# WARREN COUNTY PURCHASING POLICY

## 2014

## Purchasing Policy and Procedures Manual Index


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# SECTION I

# INTRODUCTION

## I. INTRODUCTION

Goods and services must be procured in a manner so as to assure the prudent and economical use of public monies in the best interests of the taxpayers of the political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

Adopted by the Warren County Board of Supervisors as internal policies and procedures, this Purchasing Policy governs all procurement of goods and services required to be made pursuant to the competitive bidding requirements of General Municipal Law §103 and those goods and services which are not required by law to be procured by political subdivisions or any districts therein pursuant to competitive bidding as per General Municipal Law §104-b.

The County of Warren is hereby authorized to make all purchases of necessary goods and services by any means legal within the State of New York and in compliance with all applicable laws, rules and regulations.

The responsibility and authority for purchasing are assigned by the governing board to Julie Pacyna, Purchasing Agent and Jason Shpur, Deputy Purchasing Agent. The keynote of any successful purchasing system is cooperation between the employees, the Department Heads, the Purchasing Agent and Deputy Purchasing Agent, the Auditor, the Treasurer, and the governing board.

# SECTION II

# PURCHASING PROCEDURES

## II. PURCHASING PROCEDURES

### A. Procedures Applicable to all Purchases Regardless of Dollar Amount

Before making any purchase, the following steps must be taken.

1. Confirm that there isn't already a County bid for the item(s).

2. If there's no County bid, check Preferred Source Offerings in the following order:

   a. Corcraft
   New York State Department of Correctional Services
   Division of Industries
   550 Broadway, Menands, NY 12204
   Ph: 436-6321
   Fax: 472-1614
   website: http://www.corcraft.org

   b Industries for the Blind of New York State, Inc.
   296 Washington Avenue Extension
   Albany, NY 12203-5346
   Ph: 456-8671
   Fax: 456-3587
   website: http://www.ibnys.org

   c. New York State Industries for the Disabled, Inc.
   155 Washington Avenue, Suite 400
   Albany, NY 12210
   Ph: 463-9706
   Fax: 463-9708
   e-mail: admin@nysid.org
   website: http://www.nysid.org

   d. New York State Office of Mental Health
   Buy OMH
   44 Holland Avenue
   Albany, NY 12229
   Ph: 474-0121

   Items must meet the form, function and utility of the Department. Catalogs and guidelines may be obtained in the Purchasing Department. If the price from a Preferred Source is within 15% of the lowest quote and meets the specifications of the Department, the item must be purchased from the Preferred Source.

3. If the item/service is not available from a Preferred Source, search the New York State Office of General Services (NYS OGS) website (www.ogs.state.ny.us) for a State Contract. Purchases should be made through available State Contracts (OGS), or under County contract pursuant to Section 408-a of the County Law, and Subd 3 of General Municipal Law (hereinafter "GML") §103 revised in 2003 to allow purchases of materials, equipment or supplies, or to contract for services through any county within the state, whenever such purchases are deemed by the Purchasing Agent to be in the best interest of the County.

4. If no State Contract is available, or you feel the County can obtain better pricing than State Contract, then Purchasing will proceed with a County bid or the Department may obtain quotes, depending on the dollar thresholds (see pages 12-16).

5. The County is also authorized to purchase apparatus, materials, equipment and supplies, and to contract for services related to the installation, maintenance or repair of those items, as authorized by the addition of Subdivision 16 as an amendment to GML §103, through the use of contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein. The contract must be let in a manner that constitutes

competitive bidding to the lowest responsible bidder, or on the basis of best value, "consistent with state law", meaning in harmony with New York State Law, and made available for use by other governmental entities. Purchases made in accordance with GML §103(16) are not subject to the competitive bidding requirements of GML §103. The stated purpose of GML §103(16) is to reduce costs, and increase efficiencies. The prerequisites that must be met are as follows:

a. The contract must have been let by the United States or any agency thereof, any state or any other political subdivision or district therein. Therefore, there must be an underlying contract let by one of the listed governmental entities. Contracts developed for use by local governments that are let by private parties (e.g. a private company, association or not-for-profit corporation is the party awarding the contract to the vendor), and not by the United States or any agency thereof, any state or any other political subdivision or district therein, would not fall within the exception.

b. The contract must have been made available for use by other governmental entities. This means that the other governmental entity has taken steps to make its contract available for New York local governments by including a clause extending the terms and conditions of the contract to other governmental entities. Unilateral offers by vendors to extend contract pricing and other terms and conditions would not fall within the exception.

c. The contract must have been let in a manner that constitutes competitive bidding "consistent with state law". "State law" refers to New York State's bidding law applicable to its political subdivisions (GML §103 and related case law). Departments exercising the option to purchase under this exemption will be required to obtain background information on the procedures used to let the contract and, as necessary, consult with counsel, to determine whether this prerequisite is met.

6. Vendor numbers must be requested for each vendor receiving payment from Warren County. All requests for new or changed vendor numbers must be submitted to the Purchasing Department. Vendor numbers are necessary in order to complete a Purchase Order and must contain the following information:
    a. Correct and full name of the individual/organization
    b. Remittance address for payment
    c. Federal ID or Social Security Number
    d. Reason for payment (so that Purchasing can identify 1099 status)

   County Departments are responsible for obtaining <u>original</u> W-9 forms from the vendors confirming that payment information provided to the County is valid. A W-9 form must be submitted with each new vendor request in order for a vendor number to be issued.

7. Prevailing Wages apply any time a vendor employs laborers, workmen or mechanics. Vendors are required to pay prevailing rates according to Article 8 of the New York State Labor Law, no matter what the dollar amount. Pursuant to Article 9 of the New York State Labor Law, prevailing wages must also be paid for building service contracts such as moving, landscaping, elevator maintenance, etc., for any contract exceeding $1,500 per year. Owners/operators, who have no employees, do not need to pay themselves Prevailing Wages. Certified payrolls must be provided by the Contractor to the applicable County Department, prior to submitting an invoice. The Certified Payroll forms are required to be kept on file by the Departments for which the contract applies. The form can be found at <u>www.co.warren.ny.us/purchasing/forms.php</u>

   All prevailing wage schedules must be requested through the Purchasing Department <u>prior</u> to obtaining quotes or bids. All vendors must be provided with the New York State Department of Labor PRC number assigned to each individual project so that appropriate labor rates are included in their quotes. If the contract is cancelled at any time, Purchasing must be notified in order to cancel the prevailing wage schedule for that project.

