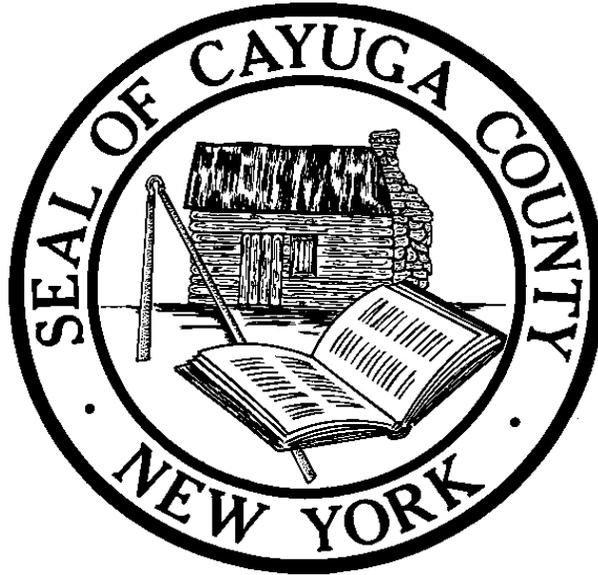


Cayuga County Purchasing Policy and Procurement Manual



2020

**Resolution No.
Adopted, March 24, 2020**

"Establishing effective and proper procurement policies is one of the most important responsibilities that governing boards have. When the State Legislature adopted General Municipal Law Section 104-b in 1991, it required governing boards to adopt written procurement policies and to update them at least once a year."

NYS Office of the State Comptroller (OSC)

CAYUGA COUNTY POLICY MANUAL

Section 60

POLICY NAME: PURCHASING POLICY AND PROCUREMENT MANUAL

EFFECTIVE DATE: March 24, 2020

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**Cayuga County
Purchasing Policy and Procedures**

MISSION STATEMENT

The Cayuga County Legislature dedicates itself to the procurement of the right goods and services at the right price for the various County departments in a timely manner assuring

the prudent and economical use of public monies. We will facilitate the acquisition of goods and services at the lowest possible cost and at the same time guard against favoritism, extravagance and fraud.

It is, therefore, essential that the purchasing policies and procedures of Cayuga County be clearly established and understood by all concerned.

This Purchasing Manual has been prepared at the direction of the Cayuga County Legislature as a statement of the policy upon which our purchasing practices and procedures are based.

The County declares its intention to purchase competitively without prejudice and to seek maximum operational value for every dollar expended

INTRODUCTION

Pursuant to General Municipal Law Section 104-b, goods and services which are not required by law to be procured by political subdivisions or any districts therein pursuant to competitive bidding must be procured in a manner so as to assure the prudent and economical use of public moneys in the best interest of the taxpayers of the political subdivision or district, to facilitate the acquisition of goods 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 governing board of every political subdivision and any district therein, by resolution, will adopt internal policies and procedures governing all procurement of goods and services which are not required to be made pursuant to the competitive bidding requirements of section one hundred three of this article or any other general, special or local law.

The purchase function involves the procurement of materials, supplies, equipment, and services at the lowest possible cost consistent with the quality needed to meet the required standards of the County. Although procedures change, fundamentals do not. Our goal is the promotion of the County's best interest through intelligent action and fair dealing which will result in obtaining the maximum projected value for each dollar of expenditures.

This policy has been prepared as a guide to performing the procurement function in accordance with County policies. It is intended to serve as a continuing reminder of the duties and responsibilities involved in procuring required items, while at the same time maintaining the County's reputation for fairness and integrity.

- ❖ Members of the County shall maintain effective and professional public, vendor and customer relationships.
- ❖ To maintain a high level of quality service to our customers, we encourage our staff to participate in the numerous educational opportunities offered in the purchasing field; and to keep abreast of current developments in market conditions, pricing, new products and New York State laws as they pertain to the purchase of goods and services for Cayuga County.

