



RESOLUTION 2014-157

ADOPTED

DOC ID: 9523

THIS IS TO CERTIFY THAT THE FOLLOWING RESOLUTION NO. 2014-157 WAS ADOPTED AT THE REGULAR MEETING OF THE SOUTHOLD TOWN BOARD ON JANUARY 28, 2014:

WHEREAS, Section 103 of the General Municipal Law as recently amended allows a municipality to purchase devices, materials, equipment and supplies and to contract for services related to the installation, maintenance or repair of such items through “piggybacking” on a contract awarded by other governmental entities following a competitive bidding process to the lowest responsible bidder or on the basis of best value, and

WHEREAS, the Town Board of the Town of Southold would like to provide for greater flexibility in the purchasing process by permitting the award of Town contracts on the basis of best value upon consideration of quality, cost and efficiency; now, therefore, be it

RESOLVED that the Town Board of the Town of Southold hereby authorizes the awarding of contracts based on best value in accordance with Section 103 of the General Municipal Law and directs the Town Comptroller to amend the Procurement Policy accordingly.

Elizabeth A. Neville
Southold Town Clerk

RESULT: ADOPTED [UNANIMOUS]

MOVER: Jill Doherty, Councilwoman

SECONDER: William P. Ruland, Councilman

AYES: Ghosio, Dinizio Jr, Ruland, Doherty, Evans, Russell

SCOTT A. RUSSELL
SUPERVISOR



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**OFFICE OF THE SUPERVISOR
TOWN OF SOUTHDOLD**

TOWN OF SOUTHDOLD PROCUREMENT POLICY

1. Every prospective purchase of goods or services shall be evaluated to determine the applicability of General Municipal Law, Section 103. Every Town officer, board, department head or other personnel with the requisite purchasing authority (hereinafter "Purchaser") shall estimate the cumulative amount of the items of supply or equipment needed in a given fiscal year. That estimate shall include the canvass of other Town departments and past history to determine the likely yearly value of the commodity to be acquired. Upon request, the Comptroller can calculate the cumulative amount of a particular commodity needed by all Town departments based on past history. If the cumulative amounts exceed competitive bidding thresholds, then the purchase must be contracted through the bidding process. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity. No anticipated contract shall be subdivided or structured with the intention of avoiding this Procurement Policy.

2. All purchases of (a) supplies or equipment which will exceed **\$10,000.00** in the fiscal year or (b) public works contracts over **\$35,000.00** shall be formally bid pursuant to General Municipal Law, Section 103.

3. All estimated purchases of:

- Less than **\$10,000.00** but greater or equal to **\$3,000.00** require a written request for a proposal ("RFP") and written/fax quotes from 3 vendors.
- Less than **\$3,000.00** but greater or equal to **\$1,000.00** require an oral request for the goods and written/fax quotes from 2 vendors.
- Less than **\$1,000.00** are left to the discretion of the Purchaser, but written/fax quotes are preferred.

All estimated public works or service contracts of:

- Less than **\$35,000.00** but greater or equal to **\$10,000.00** require a written RFP and fax/proposals from 3 contractors.
- Less than **\$10,000.00** but greater or equal to **\$3,000.00** require a written RFP and fax/proposals from 2 contractors.
- Less than **\$3,000.00** but greater or equal to **\$1,000.00** are left to the discretion of the Purchaser but written/fax quotes are preferred.

Any written RFP shall describe the desired goods, quantity and the particulars of delivery. The Purchaser shall memorialize the name and address of all vendors from whom written/fax quotes have been requested and the written/fax quotes offered on a Proposal Quotation Form.

4. All Proposal Quotation Forms shall be date stamped and shall be kept confidential until the purchase order is signed and returned to the department. Until that time no employee shall discuss any price quote with the prospective vendor or contractor. A copy of the Proposal Quotation Form and any written proposals shall be attached to the purchase order before it is submitted to the Accounting Department. All information gathered in complying with the procedures of this item shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.

5. The purchase, public works or service contract shall be awarded for the proposal or quote submitted by the lowest responsible bidder. The responsibility of the bidder is to be determined at the discretion of the Town Board or department head and is based not solely on qualifications or experience but accountability and reliability. However, the Purchaser may award such contract to a bidder, other than the lowest responsible bidder, where such bidder maintains a principal place of business located within the Town of Southold, or sells the contracted for supplies, material, or equipment manufactured and located within the Town of Southold, and submits a bid not exceeding ten percent (10%) more than the otherwise lowest responsible bidder.

The Purchaser may award the purchase or contract to a bidder, other than the lowest responsible bidder, where such bidder maintains a principal place of business located within the County of Suffolk or sells the contracted for supplies, material, or equipment manufactured and located within the County of Suffolk, and submits a bid not exceeding five percent (5%) more than the lowest responsible bidder.

For the purpose of this Policy, the terms “located within the Town of Southold” and “located within the County of Suffolk” shall mean having a principal place of business physically located within the geographical boundaries of the Town or the County as applicable. In the case of an individual, partnership, association, or proprietorship, it shall mean having an office from which at least a majority of the employees are assigned and at which at least a majority of the employees work. In the case of a corporation, it shall mean having its principal place of business from which the president or chief executive officer operates on a regular and consistent basis, and the address so designated on its certificate of incorporation, located within the Town or the County, as applicable.

