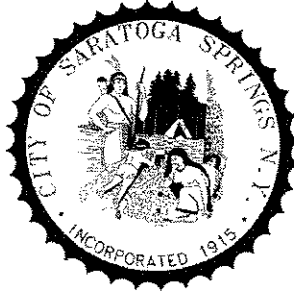


City of Saratoga Springs



**OFFICE OF THE
COMMISSIONER OF ACCOUNTS**

Purchasing Policy & Procedure Manual

Adopted 4/5/2005
Updated 12/7/10
Updated 11/20/12
Updated 4/15/14



City Purchasing Agent

The powers, duties, and responsibilities of the Commissioner of Accounts acting as the City Purchasing Agent are as follows:

1. **Policy and Procedures Manual.** The Purchasing Agent shall develop and promulgate, consistent with § 104(b) of the General Municipal Law, a City Purchasing Policy and Procedure Manual for use by all City departments.
2. **Purchases.** The Purchasing Agent shall make all purchases made for public use. All departments and employees requiring insurance, materials, and supplies for public use shall requisition them on forms supplied by the City Purchasing Agent for that purpose and deliver said requisition to the Purchasing Agent. The City will not be liable for any purchase made otherwise.
3. **Advertisements.** The Purchasing Agent shall prepare and be responsible for publication of required advertisements for bids, purchase contracts, and public works contracts for all City departments and entities. The City engineer or other authorized representative shall provide technical assistance and guidance in preparing advertisements for bids and contract documents for capital projects.
4. **Procedure for contracts.** The Purchasing Agent shall use the following procedures relative to purchase contracts and public works contracts:
 - a. The Purchasing Agent shall publicly open and read all bids received at the time and place specified in the advertisement for bids.
 - b. The Purchasing Agent shall be responsible for the issuance of plans and specifications, receipt of mailing fees, deposits, bid bonds, certified checks, contract bonds, and other related action unless otherwise provided by the Council.
 - c. The Purchasing Agent and, where necessary or appropriate, the City Engineer or any other authorized representative shall review capital project bids to determine the lowest responsible bidder so that a recommendation for award can be made at the next regular meeting of the appropriate department, entity, or the Council.
 - d. After review by the City Attorney for form and legality, the Purchasing Agent shall arrange for the department negotiating the bid/contract to ensure that contract documents are signed by the appropriate authority.



Policy

Purpose:

The purpose of the City of Saratoga Springs Purchasing Policy is to affirm that procurements are made "...in a manner so as to assure the prudent and economical use of public moneys in the best interests of the taxpayers and 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". General Municipal Law § 104(b)

Authority:

The Commissioner of Accounts and his/her designated representatives shall be responsible for all purchases of goods and services for the city of Saratoga Springs' public use. The Mayor, Commissioners and City Center Director shall assure that all personnel and employees under their jurisdiction adhere to all of the policies within this manual. The City will not be liable for any purchases, Request for Proposal, or Invitation for Bid made outside of the protocols as herein established by the City Council.

Each department must identify the individual or individuals responsible for purchasing and their respective titles. Such information shall be updated biennially. General Municipal Law § 104(b)(2)(f)

Mayor's Office:	<u>Gayle Lasalle</u> , Executive Assistant to the Mayor
Planning Department:	Deborah Wertheim, Secretary to Office of Planning & Eco. Dev.
Community Development:	Cindy Phillips, Community Development Coordinator
Recreation:	John Hirliman, Administrative Director Kathy Lanfear, Recreation Office Manager Doug June, Senior Account Clerk
Civil Service:	Patsy Berrigan, Secretary of Civil Service Commission
Visitor's Center:	Johnnie Roberts, Program & Visitor Center Assistant
Finance Office:	<u>Cathy Lozier</u> , Principal Account Clerk
Information Technology:	Kevin Kling, Information Technology Systems Manager
DPW:	Barbara Anthony, Administrative Assistant Kelly Clark, DPW Office Coordinator Joette Delaney, Senior Clerk Kathy Moran, DPW Office Supervisor
DPS:	Lisa Nolan, Code Administration Assistant & Accts Payable Nicole Borla, Senior Account Clerk Robert Williams, Fire Chief <u>Greg Veitch</u> , Chief of Police <u>John Catone</u> , Assistant Chief of Police Abby Temple, Identification Clerk Mark Benacquista, Traffic Signal Electrician Technician Pat Lacijan, Traffic Control Maintainer II
Accounts:	Stephani Voigt, Assistant Purchasing Agent
City Center:	Marilyn Rivers, Director of Risk & Safety Donna Barone, Finance Manager



