

TOWN OF VETERAN
PURCHASING POLICY
Revised January 4, 2024

PURPOSE: The objective of this policy is to establish purchasing policies and procedures for the procurement of goods and services economically, efficiently of the appropriate quality, in the appropriate quantity, from the most appropriate source, at the best possible price, in compliance with all applicable federal, state and local requirements, and to ensure that all purchases fall within the framework of budgetary limitations. The Town seeks to purchase competitively, without prejudice, favoritism, improvidence, extravagance, fraud, or corruption.

DEFINITIONS:

“Acquisition” shall refer to the act of purchasing items, goods or services for the Town of Veteran.

“Best Value”, “Responsible”, and “Responsive” shall have the meaning ascribed to them in NYS Finance Law Section 163.

“Board” shall refer to the Town Board of the Town of Veteran.

“Department Head” shall refer to the supervisor, superintendent, chief, director or other such title of the head of any and all departments of the Town.

“Public Works Contract” is a contract involving services, labor or construction and material.

“Purchase Contract” is a contract involving the acquisition of commodities, materials, supplies or equipment.

“Purchasing Officer” shall refer to the Town Supervisor who shall be the person to whom the duties, responsibilities and authority for the issuance of Purchase Orders and Bids has been designated.

"Town" shall refer to the Town of Veteran.

RESPONSIBILITIES:

The Board

- 1) The Board hereby appoints the Town Supervisor as Purchasing Officer for the Town. This person may have other duties as well as that of purchasing items, goods and services.
- 2) The Board shall and does herein establish the duties, responsibilities and authority for the position.
- 3) The Board shall advise or cause each and every department to be advised of the establishment of the position of Purchasing Officer and its areas of responsibility and authority.
- 4) The Board does hereby and herein establish the guidelines for the issuance of bids, whether they be Annual or Multi-year bids.
- 5) The Board shall set a limit on the amount of funds which can be reimbursed by Petty Cash.

The Purchasing Officer

- 1) The Purchasing Officer shall, at the direction of the Board, cause preparation and issuance of all bids through the Town Supervisor's Office, which are classified as Annual or Multi-year bids by the Board in January of each year, to the extent practical.

- 2) The Purchasing Officer shall, at the direction of the Board, cause preparation and issuance of all bids through the Town Supervisor's Office as needed which are not classified Annual or Multi-year bids. The Purchasing Officer shall be responsible for developing and administering the purchasing programs of the Town. Competitive bids or quotations shall be solicited in connection with all purchases as defined in this policy and applicable law. Contracts shall be awarded to the lowest responsible bidder complying with specifications and other bidding conditions stipulated by GML Section 103, except as permitted by this policy and law, however the Board authorizes that purchase contracts may be awarded on the basis of best value as defined in Finance Law Section 163 or other exceptions to competitive bidding as outlined below. The Purchasing Officer or designee is authorized to open bids and record same pursuant to law. When permitted by law, purchases may be made through available cooperatives or by "piggy backing" onto contracts of NYS OGS, Departments or Agencies of NYS, NYS Counties, or any state or county or political subdivision or district therein, whenever such purchases are in the best interests of the Town or will result in cost savings. In addition the Town may make purchases from correctional institutions, not-for-profit agencies or others as provided by law.
- 3) The Purchasing Officer shall cause compilation and review of all purchasing data submitted by the Department Heads regarding a proposed acquisition to determine bidding requirements as indicated, and shall document the basis for any determination that competitive bidding is not required.
- 4) The Purchasing Officer shall cause preparation of a list of like items, as per State guidelines, which must be grouped for purchasing (i.e. office supplies).
- 5) The Purchasing Officer has caused, and from time to time may revise, the establishment of a system of requisitions, purchase order, requests for price quotes and other forms as required for the operation of the position. These shall be submitted to the Board for approval. Upon approval, they shall be issued to all Department Heads for their use.

- 6) The Purchasing Officer shall administer this Purchasing Policy including the Method of Procurement hereinafter established for the issuance of purchase orders and acquisitions.
- 7) The Purchasing Officer shall cause maintenance of a file of all non-bid acquisitions and perform a periodic review to determine if changes in purchasing have resulted in the need for a bid.
- 8) The Purchasing Officer will, upon receipt of a requisition or request for approval of a purchase of items, goods or services, cause consideration of each method of procurement (bid, written quote, verbal quote, etc.), determine which method will achieve the highest savings, including both "lowest responsible dollar offeror" and "best value", and then utilize such method to effectuate the acquisition.
- 9) In the event of an acquisition from one other than the lowest responsible dollar offeror, the Purchasing Officer shall provide justification and documentation setting forth the reasons such acquisition furthers the purpose of GML Section 104-b, and complies with GML Section 103.
- 10) The Purchasing Officer shall have the power to make acquisitions from the Office of General Services or the General Services Administration pursuant to GML Section 104.
- 11) The Purchasing Officer shall have the power to make acquisitions which are not initiated by a Department Head(s) by following the procedures of this Policy.