On occasion, the New York State Department of Labor, Bureau of Public Works, upon receiving complaints for non-payment of prevailing wages shall direct the County to withhold monies due to a vendor. The original notice is forwarded to the Superintendent of the Department of Public Works, a copy is kept in Purchasing and a copy forwarded to the Treasurer's Office. These monies are held until notification is received from the Department of Labor on how they are to be disbursed.

Contractors and the applicable County Department must check prevailing wage schedules for each project on the 1st of each month. The Department of Labor posts corrections to each schedule (when required), and both parties must be informed of all updates to ensure proper payment to Contractor's employees, and for the purpose of checking certified payrolls.

New York State Office of General Services obtains a prevailing wage schedule for the State when awarding a State Contract. However, if the County uses the State Contract, the County is required to obtain a separate prevailing wage schedule specific to the County project.

It is the County's responsibility to confirm that the Prime Contractor has provided all sub-contractors with a copy of the prevailing wage schedule. A verified, signed statement must be obtained from each sub-contractor, certifying that they were provided with a copy of the schedule.

8. A contract is <u>always</u> required when a service is being provided to the County (regardless of amount). Where appropriate, short form contracts are available. When determining the term of a contract, please take into consideration the nature of the commodity/services: What is the likelihood that the original term may be extended? Most contracts are capped at 3 years, with an initial one year term and two additional (optional) one year extensions. More involved contracts with larger investments by the Contractors may have longer terms which will be negotiated as part of the contract process.

9. Each set of Specifications will identify the person to which questions should be directed. This is a control mechanism so that all vendors fairly receive the same information relative to the Specifications. In the event the Purchasing Agent does not know the answer, he/she will contact the appropriate department to obtain the correct response. The appropriate information will then be distributed to the vendors in the form of a written addendum. Written addenda must be issued at least five (5) business days prior to the bid opening. If the five (5) day requirement is not met, the bid opening date will be changed in order to comply.

10. GML §103 makes it possible for the County to standardize on a particular type of material or equipment. A Resolution approved by the Department's standing committee and at least two-thirds majority of the Board of Supervisors, shall state that for reasons of efficiency or economy, there is a need for standardization. Such reasons may include, but are not limited to the following:

    a. Larger quantities of fewer items;
    b. More economical buying;
    c. Flexibility of inventory;
    d. Reduction of purchasing time;
    e. Lower departmental operating costs; and
    f. Reduced inventories

The adoption of such a Resolution does not eliminate the necessity for conformance to the competitive bidding requirements. Standardization restricts the purchase to a specific model or type of equipment or supply, but does not limit the vendors it can be purchased from.

11. Anticipate your needs! Once you have determined what you need, within the limitations of your budget, contact Purchasing to help you develop the specifications for the quote or bid to get the best value possible for the expenditure of tax dollars.

The key is time and preparation. Turn around time is dependant on many factors ranging from the complexity of the specifications, and the need for a pre-bid meeting and addendums to the number of bids and quotes currently in process with Purchasing. **Remember, poor planning does not move the request to the top of the list!**

12. Warren County takes the position, consistent with County Law §369; the State Comptrollers Opinion 81-83 and Opinion 81-90; and good business sense, that prepayments should not be made using County funds.

13. Upon receipt of goods and services, the Department enters the receipt into the system with the exact quantity received. As standard business procedure, all County vendors are entitled to prompt payment. Invoices should be processed as soon after goods/services are obtained and in accordance to batch deadlines established by the County Auditor. **If the Auditor receives any claims for goods or services for which no Purchase Order was issued, the Purchasing Agent in conjunction with the County Auditor will have the authority to nullify the payment of such claim.**

14. The Purchasing Department endeavors to aide in getting Departments the right material on time. There will be occasions when inferior goods or services are received or they are not received in a reasonable amount of time. If the problem cannot be resolved by the Department it should be reported to Purchasing as soon as possible. This can be done via e-mail or phone. Remember to include the vendors name, bid number, the problem you have with the order and your name and extension.

    Purchasing will contact the vendor and try to come to a resolution of the problem. If necessary the County Attorney's Office will be contacted for assistance.

15. When developing bid or Request for Proposal specifications, it is understood that Departments may require the expertise of vendors. When consulting with vendors it must be clearly stated that their services, in no way, give them an advantage in the bidding or proposal process. Departments must be especially diligent in this situation to ensure that the specifications are not written in such a way that the consulting vendor is given such an advantage (i.e. writing the specifications so narrowly that only their company or firm can respond).

## B. Procedures Specific to Each Type of Purchase[1]

### 1. Commodity/Equipment/Furniture Purchases

These purchases may be made without a Resolution of the Board of Supervisors to the extent your Department budgeted/planned for the same.

Most often, purchases made under State Contract do not require quotes, however, there are instances where quotes or a mini-bid process are required. Please read each State Contract carefully to make sure all requirements are being met before making the purchase. Some vendors may offer GSA (federal) pricing to the County. Please note, this does not exempt the County from following State and/or County procurement requirements. The GSA pricing may be used as a quote, but additional pricing is still required in accordance with the guidelines set forth below. The only exception to this is for Information Technology purchases offered under GSA Federal Supply Schedule 70. Additionally, some vendors may offer to sell products as part of an Alliance or Private Cooperative. The County has no authority to purchase from these types of organizations. (Hospitals are an exception to this. Westmount Health Facility, Countryside Adult Home and the Health Services Department participate in the Minnesota Multi-State Contract for various health care items.)

#### a. Competitive Bidding:

Legal notices are published in the official County newspapers, informing the public of the products or services being bid. The advertisement for bids shall contain a statement of the time and place where all bids will be publicly opened and read. All bid openings will be conducted at a public meeting and all interested parties may attend.

