

**TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
SUPPLEMENT TO PURCHASING POLICY
GUIDELINES FOR PROCUREMENT OF PROFESSIONAL SERVICES**

Policy Overview:

As a matter of good practice, Requests for Proposals (RFP's) should be done in order to hire the most qualified service provider, at the most reasonable price. Annual RFP's are not required; however, they must be done for any initial contracts exceeding \$10,000. Note that the \$10,000 limit is not necessarily an annual limit, but is the threshold for a professional engagement for a specific type of service or project, which may span multiple fiscal years.

Engagements for under \$10,000 do not require an RFP; however, it is expected that the IDA will exercise due diligence to make sure that a competent professional is chosen, at a reasonable fee. If there is a possibility that the scope of services might ultimately exceed \$10,000 due to multiple phases of work or due to certain contingencies, the IDA should consider preparation of an RFP. If a payment request is made for services in excess of \$10,000, and an RFP was not solicited, Board approval will be required prior to payment by the Chief Financial Officer.

Creation of the RFP:

Certain projects may require intergovernmental collaboration, and should be managed on a joint basis as deemed necessary.

NOTE: A Request for Qualifications (RFQ) may be appropriate if it is deemed desirable to narrow the scope of the actual RFP review to professionals who have been designated as eligible to submit an RFP, based on an assessment of their expertise. The focus of an RFQ is solely on a professional's realm of relevant experience, where the IDA sets forth the minimum standards we require. An RFQ does not solicit a proposal on the specific project at hand. Once the professionals have been deemed qualified, then they can respond to the IDA's detailed RFP. Please see the Chief Financial Officer if this is being considered.

The person initiating the RFP must provide a draft copy of the RFP to the Chief Financial Officer, for review and approval prior to issuance. The review will be completed within ten (10) business days. The purpose of this review is to achieve uniformity in format, and standardization in certain contractual language.

The person issuing the RFP generally performs the review of responses, and makes the recommendation for appointment.

Who is Authorized to Hire the Professional:

- Annual Services Less than or Equal to \$10,000: Chairman
- Annual Services Greater than \$10,000: IDA Board

The Chairman, regardless of the approval level, should sign all contracts. A purchase order must be issued upon the contract signing (*note that an "inverted" purchase order is typically used for professional services*).

Duration of the Selection Based upon the RFP Process:

Once a professional has been selected, their services may be utilized within five years of the appointment, assuming their work is within the scope of the initial RFP, and their prices are within a reasonable range (allowing for modest price escalations), RFP's must be reissued every five years, at a minimum, in order to ensure that the goals of a most qualified/reasonably priced professional is engaged. Note that the contract term would generally be for a one-year period - the policy merely allows the initial RFP to be valid as a means of selection for a five-year period.

What if the Approved Professional is Unable to Provide Services:

In the event a professional appointed in accordance with this policy is unable to provide the services, or if the IDA is not satisfied with the services provided, the department may refer back to the most recent RFP file, and contact the second and third choices. Upon updating price information, the Executive Director may then recommend the appointment of a new professional by the IDA Board, without going through another RFP process. This new appointment will then start the five-year period in which the professional can serve without conducting a new RFP.

Exceptions Requiring IDA Board Approval Regardless of Amount:

At the discretion of the Chairman, or as otherwise may be required by statute, purchased services for less than \$10,000 may be referred to the IDA Board for approval. The following items require IDA Board approval, regardless of amount:

- Audit Services. Note that the auditors are subject to annual appointment.
- Legal Services. Exempt from RFP requirements; however, subject to recommendation from the IDA Attorney, and ultimate approval by the IDA Board.

Emergency Engagements:

Although likely to be a rare event, there may be an emergency situation in which professional consulting is required immediately in order to protect the public interest. If the Executive Director deems such an emergency to exist, with the written approval of the Chairman, a professional may be engaged. If the scope of the work is anticipated to exceed \$10,000, the facts and circumstances of the emergency necessitating the hiring of the consultant without adherence to the RFP requirement must be submitted to the IDA Board, for their ultimate approval, prior to payment by the Chief Financial Officer.

Exceptions to the RFP Requirement:

- Certain Proprietary Software: Although initial decisions to purchase proprietary software (licensed and supported by the company who created the software) should conform to the RFP requirement, subsequent purchases of integrated software modules are not subject to the RFP process, as it may be deemed contrary to the public interest to deviate from an adopted business platform. All purchases of software require the approval of the Town of Bethlehem's Director of MIS.
- Insurance: The selection of an insurance carrier(s) is reviewed annually, and the account is remarketed at least once every three years. Accordingly, these policies meet the established goal of obtaining the best service and product at the best price.