

**Readopted on July 18, 2012**

**I. Purchasing/Procurement Policy.**

1. Persons authorized to make purchases.

A. It is the policy of the Village to authorize certain individuals to make purchases on behalf of the Village.

B. No employee shall make purchases for the Village, or use the Village's name to make purchases, unless so authorized by the Board of Trustees.

2. Procurement.

A. Every purchase to be made must be initially reviewed to determine whether it is a purchase contract or a public works contract.

i) Once that determination is made, a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year.

ii) The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: purchase contracts under \$ 20,000 and public works contracts more than \$35,000; purchases and contracts for emergency purposes; certain municipal hospital purchases; goods purchased from agencies for the blind or severely handicapped and from correctional institutions; purchases under State and County contracts; and surplus and second-hand purchases from another governmental entity.

iii) The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This documentation may include written or verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract indicating the source which makes the item or service exempt, a memo from the purchaser detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

B. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided, except in the following circumstances: purchase contracts over \$20,000 and public works contracts over \$35,000 (which shall be competitively

bid); goods purchased from preferred sources pursuant to Section 162 of the State Finance Law; goods purchase from correctional institutions pursuant to Section 186 of the Correction Law; purchases under State contracts pursuant to Section 104 of the General Municipal Law; purchases under County contracts pursuant to Section 103 (3) of the General Municipal Law; purchases from federal contracts of the General Services Administration pursuant to Chapter 622, Laws of 1995; or purchases pursuant to subdivisions 6 of this policy:

i) The following method of purchase will be used when required by this policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$1,000 - \$3,999	2 verbal quotations
\$4,000 - \$20,000	2 written/fax quotations or written responses to requests for proposals

<u>Estimated Amount of Public Works Contract</u>	<u>Method</u>
\$1,000 - \$3,999	2 verbal quotations
\$4,000 - \$6,999	2 written/fax quotations
\$7,000 - \$35,000	3 written/fax Quotations or written responses to requests for proposals

ii) 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 the failure to obtain the proposals be a bar to the procurement.

C. Documentation is required of each action taken in connection with each procurement.

D. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible offerer. This documentation will include an explanation of how the award will achieve savings

or how the offerer was not responsible. A determination that the offerer is not responsible shall be made by the Village and may not be challenged under any circumstances.

E. Pursuant to General Municipal Law Section 104-b(2)(f), there may be circumstances when, or types of procurement for which, in the sole discretion of the Village, the solicitation of alternative proposals or quotations will not be in the best interests of the Village. In the following circumstances it may not be in the best interests of the Village to solicit quotations or to document the bases for not accepting the lowest bid:

i) Professional services or services requiring special or technical skill, training or expertise.

a) The individual or company must be chosen based on accountability, reliability, responsibility, skill, education, 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.

b) In determining whether a service fits into this category the Board of Trustees 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.

c) Professional or technical services shall include but not be limited to the following: services of an attorney; services of a physician; technical services of an engineer; securing insurance coverage and/or services of an insurance broker; services of a 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 customizing of pre-packaged software.

ii) 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, or welfare of the residents. This section does not preclude alternate proposals if time permits.

iii) Purchases of surplus and second-hand goods from any governmental source pursuant to Section 103(6) of the General Municipal Law. If alternate proposals are required, the Village 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 prices of used goods and a lower price may indicate an older product.

iv) 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.

3. In any Agreement for services, the Village Clerk shall assure that the service provider has the appropriate insurance coverage.