Where bids are required, the Department Head will assist the Purchasing Agent in the preparation of specifications and contracts. It is the responsibility of the Department Head to provide an adequate description of items needed so that the Purchasing Agent may be able to prepare the specifications to procure the desired commodity or service. The Purchasing Agent will send specifications to vendors from a list prepared jointly by the Purchasing Agent and the Department Head for all bids. Warren County does NOT accept faxed documents where original (ink) signatures are required, i.e. on proposal pages, Non-Collusive Certifications, Corporate Resolutions and Iran Divestment Act Certifications.

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[1] **Commodities vs. Public Works**

Purchase contracts for materials, equipment and supplies involving an estimated annual expenditure of over $20,000.00 and public works contracts involving over $35,000.00 shall be awarded to the lowest responsible bidder only after public advertising soliciting formal sealed bids (GML §103). The term public works contracts would apply to those projects involving labor or both materials and labor where the labor portion exceeds the material component. Included in this category would be construction, paving, printing, and repair contracts.

Although not defined in GML §103, the Office of the State Comptroller has expressed the opinion that the term "contract for public work" encompasses contracts for services, or labor or construction by a "laborer, workman or mechanic service requiring wage rates". When a contract involves acquisition of both goods and services, such as a commodity where installation is required, the contract should be viewed as a purchase for purposes of the competitive bidding monetary threshold only if the service portion is minor, incidental, or customarily provided by the vendor as a component of the purchase. Conversely, if the services are extensive, substantial, or involve specialized skills, so that the acquisition of the commodity is incidental to the work, the contract should be treated as a contract for public work (1987 Opns St Comp No. 87-46, p 70). For example, a contract for interior painting of a building involves both material and labor. In most cases, the labor component of the contract will be predominant, making it a contract for public work. In contrast, replacing a boiler or furnace, while involving both labor and equipment will, in most cases, consist primarily of a charge for the equipment, making it a commodity purchase.

In determining the necessity for competitive bidding, the aggregate cost of an item or commodity estimated to be purchased in a fiscal year would have to be considered. As a general guide, items of the same or similar nature which are customarily handled by the same vendor or kind of vendor should be treated as a single item for purposes of determining whether the dollar threshold will be exceeded, i.e. plumbing materials, electrical materials, lumber, hardware, etc. It is the responsibility of the Purchasing Agent and/or County Auditor to note where purchases over the course of a fiscal year are exceeding the bidding thresholds from the purchase orders submitted by the various departments.

Items purchased through Warren County bid or the New York State Office of General Services (OGS) on State Contract have already been subject to bidding and are therefore exempt. However, all political subdivisions must purchase from the vendor holding a current State or County contract, even if another vendor's price is equal or lower, or said political subdivision must go to separate bid. The purchasing exemption made through the NYS OGS does not apply to a purchase from the State Contract vendor upon terms and conditions which materially or substantially vary from the State Contract. Used items are not exempt from bidding requirements except as noted in the exceptions section of this policy.

## 1. Commodity/Equipment/Furniture Purchases (continued)

When soliciting bids, a "Statement of General Conditions" will be included with all specifications and contracts provided to vendors. These General Conditions will be incorporated into contracts awarded for the purchase of commodities and the procurement of public works services.

Plan holders lists shall not be released prior to a bid opening as this may adversely affect the bids received and/or encourage collusion. Any requests received by a County department for this information are to be directed to Purchasing. Construction bids are an exception as allowing subs to contact bidders will most likely result in better pricing.

After the public opening of a sealed bid, a tabulation sheet shall be prepared, recording all pricing as submitted by the responding vendors. The appropriate Department(s) shall evaluate the bid responses and prepare a recommendation letter. When required, the using Department will request a Resolution to be presented to their standing committee and then sent to the Board of Supervisors for final award. The using Department shall also handle any renewal Resolutions through their standing committee submitted with the proper supporting documentation provided by Purchasing.

Resolutions for multi-department use are handled by the predominant Department and are submitted to the appropriate Committee for approval.

**b. Bid Approval Process:**

Bids for commodities will be awarded by the Purchasing Department after the following conditions are met:

i. Sufficient appropriations are contained within the Department's current budget (or after a budget transfer has been completed).

ii. The Department Head provides the Purchasing Agent with a written recommendation for award indicating that the lowest bid meets the intent of the specifications. **NOTE: Commodity bids do not require a Resolution unless the lowest bid is not accepted.**

**c. Bidding Timeline:**

The following represents the estimated amount of time required to complete a bidding cycle. Timelines for commodities and services will be different. Times may change depending on the complexity of the project. Not all items pertain to all bids. The cycle does not begin until Purchasing is able to move your project to the top of its system. ie: first come, first served. If in doubt of the Purchasing workload at any given time, give the Purchasing Department a call to see how long it will be before you can get your project started. These are meant as a guideline, not a rule. Times may be shorter or longer depending on the circumstances.

1. Requisition or request for bid comes to Purchasing
2. Plus up to 15 working days until Purchasing begins bidding process
3. Plus 5 working days for Purchasing to review documents
4. Plus appropriate time to supply Purchasing with approved set of documents
5. Plus 2 working days for printing of documents (except large Construction projects)
6. Plus 5 working days for papers to publish notice to bidders (Saturdays only, Purchasing Department's deadline is the Monday before the Saturday publication)
7. Plus 5-20 working days for vendors to pick up bids
8. Plus 1 day for prebid meeting (if applicable)
9. Plus 1-3 working days for tabulation / evaluation by Purchasing Department
10. Plus 5 working days for each addendum
11. Plus 1 day for opening of bids
12. Plus a minimum of 7 calendar days for review of bid results by the using department or by consultants.
13. Get on the agenda for all appropriate committees including sending all necessary documentation, evaluations, resolutions, etc.
14. Plus appropriate days to receive all necessary committee endorsements
15. Board of Supervisors Meeting (this may require 2 meetings)
16. Plus 2 working days for "Notice of Award" to be mailed to successful vendor
17. Plus 10 calendar days to receive contracts, bonds etc.
18. Plus anticipated delivery time (best guess or check with vendors)

## 1. Commodity/Equipment/Furniture Purchases (continued)

Note: The amount of time required is dependant on the frequency the Board meets. Remember, if you miss the Board meeting you may delay the start of the project for up to a month.

