

TOWN OF ERWIN INDUSTRIAL DEVELOPMENT AGENCY

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 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 annually, or for a specific one-time project on the item of supply, or service is not subject to competitive bidding; taking into account past purchases and the aggregate 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 \$10,000 and public works contracts under \$20,000
- ❖ Emergency purchases
- ❖ Goods purchased from agencies for the blind or severely handicapped
- ❖ Goods purchased from correctional institutions
- ❖ Purchases under State and County contracts
- ❖ Surplus and second-hand purchases from another governmental entity

The decision that a purchase is not subject to competitive bidding will be documented in writing by the Chief Executive Officer. 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

2. 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 \$10,000 and public works contracts over \$20,000
- ❖ Goods purchased from the agencies for the blind or severely handicapped, pursuant to Section 175 of the State Finance Law
- ❖ Goods purchased from Correctional Institutes, pursuant to Section 186 of the Correction Law

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- ❖ Purchases under State contract 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 the highest savings:

Estimated Amount of Purchase Contract:

\$1,000-\$5,999
\$6,000-\$9,999

Method:

(3) Verbal quotations
(3) Written/Fax quotations

Estimated Amount of Public Works Contract:

\$ 1,000-\$ 9,999
\$ 10,000-\$14,999
\$ 15,000-\$19,999

Method:

(3) Verbal quotations
(3) Written/Fax quotations

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 the event that written/Fax quotations or requests cannot be obtained, the Chief Executive Officer will document the attempts to obtain such proposals and the reasons such proposals could not be obtained.

4. Documentation is required of each action taken in connection with each procurement.
5. Documentation and an explanation is required whenever a contract is awarded to other than the lowest 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 Chief Executive Officer.
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 in the best interest of the Town of Erwin Industrial Development Agency.

In the following circumstances, it may not be in the best interest of Town of Erwin Industrial Development Agency to solicit quotations or document the basis for not accepting the lowest bid:

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- ❖ Professional services or services requiring special or technical skill, training, or expertise. The individual or company must be chosen on ability, 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.
 - ❖ 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.
 - ❖ Purchases of surplus and second-hand goods from any source. If alternate proposals are required, the Town of Erwin Industrial Development Agency 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.
 - ❖ 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 Town of Erwin Industrial Development Agency. In addition, it is not likely that such de minimis contracts would be awarded on favoritism.
7. This policy shall go into effect August 5, 2008 and will be reviewed annually.