- ❖ The Purchasing policy herein shall be administered in accordance with all ethical rules called for by the County of Cayuga and the National Institute of Governmental Purchasing Code of Ethics.
- ❖ The purchasing procedures employed will comply with all applicable laws and regulations of New York State and shall be subject to the approval of the County Legislature.
- ❖ Each procurement request will be examined by the Cayuga County Purchasing Office and processed according to the guidelines set forth under the appropriate section of the attached Purchasing Procedures.
- ❖ The Cayuga County Purchasing Office, in conjunction with the departments, will maintain adequate documentation of all action taken in connection with each method of procurement. Such documentation shall include but not be limited to any and all pertinent Board resolutions, memoranda, written quotes, contracts and any other appropriate form of documentation.
- ❖ Opportunity will be provided to all responsible suppliers to do business with the county. To this end, the County Purchasing Office or specific departments will maintain a listing of potential bidders for the various types of material equipment and supplies used by county departments. This list will be used for the distribution of notices for bids and quotes. Any supplier may be included on the list upon request. This list will be reviewed and updated as deemed appropriate by the County Purchasing Office.
- ❖ Suppliers will be removed from the bidders list if they make a formal written request, or if the County finds the supplier to be an irresponsible bidder. This is determined by failing to provide proof of responsibility, having repeatedly made slow or unsatisfactory delivery of supplies or services or having been found by a court of competent jurisdiction to have engaged in unlawful employment or business practices within the previous twelve (12) months.
- ❖ When soliciting bids, a “General Conditions” will be included with all specifications provided to suppliers. These general conditions will be incorporated into contracts awarded for the purchase of materials, equipment and services.
- ❖ Purchases should be made under County contract pursuant to Section 408-a of County Law, through available state contracts (OGS), or Sub 3 of GML 103 which allows purchases of materials, equipment or supplies, or to contract for services, other than services subject to article eight or nine of the labor law, through any county within the state, whenever such purchases are deemed to be in the best interest of the County.
- ❖ The County is also authorized to purchase goods under GML 104b not covered by GML 103 from ANY source duly quoted/bid by any state or federal governmental agency where the vendor is willing to supply said goods and/or services to Cayuga County at the exact price quoted and meeting the exact specifications offered in the original solicitation.
- ❖ Supplies used by various county departments should be uniform whenever consistent with operational goals in the interest of efficiency and economy.

- ❖ Officials and employees shall have no financial interest in contracts entered into by the municipality (as defined in Section 800 of General Municipal Law). This also precludes acceptance of gratuities, financial or otherwise, as stated in the Cayuga County Code of Ethics.
- ❖ The County of Cayuga will not be deemed responsible for any commitment made at the departmental level circumventing these procedures. If County procedures are circumvented, disciplinary action may be taken. This may include holding the person personally liable for the unauthorized purchase.
- ❖ Salespersons are encouraged to visit the Purchasing Office prior to or in conjunction with initial, individual department contact.
- ❖ The Government Operations Committee will annually review the policies and procedures set forth in this manual prior to adoption by the Cayuga County Legislature.

ETHICS OF PURCHASING

In order to eliminate any suspicion of wrongdoing, unfairness or conflicts of interest prior to any purchase of materials, goods, or supplies, Purchasing will:

1. Consider the interest of the County in the betterment of its government;
2. Endeavor to obtain the greatest value for every dollar expended;
3. Be receptive to advice and suggestions from department heads, insofar as such advice and suggestions are not in conflict with legal or moral restriction in purchasing procedures;
4. Strive for knowledge of municipal equipment and supplies in order to recommend items that may either reduce cost or increase municipal efficiency;
5. Insist on and expect honesty in sales representations whether offered verbally or in writing, through advertising or by providing samples of a product;
6. Give all responsible bidders equal consideration and the assurance of unbiased judgment in determining whether their product meets specifications;
7. Discourage the offer of, and to decline any and all gifts which in any way might influence the purchase of municipal equipment and supplies.
8. Accord a prompt and courteous reception, insofar as conditions permit, to all who call on legitimate business missions, and cooperate with governmental and trade associations in the promotion and development of sound business methods in purchasing the County's equipment and supplies.

