

## **PROCUREMENT POLICY**

**WHEREAS**, specifications of law, rule and regulation require a local development corporation associated with a municipality to adopt a procurement policy for all goods and services which are not required by law to be publicly bid, and

**WHEREAS**, consideration has been given to implement a policy for a procurement process, now, therefore, be it

**RESOLVED**, that the **SOUTH GLENS FALLS LOCAL DEVELOPMENT CORPORATION** 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 THE  
SOUTH GLENS FALLS LOCAL DEVELOPMENT CORPORATION (LDC)**

**1. PURCHASING:** Upon a decision to purchase (or enter into a contract for service), the LDC shall make a good faith effort to determine if it may be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding. The LDC shall take into account past purchases and the aggregate amount to be spent in a calendar (fiscal?) year. The following items are not subject to competitive bidding pursuant to Section 103 of General Municipal Law: purchase contracts under \$10,000 and public works contracts under \$20,000; 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.

The decision that a purchase or contract for service is not subject to competitive bidding will be documented by the individual making the purchase for the LDC. This documentation may include written or notes of verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract indicating the source that makes the item or service exempt, a memo from the purchaser detailing the circumstances that led to an emergency purchase, or any other memorandum.

**2.** Goods and services shall, whenever possible, be secured by use of written request for proposals, written quotations, verbal quotations, or any other method that assures the goods will be purchased at the lowest price and that favoritism will be avoided, except in the following circumstances: purchase contracts under \$10,000 and public works contracts under \$20,000; goods purchased from agencies for the blind or severely handicapped pursuant to Section 175-b of the State Finance Law; goods purchased from correction institutions pursuant to Section 186 of the Correction Law; purchases under state contracts pursuant to Section 104 of General Municipal Law; purchases under county contacts 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 the achieve the highest savings:

| <u>Estimated<br/>Amount of Purchase Contract</u> | <u>Method</u>   |
|--|---|
| \$750 - \$2,999                                  | 2 verbal quotations                                       |
| \$3,000 - \$9,999                                | 3 written/fax quotations or written request for proposals |

Estimated Amount of  
Public Works Contract

Method

\$750 - \$2,999

2 verbal quotations

\$3,000 - \$4,999

2 written/fax quotations

\$5,000 - \$19,000

3 written/fax quotations or written  
request for proposals

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 the failure to obtain the proposals be a bar to the procurement.

4. Documentation is required for each action taken in connection with each procurement.
5. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible offer. This document will include an explanation of how the award will achieve savings or how the offer was not responsible. A determination that the offer is not responsible shall be made by the purchaser and may not be challenged under the circumstances.
6. 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 LDC. In the following circumstances, it may not be in the best interests of the LDC to solicit quotations or document the basis for not accepting the lowest bid:
  - 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 LDC 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; (c) whether the services require a personal relationship between the individual and LDC 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/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 or pre-packaged software.

**B.** Emergency purchases for goods or services whenever a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the residents constitutes exception to the regular procurement policy.

**C.** Purchases of surplus and second-hand goods. The LDC may, under appropriate circumstances in a commercially responsible manner, obtain used or surplus goods.

**D.** Goods or services under \$250.00. The time and documentation required to purchase through this policy may be more costly than the item itself, in any de minimis contract, the LDC may act in exception to the regular procurement policy.

7. This policy shall go into effect immediately.