### d. Dollar limit guidelines:

$1-$1000.99 (.2 & .4 codes): Purchases can be made at the discretion of the Purchasing Department and/or Department Head. All equipment/furniture costing more than $1000.00 aggregate, (ex. 7 chairs costing $150 each for a total of $1,050) requires 3 verbal quotes. For coding purposes, ANY equipment/furniture with a useful life of more than one year shall be a .2 object code regardless of cost.

$1,001 - $10,000.99: Documented telephone quotes from at least 3 separate vendors, if available. If 3 quotes cannot be obtained, the Purchasing Agent must be consulted before the goods are ordered. When the lowest quoted item is deemed as not acceptable, documented facts must support the decision and approval must be obtained from Purchasing BEFORE the item is ordered.

$10,001 - $19,999.99: Formal written or fax quotes from at least 3 separate vendors, if available. If 3 quotes cannot be obtained, the Purchasing Agent must be consulted before the goods are ordered. When the lowest quoted item is deemed as not acceptable, documented facts must support the decision and approval must be obtained from the appropriate committee, and a Board of Supervisors Resolution adopted BEFORE the item is ordered.

$20,000 & Up: Sealed bids in conformance with GML §103.

| COMMODITY PURCHASES | AS PER PURCHASING AND/OR DEPT. HEAD | 3 VERBAL QUOTES | WRITTEN QUOTES | |
|---|---|---|---|---|
| | | | 3 | Other |
| Under $1,000.99 (.2 & .4 codes) | X | | | |
| $1,001 - $10,000.99 | | X | | |
| $10,001 - $19,999.99 | | | X | |
| $20,000 & up | | | | Bid |

e. Best Value Methodology - see section II(B)(3) for complete guidelines.

## 2. Public Works Projects/Contracts

A Board of Supervisors Resolution must be adopted to award a Public Works bid and authorize a contract and hence acquisition of the services. In some instances, Departments have been provided, by Resolution, with general authority to enter into Public Works contracts within certain parameters. On-call service contracts may be entered into for smaller projects (quotes or bids must be obtained on a per hour basis with a mark-up for materials). However, if a project is expected to exceed the public works threshold of $35,000, then a bid specific to that project, or portions thereof, must be established. The $35,000 threshold includes public works expenditures, as well as materials/commodities purchased as part of the public works project. However, if a project is undertaken by the County workforce, the commodity needed for that project shall be acquired pursuant to the County Purchasing Policy in accordance with the commodity thresholds. If contract labor or services should be needed for that project, the same will be independently bid or otherwise acquired pursuant to the County Purchasing Policy in accordance with the public works threshold. Regardless of the source of funding, i.e. grant funding or County funding, the County Purchasing Policy must be adhered to. (Please note that a "project" can be 2 or more construction projects lumped together for bidding purposes.)

### a. Competitive Bidding:

**See Paragraph II(B)(1)(a) above.**

### b. Bid Approval Process:

a. Bids for public works projects will be awarded by a Board of Supervisor's Resolution after the following conditions are met:
   i. Sufficient appropriations are contained within the Department's current budget (or after a budget transfer has been completed).
   ii. The Department Head provides the Purchasing Agent with a written recommendation for award indicating that the bids received meet the intent of the specifications.

### c. Bidding Timeline:

**See Paragraph II(B)(1)(c) above.**

### d. Dollar limit guidelines:

| | |
|---|---|
| $1 - $2,000.99: | At the discretion of the Department Head. |
| $2,001 - $7,000.99: | Written or fax quotes from at least 3 separate vendors, if available. When the lowest quote is deemed as not acceptable, documented facts must support the decision, and approval must be obtained from the Board of Supervisors, by Resolution, BEFORE the services are ordered. |
| $7,001 - $20,000.99: | Formal written or fax quotes from at least 4 separate vendors, if available. When the lowest quote is deemed as not acceptable, documented facts must support the decision, and approval must be obtained from the Board of Supervisors, by Resolution, BEFORE the services are ordered. |
| $20,001 - $34,999.99: | Formal Request for Proposal (RFP) with response from at least 3 vendors. When the lowest quote is deemed as not acceptable, documented facts must support the decision, and approval must be obtained from the Board of Supervisors, by Resolution, BEFORE the services are ordered. |
| $35,000 & Up: | Formal sealed bids according to GML §103. |

## 2. Public Works Projects/Contracts (continued)

| PUBLIC WORKS Wage rates and Board Approval Required | AS PER PURCHASING AND/OR DEPT. HEAD | WRITTEN QUOTES | | | |
|---|---|---|---|---|---|
| | | 3 | 4 | RFP | Other |
| Under $2,000.99 | X | | | | |
| $2,001 - $7,000.99 | | X | | | |
| $7,001 - $20,000.99 | | | X | | |
| $20,001 - $34,999.99 | | | | X | |
| $35,000 & up | | | | | Bid |

e. Best Value Methodology - see section II(B)(3) for complete guidelines.

## 3. Best Value Methodology

General Municipal Law §103 now provides local governments greater flexibility in awarding contracts by authorizing the award of purchase contracts, including contracts for service work on the basis of best value. With the increased complexity of the goods and services that the County must obtain in order to serve taxpayers, it is critical to consider selection and evaluation criteria that measure factors other than cost in the strictest sense. Best value procurement links the procurement process directly to the County's performance requirements, including, but not limited to, selection factors such as useful life span, quality and options and incentives for more timely performance and/or additional services. Best value procurement can provide much needed flexibility in obtaining important goods and services at favorable prices, and can reduce the time to procure such goods and services.

