section 943, and for which the period of redemption has expired, may be returned by Municipal Quit-Claim Deed to the taxpayer who was the owner of record of the property at the time of acquisition by the City, or that taxpayer's successor in interest. The Quit-Claim Deed is to be executed by the City Manager and the City Treasurer without the necessity of Council action. The Deed shall not be delivered to the taxpayer or successor until the payment of all back taxes, interest and costs, including such taxes, together with appropriate interest and costs thereon, which would have become assessed and due during the period it was City owned. (Ord. 5/6/98)

A. **Purpose.** The purpose of the following Sections is to establish clear and concise guidelines for the disposition of property acquired by the City of Bath in accordance with tax and sewer lien foreclosure provisions.

B. Definitions.

For the purposes of this chapter, the following definitions shall be observed in the construction of this chapter:

FORECLOSED TAX LIEN. A tax lien mortgage that has automatically foreclosed pursuant to 36 M.R.S. §§ 942 and 843. This shall include properties liened for unpaid sewer assessments.

JUST VALUE FOR THE CURRENT YEAR TAXES NOT ASSESSED. The amount of taxes that would have been assessed to the property had it not been owned by the municipality on April 1 of the year in which it is sold by the municipality. (NOTE: The purpose of this definition is to recover for the benefit of the municipality payment of all back taxes, interests, and costs, including such taxes, together with interest and costs thereon, which would have become assessed and due during the period that it was City owned.)

LAND OR LANDS. That portion of the physical surface of the earth either natural or modified by man to a permanent or semipermanent site and all natural or man-made resources therein or thereon. For the purposes of this chapter, "land" shall be commonly referred to as "real estate property," as cited below.

MAIL. Regular, first-class mail posted at any United States Postal Office, postage prepaid, unless some other method is prescribed by Statute or Ordinance.

MANUFACTURED REAL ESTATE PROPERTY. Any structure, building or dwelling, the same being constructed or fabricated elsewhere and transported, in whole or in part, to and placed, set or installed permanently or temporarily upon land within the municipality. For the purpose of this chapter, “manufactured real estate property” shall be commonly referred to as “real estate property,” as cited above.

MUNICIPALITY. The City of Bath, Maine.

MUNICIPAL OFFICERS. The City Council of the City of Bath, Maine.

PRIOR OWNER. The person or persons, entity or entities, heirs or assigns to whom the property was most recently assessed for municipal taxes.

MUNICIPAL QUITCLAIM DEED. A signed, legal instrument releasing the municipality's right, title or interest in real estate property, acquired by virtue of foreclosed tax liens, to an individual or individuals, entity or entities, without providing a guaranty or warranty of title to the same.

REAL ESTATE PROPERTY. All land or lands and all structures, buildings, dwellings, tenements and hereditaments, including manufactured real estate property, located or relocated upon any land or lands connected therewith and all rights thereto and interests therein.

TAX-ACQUIRED PROPERTY. That real estate property tax acquired by the municipality by virtue of a foreclosed tax or sewer lien as cited above.

TAX LIEN. The statutory lien created by 36 M.R.S. § 552.

C. Management and Administration.

A Committee will be established to review all tax-acquired property no sooner than 60 days after the annual automatic foreclosure date and to make a recommendation to the City Council. A final decision on each property will be made by the Council. The Committee will be made up of the Finance Director (Tax Collector), City Manager, Deputy Finance Director, Finance Committee. The Committee may include the Director of Economic and Community Development if a commercial property is at issue.

Department Heads. City Department Heads shall be advised as to the City's considering of how to dispose of City owned property and whether or not there is any City need for retaining the property.

The Finance Director, with assistance from the Assessor and Code Enforcement Officer, will provide the Committee with background information concerning the property, which will include the status of the building and/or land, names of prior owner(s), assessed value, current photos, history of the property, condition, neighborhood issues, and a list of any current occupants. The Committee will forward its recommendation to the City Council for review and approval.

