

Finance – Debt Management 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 Village of Ossining involved in the procurement process, now, therefore, be it

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

Procurement Policy for Village of Ossining

1. Overview

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

The term “purchase contract” applies to the procurement of goods and commodities, while the term “public work contract” encompasses contracts for services, labor or construction. When a contract involves acquisition of both goods and services, such as a commodity that requires installation, the contract should be viewed as a purchase for purposes of the competitive bidding monetary threshold if the services are minor, incidental or customarily provided by the vendor as a component of the purchase. Conversely, if the services are extensive, substantial or involve specialty skills so that the acquisition of the commodity is incidental to the work, the contract should be treated as a public work contract for purposes of the monetary threshold.

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 work contracts under \$35,000;
- Emergency purchases (see subdivision 6 of this policy);
- Insurance coverages, including health, dental, workers’ compensation, and general liability and property coverage insurances;
- Certain professional services (see subdivision 6 of this policy);
- Items purchased from agencies for the blind or severely handicapped;
- Goods purchased from correctional institutions;
- Surplus and second-hand purchases (see subdivision 6 of this policy);
- Purchases under New York State and any NYS county or local government contracts, or through a purchasing consortium, provided that the contract is awarded in a manner that

constitutes competitive bidding consistent with NYS law and made available for use by other governmental entities and subject to the approval of the Village Manager and Corporation Counsel;

Purchases from the following purchase consortiums have been authorized by the Village: Empire State Purchasing Group; Source well (formerly the National Joint Powers Alliance, NJPA); Keystone Purchasing Network; Houston-Galveston Area Council (H-GAC) and, Educational Service Commission Cooperative of New Jersey. Other purchase consortiums may be approved during the year by resolution of the Board of Trustees if found to benefit the Village.

2. Documentation

Except as otherwise provided, 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.

3. Criteria for Number of Quotations or Proposals

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

Estimated amount of Purchase Contract Method

\$ 0 to \$1,999	Department Manager Discretion
\$2,000 to \$4,999	(2) Oral Quotations that are documented
\$5,000 to \$20,000	(3) Written Quotations or Written Request for Proposals (RFP)
Over \$20,000	Purchase Requires Competitive Bidding, unless exempted

Estimated amount of Public Work Contract Method

\$ 0 to \$1,999	Department Manager Discretion
\$2,000 to \$4,999	(2) Oral Quotations that are documented
\$5,000 to \$35,000	(3) or More Written Quotations or Written Request for Proposals (RFP)
Over \$35,000	Purchase Requires Competitive Bidding, unless exempted

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.

4. Use of Purchase Requisitions and Purchase Orders

- a. **Requisitions** – Purchase requisitions shall be issued by Village departments to provide documentation that all requested purchases in excess of \$2,000 (unless otherwise required by internal policy or requested by a vendor) have been authorized by the respective department head, that sufficient appropriations are available for the proposed purchase, that purchases

are for valid and authorized municipal purposes, and that the purchase is made in accordance with the requirements set forth in this Procurement Policy with respect to the required use of price quotes, proposals, municipal or consortium contracts, or competitively bid contracts. Such documentation shall be attached to the purchase requisition.

The requirement to issue a purchase requisition is not intended to slow down departmental productivity, and the acquisition of necessary supplies, equipment and outside services can generally be obtained as needed with proper planning. No purchases shall be split into smaller components in order to avoid the requirement of a purchase requisition or to avoid the requirement of obtaining price quotes, proposals, or competitive bidding.

- b. Blanket Purchase Orders – The use of blanket requisitions and blanket purchase orders shall be allowed, and encouraged, for items such as maintenance contracts, water chemical purchases, road salt, utility expenditures (gasoline, heating oil, natural gas, electricity), capital project public work contracts, and other on-going expenses throughout the year for which it is not practicable to obtain individual purchase orders (for example, materials and supplies from a hardware store). The use of blanket purchase orders shall not preclude the requirements of obtaining required price quotes, such as large purchases from a local hardware store.
- c. Purchase Orders – After the review and approval of these requirements and documentation by the Village Treasurer, the purchase requisition shall be converted by the Finance Department into a purchase order for review and approval by the Village Manager or designee. Following approval by the Village Manager, the Finance Department shall send a copy of the approved purchase order to the respective department, and the original purchase order and documentation shall be retained on file.

To help expedite the approval and issuance of purchase orders, the Village Treasurer is authorized to approve individual purchase orders in amounts up to \$20,000.

5. Contracts Awarded to Other than the Lowest Responsible Bidder

Documentation and explanation are required whenever a contract is awarded to other than the lowest responsible bidder. This documentation will include an explanation of how the award will achieve savings or how the bidder or proposal was not deemed to be responsible.

6. Exemptions to Procurement Policy

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 Village of Ossining to solicit quotations to document the basis for not accepting the lowest bid, although use of purchase requisitions and purchase orders may still apply:

- a. Professional Services – Professional services, or services requiring special or technical skill, training, expertise, the exercise of professional judgment, or a high degree of creativity. 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.

In determining whether a service fits into this category, the Village of Ossining may consider whether the services are subject to State licensing or testing requirements, or whether substantial formal education or training is a necessary prerequisite to the performance of the services.

Professional or technical services may include but not be limited to the following:

- Services of a professional engineer, actuary, certified public accountant, insurance broker, consultant, or fiscal/financial advisor;
 - Management of Village-owned property;
 - Computer software or programming services for customized programs, or services involved in substantial modification and customization of pre-packaged software.
- b. Emergency Purchases – Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods and services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety and welfare of the residents. This section does not preclude alternate proposals if time permits.
- c. Purchases of surplus and second-hand goods from any source – If alternate proposals are required, the Village of Ossining may purchase surplus and second-hand goods at auctions, through specific advertised sources, or from Village suppliers, if it can be determined that such purchase is at a fair market value, is in the best interests of the Village, and if approved by the Village Manager. It is understood that it may be difficult to try to compare prices of used goods and that a lower price may indicate an older product.
- d. Goods or services under \$2,000 – 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 interest of the taxpayer. In addition, it is not likely that such de minimus contracts would be awarded based on favoritism.

7. Authority Without Board Resolution

Authority to incur expenses on behalf of the Village for purchase of goods or public works without the necessity of an additional resolution approval by the Village Board in each instance shall be permitted in the following circumstances only:

- By a Department Head in the event the purchase involves a budget expenditure of \$2,000 or less and is limited to one (1) year in duration.
- By the Village Manager in the event the purchase/contract involves an expenditure of not more than \$15,000 and is limited to one year in duration.

8. The Village Manager and Treasurer shall be the municipal officials responsible for providing guidance and making decisions as to application of this procurement policy.

9. This policy shall be reviewed annually and subject to approval by the Corporation Counsel.