

Town of Galen

Procurement Policy

WHEREAS, Section 104-b of the General Municipal Law requires the governing body of every municipality to adopt internal policies and procedures governing all procurement of goods and services which are not required by law to be publicly bid; and

WHEREAS, Town Boards are required to periodically update the Town's adopted procurement policy; and

WHEREAS, comments have been solicited from all officers in the Town of Galen involved in the procurement process; and

WHEREAS, the Town Board of the Town of Galen desires to readopt and update its Town Procurement Policy.

NOW, THEREFORE, BE IT RESOLVED, by the Town Board of the Town of Galen, in regular session duly convened that the Town of Galen, does hereby adopt the following updated Procurement Policy, which Policy is intended to apply to all goods and services which are not required by law to be publicly bid:

"PROCUREMENT POLICY FOR THE TOWN OF GALEN"

1. A. 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 be expected that the aggregate amount to be spent on the item of supply or service is not subject to competitive bidding.
- B. The following items are not subject to competitive bidding pursuant to Sec. 103 of General Municipal Law: purchase contracts under \$10,000 and public works contracts under \$20,000; emergency purchases; certain goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions; purchases under New York State and county contracts; and surplus and secondhand purchases from another governmental entity.
- C. The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual or department head making the purchase. 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 item or service is exempt, a memo from the purchaser detailing the circumstances which lead to an emergency purchase, or any other written documentation that is appropriate.

2. All goods and services will be secured by the use of written requests for proposals, written quotations, verbal quotations or any other methods that assure its goods will be purchased at the lowest price and favoritism will be avoided, except in the following circumstances: purchase contracts over \$10,000 and public works contracts over \$20,000; goods purchased from agencies for the severely handicapped pursuant to Sec. 175-b of the State Finance Law; goods purchased from correctional institutions pursuant to Sec. 186 of the Correction Law; purchases under State contracts pursuant to Sec. 104 of the General Municipal Law, as amended; purchases under county contracts pursuant to Sec. 103(3) of the General Municipal Law.
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

Method of Purchase

\$0 - \$2,999

At the discretion of the purchasing agent or department head unless otherwise established by Town Board resolution

\$3,000 - \$5,999

Two (2) verbal quotations will be secured Plus the approval of the Town Board, unless otherwise established by Town Board resolution

\$6,000- \$9,999

Two (2) written quotations shall be secured plus approval of the Town Board

\$10,000 & Over

Formal sealed bids shall be secured in conformance with General Municipal Law Sec. 103

Estimated Amount of
Public Works Contract

Method of Purchase

\$0 - \$6,999

At the discretion of the purchasing agent or department head unless otherwise established by Town Board resolution

\$7,000 - \$9,999

Two (2) verbal quotations will be secured Plus the approval of the Town Board, unless otherwise established by Town Board resolution

\$10,000 - \$19,000

Two (2) written quotations shall be secured plus approval of the Town Board

\$20,000 & Above

Formal sealed bids shall be secured in conformance with General Municipal Law Sec. 103

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 required number of proposals be a bar to the procurement.

4. If a contract is not awarded to the lowest responsive, responsible offerer, an explanation shall be provided and kept by the Town. The documentation will include an explanation of how the award will achieve savings or how the offer was not responsible or responsive one. A determination that the offerer is not responsive shall be made by the purchaser.
5. Pursuant to General Municipal Law Sec. 104-b(2)(f), There are circumstances when, or types of procurement for which, in the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the interest of the Town. In the following circumstances it may not be in the interests of the Town of Galen to solicit quotations or documents as a basis for not accepting the lowest bid:
 - A. Professional services or services requiring special technical skill, training or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skills, 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 Town Board shall take into consideration the following guidelines:

- (1) Whether the services are subject to state licensing requirements;
- (2) Whether substantial formal education or training is a necessary prerequisite to the performance of the services; and
- (3) Whether the services require a personal relationship between the individual and the municipal officials.

Professional technical services shall include, but are not 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 services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or artwork; management of a municipally-owned property; computer software or programming services for customized programs or services involving a substantial modification and customization of prepackaged software.

- B. Emergency purchases pursuant to Sec. 103(4) of the General Municipal Law. Due to the nature of this exception, these goods and services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety and/or welfare of the residents. This section does not preclude alternate proposals if time permits.
 - C. Purchases of surplus and secondhand goods subject to written approval of the Town Board. Purchases from auctions are subject to prior Town Board approval.
 - D. Goods under \$250 and public works contracts for less than \$500. The time and documentation required is more costly than the item itself and would, therefore, not be in the best interests of the taxpayer. In addition, it is not likely that such contracts would be awarded based on favoritism.
6. Notwithstanding anything to the contrary, included in the policy, the following special additional provisions for Highway purchases shall apply:
- A. The Highway Superintendent may contract the purchase of equipment and tools, without additional Town Board approval up to \$3,000. (Highway Law 142(1a)).
 - B. When highway machinery is to be purchased, the Town Board shall authorize the Supervisor to procure such equipment. (Highway Law 266).
 - C. The Highway Superintendent shall file with the Town Board, before September 30th of each year, written recommendations on equipment that should be purchased and the projected costs thereof. (Highway Law 142(3)).
 - D. The Highway Superintendent may sell equipment when the Town Board approves. Such equipment may also be used as trade-in for new equipment. (Highway Law 143).
 - E. Upon Town Board approval and subject to applicable law, needed machinery may be leased or rented by the Highway Superintendent, upon whose order payment will be made by the Supervisor from Highway repair funds. (Highway Law 143).
Written estimates shall be obtained by the Highway Superintendent for review by the Town Board, as needed.

- F. Equipment may be purchased under installment contract pursuant to General Municipal Law 109-b when approved by the Town Board.
 - G. That the Town Board and the Highway Superintendent shall develop a system to track costs associated with each of the Town's vehicles, including repairs and refurbishing, noting gas, parts, equipment and labor for upkeep, maintenance and repair of each of said vehicles and such other pertinent cost information as may be needed to evaluate the expended life of the vehicle and for evaluation as to the need for replacement and procurement.
7. Notwithstanding the provisions of this procurement Policy, the Town of Galen may, for purposes of public purchases, utilize the provisions of General Municipal Law Sec. 103 with regard to so-called "piggybacking" of purchases. Pursuant to General Municipal Law Sec. 103, the Town of Galen may purchase through sealed bids solicited by the U.S. Government, New York State and/or any other political subdivision (Counties, Towns, Villages, School Districts, etc.) provided those contracts clearly state that they are available for use by other governmental entities within the requirements of General Municipal Law Sec. 103(16). Prior to such purchase, the Town of Galen will ensure that a piggyback purchase qualifies as follows:
- A. The contract involved must have been available for use by other governmental entities through the bid solicitation process. In such case, the Town of Galen should determine that there is contained within the bidding municipality's bid package a provision that the bid is open to and can be used by either the Town of Galen or other municipalities. This determination should be made on a case-by-case basis.
 - B. The specific contract must have been issued in accordance with the provision of General Municipal Law Sec. 103.
8. The Town Board shall review this procurement Policy annually, and where needed, update the Policy.
9. This Policy shall go into effect upon Town Board resolution approval.