PURCHASING POLICY DEFINITIONS

- "Blanket Order" will be used to eliminate the necessity for the issuance of separate orders for groups of items that are purchased frequently from the same vendor.
- "Legislature" will mean the governing body of the County.
- "Confirming Purchase Order" is used to provide a purchase order number in cases where necessity for immediate action exists.
- "Encumbering" will mean the act of reserving funds from the current operating budget for payment of goods and services ordered but not received.

- "Invoice" will mean a formal billing submitted by a vendor showing the amount due and terms of payment for supplies delivered or services rendered.
- "Municipality" will mean the County of Cayuga.
- "Professional and Personal Services" will mean those services which are provided to the County of Cayuga which will be exempt from the competitive bidding procedures as outlined in this policy.
- "Public Emergency" will mean 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 the County are involved allowing for procurement of goods without competitive bidding.
- "Purchase Order" will mean formal notice to a vendor to furnish the supplies or services described in detail thereon. A Purchase Order is a formal contract with the vendor.
- "Purchasing" will mean the act of obtaining supplies, equipment, or services necessary to carry out a particular function of the County.
- "Purchasing Director" will mean the person who is responsible for the Purchasing function of the County.
- "Quotation" will mean an informal notice, either verbal or written, from a vendor setting forth the terms in which supplies or services will be supplied to the County.
- "Requisition" will be a written request to the Purchasing Office for one or more items or necessary services.
- "Requisitioner" will mean the official or department head, or the authorized subordinate, initiating a request for goods or service.
- "Specifications" will mean a written description of needed supplies, equipment or services setting forth in a clear concise manner the characteristics of the items and/or services to be purchased, and the circumstances under which the purchase will be made.
- "Vendor" will mean a supplier of goods or services to the County.
- "RFP" request for proposal, typically related to professional services
- "RFQ" request for quotes
- "MWBE" Minority/Woman owned Business Enterprise

PURCHASING POLICY LIMITS AND GUIDELINES

Pursuant to General Municipal Law Section 104-b, procedures for purchasing goods or services that fall below monetary bid limits must be established and approved by the governing board. The following guidelines are established for all purchases made by Cayuga County Departments.

All orders will be placed through the purchase order system to allow for proper encumbering of the funds. In all cases, the requesting department is responsible for supplying Purchasing with adequate information to purchase the item requested.

GOODS/COMMODITIES

Purchase Amount	Requisition Required?	3 Quotes Needed?	Type of Quotes Required	Responsible to obtain quotes	Purchase order to be issued?
Up to \$3,000	Yes	No	N/A	N/A	Yes
\$3,000.01- \$10,000	Yes	Yes	Verbal or Written	Department	Yes
\$10,000.01 - \$19,999.99	Yes	Yes	Written	Department (with Purchasing's assistance)	Yes
\$20,000 & over	Sealed Bid			Purchasing	

All amounts represent an aggregate amount over a rolling 12 month period starting with the first purchase of that commodity

A single purchase of a good/commodity less than \$25 does not require a purchase order. Order may not be split up to keep purchases below \$25.

All items purchased in excess of \$3000 must have 3 quotes unless they are available from a contract such as a New York State Contract, an approved County Contract or an approved Group Purchasing Contract. All quotes obtained by the department must be attached to the purchase requisition in MUNIS. The requisition number (assigned by the system) must be noted on the quote form. Upon approval of Purchasing, a purchase order will be issued.

When obtaining verbal or written quotes the record should, at a minimum, include the date, item or service desired, price quoted, name of vendor and the name of the vendor's representative and contact information such as phone, fax and e-mail address.

ALL PUBLIC WORKS

(Public Works applies to those items or projects involving labor or both materials and labor)

\$250 -\$1,000.99	1 verbal or written quote to be obtained by the department
\$1,001 -\$5,000.99	1 written quote to be obtained by the department
\$5,001 -\$ \$34,999.99	3 written quotes to be obtained by the department with purchasing's assistance
\$35,000 & over	Sealed Bid

All amounts represent an aggregate amount over a rolling 12 month period starting with the first purchase of that public work

All items purchased in excess of \$5001 up to \$34,999.99, must have 3 quotes unless they are available from a contract such as a New York State Contract, an approved County Contract or an approved Group Purchasing Contract.

