

CITY OF BEACON
PROCUREMENT POLICY
DRAFT 1.11.18

SECTION 1. PURCHASING TERMINOLOGY

Generally, local governments are required to advertise for **Competitive Bids** when procurements exceed certain dollar thresholds. **Purchase Contracts** involving expenditures in excess of \$20,000 and **Public Works Contracts** involving expenditures in excess of \$35,000 are generally subject to competitive bidding under General Municipal Law § 103. When using competitive bidding, contracts are awarded to the “lowest responsible bidder” after public advertisement for sealed bids. As further discussed below, the City may elect to award **Purchase Contracts**, which exceed the monetary threshold, on the basis of “best value,” as an alternative to awarding contracts to the “lowest responsible bidder.”

A **Purchase Contract** is an agreement between the City and a Vendor, supported by consideration, for the purchase of goods, equipment, work or services. Services, other than those necessary for the completion of public works contracts governed by the prevailing wage requirements of Article 8 of the Labor Law.

A **Public Works Contract** involves services and materials used for a public works related jobs, for example blacktopping in connection with a paving project or building construction.

When procurement is not subject to bidding requirements, the law generally requires that the procurement policy provide that alternative proposals or quotations be obtained by use of written **requests for proposals (RFPs)**, written quotations, verbal quotations or any other method that furthers the purpose of the law. An **RFP** generally is a document that provides detailed information concerning the type of service to be provided including minimum requirements and, where applicable, evaluation criteria that will govern the contract award. Potential service providers typically are supplied with copies of the **RFP** and are requested to submit proposals by a specified date. Proposals can be solicited via public advertisement, or a comprehensive list of potential vendors can be compiled with vendors contacted directly and provided with the **RFP**. An **RFP** can provide a mechanism for fostering increased competition for professional services and can ensure that these contracts are awarded in the best interests of the taxpayers.

SECTION 2. METHODS OF PROCUREMENT

A. Purchase Contracts

In the process of procurement for commodities or services on behalf of the City of Beacon, every effort shall be made to obtain the required number of proposals or quotations laid out below. If the required number of proposals or quotations cannot be obtained, the Purchaser shall document the attempts made to obtain the proposals. The City is not responsible for purchases made without a purchase order or without the proper documentation and approvals. Checks will not be processed unless this procurement policy is followed.

All awards shall be made to the lowest responsible bidder or by using the Best Value Procurement Method set forth herein. If the lowest bidder is deemed not responsible, facts supporting that judgment shall be documented and filed with the records supporting the procurement.

Up to \$999.99

Discretion of Department Head

\$1,000 - \$ 3,999.99

2 verbal quotations must be attached to the requisition.

\$4,000 - \$19,999.99

3 written, faxed or email quotations or requests for proposals must be attached to the requisition.

\$20,000 and above

Formal Competitive Bid Required

B. Public Works Contracts

In the process of procurement for commodities or services on behalf of the City of Beacon, every effort shall be made to obtain the required number of proposals or quotations laid out below. If the required number of proposals or quotations cannot be obtained, the Purchaser shall document the attempts made to obtain the proposals. All quotes (written or telephone) shall be documented and attached to all requisitions. The City is not responsible for purchases made without a purchase order or without the proper documentation and approvals. Checks will not be processed unless this procurement policy is followed.

All awards shall be made to the lowest responsible bidder. If the lowest bidder is deemed not responsible, facts supporting that judgment shall be documented and filed with the records supporting the procurement.

Public Works Contract Cont.

Up to \$999.99	Discretion of Department Head
\$1,000 - \$ 3,999.99	2 verbal quotations must be attached to the requisition.
\$4,000 - \$34,999.99	3 written, faxed or email quotations or requests for proposals must be attached to the requisition.
\$35,000 and above	Formal Competitive Bid Required

C. Professional Services

Professional services are not required to be competitively bid. Professional services generally include services rendered by attorneys, engineers, and certain other services requiring specialized or technical skills, expertise or knowledge, the exercise of professional judgment or a high degree of creativity. Departments must procure such services in accordance with the procedures below. Requests for deviation from the process must be documented and approved by the City Administrator or his/her designee. There is no requirement in General Municipal Law on the frequency of solicitation. Periodic solicitation can be made at reasonable intervals. RFPs are traditionally used as a means of obtaining the services of: attorneys, architects, engineers, surveyors, planners, accountants, underwriters, fiscal consultants and other professionals. An evaluation of proposals can consider price in addition to other factors such as experience, staffing and suitability for needs and may include negotiations on a fair and equal basis.

