

HERKIMER COUNTY
POLICIES AND PROCEDURES FOR PURCHASE OF GOODS AND SERVICES

These procedures are adopted to assure the prudent and economical use of public money, and to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost and to guard against favoritism, extravagance, fraud and corruption.

MONETARY THRESHOLDS

Purchase Contracts less than \$20,000:

\$1-\$2,000 \$1-\$5,000 Highway	At the discretion of the Purchasing Department
\$2,001-\$10,000 \$5,001-\$10,000 Highway	Documented verbal quotes from at least three separate vendors (if available) and consultation with the Purchasing Department to determine delivered or installed costs
\$10,001-\$20,000	Documented written quotes from at least three separate vendors (if available) and consultation with the Purchasing Department and appropriate Committee of the Legislature, (to include State Contract Purchases) to determine delivered or installed costs
Over \$20,000	Sealed bids in conformance with the General Municipal Law.

Public Works Contracts less than \$35,000:

\$1 - \$2,000	At the discretion of Purchasing Department
\$2,001 - \$10,000	Documented verbal quotes from at least three separate sources (if available) and consultation with the Purchasing Department.
\$10,001 - \$35,000	Documented written quotes from at least three separate sources and consultation with the Committee of the Legislature involved.
Over \$35,000	Sealed bids in conformance with the General Municipal Law.

Purchase Contracts are contracts for the purchases of services, supplies, commodities or equipment. Public Works are defined as labor or construction costs and building service contracts. Construction and labor contracts and building service contracts in excess of \$1,500 are also subject to **NYS Prevailing Wage**.

The above policies apply also to the Highway Department except that the requirement to consult with the Purchasing Department applies only to purchases requiring the specific authorization of the Legislature.

COMPETITIVE BIDDING

All contracts for Public Works involving an expenditure of more than Thirty-five Thousand Dollars (\$35,000.00) and all purchase contracts involving an expenditure of more than Twenty Thousand Dollars (\$20,000.00), unless excepted by statute or an appropriate resolution of this Legislature, are subject to competitive bidding and shall be awarded to the lowest responsible bidder as provided by Article 5-A of the General Municipal Law.

Exceptions to Competitive Bidding:

Emergency Purchases – to qualify as an emergency the purchase must meet one of the following criteria:

- The purchase must arise from an accident or unforeseen circumstance
- The purchase must affect life, health or safety issues
- The purchase must require immediate action and justification must be provided as to why the bidding process cannot be followed.
- Emergency purchases must be approved by the Department Head, County Administrator or Purchasing/Deputy Purchasing Agent and all documentation must be submitted as soon as possible.

Surplus or Second Hand Equipment Purchases – may be purchased without a competitive bid if purchased from the Federal or State Government or any political subdivision within New York State. Purchases from private sources do not qualify.

Professional Services – Professional Services are considered to be:

- Services requiring specialized skills, licensing, training or expertise
- Services requiring professional judgement or discretion
- Services requiring a high level of creativity
- When contracts for Professional Services will be more than \$10,000, a Request for Proposals should be developed between the department head and the purchasing department to solicit the vendor with the most cost effective services.
- Contracts for Professional Services

III. AWARDING PURCHASES

- A. Proper documentation is required when the quote is not awarded to the vendor giving the lowest price. Quotes will be awarded to the lowest responsible and responsive vendor providing the goods are of equal values.

- B. Use of alternative purchasing methods including NYS Contracts, Contracts of other New York State Municipalities, “Piggybacking” on other governmental contracts, federal contracts, cooperative purchasing, preferred source, sole source and emergency purchases shall be governed by the provisions of New York State General Municipal Law, Sections 103, 104 or 104-B or State Finance Law, Section 162 or other applicable provisions of law and properly documented.
 - C. Best Value: The specific non-price criteria to be used for Best Value purchases must be detailed in the price solicitation and the analysis of the resulting quotes or bids using the specified criteria must be documented. The documentation should include cost benefit analysis where possible. Award for purchases can then be made to the bidder deemed to be the Best Value to the County with all of the aspects of the Purchasing Policy remaining the same, as per Herkimer County Local Law.
- IV. A. All purchases of goods or services (except transcription services, utilities, unscheduled repairs and otherwise authorized services) require a purchase order.

Contracts (not included professional services) up to \$10,000 may be signed by the department head provided all other purchasing policies, laws and resolutions of the Legislature are complied with and documented. All such contracts must be reviewed and signed off on by Purchasing Department and County Attorney for compliance prior to signing. The originating department shall retain the original fully executed contract and a copy with the sign off sheet should be forwarded to the County Auditor.

V. **PROFESSIONAL SERVICES PROCUREMENT POLICY**

Purchases of professional services are defined as services involving specialized skill, training and expertise, and use of professional judgment or discretion. In many cases, cost is only one element to consider when awarding a professional service contract. These contracts are not required to be bid by State law, and shall be governed by the following principles and practices:

- A. Contracts shall be executed for professional services, when appropriate, to delineate the services to be rendered and the method and amount of payment.
- B. Staff who seek approval to purchase professional services must seek to generate proposals to perform these services that are as appropriate to the County’s needs and as cost-competitive as possible, by use of RFP’s or RFQ’s, etc. RFQ’s may be used prior to RFP’s or independently.
- C. The process to be followed in each new or renewal contract for professional services shall be proposed by the departmental staff person responsible for the services to the appropriate committee of the Legislature. The Purchasing Department must be copied (except for Highway fund requests) prior to consideration and approval by the appropriate Committee. The hiring of those professionals may be authorized by the appropriate committee up to \$10,000. The full Legislature must approve professional services over \$10,000 annually or if additional funds must be appropriated (such as with grants).

- D. Where alternative quotes or proposals are obtained, awards to an entity other than the lowest proposer must be properly documented with the rationale/reason for rejection of the lowest price.
 - E. For certain types of procurements of professional services, the solicitation of alternative proposals or quotations would not be in the best interest of the County, for example, highly specialized services for which the number of qualified and available professionals is limited. In those instances, the hiring of those professionals may be authorized by the appropriate committee up to \$10,000 annually. The full Legislature must approve the contract if over \$10,000 annually without alternative quotes or RFP's after presentation to the committee of the justification for such a determination with the appropriate documentation.
 - F. Any and all procedures not specifically addressed in this policy shall be governed by Section 103 or 104-b of the General Municipal Law.
- VI.** Any purchases of goods or services from an employee of Herkimer County or an immediate family member must be approved by the appropriate committees of the Legislature in addition to all other requirements.
- VII.** The following employees are authorized to make general purchases for Herkimer County:
- (The list must be updated bi-annually)
- S. Ferdula, Budget Officer/Purchasing Agent
 - P. Lumia, Deputy Purchasing Agent
 - M. Nagele, County Highway Superintendent
 - S. Tyoe, Deputy County Highway Superintendent
 - K. Enea, Treasurer (credit card only)