The Department Head

- 1) The Department Head shall receive a monthly report of expenditures for the department.

- 2) The Department Head shall review these expenditures to determine if there is a change in the purchasing of items, goods or services.
- 3) The Department Head shall provide the Purchasing Officer with a written report, in January of each year, of projected needs for the department for the budget year in order for the Purchasing Officer to determine if there is a bid requirement due to the combining of purchases for more than one department.
- 4) The Department Head shall make every attempt, based on past purchasing history and anticipated needs, to accurately project acquisitions for the budget year.
- 5) The Department Head shall, when the amount or cost of acquisition of an item, good or service is estimated or expected to exceed the sum of \$1,500.00, submit requisitions and/or requests for purchase orders to the Purchasing Officer. The Department Heads responsible for purchasing items, goods or services for their departments not exceeding \$1,500.00 are:

<u>Department</u>	<u>Department Head</u>
Clerk's Office (Finance)	Jenny Reese
Public Works	Curt Rhodes
Justice	Lisa Hess
Code Enforcement	Ken Ripley
Assessor	Sally Whitson
Bookkeeper	John Savash
Historians	Tim Rodabaugh/Rick Smith

METHOD OF PROCUREMENT: The Department Head is authorized to purchase items, goods or services without the prior approval of the Purchasing Officer if the estimated or expected amount or cost of acquisition does not exceed \$1,500.00. All purchases where the estimated or expected amount or cost of acquisition exceeds \$1,500.00 must be approved by the Purchasing Officer in writing unless such amount or cost requires the use of formal bidding procedures as

required by law. This Purchasing Policy requires that the following methods of purchase be used in order to achieve the highest savings, or "best value", except when competitive bidding procedures are required. Although written quotes are not required on procurements of \$1,500.00 or less, every attempt should be made to contact the vendors to procure the lowest prices possible. For procurements expected to exceed a cost of \$1,500.00 the Purchasing Officer will first determine if the proposed procurement is a purchase contract or a public works contract. Such determination shall determine the method of procurement noted below.

Estimated Amount of Purchase Contract

Method

\$0 - \$ 1,500	discretion of Department Head
\$ 1,501 - \$ 3,500	requires purchase order
\$ 3,501 - \$ 9,000	2 verbal quotations (and purchase order)
\$ 9,001 - \$20,000	3 written/fax quotes or written RFP's (and purchase order)
\$20,001 +	competitive bidding procedures in accordance with GML Section 103 et seq. (and purchase order)

Estimated Amount of Public Works Contract

Method

\$ 0 - \$ 1,500	discretion of Department Head
\$ 1,501 - \$ 7,000	requires purchase order
\$ 7,001 - \$15,000	3 verbal quotations (and purchase order)
\$15,001 - \$35,000	3 written/fax quotes or written RFP's (and purchase order)
\$35,001 +	competitive bidding procedures in accordance with GML Section 103 et seq. (and purchase order)

A good faith effort shall be made by the Department Head to obtain the required number of proposals or quotations. If the Purchasing Officer is unable to obtain the required number of proposals or quotations, the Purchasing Officer will document the attempt made at obtaining the proposals.

Any purchase made in the amount of \$1,501.00 or more requires the use of a Purchase Order. This includes purchases made using Town credit cards and Town charge accounts with various vendors. A Department Head may delegate authority to such Department Head's subordinates to make purchases less than the above amount on behalf of the Department head, but such Department Head shall remain responsible and accountable for such purchases.

For the purposes of this policy, the phrase "competitive bidding procedures" shall mean procedures in accordance with Article 5-A of the General Municipal Law, and in particular Section 103 et seq., as the same may be amended from time to time. Exceptions to such competitive bidding procedures shall be procurements made pursuant to General Municipal Law Section 103(3), GML Section 104, SFL Section 175-b, Correction Law Section 186, and SFL Section 163 (Emergency purchases, certain municipal hospital purchases, goods purchased from agencies for the blind or severely handicapped, goods purchased from correctional institutions, purchases under State and County contracts, and surplus and second-hand purchases from another governmental entity).

Further, this Purchasing Policy shall be applied in accordance with the requirements of procurement of commodities and services from "preferred sources" as provided in SFL Section 162.

PETTY CASH GUIDELINE: The Town Clerk and the Town Justice Clerk shall each maintain a petty cash fund not exceeding \$200.00. The maximum reimbursement from such fund for a single purchase shall be \$200.00

DOCUMENTATION: All information gathered in complying with the procedures of this Policy shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.

