

**TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY
PURCHASING POLICY**

1. REQUEST FOR PURCHASE

Expenditure requests for items of less than \$3,000 should be approved by the IDA Chairman or the Executive Director (the "Chairman or Director"), and submitted to the Chief Financial Officer for processing, along with supporting documentation. Payment approval from a vote of IDA members is required for any expenditure in excess of \$3,000.

2. REQUEST FOR QUOTATIONS

A. Procedures for the Purchase of Commodities, Equipment, or Goods

<u>Dollar Limit</u>	<u>Procedure</u> (see definitions-C)
\$ 1 - \$ 3,000	Only Chairman or Director approval required
\$ 501 - \$ 3,000	Documented telephone quotes from at least 3 separate vendors (if available)
\$ 3,001 - \$ 9,999	Formal written quotes from at least 3 separate vendors (if available)
\$10,000 and up	Formal Sealed bids per N.Y.S. Law 103

Proper documentation is required when the purchase order is requested. Telephone price quote sheet or formal written quote sheet must be submitted as documentation.

Proper documentation is required when the quote is not awarded to the vendor giving the lowest price. Quotes will be awarded to the lowest responsible and responsive vendor.

Proper documentation acceptable to the Chief Financial Officer must be given if the required number of quotes cannot be accommodated.

B. Procedures for Public Work Projects/Contracts

<u>Dollar Limit</u>	<u>Procedure</u> (see definitions-C)
\$ 1 - \$ 3,000	Only Chairman or Director approval required
\$ 501 - \$ 3,000	Documented telephone quotes from at least 3 separate vendors (if available)
\$ 3,001 - \$13,000	Formal written quotes from at least 3 separate vendors (if available)
\$13,000 - \$19,999	Formal Request for Proposal (RFP) with a response from at least 3 vendors
\$20,000 and up	Formal Sealed bids per N.Y.S. Law 103

In all circumstances, whenever the lowest quote is not awarded, there must be written documentation of the reason for the award. Under no circumstances can a quote be awarded that exceeds the bid limit.

There is no approved IDA vendor listing, thus the Member may contact any bidders it chooses for the price quotations. In all instances state and local contracts must be utilized and preferred sources must be utilized as outlined by New York State Law.

C. Definitions

R.F.P. - Request For Proposal - *This is a formal document that includes the following: (1) a work statement or performance specifications; (2) time frames in which the work is to be completed; (3) specific criteria to be used in evaluating a proposal. R.F.P. awards are to be made by the IDA Board.*

Certain professional services are subject to an R.F.P, process. The attached "Guidelines for Procurement of Professional Services" are attached to this policy, and are considered a supplement to these purchasing procedures.

Written Quotation - Formal, written document requesting a price quote from a vendor to provide goods or services to the IDA. Information that must be supplied to the vendor should include a description of the product or service including specifications of both the product and delivery schedule. Award will generally be based on lowest dollar amount of quotations returned.

3. MONETARY LIMITS

In accordance with General Municipal Law (Section 103), all New York State municipalities must activate a formal written bidding process for purchases exceeding \$10,000 and Public Works contracts exceeding \$20,000. Specifications must be drawn indicating quantity, bid opening date, and various other legal requirements. IDA Board approval must be obtained and legal notices must be published.

The bidding statute has been interpreted to require bidding where it is known or can reasonably be expected that the aggregate amount to be spent on an item of supply or equipment will exceed \$10,000, or the aggregate amount to be spent on a single public works contract will exceed \$20,000 in a fiscal year.

4. EMERGENCY PURCHASES

General Municipal Law 103 governs the acquisition of goods and services in emergency situations and defines an emergency as "In the case of public emergency arising out of an accident or other unforeseen occurrence or condition whereby circumstances affecting public buildings, public property or the life, health, safety or property of the inhabitants of a political subdivision or district therein, require immediate actions which cannot await competitive bidding".

A declaration of an emergency in a situation that was foreseeable or anticipated, or was caused by poor management or lack of planning will not hold up under judicial scrutiny.

When possible, it is a good practice for the IDA Board to adopt a resolution declaring an emergency and setting forth the facts upon which the declaration is based before any goods or services are obtained.

If it is not possible to secure IDA Board approval, the Chairman or Director may take emergency action as outlined by New York State Law and IDA purchasing guidelines. Any such purchases will be approved by the Chairman or Director. Even in an emergency situation, it is in the public interest that purchases be made at the lowest possible cost. Thus, the Member should seek competition by informal quotations to the extent practicable under the circumstance.

5. PURCHASE ORDERS

The purchase order (P.O.) is the official document that authorizes the vendor to deliver the product and legally obligates the IDA to pay for it. The P.O. is generally requested by a Member and approved by the Chief Financial Officer before an order is placed.

6. PAYMENT

- A. All invoices will be sent to the requisitioning Member by the vendor.
- B. Upon verification of price, accepted delivery and terms, the original invoice must be signed and dated by the approving Member.

- C. All payment requests must be approved by the Chairman or Director who are responsible for the accuracy of the information and dollar amounts charged by the vendor.
- D. The supporting documents should then be returned to the Chief Financial Officer, along with any packing slip that may have been delivered with the goods. The packing slip should be signed by the person who took delivery of the goods, as additional evidence that the goods were properly received.

7. UNAUTHORIZED EXPENDITURES

Any unauthorized expenditures become the legal and financial responsibility of the person who placed the order.