

COMPREHENSIVE PURCHASING POLICY AND PROCEDURES

Dated: December 7, 2020

The purchase of goods and services from vendors are to be **preceded** by the authorization of a Purchase Order including those made with a credit card. Purchase Orders should occur at the time the product or service is contracted or ordered; not when payment is due. Some recurring purchases however, do not require a purchase order. If the product or service is not listed below, a purchase order is required in the manner as described by the Village Purchasing Policy.

Exempt:

Electricity, phone, cable, fuel oil, contracted cleaning service, insurance policies, photocopier usage, postage machine usage, payments to New York State, NYC Water Board, Town of Greenburgh, employee reimbursements, refunds, theater box office revenue, Complus traffic ticket service, software maintenance, , , court interpreter, Legal Ads, Farmer's Market manager, village attorney fees, union dues, refund of retainage, information technology services, payments from Special Purpose Funds.

A. Purchasing Policies

1. Purchase orders

Required for all purchases of goods and services of \$ 500 or more. To ensure that the purchase is authorized and funds are available, purchase orders must be signed by the Village Treasurer prior to the order being placed.

2. Verbal quotes

Required for all purchases of materials of \$3,000 or more. Three verbal quotes are required and must be documented (date, price, vendor) and attached to the purchase order.

Required for all contracts for public work (services other than professional services) of \$3,000 or more. Three verbal quotes are required and must be documented (date, price, vendor) and attached to the purchase order.

3. Written quotes

Required for purchases of materials of \$5,000 or more. Three written quotes are required and must be attached to the purchase order.

Required for contracts for public work (services other than professional services) of \$5,000 or more. Three written quotes are required and must be attached to the purchase order.

4. Competitive bidding

Purchases of materials of \$20,000 or more require the solicitation of competitive bidding.

Contracts for public work (services other than professional services) of \$35,000 or more require the solicitation of competitive bidding.

5. State contracts

The use of verbal quotes, written quotes and/or competitive bidding can be avoided by making purchases of items from a current State contract. Purchase order requests for purchases under State contract must be accompanied by the State contract and State purchase order number. Often, State contracts have an “OGS or less” feature which, when present, allows for purchases without competitive bidding from any vendor that has a lower price than the State contract price. Each specific purchase must be reviewed to determine whether this feature is available.

- 6. In any instance where competitive bidding is required, piggybacking on another municipality’s competitively bid contract is permitted pursuant to subdivision 16 of General Municipal Law Section 103.
- 7. The originating department head must sign all purchase orders.
- 8. Purchase Orders are only required for purchases made against budgetary expenditures accounts in the General, Library, Capital, Water, Sewer and Cable Funds.

. Purchasing Policy Summary:

	<u>Purchase Order</u>	<u>Verbal Quotes</u>	<u>Written Quotes</u>	<u>Competitive Bid</u>
Purchases of Materials				
Under \$500				
\$501 - \$2,999	X			
\$3,000 - \$4,999	X	X		
\$5,000 - \$19,999	X		X	
\$20,000 or greater	X			X
Public Work Contracts				
Under \$500				
\$501 - \$2,999	X			
\$3,000 - \$4,999	X	X		
\$5,000 - \$34,999	X		X	
\$35,000 or greater	X			X

B. Bid Award and Contracting

1. Financial condition

For contracts with a total value of \$250,000 or more, the Village Administrator will undertake appropriate due diligence in order to determine the financial viability of the contractor. Such due diligence may include the review of a Dunn & Bradstreet (D&B)

report or other research as may be necessary to help insure the efficient completion of the project. The results of the review will be included in the recommendation to the Board of Trustees for the bid award.

2. Performance Bonds

For all construction or public work contracts in excess of \$100,000, performance and payment bonds shall be obtained from a surety with a Best's rating of no less than A-. In addition, the surety must not be related or affiliated in any way to the vendor. All performance and payment bonds shall be reviewed and approved by the Village Attorney.

For all equipment purchases it shall be a standard procedure for full payment to be made upon delivery and acceptance of the equipment. All equipment purchase bids shall contain the following clause:

When equipment/vehicle is delivered, the Village may process the voucher for the full amount of the contract price if, in its opinion, the equipment/vehicle is in compliance with the specifications. However, if poor workmanship and/or minor deviations from the specifications exist, the Village may withhold up to 20% of the contract price upon delivery and delay payment of the balance until the contractor has made all necessary corrections. The Village may withhold the full amount of the contract price if, in its opinion, the equipment/vehicle contains major deviations from the specifications.

It is the stated policy of the Village to not enter into contracts that require any payments prior to full delivery of the goods or services. However, in the event that such an advanced payment is in the best interests of the Village, performance and payment bonds must be obtained as outlined above prior to any advanced payment to the contractor.

3. Contract review

The Village Administrator shall review all contracts to ensure that the contracting process complies with all aspects of this Comprehensive Purchasing Policy. The Village Attorney shall approve all contracts prior to or after approval by the Village Board, but in all cases prior to the execution by the authorized Village official. To indicate this review, the Village Attorney shall mark the contract "Approved as to form" along with initials and date of review or provide a written acknowledgement of review and approval.

C. Monitoring of Manufacturing Process

The Village department with the appropriate competency shall be responsible for monitoring the construction or manufacturing process from order/contract execution through the final completion. This may include the use of a consultant to assist with the monitoring process. The Village department shall, at regular intervals throughout the project, update the Village Administrator as to the progress of the project.

D. Disbursement Review

1. Voucher review

The Department responsible for the purchase shall review the vouchers and shall evidence this review by signing each voucher form confirming that all goods and services were received or completed.

The Treasurer shall review all vouchers and shall evidence this review by signing an abstract listing of all such reviewed vouchers.

The Mayor or other individual acting as internal auditor, shall review all vouchers prior to the issuance of the checks. As evidence of this review, the individual shall sign an abstract listing of all such reviewed vouchers.

2. Check review

The Village Treasurer shall sign all checks.

The Village Administrator shall review all checks cleared through the bank.

All checks in excess of \$25,000 shall be signed by the Village Treasurer and Mayor. In addition, for all checks in excess of \$25,000, the Mayor shall present a list of such checks to the Trustees at the next regularly scheduled meeting of the Village Board. The requirements in this paragraph shall not apply to checks issued to the following vendors:

- NYS Deferred Compensation Plan
- NY Power Authority
- Greenburgh Consolidated Water District
- NY Municipal Insurance Reciprocal [NYMIR] (General Insurance)
- PERMA (Workers Compensation Insurance)
- Employee Benefits Division (Health Insurance)
- Irvington Fire Company (East Irvington Fire District Agreement)
- New York City Water Board
- Massachusetts Mutual (Fire Service Award)
- Glens Falls National Bank (Ambulance Service Award)
- Hahn Engineering