SECTION 3. BEST VALUE

In accordance with section 27 of the Municipal Home Rule Law and pursuant to General Municipal Law § 103, on May 5, 2014, the City Council enacted Chapter 53 "Purchasing" to exercise its authority to adopt standards permitting the City and its bodies, officers and agents, to apply the "best value" standard for awarding purchase contracts. Best value is defined in New York State Finance Law § 163.

Any purchase contract awarded by the City shall be awarded on the basis of lowest responsible bidder unless the City Administrator or his/her designee authorizes an award on the basis of "best value." "Best value" is defined as "the basis for awarding contracts for services to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers." The head of the contracting Department shall, before award of the contract, prepare and submit to the City Administrator or his/her designee a written statement detailing the reasons it is in the best interests of the City of Beacon and its taxpayers to make an award on the basis of best value instead of lowest responsible bidder.

The City Administrator or his/her designee shall consider the contracting Department's submission and shall make a written determination, issued to the contracting Department, with respect to which standard shall be applied to the contract under review.

Factors which must be considered in awarding a purchase contract on the basis of best value are:

- (a) The need for the costlier option as compared with all lower bids, supported by specific facts;
- (b) The cost of the option chosen as compared with all lower bids;
- (c) The reputation of the bidder chosen for providing quality goods or services;
- (d) The durability, estimated life and estimated cost of maintenance of the goods; and
- (e) Such other considerations as the City Administrator or his/her designee shall deem relevant and material to the letting of the contract.

The bid award shall be accompanied by a written statement discussing these factors and explaining how the award is expected to result in savings for the City over time. Wherever possible, such statements shall also include objective and quantifiable analyses comparing the bid accepted to all less expensive options.

SECTION 4. LOCAL BUSINESS CONSIDERATION FOR QUOTATION

This consideration applies to formal written quotations, where the annual acquisition costs are estimated to be between \$5,000 and \$19,999. This Section does not apply for any contract to be awarded pursuant to the public bidding process required by General Municipal Law § 103. For this purpose, a "local business" shall refer to any operating, commercial entity located physically within the geographic borders of the County of Dutchess that employs at least one full- time employee.

When a formal written quotation is used and the lowest responsible and responsive bidder is not a local business, the lowest responsible and responsive local business bidder (if applicable or available), who is within 10% of the lowest responsible and responsive bidder, shall be provided with notice and an opportunity to reduce its bid to match that of the lowest responsible and responsive bidder. Notice shall be by telephone and either facsimile or electronic mail. The local business shall have three business days after the date of such notice to match the lowest bid in writing. Should the local business so match, it will be deemed the lowest responsible and responsive bidder and receive the award. Should the lowest responsible and responsive local business bidder decline to match, the next lowest responsible and responsive local bidder who is within 10% of the lowest responsible and responsive bidder will be given the same notice and opportunity to match the bid of the lowest responsible and responsive bidder as outlined above. This process shall continue as necessary until an award is made either to a responsible and responsive local business bidder

who is within 10% of the lowest responsible and responsive bidder, or the lowest responsible and responsive bidder itself.

In instances where a local business and a non-local business submit equivalent lowest responsible and responsive bids, the City Administrator or his/her designee shall give preference to the local business.

In the event the only bidders are local, the bid will be awarded to the lowest responsible and responsive bidder. In the event there are two or more local businesses within 10% of the lowest bid and whose bid is tied, the award shall be determined by a lottery.

The lowest responsible and responsive bidder shall meet the requirements as set forth in the formal quotation and as determined by the City Administrator or his/her designee.