"Best value" means the basis for awarding contracts for services to the offeror which optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, whenever possible, objective and quantifiable analysis. Such basis may also identify a quantitative factor of offerors that are small businesses or certified minority or women-owned business enterprises as defined in subdivision one, seven, fifteen and twenty of section three hundred ten of the Executive Law to be used in evaluation of offers for awarding of contracts for services.

When developing solicitation documents for competitive bids for the award of purchase contracts including contracts for service work, the Purchasing Agent may, and subject to the requirements herein and the applicable requirements set forth in this policy, determine that an award of a purchase contract shall be based upon best value methodology. In making such determination, the Purchasing Agent shall consider the recommendation, if any, of the Department Head or designee of the Department the purchase contract is being procured for. The Department Head or designee shall, in all instances, obtain the approval of the Purchasing Agent to utilize best value methodology prior to issuance of the competitive bid documents.

Requirements:
Where the basis for an award of a purchase contract will be the best value offer, the Purchasing Agent shall, in all instances:

a. Document in the procurement record as a component of the competitive award process and in advance of the initial receipt of offers, the determination of the evaluation criteria, which whenever possible, shall be quantifiable and the process to be usesd in the determination of best value and the manner in which the evaluation process and selection shall be conducted.

b. Shall select a formal competitive procurement process in accordance with guidelines established under this policy and document the determination in the procurement record. The process of selection shall include, but may not necessarily be limited to, a clear statement of need; a description of the required specifications governing performance and related factors; a reasonable process for ensuring a competitive field; a fair and equal opportunity for offerors to submit responsive offers; and a balanced and fair method of award. Where the basis for award is best value, documentation in the procurement record shall, where practicable, include a quantification of the application of the criteria to the rating of proposals and the evaluation results, or, where not practicable, such other justification which demonstrates that best value will be achieved.

c. The solicitation shall prescribe the minimum specifications or requirements that must be met in order to be considered responsive and shall describe and disclose the general manner in which the evaluation and selection shall be conducted. Where appropriate, the solicitation shall identify the relative importance and/or weight of cost and the overall technical criterion to be considered by the County in its determination of best value.

## 4. Professional Services

Professional Services are not subject to competitive sealed bidding requirements, but are subject to the guidelines of GML §104-b for competitive pricing to be obtained for these services. When a Department Head determines that professional services, except for legal services pursuant to §501 of County Law are necessary, they must solicit proposals by obtaining written quotes and/or letting RFPs depending upon the anticipated cost for service (see below). Upon receiving responses, the Department Head will then bring proposals before the appropriate committee. The cost of said services shall be outlined as price per hour and/or total cost, and the names of qualified, licensed persons to perform said services will be presented to the committee. Data from other counties or individuals may be used at this time to compare costs. Department questions as to which services require Requests for Proposals should be directed to the Purchasing Department.

Engineers and other professionals may be retained in accordance with any of the following award methods:

a. The"Lowest Cost for Service" method which allows for awarding to the lowest proposer, **OR** other than the lowest proposer when the lowest proposal is deemed as non-responsive. Documented facts must support the decision and approval must be obtained from the appropriate committee. A Board of Supervisors Resolution is required prior to award.
b. The "Best Value" method, based on weighted average scores from all criteria stated in the RFP specifications and submitted by sealed proposals; or
c. The "Two Envelope" method where criteria is stated in the RFP specifications and professionals submit two separate sealed envelopes, one with the Proposal, the other with the Price. First, all Proposals are opened and the three "best" are selected. Only the "best" Proposal price envelopes will be opened and the low price will determine the award.

Proposals must be formally opened at a set time. The aforesaid methods must be authorized by the appropriate Board of Supervisors committee or used when required by Federal or State Law, Rule or Regulation.

When the County is seeking professional services to be funded by Community Development Block Grant ("CDBG") funding, a Notice to Professionals must be advertised in the official County newspapers, as well as the appropriate MWBE publications required by New York State. The Purchasing Department is responsible for placing said ads as part of the procurement process provided an RFP is required, and in all other instances the Department Head shall bare similar responsibility.

Proposals for professional services will be awarded by a Warren County Board of Supervisor's Resolution after the following conditions are met:

a. Sufficient appropriations are contained within the Department's current budget (or after a budget transfer has been completed).
b. The Department Head provides the Purchasing Agent with a written recommendation for award indicating that the bids received meet the intent of the specifications.

If passed, a service contract shall be prepared by the County Attorney and signed by the Professional before services are rendered. Contracts may contain the option for an extension for a second or third year, or more, before new RFP's need to be processed.

A Board of Supervisors Resolution must be adopted before services are ordered and shall be referenced on the Purchase Order together with the appropriate quotes.

**See Paragraph II(B)(1)(c) above for bidding/RFP timeline.**

## 3. Professional Services (continued)

Thresholds for seeking proposals is determined by the anticipated cost as follows:

$1 - $3,000.99: No solicitation of quotes or proposals is required at the discretion of the Department Head (quotes or proposals are encouraged when practical).

$3,001 - $15,000.99: Written quotes from at least 3 qualified sources, where available. When the lowest quote is deemed as not acceptable, documented facts must support the decision, and approval must be obtained from the Board of Supervisors, by Resolution, BEFORE the services are ordered.

$15,001 & Up: RFP through the Purchasing Department from at least 3 qualified sources, where available. When the lowest proposal is deemed as non-responsive, documented facts must support the decision, and approval must be obtained from the Board of Supervisors, by Resolution, BEFORE the services are ordered.

| **PROFESSIONAL SERVICES** **Board Approval Required** | **AS PER PURCHASING AND/OR DEPT. HEAD** | **WRITTEN QUOTES** | |
|---|---|---|---|
| | | **3** | **RFP** |
| $1 - $3,000.99 | X | | |
| $3,001 - $15,000.99 | | X | |
| $15,001& up | | | X |

