



Interlaken Town Procurement Policy Recommendations

This paper is intended to provide background information and recommendations towards adoption of an Interlaken Town procurement policy. Major elements of a plan are presented, along with recommendations for specific contracts for the town administrator, public works and snow removal tasks. – Bart Smith, updated 10/05/2026

Professional Services Contract

A Professional Services Contract would likely work for the town administrator position, but not for the public works manager position or for snow removal contracts as currently set up. Professional Services Contracts are awarded to individuals or companies that perform a service that is predominantly “intangible.” It is more intellectual in nature than dependent on physical labor. From Heber’s purchasing code:

“Professional services contract” means a contract for services performed by an independent contractor in a professional capacity who produces a service predominantly of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer.

If a contractor was hired through a Professional Services Contract, just doing the managerial tasks without physical labor, the town could not hire that person to perform manual labor. If a contractor is more valuable to the town for maintenance and repair of the town’s water and roads system, they would not be a good choice for a Professional Services Contract. It may be best if the town eliminates the public works manager position. Since a snow removal contractor’s work is physical in nature, that work would not qualify them for Professional Services Contract either.

For the town administrator position, the town would have to follow a Request for Proposal process (RFP). This is basically a type of bid process which would conform to the town’s procurement policy – threshold limits, approval process. Generally, these contracts are awarded with a heavy bias towards experience and qualifications, weighted over cost.

On-Call Public Works Contract

This approach could work for a contractor tasked with repairs and maintenance of the town’s systems. The town could eliminate the public works manager position and competitively bid an on-call public works contract once, via a Request for Qualifications

process (RFQ). An RFQ includes a request for an hourly rate sheet, equipment rates, qualifications, and proof of insurance. The selected contractor would be assigned a Master Services Agreement (MSA), valid for 1-3 years, which does not include a dollar amount or a guarantee of work. It costs the town nothing until the Town uses the MSA contractor. When a project arises, the town issues a Task Order to contract the work for a specific task. This arrangement still needs to segregate “intellectual tasks” from construction and physical repairs. They could not be performed by the same contractor.

This approach would not work for a snow removal contract. Currently we work with a snow removal contractor on a fixed, monthly rate, which guarantees payment monthly, regardless of what actual work is performed. In order to qualify for an on-call contract, the town would have to restructure this contract to an hourly as-needed basis. This is not something likely to work for a snow removal contractor, as the town needs them to be available and prepared at any given time to show up and plow. They need to be here, in wait, for a weather event. And sacrifice themselves for an uncertain financial return. The town would likely need to bid out an annual snow removal contract that covers the entire season – November 1- March 31.

Under-Threshold Purchasing and Emergency Procurements

Note that smaller projects could be performed without going through this process or requiring quotes, by setting a threshold for projects, for example \$5,000, under which a contractor could be hired on the spot without quotes or a bid process. The Mayor or Town Administrator could also declare an Emergency Procurement contract to hire any contractor instantly at time-and-materials rates.

Purchasing Authority and Roles

As part of a town’s procurement or purchasing policy, the approval process is set by different levels of expense and corresponding oversight. Here’s an example:

Purchasing Authority

Purchase Type	Amount	Approval Level
Micro-Purchases	< \$5,000	Designated Staff
Small Purchases (Goods/Services)	< \$10,000	Town Administrator or Town Clerk
Medium Purchases	< \$30,000	Mayor
Large Purchases	>= \$30,000	Town Council

Purchasing Thresholds and Procedures

Different purchase amounts require different procedures for approval. These designations correspond to the approval requirements listed above.

Purchasing Thresholds

Purchase Type	Purchase Procedure
Micro-Purchases	Direct buy, no competitive quotes required , with consideration of budget priorities
Small Purchases	Minimum of 2 verbal or written informal quotes
Medium Purchases	Minimum of 3 written formal quotes or use of an approved state/cooperative contract
Large Purchases	Formal sealed bidding or Request for Proposals (RFP) published according to current Utah State public noticing requirements

Additional Purchasing Considerations

The Town can bypass the approval procedures listed above for special cases. Note that the approval structure must still be enforced, but the bid and quote procedures may be waived:

- Cooperative Purchasing: The town may bypass independent bidding by purchasing through existing Utah Cooperative Contracts - <https://purchasing.utah.gov>.
- Emergency Purchases: If an unforeseen emergency threatens public life, health, safety, or essential town infrastructure, the Mayor or Town Administrator may authorize emergency procurement exceeding standard thresholds. The emergency purchase must be documented in writing and reported to the Town Council at the next scheduled public meeting.
- On-Call Contracts: As noted above, these contracts are not-bid for a specific project. They need approval based on the limits set in the Purchasing Authority table, based on the total estimated annual expense, but are handled for a task-based ongoing relationship.
- Professional Services Contracts: These contracts are typically bid out for longer periods, 3-5 years, rather than on an annual basis. Initially, it's common to start with a shorter contract, eg 1-3 years, as an evaluation, bid through a Request for Proposals. Utah code limits these contracts to a maximum of 5 years.
<https://le.utah.gov/xcode/Title63G/Chapter6a/63G-6a-S1204.html>

Summary

To summarize, the main elements of a procurement policy include the following:

- Cost thresholds (Expense Categories), categorized according to approval requirements and quote or bid requirements
- A process for approving each category of expense
- A specification for quote and bid requirements for each category of expense

In general, the cost thresholds are categorized into 3 types of expenditures. Each category is assigned an approval process and requirements for quotes and bids.

