

# Procurement Policy

# A-073

Date: 2-23-2006

Every purchase of goods and services to be made by the Union Vale Fire District, which are not required by law to be publicly bid, must comply with the following procurement policy:

- A. Every purchase 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 now or can reasonably be expected that the total amount to be spent on the item of supply or service is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year.

The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: Purchase contracts under \$10,000.00 and Public Works contracts under \$20,000.00; emergency purchases; certain municipal hospital purchases; acquisition of emergency services; goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions; purchases under State and County contracts; and surplus and secondhand purchases from another governmental entity. The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This documentation may include written or verbal quotes from vendors, a memo from the purchaser indicting the source which makes the item or service exempt, a memo from the purchases detailing the circumstances which led to an emergency purchase, or any other written documentation that is appropriate.

- B. All goods and services will be secured by use of written request for proposals, written quotations, or any other method that ensures that goods will be purchase at the lowest price and that favoritism will be avoided.
- C. 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**

\$300 - \$1,000  
\$1,000 - \$2,999  
\$3,000 - \$9,999

**Method**

2 verbal quotations  
3 verbal quotations  
3 written/fax quotations or  
written request for proposals

**Estimated Amount of Public Works Contract**

\$100 - \$1,000  
\$1,000 - \$2,999  
\$3,000 - \$4,999  
\$5,000 - \$19,999

**Method**

2 verbal quotations  
3 verbal quotations  
2 written/fax quotations  
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 purchasers are unable to obtain the required number of proposals or quotations, the purchaser will document the attempts made to obtain the proposals or

quotes. In no event shall the failure to obtain the proposals be a bar to the procurement. Documentation is required of each action taken in connection with each procurement.

- D. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible quote or proposal. This documentation will include an explanation of how the award will achieve savings or how the quote or proposal was not responsible. A determination that the quote or proposal is not responsible shall be made by the purchaser and may not be challenged under any circumstances.
- E. Pursuant to **General Municipal Law Section 104b(2)(f)**, in the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the municipality. In the following circumstances, it may not be in the best interest of the Fire District to solicit quotations or document this basis for not accepting the lowest bid.
  - 1) Professional service 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. Additionally the nature of the services may be such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Board of Fire Commissioners 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 municipal officials.

Professional or technical services are defined as 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 of prepackaged software.

- 2) Emergency purchases pursuant to **Section 103(4) of the General Municipal Law**. Due to the nature of this exception, these goods or services must be purchased immediately because seeking alternate proposals may threaten the life, health, safety, or welfare of the residents. This section does not preclude alternate proposals if time permits.
- 3) Purchases of surplus and secondhand goods from any source. If alternate proposals were required, the Fire District could be prevented from purchasing surplus and secondhand goods at auctions through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods since a lower price may indicate an older product.

- 4) Goods or services under \$100.00. The time and documentation required to purchase such goods or services would likely be more costly than the item itself and would therefore not be in the best interest of the taxpayer. In addition, it is not likely that such “de minimis” contracts would be awarded based on favoritism.