VILLAGE OF SARANAC LAKE
PURCHASING POLICY

In accordance with the Village of Saranac Lake adopted procedures, the Purchasing Official is authorized to administer all purchasing activities with regard to materials, supplies, services and equipment. The primary function of the Purchasing Official is to ensure that the Village of Saranac Lake receives the best possible products and services that meet the needs of the requesting department at the lowest possible cost. In this document, unless otherwise noted, the term "political subdivision" applies to the Village of Saranac Lake in its entirety. The term Purchasing Official may also apply to an appropriate designee for whom the Purchasing Official oversees.

Rules governing purchasing and contract procedures were established under the concept of open competitive bidding as set forth by General Municipal Law (GML 103 and 104-b). Under this system, purchase awards are made to the lowest responsible vendor who meets the Village's specifications and is capable of delivering the service or product. These specifications and conditions are outlined in bid packages that are available to all interested vendors.

The Village of Saranac Lake encourages all segments of the business community to participate in its purchasing program.

The Purchasing Official coordinates vendor contracts and supervises the procurement process to ensure compliance with purchasing policies and procedures.

THE PURCHASING PROCESS

The Purchasing Official maintains a list of qualified vendors for solicitation of quotes and bids. If a vendor would like to apply to be on a vendor list, they can contact the Purchasing Official to have the company's name added to the Village of Saranac Lake Vendor Bid List.

METHODS OF PURCHASE

The following purchasing methods are used by the Village to acquire products, services and equipment:

PROCEDURE FOR THE PURCHASE OF COMMODITIES, EQUIPMENT OR GOODS

Dollar Limit	Procedure
$1 - $2,499	At the discretion of the Purchasing Official
$2,500 - $4,999	Documented telephone quotes from at least 3 separate vendors (if available)
$5,000 - $20,000	Written quotes from at least 3 separate vendors (if available)
$20,001 and up	Sealed bids in conformance with Municipal Law, Section 103

PROCEDURE FOR THE PURCHASE OF PUBLIC WORKS PROJECTS/CONTRACTS

Dollar Limit	Procedure
$1 - $2,499	At the discretion of the Purchasing Official
$2,500 - $4,999	Documented telephone quotes from at least 3 separate vendors (if available)
$5,000 - $35,000	Written quotes from at least 3 separate vendors (if available)
$35,001 and up	Sealed bids in conformance with Municipal Law, Section 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 including the vendors contacted and the reason no quote or proposal could be secured. In no event shall the failure to obtain the proposals be a bar to the procurement.

In the course of normal business, departments are authorized to secure quotes from vendors in accordance with the aforementioned fixed limits and purchasing policy. All quotes secured by individual departments are subject to review and the approval of the Purchasing Official. Vendors should take particular care when quoting prices to assure accuracy for quantities, units of measure, pricing and delivery terms. Telephone quotes should be provided the same day as requested if possible. A written, faxed or electronic quote for purchases is solicited by issuance of a "Request for Quote" form; the vendor should return this completed form within the designated time period. The Purchasing Official reviews quotes and selects the lowest quote meeting the Village requirements and specifications. The Village of Saranac Lake will accept quote responses via US Mail or similar delivery service, scanned quotes sent via email or by fax.

COUNTY CONTRACT

County governing boards within New York State may make provision in county purchase contracts for political subdivisions and districts to piggy back off their contracts. That is to purchase materials, equipment and supplies under such contracts. These purchases must be in accordance with rules, adopted by the county board, that prescribe the conditions under which the purchases may be made (County Law, Section 408-a). Pursuant to GML Section 103(3), purchases through the county are exempted from the competitive bidding requirements of GML Section 103.

STATE CONTRACTS

Pursuant to GML 104, political subdivisions are authorized to make purchases of materials, equipment and supplies (except printed material) through the NYS Office of General Services (OGS), subject to rules established by OGS (see State Finance Law, Section 163). GML Section 104 provides that purchases by political subdivisions are exempt from competitive bidding requirements. Note: No official may make a purchase through the OGS when bids have already been received unless the purchase may be made upon the same terms, conditions and specifications, but at a lower price, through OGS.

PIGGYBACK CONTRACTS

The definition of a "Piggyback Contract" is a contract let by the United States or any agency thereof, any state or any other county, political subdivision or district therein. In order for the "Piggyback Contract" exclusion to apply, the contract must be let in a manner consistent with GML section 103 and made available for use by other governmental entities.

GML section 103 stipulates that three (3) prerequisites that *must* be met in order for a procurement to take place under this exception.

1. Contract must have been let by the United States or any agency thereof, any state or any other political subdivision or district therein.