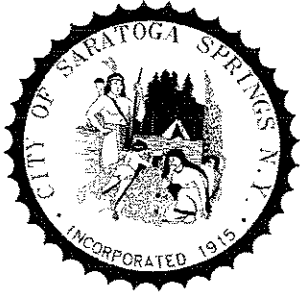
Definitions

- **Best Value.** The basis for awarding contracts for services to the bidder which **best** optimizes quality, cost and efficiency, among responsive and responsible bidders. State Finance Law § 163(1)(j)
- **Bid.** An offer or proposal submitted by a bidder to provide a product or service at a stated price for the stated contract term.
- **Bid Opening.** The formal process in which sealed bids are opened, in the presence of one or more witnesses, at the time and place specified in the solicitation.
- **Change Order.** An order to modify the scope or duration of a project. The Change Order may increase or decrease the total estimated project cost. All funds must be available to pay all costs incurred under this request. All Changes Orders must be approved by City Council and finalized with a purchase order.
- **Commodities.** Material goods, supplies, products, construction items or other standard articles of commerce other than technology items. State Finance Law § 160(3)
- **Contract.** The writings which contain the agreement of the Mayor and the Bidder/Contractor setting forth the total legal obligation between the parties as determined by applicable rules of law.
- **Contract Letter.** A letter to the successful bidder indicating acceptance of its bid in response to a solicitation. Unless otherwise specified, the issuance of a letter of acceptance forms a Contract but is not an order for product.
- **Emergency.** An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk. Such situations may create a need for an emergency contract. State Finance Law § 163(1)(b). An agency's failure to properly plan in advance, which results in a situation where normal practices cannot be followed, does not constitute an emergency.
- **Invitation for Bid (IFB).** A type of bid document which is most typically used where requirements can be stated and award will be made based on lowest price to the responsive and responsible bidder. (i.e. commodities)
- **Lowest Price.** The basis for awarding contracts for commodities among responsive and responsible bidders. State Finance Law § 163(1)(i)
- **Multiple Awards.** An award of a contract to more than one responsive and responsible bidder who meets the requirements of a specification, where the multiple award is made on the grounds set forth in the bid document in order to satisfy multiple factors and needs of authorized users. Those factors may include complexity of items, various manufacturers, differences in performance required to accomplish or produce required end results, price, compliance with delivery requirements, or other pertinent factors.
- **Piggyback Contract.** A contract let by any department, agency, office, political subdivision or instrumentality of New York State which is adopted and extended for use by the City in accordance with the requirements of the State Finance Law. (e.g.: County Contracts)



Definitions (cont.)

- **Prevailing Wage.** The Labor Law requires public work contractors and subcontractors to pay laborers, workers, or mechanics employed in the performance of a public work contract not less than the prevailing rate of wage and supplements (fringe benefits) in the locality where the work is performed. Labor Law § 220(5)(a)
- **Preferred Source.** In order to advance special social and economic goals, State Finance Law §162 requires that a governmental entity purchase select commodities and services from designated organizations when the commodities or services meet the “form, function and utility” requirements of the governmental entity. Under SFL §163, purchases of commodities and services from preferred sources are given the highest priority and are exempt from the competitive bidding requirements. The New York State preferred sources include: Corcraft; Industries for the Blind of New York State, Inc.; New York State Industries for the Disabled; and the Office of Mental Health.
- **Professional Services.** Services held to be within the professional services exception, require specialized expertise, technical or special skills or training, the exercise of professional judgment or a high degree of creativity in the performance of the contract. OSC Opinion 2007-1 Professional or technical services shall include but not be limited to the following: services of an attorney; services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public account; investment management services; bonding accountant services; printing services involving extensive writing, editing or art work; management of municipally owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.
- **Public Work.** Projects for construction, reconstruction or maintenance done on behalf of a public entity. Two conditions must be fulfilled in order for the provisions of Labor Law Article 8 to apply to a project 1.) A public entity must be a party to a contract involving the employment of laborers, workers or mechanics; and 2.) The contract must concern a public work project. **(Outside Labor Law Article 8 are janitorial services, security services, and grounds maintenance.)**
- **Purchase Order.** **Is a legal contract by and between the City of Saratoga Springs and a vendor which authorizes the vendor to deliver a product or provide services.**
- **Request for Comment (RFC).** Is used to solicit input from all potential bidders about a solicitation’s structure and language to assess its impact on potential bidders.
- **Request for Information (RFI).** Provides a preliminary description of the program objectives and specifications and solicits input from offerers as to the availability of products and services to meet the City’s needs.
- **Request for Proposal (RFP).** A type of bid document that is used for procurements where factors in addition to cost are considered and weighted in awarding the contract and where the method of award is “best value”.
- **Request for Quotation (RFQ).** A type of bid document that can be used when a formal bid opening is not required (e.g., sole source, emergency purchases).