Recent amendments to General Municipal Law Section 103 also allow the Purchaser to “piggyback” onto contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein for the purchase of apparatus, materials, equipment and supplies and/or for the services related to the installation, maintenance or repair of those items if the contract was expressly made available for use by other governmental entities and it was let in a manner that constitutes competitive bidding consistent with State law. Background information should be sought from the purchasing governmental entities to verify compliance with these requirements.

In addition to awarding contracts to the lowest responsible bidder, the Purchaser may award contracts based on “best value” upon consideration of quality, cost and efficiency, rather than based solely on cost. Best value purchases are authorized pursuant to Resolution 2014-157 of the Town Board, adopted on January 28, 2014.

6. Prior to disbursement of any payment under an approved contract, the Town Attorney’s Office must possess a copy of the fully executed contract as well as documentation of required insurance and contract security/performance bond.

7. Change Orders to Awarded Contracts: If, during the term of a contract, it is determined that additional work needs to be performed or goods are needed to be purchased, which would increase the original contract amount, a formal change order must be in place. This applies to all contracts subject to General Municipal Law Section 103 (competitive bidding). When a change order to a contract results in an aggregate increase of \$1,000 over the original contract award, then the following procedures apply: (a) a Public Contract Change Order Approval Form must be completed and signed by the Department Head and must be accompanied by a detailed

explanation of why the change is needed and also accompanied by a change order proposal from the contractor (these documents must be forwarded to the Comptroller's Office); and (b) the change order must be approved by the Comptroller's Office and the Town Attorney's Office, and once approval has been granted, the Department must prepare a Town Board resolution requesting authorization for the change from the Board. Only after all of these procedures have been completed and approvals granted, can the contractor go forward with the additional work.

8. 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 shall document the attempt made at obtaining the proposal on the Proposal Quotation Form. In no event shall the inability to obtain the proposals or quotes be a bar to the procurement.

9. Except when directed by the Town Board, no solicitation of written proposals or quotations shall be required under the following circumstances:

(a) Public works contracts in cases of public emergencies arising out of an accident or unforeseen condition or occurrence that threatens curtailment or termination of an essential service to the public, or a dangerous condition develops affecting the life, health, safety or property of the Town or its inhabitants. The situation must require immediate attention which cannot await competitive bidding.

(b) Sole source situations.

(c) Goods purchased from another governmental agency.

(d) Goods purchased under a State or County contract.

(e) Goods purchased at auction.

(f) Goods purchased for less than \$1,000.00.

(g) Public Works contracts for less than \$1,000.00.

10. All prospective purchasers of professional services should obtain a written/fax estimate and statement of qualifications from at least two sources except when otherwise directed by the Town Board.

11. Neither goods nor services are to be ordered without **first** obtaining a purchase order signed by the Department Head and the Supervisor, with the exception of the following items:

a. Rental payments for Leases approved by formal Town Board resolution (attach a copy of the adopted Town Board resolution to the voucher).

- b. Specific purchases approved by formal Town Board resolution (attach a copy of the adopted Town Board resolution to the voucher) which might include bid awards. However, a Purchase Order is required for specific purchases made under "blanket" bid awards such as annual food needs, uniforms, and laundry services.
- c. Construction contracts approved by formal Town Board resolution (attach a copy of the adopted Town Board resolution to the voucher).
- d. Petty cash purchases.
- e. Travel expenses (mileage, tolls, meals, ferry or train expenses, etc.)
- f. Meeting and seminar registration fees (attach a copy of the adopted Town Board resolution to the voucher).
- g. Legal notices.

Invoices are not to be submitted for payment without a properly executed and signed voucher and a copy of the relevant Purchase Order or Town Board resolution.

12. This Policy shall be reviewed annually by the Town Board at its organizational meeting or as soon thereafter as is reasonably practicable.

TOWN OF SOUTHOLD PROCUREMENT POLICY
PROPOSAL QUOTATION FORM

Description of Item(s) to be procured: _____

3 PRICE QUOTES ARE NECESSARY

Vendor Name & Address Price for Each Item

Vendor Name & Address Price for Each Item

Vendor Name & Address Price for Each Item

VENDOR SELECTED

Vendor Name/Reason Price for Each Item

Town of Southold Department:

Department Head Signature:

Date: _____

**TOWN OF SOUTHDOLD PROCUREMENT POLICY
PUBLIC CONTRACT CHANGE ORDER APPROVAL FORM**

This form must be completed when a Public Contract Change Order increase is:

- a) \$1,000 or more
- b) It is a minimum of 10% over the original contract award

FAX FORM TO TOWN ATTORNEY'S OFFICE * 631/765-6639

DEPARTMENT: _____ DATE: _____

TOWN BOARD RESOL. #/DATE: _____ VENDOR NAME: _____

ORIGINAL CONTRACT AMOUNT: _____ INCREASE AMOUNT: _____

REASON FOR INCREASE: _____

DEPARTMENT HEAD SIGNATURE: _____

Town Attorney Authorization

Notes: _____

Approved Date _____

Denied Date _____

Reason for Denial _____

Rebid: Yes No

Town Attorney Authorization _____
Date

Comptroller Approval

Comptroller Signature _____
Date

Rec'd by Comptroller _____

Sent to Town Attorney _____

Rec'd Back From TA _____