2. Contract must have been "*made available for use by other governmental entities.*" This means the contract must have included language extending the terms and conditions of the contract to other governmental entities.

3. Contract must have been "let to the lowest responsible bidder or on the basis of best value in a manner consistent with GML 103."

Due to the requirements of GML 103, each contract presented under this section of the Purchasing Policy must be individually evaluated on a case by case basis. Any proposed agency or political subdivision must have a due diligence assessment performed to ensure it is in compliance with GML. If the due diligence demonstrates compliance with GML 103, then a resolution must be presented to the Village Board that approves the purchase.

The "piggybacking" references contained in this policy are subject to sunset provisions, which are currently set for July 31, 2019.

PURCHASING POLICIES AND CONTROL

PLANNING

ANTICIPATE YOUR NEEDS: Once you have established what you need, within the limitation of your budget, requisition these needs as far in advance as possible. The time element affords the Purchasing Official the opportunity to solicit competitive bids or quotes and get the best possible value.

EMERGENCIES: An exception to the competitive bidding requirements exists for emergency situations. There are **three basic statutory criteria to be met** in order to fall within this exception. 1.) The situation arises out of an accident or other unforeseen occurrence or condition. 2.) The circumstances affect public buildings, public property or the life, health, safety or property of the political subdivision's residents; and 3.) The situation requires immediate action, which cannot await competitive bidding.
In short, if you can foresee the need in the future, you should be able to follow the bid process.

SOLE SOURCE

Competitive bidding is not required under GML, Section 103 in those limited situations when a political subdivision, in the public interest, requires particular goods or services that uniquely serve the public interest, for which there is no substantial equivalent and, which are, in fact, available only from one source. In making these determinations the political subdivision should document, among other things, the unique benefits of the item as compared to the items available in the marketplace; that no other item provides substantially equivalent or similar benefits; and that, considering the benefits received, the cost of the item is reasonable, when compared to other products or services in the marketplace. In addition, the political subdivision should document that there is no possibility of competition for the procurement.

PROFESSIONAL SERVICES

The courts have held that "professional services" are not contracts for public work, that phrase is used in the bidding statutes, and therefore not subject to competitive bidding procedures. Generally, professional services involve specialized expertise, use of professional judgment and/or a high degree of creativity. Among the services, which have been held to be exempt from competitive bidding under this exception are those of engineers, architects, land surveyors, attorneys, physicians and insurance brokers. To assist the Purchasing Official in selecting a vendor for professional services, in particular where market rates for services may fluctuate, the use of a Request for Proposal or RFP, specifying the services requested is encouraged but not required.

PURCHASE ORDERS

REQUISITIONS: In **"ALL"** instances and without exception, the requisition is to be entered and purchase orders are to be completed before a purchase is made. If the Chief Fiscal Officer receives any claims for materials, supplies or services for which no purchase order was issued, the Purchasing Official in conjunction with the Treasurer will have the authority to nullify the payment of such claim. Direct payment claim vouchers should be avoided.

CONFIRMING PURCHASE ORDERS: Confirming Purchase Orders should be kept to a minimum and will only be approved provided they meet the Purchasing Guidelines and the amount available in the appropriate budget line. The Purchasing Official will not approve a confirming order, when the purchase is not justified, where the purchase is being made to circumvent established procedures.

BLANKET PURCHASE ORDERS: Issued as requested to various vendors for purchase of those items considered to be of an immediate need or for the purpose of consolidating purchases. Such examples would be electric or telephone bills, etc. which involve on-going purchases. Blanket Purchase Orders must issued on a monthly basis.

FORMAL SEALED BIDS FOR COMMODITIES OVER $20,000 AND PUBLIC WORKS PROJECTS/CONTRACTS OVER $35,000

All purchases of "like" commodities exceeding $20,000, and public works projects/contracts of "similar scope" exceeding $ 35,000 in the **aggregate** for all departments combined annually are acquired through this process.

Legal notices are published in local newspapers informing the public of the products or services being bid.

Bid packages are prepared with detailed specifications and conditions including items bid, units and total quantity desired, instructions for bidding, delivery information, bid opening dates and any special requirements for bidding.

Bid notices are faxed or scanned and mailed to Bid Services (companies in the business of informing prospective vendors of bids in their field of work). The bid packages are available for pickup at the Village of Saranac Lake Offices, and can be shipped by US Mail. Vendors can request shipping by a package service such as Fed Ex or UPS and will be shipped this way only at the vendors' expense.

The Vendor Bid Lists (those vendors who have picked up bid packages) shall not be released prior to a bid opening as this may adversely affect the bids received and/or encourage collusion, any requests received by a Village Department for this information will be directed to the Purchasing Official. No exceptions are made to this policy.