Definitions (cont.)

- **Requisition.** A written request used within the City which authorizes a request of purchase of commodities or services.
- **Responsible.** The financial ability, legal capacity, integrity, and past performance of a business entity and as such terms have been interpreted relative to public procurements. State Finance Law § 163(1)(c)
- **Responsive.** A bidder meeting the minimum specifications or requirements as prescribed in a solicitation for commodities or services. State Finance Law § 163(1)(d)
- **Services.** The performance of a task or tasks and may include the use of a material good. This definition includes Technology which can be either a good or a Service or a combination thereof. State Finance Law § 160(7)
- **Sole Source.** A procurement where only one bidder is capable of supplying the required product. State Finance Law § 163(g)
- **Standardization.** A commodity that establishes uniform engineering or technical specifications. Standardization to a manufacturer's brand requires City Council approval. Standardization does not bypass the bidding process.
- **Technology.** A good or a Service or a combination thereof, that results in a technical method of achieving a practical purpose or in improvements in productivity. State Finance Law § 160(10)
- **Voucher.** A document used within the City to authorize payment of goods or services.
- **Warrant.** A document issued by the City of Saratoga Springs, prepared by the Purchasing Agent, as a guarantee that payments as outlined will be met.



Procurement of Goods & Services

All purchases of goods and services shall adhere to the following:

Procurement of Goods:	Written Quotes Required	IFB	RFP	Requisition Required
Under \$1,499				
\$1,499-\$9,999	Three (3)			X
\$10,000-\$19,999	Four (4)			X
\$20,000 and up		X		X
Public Work:				
Under \$1,499				
\$1,499-\$9,999	Two (2)			X
\$10,000-\$19,999	Three (3)			X
\$20,000-\$34,999	Four (4)			X
\$35,000 and up			X	X
Professional Services:				
0-\$19,999	Three (3)			X
\$20,000 and up			X	X

All purchases of more than **\$1,499** require a requisition to be completed and forwarded to the Purchasing Department for the issuance of a purchase order. Purchase is authorized **ONLY** upon completion of a purchase order. Exceptions: routine utility bills; contracted gasoline; insurance claims and bills; **support agreements; bond payments; taxes** do not need purchase orders prior to payment.

No purchase order will be prepared when a department has received the item(s) or the work has been started or completed.

No purchase order will be issued if the budget line indicated is not fully funded.

No purchase order will be issued without a current signed contract where indicated.

State Finance Law 163(6)(b) expressly prohibits split ordering to negate the purchasing policy.

Purchase of surplus used goods requires written documentation on comparable price and equipment i.e., blue book value, and must follow the purchasing guidelines.

Unless otherwise provided by law, the source of money to be spent does not alter requirements for bidding (e.g. state aid, federal aid, gifts, and grants).

Written Quotes

All purchases of less than \$20,000, public work contracts of less than \$35,000, and professional services of under \$20,000 will be secured by use of written quotations as noted above. A good faith effort shall be made to obtain the required number of written quotes. Written documentation must be submitted for each attempt made to obtain a quote for the goods and/or services. These attempts shall be attached to the requisition.

This procedure is waived if:

- Use of providers listed as "Preferred Source" status under State Finance Law § 162. This list, referred to as List of Preferred Source Offerings, can be found at the following web site: <http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf>
- Use of OGS Procurement Service Group centralized Commodity, Services or Technology contracts. A listing of current contracts can be found at the following web site: <http://www.ogs.state.ny.us/default.asp>
- Sole Source procurement is one in which only one vendor can supply the Commodities, Technology and/or perform the Services required by a department. State Finance Law § 163(1)(g). Procurement by this method must be documented by an explanation of: (1) the unique nature of the requirement; (2) the basis upon which it was determined that there is only one known vendor able to meet the need; and (3) the basis upon which the department determined the cost to be reasonable, i.e., a "fair market price". All such documentation is required by Purchasing in writing in order to review the proposed purchase.
- Emergency Situations are considered an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk. State Finance Law § 163(1)(b). A department's failure to properly plan in advance which then results in a situation in which normal practices cannot be followed does not constitute an emergency.