SECTION 5. EMERGENCY PURCHASES AND EMERGENCY PUBLIC WORKS CONTRACTS

The term “Emergency purchase” is defined in General Municipal Law § 103(4) as follows:

In the case of a 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 action which cannot await competitive bidding or competitive offering, contracts for public work or the purchase of supplies, material or equipment may be let by the appropriate officer, board or agency of a political subdivision or district therein

Consequently, unless the situation threatens lives, health or public property, the purchase of services or products must go through normal channels. In cases of emergency, the procurement of goods or services will be at the discretion of the proper department head and if possible, in consultation with the City Administrator or his/her designee. The following procedure will be used:

- a) Contact the vendor immediately and arrange the purchase or service.
- b) Notify the City Administrator in writing as soon as possible when the emergency purchases or services are necessary.
- c) If an emergency occurs and there is a need for a part or service, please fill out the requisition and give to the purchase order entry clerk on the next business

day.

- d) Documentation as to the nature of the emergency shall be sent to the Director of Finance within five working days of the procurement.
- e) If advertising for bids and awarding the contract was required pursuant to General Municipal Law §103, then the City Council must consider at its next meeting, a resolution approving of the award of the contract without complying with the public bidding requirements due to an emergency.

SECTION 6. PIGGY-BACKING

In addition to the procedures and guidelines stated herein, in accordance with General Municipal Law § 103(16), effective November 13, 2013, the City may make purchases through bids solicited by the United States of America or any agency thereof, or by any state or any other political subdivision or district. Prior to such purchase, the Department making the purchase will ensure that a piggyback purchase qualifies as follows:

- a) **The original contract must have been made expressly available for use by other governments,** such as by inclusion of language in the contract stating that it is offered for use by other governmental entities.
- b) The original contract was awarded on the basis of the lowest responsible bidder or best value standard consistent with New York State Law. The Department head must confirm that the contract was properly let on one of these bases through inquiry into the procedure used when the contract was first awarded. Documentation demonstrating proper procedure should be obtained whenever possible;

The original contract must be attached to the purchase requisition. Any documentation from the agency allowing the City to piggy-back off the original contract must also be provided with the requisition before it can be processed and provided to the City Council for review when it awards a contract pursuant to the piggybacking method.

SECTION 7. EXCEPTIONS TO BIDDING

In all circumstances where a purchase is exempt from the bidding process, documentation supporting the details, must be provided with the requisition before it can be processed.

- a) ***Purchases through the New York State Office of General Services***
Certain State contracts for the procurement of commodities, equipment, materials, supplies, services, technology, and food products are made available to local governments through the New York State Office of General Services (OGS). Under General Municipal Law § 104 the City may make purchases at the same prices under the same terms as the State. All acquisitions must follow the State's required

procedures and any additional competitive procurement processes prior to the purchase of any goods or services. The entire state contract must be attached to the purchase requisition; the contract must include the item(s), vendor and price.

b) ***Purchases through Preferred Sources***

New York State has enacted legislation to advance “special social and economic goals,” which accords certain providers with “preferred source” status. Procurements of commodities and/or services, when available in the “form, function and utility” required by the City, are required to be made from preferred sources and are not subject to competitive procurement requirements. Preferred sources include: Correctional Industries Program of the Department of Corrections and Community Supervisions (Corcraft); approved qualified, nonprofit agencies for the blind; approved special employment programs for mentally ill persons; approved qualified charitable nonprofit agencies for other severely disabled persons; and certain approved qualified veterans’ workshops.

c) ***Sole Source***

In cases where a reasonably exhaustive and documented search discloses that a good or service is available from only one vendor or in cases where there is common knowledge of the existence of a monopolistic situation for a particular good or service being sought, that good or service may be purchased from a single identified vendor without competitive bidding or solicitation of quotations. The requesting department must complete and submit a Sole Source Justification form with the City Administrator or his/her designee. Determination of sole source status shall be at the discretion of the City Administrator or his/her designee.

d) ***Insurance***

Insurance coverage (i.e., health, fire, liability and workers’ compensation) is not subject to competitive bidding. All agreements for insurance coverage will be investigated by the City Administrator or his/her designee. If competition is available in the market, RFPS will be requested, evaluated and an award made. If no competition is available a contract will be negotiated between the City and the respective carrier.

SECTION 8. TRAVEL REIMBURSEMENT

Employees attending a convention, conference or school must also submit a requisition (course, travel, meal reimbursement, lodging, etc.) along with an Authorization to Attend Form. This must be completed and signed by the City Administrator and then attached to each requisition. A copy of the course description should be attached to the requisition. All vouchers for reimbursement should be turned in within two weeks of completion.