## C. Exemptions and Exceptions to Purchasing Policy:

1. It will NOT be necessary to comply with this Purchasing Policy for:

   a. Emergencies: GML §103(4) describes an emergency as an urgent need affecting the health and safety of citizens, which requires immediate action, where the occurrence or condition is "unforeseen". Lack of anticipation or planning cannot be deemed as a cause for declaring an emergency. A true emergency does not exclude the need for securing competitive pricing, only the formal bidding process. An exception to the competitive bidding requirements exists for emergency situations. There are three basic statutory criteria to be met in order to fall within this exception. These are that: (1) the situation arises out of an accident or unforseen occurrence or condition; (2) public buildings, public property or the life, health, safety or property of the political subdivision's residents are affected; and (3) the situation requires immediate action which cannot await competitive bidding. When the Board of Supervisors passes a Resolution that a public emergency exists, the public interest dictates that purchases are made at the lowest possible costs, seeking competition by informal solicitation of quotes or otherwise, to the extent practicable under the circumstances. The County Attorney and the Chairman of the Board shall be consulted and will make a recommendation as to how to proceed. The Board of Supervisors' committee chairperson (and committee, if time permits) shall also be advised.

   b. Employment and Training Services obtained through ACC and/or BOCES for educational services.

   c. All Physicians, Dentists and any Medical Providers for departments including, but not limited to, the Health Services Home Care Division, Warren County Sheriff's Office, Office of Emergency Services, Westmount Health Facility, Countryside Adult Home and the Department of Public Works. Also included shall be counseling services for the Office of Community Services. Data from other counties or individuals may be used to compare costs.

   d. Attorneys needed for a particular or specialized requirement as reviewed and approved by the Finance Committee.

   e. Situations not required by Law such as New York State Executive Law, Article 2B, State and Local Natural and Man-Made Disaster Preparedness Subsection 29A Suspension of Other Laws.

   f. Public works services where, upon the determination by the Department Head, it is not feasible to determine the amount to be spent for repairs to vehicles, equipment or machinery (outside of standard repairs to be handled by County employees), until the item is inspected and/or dismantled and a cost for inspection or diagnosis has already been incurred and for which it would not be practical to transport the equipment or machinery for multiple quotes.

   g. Pursuant to GML §103(6), surplus and second hand supplies, material or equipment may be purchased without competitive bidding or competitive offering from the Federal government, the State of New York or from any other political subdivision, district or public benefit corporation.

   h. When procurements for goods or services are funded by State and/or Federal agencies, and procurement policies other than Warren County's are required, by law, to be followed, the Federal and/or State procurement policies shall supercede the County's Purchasing Policy.

2. Quotes or proposals are not required for Sole Source & Single Source Commodities or Services

Competitive bidding is not required under GML §103 where the subject of the contract is controlled by a monopoly, or where there is only one possible (sole) source from which to procure certain patented goods or services, and therefore no possibility of competition exists. Should certain supplies or materials be obtainable only from a specific manufacturer, then a true monopoly would exist and the purchase would not be subject to bidding requirements. The mere likelihood that only one firm will bid, however, is insufficient to justify a sole source procurement. Further, a political subdivision may not artificially create a sole source situation such as by, without proper justification, tailoring bid specifications to limit competition to only one bidder.

In determining whether a sole source item is required in the public interest, the County should show, at a minimum:

a. The unique benefits to the County of the item or service as compared to other products or services available in the marketplace;

b. That no other product or service provides substantially equivalent or similar benefits;

c. And that, considering the benefits received, the cost of the item or service is reasonable in comparison to other products or services in the marketplace.

In addition, the County should document that, as a matter of fact, there is no possibility of competition, as from competing dealers or distributors. The sole source exception may apply, for example, in those instances when:

d. Services from a regulated public utility are available from only one source;

e. There is only one source from which to acquire equipment which meets state-mandated requirements; or

f. A political subdivision, which owns equipment uniquely suited to or compatible with a particular make of equipment, has adopted a standardization resolution for that make of equipment and the equipment is only available from one source.

A sole source can be a manufacturer, software developer or service provider that sells direct and there are no other sources offering an "or equal". Prior to a vendor being considered a sole source, a letter on the vendor's official letterhead must be on file with the Purchasing Department detailing their sole source status.

A single source could be a distributor/wholesaler/retailer that has a contractual agreement for a specific territory to the exclusion of others. Should you have a situation involving a single source supplier, a letter on the manufacturer's letterhead must be on file with the Purchasing Department confirming the single source authorized vendor.

**Should there be ANY possibility of purchasing the item from two or more vendors, sealed bids should be requested after public advertising.**

3. True Leases are not subject to the previous purchasing rules but rather must comply with the following requirements.

True leases are neither purchases nor contracts for public works, and thus, are not subject to bidding under the General Municipal Law. County policy however, requires that:

a. After a Department has been given budget funding and approval to lease equipment, unless the lease is on State Contract, RFP's must be obtained through the Purchasing Department. Where a lease will not exceed a total of $2,000 annually, no RFP shall be required. Quotes must be obtained and the Purchasing Agent shall sign the lease

as indicated in Section II(C)(3)(e) below.

b. A written explanation must be sent to Purchasing when the lowest lease quotation or response to an RFP is not taken, and a Board of Supervisors Resolution must be obtained;

c. Appropriations must be specifically available for the lease (this will be considered authorization by the Board to enter into the lease);

d. The lease agreement entered into may be for multiple years but must:
   i. not contain any automatic buyout or automatic renewal clauses;
   ii. contain a non-appropriation clause; and
   iii. address the disposition of the equipment at the end of the lease so that the vendor pays the cost for return of the equipment, etc.

e. All lease agreements shall be treated as purchases and signed by the Purchasing Agent; and

f. While the lease agreement may not contain an automatic renewal clause, at the end of the lease term, departments may extend the lease agreement beyond the original term for a period of up to 18 months without securing additional quotes or engaging in an RFP process provided that:
   i. the lease payments do not increase;
   ii. the department has appropriations therefore; and
   iii. Purchasing Agent approval is received.

# SECTION III

# PURCHASE ORDERS

## III. PURCHASE ORDERS

### A. General

The Purchasing Department is designated to review and approve Purchase Orders. It is the individual Department Heads responsibility to insure that expenditures are within the budgetary appropriations and that the proper Department account is charged.