How do you define a “Public Works Contract”? Any time an item or project involves labor or both materials and labor (other than simple delivery of goods) it qualifies, such as contracts for construction, demolition, remodeling, maintenance, painting, paving, printing and repair contracts.

BID APPROVAL PROCESS

Bids for goods and services will be awarded pursuant to authorization by the Cayuga County Legislature after the following conditions are met:

1. Sufficient appropriations are contained within the departments’ current budget (or budget transfer has been completed)
2. The department head or their designated representative and the County Administrator have certified in writing that the bids were received and meet the intent of the specifications
3. The award is made to the bidder submitting the lowest responsive and responsible bid per specifications and insurance requirements.
4. The requisitioning department shall document the rejection of any low bid deemed non-responsive or non-responsible and have offered the vendor(s) the opportunity to meet with the Purchasing Director and County Attorney to discuss the rejection. The requisitioning department shall attach a copy of said documentation to the resolution and a copy shall be supplied to Purchasing. Said documentation shall be attached to the bid evaluation form in the bid folder.

PROFESSIONAL SERVICES

For the procurement of non-contract professional services as defined by the General Municipal Law, the following procedures shall apply:

A) Cost of up to \$10,000.99 – 3 verbal or written quote to be obtained by the department.

B) Cost of \$10,001 - \$74,999.99 – Three formal written quotes will be obtained, reviewed and evaluated by a County committee of at least three people (consisting of Purchasing Director, Department head and others chosen by Purchasing Director) based on criteria necessary to obtain the best value for the County with the award made to the vendor who is ranked highest in accordance with procedures developed by the County. If the service can only be obtained from a sole source, this must be documented in the procurement record.

C) Cost over \$75,000 – Formal Request for Proposal (RFP) process will be completed in accordance with procedures developed by Cayuga County. Each RFP will be reviewed and evaluated by a County committee of at least three people (consisting of Purchasing Director, Department head and others chosen by Purchasing Director) based on criteria necessary to obtain the best value for the County with the award made to the vendor who is ranked highest in accordance with procedures developed by the County

A minimum of three firms and/or individuals shall be solicited for each professional service contract. In all cases a good faith effort shall be made to obtain the required number of quotations or proposals. In the event that the required number of quotations or proposals are not obtained supporting documentation shall be maintained to record the circumstance. Under no circumstance shall the inability to obtain the quotations or proposals lead to the purchasing process being circumvented.

Contracts for professional services must be made in the best interest of the County. RFQs and RFPs will consider multiple factors such as price, staffing, reliability, skill, education and training, experience and references.

The Chair of the Legislature, or his/her designee can waive the RFP and quoting procedure for professional services in instances where a waiver is in the public interest based on the circumstances including, but not limited to, financial, legal or public necessity grounds.

All awards will be made to the lowest responsible bidder. Circumstances, which must be documented, may dictate purchase from other than a low bidder (i.e., delivery requirements, quantity requirements, location of the vendor, known past experience of a vendor, etc.)

PURCHASING POLICY AND CONTROL

1. The Purchasing Department will be responsible for developing and administering the Purchasing program.
2. Purchase contracts for materials, equipment and supplies involving an estimated annual expenditure of more than \$20,000 and public works contracts involving more than \$35,000 will be awarded only after public advertising soliciting formal bids (Section 103 of the General Municipal Law.)
3. All bid packages for competitive bidding will be prepared by Purchasing. The requesting departments are to submit the necessary information as outlined in the competitive bidding section of this policy.
4. All requests to purchase any technology related equipment, software or services must be researched and approved by the Information Technology Department prior to purchase order being approved.
5. The Purchasing procedures employed will comply with all applicable laws and regulations of the State and County.
6. All contracts that require public advertising and competitive bidding will be awarded as provided by law and this policy.
7. Purchases will be made through available State Contracts of the Office of General Services. All New York State Contracts can be found at www.ogs.state.ny.us/purchase or by contacting Purchasing. A requisition must be completed and a Purchase Order will be issued for all purchases from State Contracts, additional quotes need not be obtained.
8. Requests for renovations or maintenance to County property are to be submitted to the Buildings and Grounds Superintendent. Upon receipt the issues will be reviewed with the County Administrator.
9. Supplies used by various officers and departments should be uniform whenever consistent with operational goals and in the interest of efficiency or economy. The department head may be required to justify the need for a special type of item.
10. The Annual Financial Disclosure Form should be filled to assist in identifying any

conflict of interest.