ALTERNATIVE PROPOSALS OR QUOTATIONS: There may be occasions and circumstances

when types of procurements for which the solicitation of alternate proposals may not be in the best interest of the Town. Accordingly, pursuant to GML Section 104-b(2)(f), the solicitation of alternative proposals or quotations may not be required in the sole discretion of the Town Supervisor in the following circumstances where proper 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:

- 1) Professional services or services requiring special or technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, and integrity.

In determining whether a service shall fit into this category, the Town Supervisor shall take into consideration the following guidelines:

- a. Whether the services are subject to state licensing or testing requirements;
- b. Whether substantial formal education or training is a necessary prerequisite to the performance of the services; and
- c. Whether the services require a personal relationship between the individual and municipal officials.

Professional and technical services shall include but not be limited to the following: services of an attorney; services of a physician; technical services of an engineer or architect engaged to conduct studies or surveys, prepare plans, maps and estimates; 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 artwork; purchase, sale or 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 or services involved in substantial networking of computers, software and systems particularly involving

specialized software and integration of same into Town operations.

- 2) Emergency purchases pursuant to GML Section 103(4). Due to the nature of this exception, these goods or services must be purchased immediately and delay in order to seek alternate proposals may threaten life, health, safety or welfare of the residents. This section does not preclude alternate proposals if time permits.
- 3) Purchases of surplus and second-hand goods from any source. Surplus and second-hand goods, supplies, materials or equipment may be purchased without competitive bidding from federal, state or local governments or any other political subdivision, district or public benefit corporation pursuant to GML Section 103(6). This exception does not apply to purchases from private sources. If alternate proposals (verbal or written) were to be required by this Policy the Town would be precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually contained, accordingly such proposals are not required. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.
- 4) Purchases off of a Chemung County bid pursuant to GML Section 103(3). May make purchases of materials, equipment or supplies, or contract for services, other than services subject to Article 9 of the Labor Law, through Chemung County subject to rules established pursuant to County Law Section 408-a(2).
- 5) Use of competitively bid contracts let by United States, any state or any political subdivision thereof pursuant to GML Section 103(16). Purchase of apparatus, materials, equipment and supplies and contract for services related to installation, maintenance, or repair of those items, through the use of a contract let by the United State, any state or any political subdivision thereof if such contract was let in a manner that constitutes competitive bidding consistent with state law and is made available for use by other governmental entities in accordance with GML Section 103(16).

MISCELLANEOUS:

- No portion of this policy shall be construed as preventing the competitive bidding of purchase contracts under \$20,000.00 or public works contracts under \$35,000.00 if so desired.
- Unintentional failure to comply fully with the provisions of GML Section 104-b or GML Section 103 shall not be grounds to void action taken or give rise to a cause of action against the Town of Veteran or any officer or employee thereof.
- It is possible for the Board to standardize a particular type of material or equipment, but "standardization" does not eliminate the necessity to conform to the competitive bidding requirement. There is no longer a need for the inclusion of the term "or equivalent" after make or model, etc. Where there are reasons of efficiency or economy to standardize, the Board will determine by resolution that there is a need to standardize purchase contracts for a particular type or kind of equipment, materials or supplies.
- Copies of quotations and/or associated bids or contracts referenced should be attached to purchase orders and sent to the Clerk's Office to be processed. Such quotations will include the name, address and contact information of the vendor contacted, name of the contacted person, items to be purchased specifying quantity, brand name, model number, unit price, extended price, and total price of the purchase order. In instances where the procurement arises out of an emergency, the Town Supervisor may authorize an expenditure without regard to the above. Immediately following, the Town Supervisor shall issue a memorandum explaining how an emergency purchase meets the above criteria.
- In the event of rejection of a low bidder, the Purchasing Officer will provide justification and documentation of any bid awarded to other than the lowest responsible bidder or best value bidder, setting forth the reasons why such award is in the best interests of the Town and otherwise furthers the purposes of GML Section 104-b or GML Section 103(1). The reliability and/or past performance of the bidder providing the offer is a factor in determining the lowest responsible bidder. Unacceptable performance or products may

include prior and/or current circumstances. The following may be reasons for rejection of the low bidder:

- 1) inability to provide items as specified;
- 2) inability to deliver materials or services in a timely fashion;
- 3) substitution of alternate items to those bid without informing the Town;
- 4) varying from prescribed procedures and/or specifications for the performance of the service or contract without express permission of the Town;
- 5) failure or difficulty in providing proper certificates of insurance or bonds when required;
- 6) failure to provide samples of alternate bid items when requested.

ANNUAL REVIEW: This Purchasing Policy shall be reviewed annually by the Board and revised as it deems fit.

Effective Date: January 21, 2021