Should there be insufficient funds available, Departments must do a budget transfer and secure all the necessary approvals before the order can be processed.

Most purchases exceeding $500.00 require a Purchase Order. Exemptions are listed beginning on page 18. The Purchase Order provides a formal document authorizing the purchase of goods and services as well as the necessary authority to pay vendor claims and proof of tax-exempt sales. Purchase Orders are prepared by the Department with all the necessary documentation such as contracts, quotes and insurance forms (where applicable) on file.

The Purchasing Department verifies the following information when approving a Purchase Order:

1. Vendor/vendor number
2. County contract/resolution/bid number/quotation information/ state contract number
3. Comments/special instructions
4. Description of goods and services being ordered
5. Quantity/unit of measure
6. Unit price/extension and total cost
7. Commodity codes/budget codes

The Purchasing Department will determine if the best method of procurement has been followed. If available, a current County bid or NYS contract will be used. If none apply, the formal bid or quotation process may be commenced depending on estimated annual expenditures.

Once the Purchase Order has been approved by the Purchasing Department, it is then posted by the Treasurer's Office and is then available for use.

**In all instances, Purchase Orders are to be completed before a purchase is made.** The only exceptions are exempt and emergency purchases as described beginning on page 17.

If at any time a Department finds they will exceed the competitive bidding threshold for a particular product or service, they should notify the Purchasing Department to allow time for specifications to be developed and the formal bid process to be completed, to meet their anticipated needs.

Purchases of $500.00 or under do NOT require a Purchase Order. The following additional purchases do NOT require a Purchase Order. Purchases billed to the Department on a monthly basis not requiring Purchase Orders are Postal costs, Internet and Telephone charges, and routine Printing needs, which are to be handled by the Print Shop, via a Printing Order Form. Also exempt from the Purchase Order requirement are mileage, utilities and gas. To obtain routine maintenance and repairs, a Work Order Form must be completed and submitted to the Buildings & Grounds Department at the Municipal Center. Requests for shelving, bookcases, bulletin boards, and computer work stations may also be handled in this manner. When Buildings & Grounds funds are available for such requests, there will be no charge for Work Order requests to the individual departments. However, if Buildings & Grounds funds are not available or otherwise committed, it is the responsibility of the department to purchase required materials. Department Heads must be responsible for making sure that all these procedures are complied with as outlined in this Purchasing Policy.

## B. Blanket Purchase Orders

A Blanket Purchase Order (BPO) is created for products or services that are purchased on an "as needed" basis from a vendor throughout the year where the dollar value will vary for each purchase. These are issued for a maximum period of twelve (12) months and must be reissued at the beginning of each fiscal year.

For vendors used by all County Departments, each Department will issue a BPO for their Department only. There has to be a contract established with the vendor and insurance on file (if required) before a BPO can be issued.

Departments are responsible for providing the BPO number to the vendor and verify that the number also appears on the documentation sent to Audit for payment processing.

## C. Emergency Purchase Order

General Municipal Law Section 103 (4) defines an emergency as "a public emergency arising out of an accident or other unforseen occurrence or condition whereby circumstances affecting public buildings, public property or the life, health, safety or property of the inhabitants requires immediate action".

If an emergency arises, the department must contact the Chairman of the Board of Supervisors and the County Attorney to obtain approval prior to making any emergency purchases. Purchasing may be contacted for assistance in procuring products or services required to deal with the emergency. If the Chairman of the Board of Supervisors and the County Attorney determine there is a true emergency, the vendor who can immediately provide the required goods or services will be given prime consideration for the purchase.

The Purchasing Department will **not** approve an Emergency Purchase Order when the purchase is not justified, where the purchase is being made to circumvent established procedures, or where there is a lack of proper planning.

# SECTION IV

# ASSET MANAGEMENT

## IV. ASSET MANAGEMENT

The purpose of the asset inventory management system is to establish proper procedures for monitoring the movement of fixed assets to maintain accurate reporting of assets values as required by NYS Audit and Control.

### A. Fixed Assets

Fixed assets are defined as those properties the County of Warren retains more or less permanently, not for sale, but for utilization in the normal course of operations.

Fixed assets will always imply tangible fixed assets. The general accepted practice, as in Warren County, is to record and report fixed assets at their historical acquisition cost. The cost of a fixed asset should include all expenses of transporting the asset to the proper location and placing it in the condition necessary for its intended use. Only items costing One Thousand Dollars ($1,000.00) or more and with a useful life of more than one year will be inventoried.

Upon receipt of an asset valued over $1,000, the Treasurer's Office will issue a numbered inventory sticker to be attached to the new asset. Stickers are necessary to provide positive identification of assets. They also provide a quick and accurate method of identifying assets during the annual physical inventory. If a sticker is lost or damaged the Department should contact the Treasurer's Office.

Please note that all stickers must remain on the item until the time of sale or disposition. When sold or scrapped, the sticker shall be removed and placed on the Treasurer's Office copy of the Disposition Form.

Each Department Head has the ultimate responsibility to conduct and maintain the individual inventory pertaining to that Department. It is also the responsibility of the Department Head to evaluate on a continuing basis the suitability and need for materials, supplies and equipment. If they should become obsolete by reason of age, wear or technical advancement or should become surplus, unnecessary for the operation of his/her department, the department inventory manager should send and e-mail to the Purchasing Agent with details and condition of the item for sale or disposal. The Department will then complete a work order to have the item removed either for the sale or disposal.

# SECTION V

# TRANSFER AND SALE OF SECOND HAND EQUIPMENT

## V. TRANSFER AND SALE OF SECOND-HAND EQUIPMENT

The Purchasing Agent is designated by the Board of Supervisors to be responsible for the salvage control program. The same precautions must be taken when disposing of property as when purchasing. A Physical Inventory Deletion Form is needed for items sold, scrapped or traded in. Surplus equipment may be transferred to another department where it is needed by using a Property Transfer Form. Both forms are available through the Purchasing Department. The Purchasing Agent is solely authorized to sell or trade in used and/or obsolete equipment to a vendor, even those under State Contract, and to accept a trade in allowance from such vendor. If all above procedures have been exhausted, the Purchasing Agent will arrange to sell such articles at a widely advertised public auction, on-line auction through a contracted Auction, or on eBay. Items that have no value and are broken beyond repair, must be properly disposed of by the appropriate Department

Department personnel assigned the task of inventory management are to report any surplus equipment or materials they have to the Purchasing Department. These items will be made available to all County Departments on a first-come first-served basis. If an asset remains unclaimed on the list for over 2 weeks, it will be made available to the towns, village and city in Warren County. If unclaimed the Purchasing Agent will determine the most beneficial disposition of this surplus equipment.