11. Cayuga County will always make a good faith effort to meet any MWBE or Service Disabled Veteran Owned business requirements set forth by funding sources.

Legal notices are published in the three official County newspapers and the bidnet website, informing the public of the products or services being bid and any other sources the Purchasing Director deems appropriate

Where formal bidding procedures are not required by law and/or resolution, pricing will be solicited by the Administrator's Office pursuant to the procedure set forth in Section 104-b of General Municipal Law.

The only exceptions are for procurement made pursuant to General Municipal Law, Section 103 (3) (through County contracts) or Section 104-b (through state contracts); State Finance Law, Section 175-b (from agencies for the blind or severely handicapped); Correction Law, Section 186 (articles manufactured in correctional institutions), or DSS programs such as HEAP where the program has a set procurement process and the County is a pass through for funding only.

In certain situations, solicitation of alternative proposals or quotes is not practical. These may include: emergencies, true leases and sole source situations and combinations of professional services/purchases. In the case of emergencies, true leases and sole source, the requesting department and the Purchasing Office shall analyze, justify and clearly document the reasons behind the award. No awards shall be made before contacting the Purchasing Department. For professional service please refer to the Professional Service portion of this policy.

SOLE SOURCE & SINGLE SOURCE

A sole source can be a manufacturer, software developer or service provider that sells direct and there are no other sources offering an "or equal". Prior to a vendor being considered a sole source, a letter on the vendor's official letterhead must be on file with the Purchasing Director detailing their sole source status.

A single source could be a distributor/wholesaler/retailer that has a contractual agreement for a specific territory to the exclusion of others. Should you have a situation involving a single source supplier, a letter on the manufacturer's letterhead must be on file with the County's Administrative Office confirming the single source authorized vendor.

PURCHASE REQUISITION

Preparation:

The requisitioning department will enter the following information on the county financial software system. (MUNIS)

1. Date
2. Reason for the purchase
3. Vendor
4. Contract Information
5. Ship to location

6. Deliver by
7. Quantity and unit of measure
8. Item number and full description
9. Account number to be charged
10. Comments (resolution number, contract & insurance information, etc.)
11. Quote number, if applicable

If the department has a definite reason for ordering from a specific vendor it should be noted in the comments, the Purchasing Office will make the final decision as to price and vendor after reviewing the requisition and consulting with the using department. Adequate documentation shall also be provided with all requisitions, such as catalogs, references and full descriptions of the items/service being ordered, so that the Purchasing Office may procure the desired items/service in a timely fashion.

EMERGENCY PURCHASES

- **DEFINITION:** To provide a purchase order number in cases where necessity for immediate action exists.

Emergency Purchase -General Municipal Law Section 103 (4) clearly states, "in 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 require immediate action which can not await competitive bidding, contracts for public work or the purchase of supplies may be let by the appropriate officer, board or agency."

A true emergency does not exclude the need for securing competitive pricing, only the formal bidding process. The Purchasing Office should be contacted as soon as the emergency need is identified to secure pricing. If the Administrator is not available then follow the chain of command attached to this policy.

- **PROCEDURE:** When a department has an urgent situation, the following procedures will be followed:
Prior to calling the Purchasing Department (if not available, contact the County Administrator, if he's not available, follow the chain of command), the requisitioning department should be prepared to supply the following information:
 - The reason the purchase is urgent.
 - The department name and budget code.
 - A complete description and accurate cost of the item to be purchased.
 - The name and address of the vendor from whom the goods are to be purchased.

Requisitioning department will verify the necessary budgetary appropriation. Purchasing, in conjunction with the County Attorney if necessary, will determine if a purchase is in fact urgent.