Any bids not arriving prior to the bid-opening deadline will be rejected and returned to the bidder unopened. Sealed bids are publicly opened and read at the time and place designated in the bid documents and legal notices. All information regarding the opening of a bid will be detailed within the bid specifications. All bid tabulations showing bid results are available for public inspection during regular business hours at the Village of Saranac Lake Offices.

Purchase orders and/or contracts are awarded to the lowest responsive and responsible bidder(s) meeting Village specifications.

The Village reserves the right to reject any and all bids or parts of bids when such rejection is in the best interest of the Village. The Village reserves the right to award all bids on an item-by-item or aggregate basis, whichever is deemed in the best interest of the Village.

REQUEST FOR PROPOSAL (RFP)

Requests for proposals are traditionally used as a means of obtaining all types of professional services. A request for proposals and evaluation of proposals can consider price plus other factors such as experience, staffing, service areas, level of service, quality of service and professional reputation. The RFP involves making a request from various firms and then evaluating the proposals received.

BID PRICES SUBMITTED

The bid price submitted shall be exclusive of Federal and State taxes and must not include any tax for which the bidder may claim exemption because of doing business with the Village. All prices submitted must include all delivery charges to Village of Saranac Lake.

PREVAILING WAGES

Prevailing wages shall be paid for each contract to which the municipality may involve the employment of laborers, workmen or mechanics, as outlined in Article 8 of the New York State Labor Law.

INSURANCE

The Village may require that insurance shall be procured with the specified coverage amounts required and an insurance declaration page and/or copy of the policy provided prior to a purchase order or payment. The declaration page or policy certificate provided must name "The Village of Saranac Lake" as an Additional Named Insured. In addition, if the service being provided is considered a "Professional Service" the Village may require that a "Certificate of Professional Liability" must be provided naming the Village of Saranac Lake as an Additional Named Insured.

SECURITY

If security is required, the bid invitation will indicate the kind and amount of security needed. Submitted bid packages will not be considered by the Village if the specified security is not enclosed.

The Village uses two types of security:

BID DEPOSIT: (Certified Check or Bid Bond): The deposit must be for the amount specified in the bid invitation. The Deposit will be forfeited to the Village should the successful bidder fail to enter into a contract or to accept a purchase order. Bid Deposits are returned to the unsuccessful bidders by mail.

PERFORMANCE, LABOR AND MATERIAL BONDS: These bonds may be required from a successful bidder on certain bids. The Village holds these bonds until all contract obligations are satisfactorily met. The bonds maybe forfeited to the Village should the successful bidder fail to comply with the terms and conditions set forth in the specifications and the award. Bonds are to be made payable to the "The Village of Saranac Lake."

AWARD OF CONTRACT

Award of contract will be made to the lowest responsible qualified bidder whose proposal shall comply with all of the provisions required in the bid package. The Village reserves the right to waive any informality or to reject any or all proposals and may advertise for new proposals, if in its opinion the best interest of the Village will be served. The Village may require any or all bidders to present evidence of experience, ability and financial standing as well as a statement as to the equipment, which they will have available for the execution of the contract. The Village, at its discretion, reserves the right to award a contract either on an item-by-item basis or as a total award of all items in combination.

DELIVERIES

Deliveries to departments are to be completed between the hours of 8:00 AM and 4:00 PM unless otherwise specified on the purchase order.

All Bills of Lading are to include a complete "Ship To" address and purchase order numbers, as they appear on the purchase order received.

INVOICING AND PAYMENT

To ensure prompt payment of a purchase order, invoices containing the proper information must be submitted to the "Ship To" address indicated on the purchase order.

Invoices must contain the Purchase Order number, quantities, and unit of measure and total prices as stated on the purchase order. Authorized Village representatives will issue no payments prior to receipt and acceptance of products and services.

The Village of Saranac Lake is exempt from paying all Sales Tax and Compensating Use Tax imposed by the State pursuant to N.Y.S. Tax Law 1116(A)(1). Upon request, a letter attesting to this fact will be executed and signed by the Village Treasurer as the Chief Fiscal Officer.

GIFTS AND GRATUITIES

Village policy prohibits acceptance of gifts at any time, other than advertising novelties. Employees must not become obligated to any supplier and shall not participate in any Village transaction from which they will benefit directly or indirectly.

IN CONCLUSION

The intent of the Purchasing Policy of the Village of Saranac Lake is to provide guidance. It is not intended to be all inclusive since no single publication can be all encompassing or answer every question. Any question that cannot be answered by these guidelines should be directed to the Purchasing Official in writing. In the case of any matter not specifically addressed here, New York State General Municipal Law, section 103 and 104-B, will guide the Purchasing Official in making a determination.