Any vehicle or equipment that requires a title to be signed for transfer will be handled by the Purchasing Agent and/or the Superintendent of the Department of Public Works or his designee.

# SECTION VI

# PURCHASING POLICY

# GENERAL CONDITIONS

## VI. PURCHASING POLICY - GENERAL CONDITIONS

- The Purchasing Agent is appointed at the pleasure of the Board of Supervisors and is responsible for reviewing and administering the purchasing policy of Warren County.

- Employees of the Purchasing Department shall maintain effective and professional public, vendor and customer relationships.

- To maintain a high level of quality service to Warren County Departments and Municipal Subdivisions, Purchasing staff shall participate in educational opportunities offered in the purchasing field, and keep abreast of current developments in market conditions, pricing, new products and the Law.

- The Purchasing Policy herein shall be administered in accordance with all ethical rules called for by the County of Warren.

- Any County Officer or employee who has, will have, or acquires an interest in, any actual or proposed contract with the County of which he/she is an officer or employee, shall publicly disclose the nature and extent of such interest in writing to the Board of Supervisors as soon as he/she has knowledge of an actual or prospective interest. This written disclosure will be made part of the official minutes of the Board of Supervisors. **If an officer or employee has a reason to believe that he/she may have a conflict of interest, the office of the County Attorney should be contacted immediately.**

- Each Purchase Order will be examined by a member of the Warren County Purchasing Department and processed according to the guidelines set forth under the section of applicable Purchasing Procedures.

- The Warren County Purchasing Department and Department Heads will maintain adequate documentation of all action taken in connection with each method of procurement. Such documentation may include, but not be limited to any and all pertinent Board Resolutions, Memoranda, Written Quotes, Contracts and any other appropriate form of documentation.

- Opportunity will be provided to all responsible suppliers to do business with the County. To this end, the Purchasing Department will maintain a listing of potential bidders for the various types of material, equipment, supplies and services used by County Departments. This list will be used for the distribution of notices for bids and quotes. Any supplier may be included on the list upon request.

- Suppliers will be removed from the bidders list if they make a formal written request, or if the Purchasing Agent finds the supplier to be an irresponsible bidder. This is determined by failing to provide proof of responsibility, having repeatedly made slow or unsatisfactory delivery of supplies or services or having been found by a Court of competent jurisdiction to have engaged in unlawful employment or business practices within the previous 12 months.

- Supplies used by various County Departments should be uniform whenever consistent with operational goals in the interest of efficiency or economy. The material, equipment, supplies, and services purchased by Warren County shall be of the quality and quantity required to serve ALL departments in a satisfactory manner, as will be determined by the requisitioner and the Purchasing Agent.

- Credit cards whose use is approved by the Clerk of the Board of Supervisors are held by same and signed out for use by County staff.

- On occasion, County Departments are asked by vendors to complete credit applications in order to be able to set up an account. Said applications should not be returned as the County is not applying for credit. In most cases, a Purchase Order is sufficient documentation for the vendor to set up an account.

- No official or employee will be interested financially in contracts entered into by the municipality (as defined in Section 800 of General Municipal Law). This also precludes acceptance of gratuities, financial or otherwise, as stated in the Warren County Code of Ethics.

- The County of Warren will not be deemed responsible for any commitment made at the departmental level circumventing these procedures. If County procedures are circumvented, disciplinary action may be taken.

- Salespersons are encouraged to visit the Purchasing Department prior to or in conjunction with initial, individual Department contact.

- The Finance Committee will annually review the policies and procedures set forth in this manual prior to adoption by the Warren County Board of Supervisors.

- The unintentional failure to fully comply with the provisions of GML §103 and 104-b shall not be grounds to void any action taken or give rise to cause of action against the County of Warren, the Purchasing Department, or any officer or employee thereof.

- The County Attorney and the Warren County Board of Supervisors shall make the final decision regarding any issues related to procurement of goods and services for Warren County.

- Standard lists of commonly used items shall be jointly developed for all categories or groups of supplies by the Purchasing Agent and the appropriate requisitioners. These lists shall be used as a basis for determining the feasibility for obtaining quotations on quantity purchases or the necessity of advertising for formal bids.

- It is the responsibility of the Purchasing Agent to make alternative suggestions to the requisitioner if, in the judgment of the Purchasing Agent, the specifications would restrict competition or otherwise preclude the most economical purchase of the required items. In case of disagreement as to the content of the specifications, the Board of Supervisors, after reviewing all available data, should make the final determination.

- The Purchasing Department offers a vendor library which includes many reference materials. NYS OGS contracts, Buyer's (Consumer) Guides, vendor catalogues, preferred source catalogues, industrial buying guides, and all materials pertaining to Warren County bids. These materials may be viewed in the Purchasing Department Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m.

- When a low bidder proposes an alternative as an "equal" to that specified, it is the responsibility of the Department Head to determine whether the proposed substitution is, in fact, an equal.

- Grant/Revenue and Asset Forfeiture funding is NOT exempt from the County's Purchasing Policy or GML §103 or §104-b. These funds are still considered to be taxpayer money and procurement guidelines must be followed as with any other budgetary appropriation.

- The Purchasing Department posts all public bid documents on the County's WCEAS system, including, but not limited to:

  * Specifications
  * Recommendation Letters
  * Resolutions
  * Extension Letters
  * Addenda
  * Award Letters
  * Tab Sheets

  If a bid document is not posted, please contact the Purchasing Department for further information.