

# **TOWN OF TICONDEROGA PROCUREMENT POLICY AND PROCEDURES**

## **1.0 Purpose**

Commodities and services that are not required by law to be procured pursuant to competitive bidding must be procured in a manner as to assure the prudent and economical use of public moneys in the best interest of the taxpayers; to facilitate the acquisition of commodities and services of maximum quality at the lowest possible cost under the circumstances; and to guard against favoritism, improvidence, extravagance, fraud, and corruption. To further these objectives, the Town Board hereby is establishing an internal policy and procedures governing all the procurement of commodities and services which are not required to be made pursuant to the competitive bidding requirements of General Municipal Law, section 103 or of any other general, special, or local law.

## **2.0 Procurements Subject to Competitive Bidding and Statutory Exceptions**

The Town will apply the competitive bidding process in all instances required by General Municipal Law, section 103. The purchase of commodities and services will be from the “lowest responsible bidder” after public advertisement for sealed bids.

Aggregate purchases of items or work of the same or similar nature, which are customarily handled in the marketplace by the same groups of vendors or contractors, will generally be considered to be a single item for purposes of determining whether the dollar thresholds will be exceeded.

Local governments are generally required to advertise for competitive bids under the following thresholds:

- 1) Purchases of commodities in excess of \$20,000.
- 2) Contracts for public work in excess of \$35,000.
- 3) Contracts for professional services are not required to be competitively bid; and,
- 4) Insurance is not required to be competitively bid the Town may also use the competitive bidding process in instances not required by law but considered to be in the best interests of the Town and its residents and taxpayers. In such instances, the Town Board would consider the immediate need of the purchase and the expense associated with the bidding process.

Notwithstanding the above, the Town Board may make exceptions from the competitive bidding requirements for purchases made through:

- 1) the New York State Office of General Services (GML, section 104),
- 2) purchases made through certain county contracts (GML, section 103[3]),
- 3) emergency purchases (GML, section 103[4]), and
- 4) purchases from a legitimate sole source.

Where possible, purchasing will be through extended State and County contracts. Prior to making a procurement through a State or County contract, the employee must document whether the purchase will result in cost savings after all factors have been considered, including charges for service, material, and delivery.

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 and a delay in order to seek alternated proposals may threaten the life, health, safety or welfare of the residents. This section does not preclude alternate proposals if time permits.

Purchases of surplus and second-hand goods from any source. If alternate proposals are required, the Town is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate a lesser product.

In addition, purchases of commodities and services may be required to be made from preferred sources (State Finance Law, section 162; Correction Law, sections 184, 186). Preferred sources may include: the Department of Correctional Services' Correctional Industries Program (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. State law establishes the priority to be accorded to the various preferred sources.

### **3.0 Procurements Not Subject to Competitive Bidding**

State law provides that commodities and services not required to be competitively bid must be procured in a manner to assure the prudent and economical use of public moneys in the best interest of the taxpayers; to facilitate the acquisition of commodities and services of maximum quality at the lowest possible cost; and to guard against favoritism, improvidence, extravagance, fraud, and corruption.

The Town will apply a quotations/proposals process in all instances required by General Municipal Law, section 104-b. The purchase of commodities and services will be from the "lowest responsible dollar offeror" in accordance with the process outlined below.

Aggregate purchases of items or work of the same or similar nature, which are customarily handled in the marketplace by the same groups of vendors or contractors, will generally be considered to be a single item for purposes of determining whether the dollar thresholds will be exceeded.

Whenever any purchase is from other than the "lowest responsible dollar offeror", the justification that such purchase furthers the purpose of General Municipal Law, section 104-b, shall be entered into the minutes of the Town Board.

# Town of Ticonderoga Procurement Policy

## Schedule of Amounts and Required Action For Purchasing any Commodities or Services

<b>Amount</b>	<b>Required Action</b>
\$500 to \$1,499	The employee must obtain and document* at least two Verbal quotes.
\$1,500 to \$4,999	The employee must obtain and document* at least two Verbal quotes and present them with the purchase order request to the Budget Office.
\$5,000 to \$19,999	The employee must obtain at least three WRITTEN quotes and present them with the purchase order request to the Budget Office.
Over \$20,000	Formal competitive bid by the Town Board.

## Schedule of Amounts and Required Action For Public Works Contracts

<b>Amount</b>	<b>Required Action</b>
\$1,500 - \$2,999	The employee must obtain and document* at least two Verbal quotes and present them with the purchase order request to the Budget Office.
\$3,000 - \$34,999	The employee must obtain at least three WRITTEN quotes and present them with the purchase order request to the Budget Office.
\$35,000	Formal competitive bid by the Town Board.

\* Documentation may include memoranda, written quotation forms, telephone logs (for verbal quotes), RFPs, and copies of State or county contracts.

Documentation is required of the action taken with each procurement. A good faith effort shall be made, or the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

#### **4.0 Professional Services and Insurance**

State law provides that professional services are not required to be competitively bid. Insurance coverage (e.g., health, fire, liability, and workers' compensation) is also not subject to competitive bidding requirements.

However, the solicitation of these services via requests for proposals (RFPs) can help provide assurance that quality services are obtained under the most favorable terms and conditions possible.

Therefore, periodically, the Town Board will issue requests for proposals to solicit professional services and insurance.

Professional services 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.

An RFP must provide detailed information concerning the type of service to be provided including minimum requirements and, where applicable, the evaluation criteria that will govern the contract award. The evaluation criteria can include factors in addition to price (e.g., experience, staff availability, and estimated completion times).

Proposals can be solicited through public advertisement and/or a comprehensive list of potential vendors can be compiled with vendors contacted directly and provided with the RFP.

#### **5.0 Purchase Orders**

BEFORE purchasing any commodities or services for \$1,500.00 or more, the employee must receive confirmation of the availability of appropriated funds by submitting a Purchase Order to the Budget Office. All purchase orders require Town Board approval.

The Budget Office will indicate on the Purchase Order the availability of appropriated funds for the purchase from a specific .2 or .4 account. If an appropriation balance is available, the Budget Office will enter the encumbrance against the account.

In instances where a purchase exceeds the available appropriation balance, the encumbrance will not be entered, and the Purchase Order will be returned to the originating employee until such time as appropriate action is taken by the Town Board to amend the budget.

The Budget Office will submit the Purchase Order to the Town Board who will determine whether or not to effectuate a transfer from another similar account (e.g., one .4 to another .4) and/or from a 1990 contingency account and/or from unappropriated fund balance.

## **6.0 Annual Review**

The Town Board shall annually review and, when needed, update this policy and procedures.

The Budget Office shall be responsible for conducting an annual evaluation of the effectiveness of the procurement policy and procedures and an evaluation of the control procedures established to ensure compliance with the procurement policy and shall be responsible for reporting back to the Supervisor.

Adoptions and Revisions:

Original: This policy shall go into effect January 1, 1994

Amended - Town Board Meeting February 11, 2010

Amended - Town Board Meeting January 29, 2013

Reviewed & Amended - Town Board Meeting June 8, 2023