

Purchasing

APPENDIX A

SAMPLE PURCHASING POLICY AND PROCEDURES

Municipality _____

Effective Date of Policy _____

Reviewed and Amended _____

At the meeting on _____, the following was adopted:

**PROCUREMENT POLICY FOR THE _____ OF _____
FOR PURCHASES AND CONTRACTS FOR SERVICES
NOT SUBJECT TO COMPETITIVE BIDDING**

1. Whereas, Section 104-b of the General Municipal Law (GML) requires every government to adopt internal policies and procedures governing all procurement of goods and services not subject to the bidding requirements of GML Section 103 or any other law; and

Whereas, comments have been solicited from those offices of the [insert municipality's name] involved with procurement; now, therefore, be it

Resolved, that the [insert municipality name] does hereby adopt the following procurement policies and procedures:

Every prospective purchase of goods or services shall be evaluated to determine the applicability of GML §103. Every municipal officer, board, department head, or other personnel with the requisite purchasing authority (purchaser) shall estimate the cumulative amount of the items of supply and equipment needed in a given fiscal year. That estimate shall include the canvass of other [insert municipality name] departments and past history to determine the likely yearly value of the commodity to be acquired. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity.

All purchases of (a) supplies or equipment which will exceed \$10,000 in the fiscal year or (b) public works contracts more than \$20,000 shall be formally bid pursuant to GML §102.

2. All goods and services will be secured by use of written requests for proposals (RFP), 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 more than \$10,000 and public works contracts more than \$20,000; goods purchased from agencies for the blind or severely

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disabled pursuant to Section 175-b of the State Finance Law; goods purchased 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; or purchases pursuant to subdivision 6 of this policy.

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

Procurements	Verbal Quotes			Written Quotes		RFP
	0	2	3	2	3	
Purchase Contracts Below \$10,000:						
Under \$100	X					
\$100 - \$499		X				
\$500 - \$999			X			
\$1,000 - \$4,999				X		
\$5,000 - \$9,999					X	
Contracts for Public Work Below \$20,000:						
Under \$1,000	X					
\$1,000 - \$4,999		X				
\$5,000 - \$9,999				X		
\$10,000 - \$19,999					X	
Emergencies						
Insurance						X
Professional Services						X

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 shall document the attempt made at obtaining the proposals. In no event shall the inability to obtain the proposals or quotes be a bar to the procurement.

3. Documentation is required of each action taken in connection with each procurement.
4. Documentation and an 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.
5. Pursuant to GML §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 municipality to solicit quotations or document the basis for not accepting the lowest bid:

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- a. **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, 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 governing 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 the municipal officials. 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 engaged to prepare plans, maps, and estimates; securing insurance coverage and/pr 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 prepackaged software.
 - b. **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 alternate proposals may threaten the life, health, safety, or welfare of the residents. This section does not preclude alternate proposals if time permits.
 - c. **Purchases of surplus and secondhand goods from any source.** If alternate proposals are required, the municipality 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.
 - d. **Goods or services less than \$250.** 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.
 - e. **Purchases which are only available for a single service;** or where standardization is desired; or where the only local service provider services only one brand.
7. This policy shall go into effect on _____, and will be reviewed annually.