Expense Category	Approval	Quote/Bid Requirement
Small Purchases	Staff	No requirement
Moderate Purchases	Town Administrator or Mayor	2 or 3 quotes
Large Purchases	Town Council	Sealed Bids

Contracts or jobs are pursued through one of these categories based on the amount of the purchase or contract. For example, a seasonal snow removal contract would likely be bid as a Large Purchase. A smaller project, like a road debris cleanup could be handled through a Small Purchase. Purchases do not necessarily require a contract. Small Purchases don't require anything other than an informal agreement to do the work, providing the expense is supported by the approved budget.

Another way to look at purchases is through the type of contract with the vendor. For each of these contract types, approval would still follow the conditions set up in the procurement policy, as described above. For example, a Professional Services contract with an annual amount exceeding the Large Purchase threshold would require a bid process. The only exceptions to that are Emergency Purchases or Cooperative Bidding which suspend the formal process.

Contract Type	Application
No Contract	For small purchases not requiring a quote, informal agreement, for example installing a sign or a fence
Standard Contract	Awarded to a vendor for a specific project, for example, snow removal or any other type of work related to a project
Professional Services Contract	Awarded to someone providing ongoing service for a designated period of time (3-5 years), billed hourly. Would not be used for physical labor, but rather more in a managerial or administrative role. A town administrator would qualify for this contract type.
On-Call Contracts	Awarded as an on-demand service contract for a designated period of time (1-3 years) and billed as time and materials. This type of contract could be used for any type of work, physical or intangible. An ongoing contract for road maintenance would be a good candidate for this type of contract.

Here's a breakdown of my recommendations for how to proceed with our contracts moving forward for the remainder of calendar 2026 and beyond.

Contracts for the Remainder of Calendar Year 2026

Town Administrator: No change. Currently billed out hourly.

Public Works Manager: This role is terminated. Work done on the roads or water system will be billed through budget lines associated with the repair and maintenance of those systems. Billed as time and materials.

Snow Removal Contract: A contract will be drafted this month to perform snow removal for the 2026-27 season (November 1st through March 31st). The contract will be presented and approved by the Town Council at the October meeting and conform to the previous year's structure – fixed monthly payments for service.

Contracts for Calendar Year 2027 and Forward

These contracts will conform to an adopted procurement policy currently being drafted and reviewed and slated for approval at the December 2026 council meeting.

Town Administrator Contract: This contract will be bid out to the public as "Professional Services Contract." The bidding process will begin immediately after the town council adopts the proposed procurement policy in December. This process will follow the newly adopted town's "Request for Proposal" process. This contract will be written as a 3-year contract, based on an hourly labor rate.

Maintenance and Repair Contract - Roads and Water System: This contract will be bid out to the public as a "On Call Public Works Contract." The bidding process will begin immediately after the town council adopts the proposed procurement policy in December. This process will follow the newly adopted town's "Request for Qualifications" process. This contract will be written as a 3-year contract, based on an hourly wage and materials.

Snow Removal Contract: This contract will be bid out to the public through a sealed bid process, valid for one season of snow removal, from November 2027 through March 2028. The bidding process will begin in September of 2027 and follow the town's adopted procurement policy. The contract will conform to the current contract's structure, with fixed monthly payments for service.

Additional Vendor Contracts: Any additional contracts will follow the criteria set out in the towns adopted procurement policy.

Next Steps

At the next town council meeting on October 6th the council will have an opportunity to discuss the basic elements of a Procurement Policy proposal. There are other elements besides those discussed above that would be entered into official policy and municipal code, but these are the elements that are very specific to our town. After discussion and agreement on the basics – purchasing authority and thresholds, the town administrator will write a policy into code and have it reviewed by the council and the town attorney. At the November meeting, the town will have the opportunity to discuss and provide any other comments on the proposal. A final version will be presented at the December council meeting with a recommendation for adoption. Upon adoption, the enacted policy will be instituted starting in January 2027.

Municipal Code would be amended to include Title 03 “Revenue and Finance.” This title would include additional material that is common in municipal finance policy.

TITLE 03 REVENUE AND FINANCE

CHAPTER 3.01 FISCAL POLICIES AND PROCEDURES

CHAPTER 3.02 PROCUREMENT

CHAPTER 3.03 IMPACT FEES

CHAPTER 3.04 AMOUNTS ON DEPOSIT

Chapter 3.02 Procurement is a work in progress. The remaining chapters have been drafted and are ready for review. Hopefully we’ll have the code completed in December and move forward with our policy in January.

Procurement Policy Impact on Interlaken’s Budget

The additional overhead required to manage procurement as presented above will certainly increase the town’s costs for contracting vendors. It will have a trickle-down effect, starting with seeking quotes or bids to conform to the adopted policy. By removing the public works manager position, and separating managerial tasks from physical tasks, an additional layer of administration will add costs. Historically the Town has had little luck finding vendors for the most common projects, ranging from a small patch on the roads, to a large-scale road replacement.

Bart Smith, Interlaken Town Administrator
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