If it is determined that an urgent situation does exist the immediate availability of the required goods or services will be given prime consideration in the selection of the vendor.

The approving parties will verbally approve the purchase of emergency orders and keep record of it.

The ordering department will prepare a requisition containing the required information. The requisition should be marked Confirming Purchase and entered into the purchase requisition system as soon as possible.

The individual who picks up the items from the vendor must obtain an extended invoice containing:

- Quantity and description of items purchased.
- The unit and total cost.
- The purchase order number assigned by the Purchasing Department after confirming order is issued.
- Signature of the person receiving the goods.

The Purchasing Department prepares the confirming purchase order and provides the regular distribution

RESPONSIBILITY: The Purchasing Department WILL NOT approve a confirming purchase order when the purchase is not justified, where the purchase is being made to circumvent established procedures, or where there is lack of proper planning

RECEIPT OF GOODS –DEPARTMENT

Upon receipt of deliveries to County departments, before the employee signs for shipment should make an inspection of the goods. If there are any discrepancies or damages noticed at the time of delivery, the employee will note these on the delivery slip before affixing his or her signature accepting deliveries. This procedure will assist the County from incurring payments for damaged goods and/or goods not actually received.

Upon receipt of goods and/or services by the each department, if it is determined that the goods and/or services are not what was initially ordered or not acceptable due to quality or some other reason, every attempt should be made by the Department to resolve the problem with the vendor. In the event that a resolution is not reached, a vendor complaint memo and all documentation should be forwarded to the Purchasing Department for immediate action. The Purchasing Department will pursue all avenues to resolve the discrepancies that exist.

In the event of a partial order, a notation should be made on the receiving copy. This copy should be retained by the department until all goods and/or services have been rendered.

Upon receipt of goods and/or services, the department enters into MUNIS with the exact quantity received noted by receiving signature. The appropriate copy is signed and scanned then returned to the Payable Department for the file and a copy is submitted with the voucher for payment.

The Purchasing Department will be responsible for insuring that all purchases were made in accordance with these procedures. The requisitioning department is responsible for being sure that the receiving copy of the Purchase Order has been completed properly. All invoices, packing slips and other necessary information are to be retained by the department or submitted with the voucher for payment.

As standard business procedure, all County vendors are entitled to prompt payment.

If the County Administrator receives any claims for materials, supplies or services for which a purchase order was not issued and approved, and the funds were not encumbered as per policy, the County Administrator will have the authority to nullify the payment of such claim.

SECOND HAND EQUIPMENT

There is a statutory exception to competitive bidding requirements that permits the purchase of surplus and second-hand supplies, materials or equipment without competitive bidding from Federal or State government or from any other political subdivision or public benefit corporation within the State. However, purchases of used items from any other source (e.g. private sources like auctions or going-out-of-business sales) are not exempt from bidding requirements.

ANNUAL REVIEW

The governing board will annually review these policies and procedures. The County Purchasing Office will be responsible for conducting an annual review of the procurement policy and the County Auditor will evaluate the internal control structure established to ensure compliance with the procurement policy.

AP INVOICE ENTRY

There are certain expenditures for which the processing of a purchase order is unnecessary. AP Invoice Entry is used for transactions that have already taken place and now just require payment; this is considered AP Invoice Entry in MUNIS.

AP Invoice Entry may be used for the following:

- Advertising costs/legal notices- proof of publication must be attached to the invoice
- Employee reimbursements
- Mileage/Travel/Conference-submitted with standard County Travel request
- All utilities: Phones (including cellular), Sewer, Water and Electric
- Dues and Memberships
- Postal fees
- Pre-employment physicals
- Subscriptions
- Contract payments of professional services approved by board resolution

JOURNAL ENTRY

Interdepartmental Charges: Will be recorded through journal entries

All receipts or invoices are to be coded with the proper account numbers and sent directly to the Accounts Payable Department for payment.

Petty Cash

Cayuga County does not allow departments to have Petty Cash, except as authorized by resolution of the Legislature.

STANDARDIZATION

General Municipal Law Section 103 makes it possible for the County to standardize on a particular type of material or equipment.