If the Council authorizes a sale of any property, a 60-day letter will be mailed out to the prior

owner(s) as a last attempt for the prior owner(s) or successor(s) in interest to redeem the property. The former owner or successor will be permitted to repurchase the property for a price that is not less than all taxes, interest, associated costs and any other charges assessed thereon by the City. In the event the owner fails to redeem their interest within the 60-day time period, the City will proceed with disposal of the property per the City's policy on Disposition of City property.

Generally. The Committee will determine on how to best use the land/buildings and make a recommendation to the full City Council. The proceeds from any sale of tax-acquired property shall be designated to the general fund. Recommendations with regard to the disposal of tax-acquired property shall be in accordance with the general considerations listed for disposal of real estate in Section 7.108(G)(5), however, the Committee shall not be limited to that list but may make such recommendations as they deem appropriate and in the City's best interests. Each property shall be evaluated on a case-by case basis. The Finance Director will provide relevant information to the Management Committee and a recommendation will be made whether to evict an occupant and sell the property or sell the property with the occupant remaining in place (with the purchaser to decide whether the resident will remain after the sale), or retain the property and allow the occupant to remain in the home as a party in possession. Property with an occupant in possession may continue to be taxed and liened in accordance with State law.

D. Procedures for Specific Types of Tax-Acquired Properties:

1. Vacant Land: The Committee will determine how best to use the land and make a recommendation to the full City Council. Depending on size and location, the recommendation may be to offer/sell it to the abutters, bid/proposal for sale, market it to specific groups, or preserve it as open space.

2. Commercial Property: The Committee will determine what is in the best interest of the City on how to dispose of the property and make a recommendation to the full City Council. The recommendation may include, but is not limited to, selling the property through a bid, auction, or request for proposals or Bath Development Corporation.

3. Multi-Unit Property: The Committee will determine what is in the best interest of the City on how to dispose of the property and make the recommendation to the full City Council. The recommendation may include, but is not limited to, selling the property through a bid, auction or request for proposals, or partnering with Bath Housing.

4. Single-Family Residential Property: Each property will be evaluated on a case-by-case basis. The Finance Director will provide relevant information to the Committee and a decision will be made whether to evict the resident and sell the property, sell the property with the resident remaining in place (with the purchaser to decide whether the resident will remain after sale), or retain the property and allow the resident to remain in the home as a party in possession. Property with a party in possession may continue to be taxed and liened in accordance with State Law.

5. Occupant: If the City allows a resident to remain in a property, upon transfer of the property to a new owner or upon possession by any other person other than the former owner, all amounts due to the City must be paid in full. If the former owner ceases to be in actual physical possession of the residential tax acquired property, it may be offered for sale or otherwise disposed of as determined by the City, pursuant to established laws and local ordinances.

E. Disposition.

Should the committee and municipal officers determine that title to tax-acquired property be relinquished rather than retained by the municipality, the following shall be observed:

(1) The Committee shall also make a recommendation whether or not an appraisal is necessary prior to offering the property for bid or otherwise disposing of it. An appraisal shall be the normal course of conduct; however, any appraisal may be waived by action of the City Council.

(2) Bidding required. Within 60 days after acquisition of tax-acquired property by the municipality, the municipal officers shall direct the finance director or City Manager's Office to solicit public bids for the sale of the tax-acquired property and shall receive, open and read aloud submitted bids.

(3) Notice to owner, owner's rights of redemption. Prior to the time the municipal officers cause public notice of impending public sale of tax acquired property as set forth in section (4) of this section, the Finance Director or City Manager's Office shall send notification of such impending public sale and request for bids to the person to whom the property was most recently assessed for municipal taxes. The notification shall contain the same information which would be contained in the public notice under subsection (4) of this section and shall additionally notify the recipient that the recipient may, at any time prior to the public notice of bids, tender full payment of all outstanding taxes, tax liens, interest and all costs, including but not limited to notice and insurance costs, and in so doing may redeem the property and be entitled to a quit-claim deed from the municipality. The notice provided for by this subsection is a matter of courtesy only, and the failure of the municipality to send this notice shall not create any legal rights in any person. The failure of the finance director to send this notice, or the fact that the notice has not been received or understood by the person to whom it was sent, shall not invalidate the sale or use of the tax-acquired property pursuant to this division, nor shall such failure provide a legal basis for any legal action against the municipality or municipal officers or any employee thereof. This redemption shall not apply to property which the municipal officers elect to retain rather than to put out to bid.

