

## PROCUREMENT POLICY

1. Every purchase to be made must be initially reviewed to determine whether it is a purchase contract or a public works contract. Once the 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 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 under \$35,000; emergency purchases; certain municipal hospital purchases; goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions; purchases under Federal, State and County contracts; and surplus and second-hand purchases from another governmental entity.

Purchase requisitions must be completed by the department head prior to a purchase order being issued and before the item is purchased. Normal recurring monthly expenditures do not require a purchase requisition before a purchase order is issued (i.e. insurance premiums, utilities, litigation expenditures, fuel purchases). Purchase orders are required for all other purchases.

The decision that a purchase is not believed to be 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 memorandum 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 memorandum from the purchaser detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

2. Unless otherwise authorized by the Village Manager or Village Treasurer in accordance with all applicable laws, 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; goods purchased from agencies for the blind or severely handicapped 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.

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

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$0.00 - \$999.00	Department head discretion
\$1,000.00 - \$1,999.00	2 verbal quotations
\$2,000.00 - \$19,999.00	3 written/fax quotations or written Request For Proposals (RFP)
\$20,000.00 and above	Subject to publicly advertised bid or publicly advertised RFP. Must be circulated to a least 3 companies. Contract must be approved by the Board of Trustees.

<u>Estimated Amount of Public Works Contract</u>	<u>Method</u>
\$0.00 - \$999.00	Department head discretion
\$1,000.00 - \$1,999.00	2 verbal quotations
\$2,000.00 - \$34,999.00	3 written/fax quotations or written request for proposals (RFP)
\$35,000.00 and above	Subject to publicly advertised bid or publicly advertised RFP. Must be circulated to a least 3 companies. Contract must be approved by the Board of Trustees.

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 good faith attempt made at obtaining the proposals.

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

5. Whenever a contract is awarded to someone other than the lowest responsible offeror, the reasons why the award furthers the purposes of General Municipal Law § 104-b shall be documented as follows:

a. Best Value. Notwithstanding anything else contained in this policy, the Village of Ardsley may award purchase contracts and service contracts that have been procured pursuant to competitive bidding under General Municipal Law § 103(1) or otherwise under this policy by either the lowest responsible bidder standard or the best value standard.

i. Definition. "Best value" is defined in State Finance Law § 163 as, "the basis for awarding contracts for services to the offeror which optimizes quality, cost and efficiency, among responsive and responsible offerors." For the purposes of this section, the Village of Ardsley adopts the above definition of "best value" as may be modified from time to time by the State Legislature.

- ii. Applicability. The best value standard may only be used for purchase contracts, which includes contracts for service work, but excludes any purchase contracts necessary for the completion of a public works contract pursuant to Article 8 of the Labor Law. When awarding contracts under the best value standard, the Village of Ardsley must consider the overall combination of quality, price, and other elements of the required commodity or service that in total are optimal relative to the needs of the Village of Ardsley. Use of the best value standard must rely, wherever possible, on objective and quantifiable analysis. The best value standard may identify as a quantitative factor whether offerors are small businesses or certified minority- or women-owned business enterprises as defined in New York Executive Law § 310.
- iii. Approval. Use of the best value standard for the procurement of goods and services requires approval from the Village of Ardsley. The Village Board of Trustees must also approve the factors to be considered when awarding contracts under this standard.

6. Pursuant to General Municipal Law Section 104-b(2)(f), the procurement policy may contain circumstances when, or types of procurements 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 interests of the Village of Ardsley to solicit quotations or document the basis for not accepting the lowest bid:

a. Professional service 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 Village of Ardsley 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 person relationship between the individual and municipal officials. Professional or technical services shall include but not be limited to the following: services of an attorney; services of a physician; services of an architect; technical services of an engineer engaged to 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 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.

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. Emergency purchases will be made by the appropriate department head with documentation as to the nature of the emergency. Whenever practical, depending on the nature of the emergency, approval must first be given by the Village Manager or Village Treasurer.

c. Purchases of surplus and second-hand goods from any source. If alternate proposals were required, the Village of Ardsley would be precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices may be 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 under \$1,000.00. 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. Cooperative or Piggyback Contracts. General Municipal Law Section 103(16) allows for the procurement of certain goods (including apparatus, materials, equipment and supplies) and services through contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein, if such contract was let in a manner consistent with competitive bidding, and has been made available for use by other governmental entities. The stated purpose is to reduce administrative and product cost, and increase efficiencies. Through cooperative purchasing, or piggybacking, a government subdivision has already investigated and secured the lowest possible price for the municipality.

f. Shared Services or Efficiencies. When participation or procurement will constitute a shared service or efficiency it may be exempt from this policy. Municipalities are encouraged and authorized to share services and work together when possible.

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