

Finance – Procurement Policy

WHEREAS, Section 104-b of the General Municipal Law requires the governing body of every municipality to adopt a procurement policy for all goods and services which are not required by law to be publicly bid, and

WHEREAS, comments have been solicited from all officers in the Town of Ossining involved in the procurement process, now, therefore, be it

RESOLVED, that the Town of Ossining does hereby adopt the following procurement process which is intended to apply to all goods and services which are not required by law to be publicly bid.

Purchases up to \$999

Town Department Managers may authorize purchase of not more than nine-hundred and ninety nine dollars (\$999) per purchase contract for materials, services, supplies or repairs provided that such purchase is made in conformance with the following procedure:

A. A standard Claim Voucher is to be completed and submitted to the Supervisor's Office with the following information:

- 1. Name and address of Vendor**
- 2. Date and vendor number**
- 3. Budget Account Codes**
- 4. Quantity, description and purpose of goods or services purchased**
- 5. Signature of Department Head**

B. The Claim Voucher must be accompanied by an original invoice and packing slip, if applicable.

Purchases between \$1,000-\$10,000

Department Managers may make purchases between \$1,000 and \$10,000 for materials, supplies and repairs provided that such purchase is made in conformance with the following procedure:

A. A Purchase Order is to be completed in order to encumber the expenditure for all expenses between \$1,000-\$10,000. This form shall be submitted to the Budget Officer with the following information:

- a. Name and address of recommended vendor**
- b. Date, Vendor Number, Budget Account Codes**
- c. Quantity, description and purpose of the purchase**
- d. Unit cost and total cost of proposed purchase**

- e. Purchase Order must be signed by the Department Manager**
- B. Two verbal quotations are required for purchases between \$1,000-\$2,999. A verbal quotation form available in the Supervisor's Office must be used to document the quotes. Attach verbal quotation form to Purchase Order and submit to Budget Officer for approval.**
- C. Three written quotations are required for purchases between \$3,000-\$10,000. A written quotation form available in the Supervisor's Office must be used to document the quotes. Attach written bid requests to the Purchase Order along with documentation from vendor indicating cost and submit to Budget Officer for approval.**
- D. Approved purchases will be acknowledged to the Department Manager by copy of the signed Purchase Order signed by the Town Supervisor with a Purchase Order number assigned to it by the Finance Department.**
- E. Upon satisfactory receipt of the material, supply or repair, the Department Manager will submit to the Budget Officer the following:**
 - a. Purchase Order signed by the Department Manager to indicate approval for payment along with an invoice from the vendor attached to the Purchase Order.**

Any public works contract over \$10,000 must follow above procedures and obtain three written quotes. A Public Works Contract over \$20,000 is subject to competitive bidding.

A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall failure to obtain the proposals be a bar to the procurement.

Purchases are subject to the availability of funds. Department Managers may not authorize purchases under this section when there are insufficient funds in the designated budget account. The Budget Officer distributes monthly budget expenditure reports showing the available funds in each department account.

Purchases of \$10,000 and over

All purchases of materials, supplies and repairs of equipment of \$10,000 or more and all public works contracts of \$20,000 or more requires competitive bidding subject to the laws of New York.

- A. The Town Supervisor and Clerk's office shall be responsible for the issuance of required documents, notices and advertisements required under the competitive bidding laws and for the receipt of such bids from vendors.**
- B. Department Managers will be responsible for preparing information regarding the quantity, quality and specifications of the materials, supplies or work to be furnished.**
- C. Capital Projects are defined as improvements to the Town's operations in excess of \$12,000 per project. Please consult with the Budget Officer in order to establish a Capital Project number and processing of Purchase Order.**

General Provisions

- 1. Where possible, purchases should be made from New York State and Westchester County purchasing contracts. These purchases are exempt from the competitive bidding requirements of General Municipal Law Section 103. Information regarding these contracts is available online at www.ogs.state.ny.us. The NYS Contract number must be written on claim voucher or purchase order along with a print-out from the OGS website indicating the item is on NYS Contract.**
- 2. Documentation is required of each action taken in connection with each procurement.**
- 3. Documentation and explanation are required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the award will achieve savings or how the offeror was not responsible. A determination that the offeror is not responsible shall be made by the purchaser and may not be challenged under any circumstance.**
- 4. Pursuant to General Municipal Law Section 104-b(2)(f), the procurement policy may contain circumstances when, or types of procurement for which, in the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the municipality. In the following circumstances, it may not be in the best interest of the Town of Ossining to solicit quotations to document the basis for not accepting the lowest bid:**
 - a. Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability or responsibility, skill, education, and training, judgment, integrity and moral worth. These**

qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Town of Ossining Town Board shall take into consideration the following guidelines: 1) whether the services are subject to state licensing or testing requirements; 2) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (3) whether the services require a personal relationship between the individual and municipal officials. Profession or technical services shall include but not be limited to the following: services of certified public accountant; investment management services; printing services involving extensive writing, editing, or art work; management of municipally owned property; and computer software or programming services for customized programs or services involved in substantial modification and customization of pre-packaged software.

5. A Request for Proposal must be prepared for Professional Services. This section is adopted from the Office of the State Comptroller's Financial Management Guide, Subsection 8.3020. Requests for proposals are traditionally used as a means of obtaining many types of professional services. RFPs are used to obtain the services of: architects, engineers, accountants, lawyers, underwriters, fiscal consultants, and other professionals. The purpose of a request for proposal is to have an effective way to award contracts for professional services. RFPs and evaluation of the proposals can consider price plus other factors such as experience, staffing and suitability for needs and may include negotiations on a fair and equal basis. The award should be the most advantageous to the Town.

The overall process involves making a request for proposals from various firms or professionals, and then evaluating the proposals received. Depending on the complexity of the situation, you may prepare the RFP in house or a consultant could be obtained to help you prepare it. The Town Attorney will review all RFPs, contracts to be executed with the firm selected and any other needed items.

There should be a well planned solicitation effort in order to identify a sufficient number of qualified firms. This can be done by advertising in local trade journals, checking listings of professionals, talking to local officials, etc. A well planned solicitation effort can result in reduced costs through increased competition.

6. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be

purchased immediately and a delay in order to seek alternative proposals may threaten the life, health, safety and welfare of the residents. This section does not preclude alternative proposals if time permits.

- 7. Sole Source. Competitive bidding is not required under Section 103 of the General Municipal Law in those limited situations when goods or services are available from only one source. If a determination is made that a particular item is available only from one source so that no possibility of competition exists, competitive bidding may not be required for the procurement of the item. Department Managers must document the unique benefits of the item as compared to other items available in the marketplace; that no other item provides substantially equivalent or similar benefits; and that considering the benefits received, the cost of the item is reasonable, when compared to other products or services in the marketplace**
- 8. Purchases of surplus and second hand goods from any source. If alternative proposals are required, the Town of Ossining is precluded from purchasing surplus and second hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare process of used goods and a lower price may indicate an older product.**
- 9. Goods or services under \$1,000. The time and documentation required to purchase through this policy may be more costly than the item itself and would, therefore, not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.**
- 10. The Town Board must authorize and approve all change orders on capital construction projects by Town Board resolution.**
- 11. The Town Supervisor and Budget Officer shall be the municipal officials responsible for providing guidance and making decisions as to application of this procurement policy.**