(4) Posting and publication of notice. The Finance Director shall cause a public notice of the impending sale of tax-acquired property to be posted within City Hall and on the City's website and social media.

(5) Required submittals by bidders. The Finance Director or City Manager's Office shall require the following for proper submission: a.) Name, Address and contact information for

the bidder. b.) A bid sheet shall be submitted containing a full description of the property being bid upon and the bid price in U.S. currency. c.) A certified cashier's check or postal money order, in an amount not less than ten percent of the bid price, shall be included as a deposit on the bid. Failure to submit a deposit shall cause the bid to be automatically rejected.

(6) Delivery of bids. The Finance Director or City Manager's Office shall require that those bid items cited in subsection (5) of this section be sealed in a single plain envelope marked only "Tax-Acquired Property Bid" on the exterior and either be hand delivered to the municipality, or, if mailed, be enclosed within a second envelope addressed to the Bath City Manager's Office 55 Front Street, Bath, Maine 04530. All bids must be received by the municipality no later than 10:00 a.m. EST on the date that bids shall be opened and read.

(7) Right to reject bids; re-offering of property. The Finance Director or City Manager's Office shall retain the right to accept or reject any and all bids submitted and shall cause the same disclaimer to be noted in any public notice soliciting bids in accordance with this division. Should the Finance Director or City Manager's Office reject all bids, or in the absence of any bids, the property may be offered again for public sale without notice to that person cited in subsection (3) of this section.

(8) Notification of successful bidder. The Finance Director or City Manager's Office shall notify, via mail, any successful bidder.

(9) Disposition of deposits. The Finance Director or City Manager's Officer shall, as a credit to payment, retain the submitted bid price deposit of any successful bidder, and shall return all other submitted deposits.

(10) Time limit for payment. The Finance Director or City Manager's Office shall require payment in full from any successful bidder within 30 calendar days following the date when the bids are opened and read and the successful bidder has been notified (see subsection (11) of this section for exception). Should the bidder fail to pay the full balance, the municipality shall retain the bid price deposit and title to the proffered property.

(11) Extension of title for payment. The Finance Director or City Manager's Office may, subject to a show of good faith on the part of the bidder, extend the time limit a one-time-only additional 20 days, within which full payment must be received.

(12) Form of deed. The Finance Director or City Manager's Office shall issue only a municipal quit-claim deed to convey title to tax-acquired property.

(13) Removal of occupants. The successful bidder shall be responsible for the removal of any and all occupants of purchased tax-acquired property and shall, in writing, forever indemnify and save harmless the municipality from any and all claims arising out of the sale of the tax-acquired property brought by the occupants of the purchased property or their heirs or assigns.

Section 7.118. Annual public sale.

All surplus or obsolete equipment, machinery, tools, supplies and all other articles belonging to the City for which there is no longer any use, shall be sold by the Purchasing Agent at public sale once each year. All articles to be disposed of by the purchasing agent at such sale shall be subject to approval by the City Council, and the time of such sale shall be fixed by vote of the City Council each year.

ARTICLE 2. MUNICIPAL TAXES

Section 7.201. Due Date.

The date upon which property taxes shall become due and payable for property taxes assessed by the City for the fiscal year beginning July 1 shall be the fifteenth day of the fourth month of the City's fiscal year. Should such day fall on a Saturday, Sunday or a holiday, then the tax due date will be on the next day which is not a Saturday, Sunday or a holiday. Interest shall accrue and shall apply to delinquent taxes which are not paid by the close of business on the specified due date, until those taxes are paid in full. The rate of interest shall be established yearly by Resolution of the City Council. (Ord. 10-19-94, 7/27/2022)