Emergencies shall be called by the Mayor, Commissioners or the Director of Risk & Safety.

Under such conditions, the department shall document each transaction entered into as a result of the emergency situation, setting forth the nature of the emergency situation; the potential effect on the health, public safety, or the conservation of public resources; and a detailed description of the Commodities, Services and Technology to be provided. Contracts entered into as a result of the emergency situation shall be for only the Commodities, Technology and/or Service necessary to remedy or ameliorate the situation.

All purchases of more than \$20,000 or public work contracts of more than \$35,000 and professional services of more than \$20,000, aggregate within twelve months, will be secured by either an Invitation to Bid (IFB) or Request for Proposal (RFP).

Bid Process

Competition in the procurement process serves both the City and potential bidders by: ensuring the procurement process produces an optimal solution at a reasonable price; guarding against favoritism, fraud and collusion; and, allowing qualified vendors an opportunity to obtain City Business.

- All bids must use the IFB or RFP City template.
- All bids must be reviewed by the Purchasing Agent and, where applicable, the Director of Risk and Safety.
- Prospective bids must be submitted to the Purchasing Department at a minimum of three weeks prior to the anticipated bid opening date.
- The Purchasing Agent shall prepare and be responsible for publication of required advertisements for bids, purchase contracts, and public works contracts for all City departments and entities.
- The Purchasing Agent shall be responsible for letting of all bids and addendums for all City departments.
- The Purchasing Agent shall publicly open and read all bids received at the time and place specified in the advertisement for bids.
- The Purchasing Agent shall review bids to determine the lowest responsible bidder so that the department can make a recommendation for award.
- **All formal quotations for professional services, RFP's and IFB's are subject to City council approval before issuance of a contract or purchase order.**

- All bids require a Certification of Sufficient Funds as per the Certification of Sufficient Funds Policy.

State Finance Law §139-j and §139-k impose certain restrictions on communications between an agency and a bidder during the procurement process. A bidder is restricted from making "**contacts**" from the date of the earliest notice of intent to solicit bids through the date of the final award.

Under NYS law a purchase order cannot be issued for any quotation that exceeds the bid limit.

Change Orders

All changes effecting price and time of a contract must be detailed in a change order, regardless of the dollar amount. All change orders must be brought to the next available City Council meeting for discussion, vote, and the Mayor's signature.

All change orders of a monetary increase require a certification of funds prior to City Council approval.

Monetary (increase or decrease) change orders are authorized only upon completion of a purchase order.

In the event of an emergency situation, the City Council will be notified immediately, via memorandum, and the details and applicable change order brought to the next available City Council meeting for discussion and vote. Emergency situations as defined by State Finance Law § 163 (1)(b).

Requisitions

All requisitions of \$50,000 or more; all waive of bids; all capital accounts, purchase orders to the Commissioner of Finance and all change orders require certification from the Commissioner of Finance before being submitted to the Accounts Department for the issuance of a purchase order.

Requisitions shall be processed on a first in first out basis, incorrect or incomplete requisitions not meeting the purchasing policies will be returned.

Vouchers

Approved vouchers for the general and mid warrants must be submitted to the Accounts Department by the Voucher Deadline Schedule set each year. All vouchers requiring additional approvals or transfers must be handled prior to the deadline date. Vouchers must be left in the correct/labeled bins in the Accounts Department. Incomplete or incorrect vouchers will be returned to your department for correction and to be placed on a future warrant if any of the following exist: budget line is short, wrong account number is used, incorrect vendor information, proper documentation is not attached to the voucher, voucher is not signed, certification of sufficient funds is not attached, proper purchasing protocol has not been followed.

Departments need to submit original invoices with voucher for processing.

All vouchers of \$50,000 or more; all waive of bids; all capital accounts; and all change orders require certification from the Commissioner of Finance before being submitted to the Accounts Department.

All vouchers not tied to a purchase order, regardless of dollar amount, involving a capital project (H accounts) require certification of sufficient funds from the Commissioner of Finance before being submitted to the Accounts Department.

Directors, Deputy Commissioners and Commissioners must certify that the goods or services were necessary and for the sole use of the City of Saratoga Springs. This is accomplished by signing the applicable space on the vouchers. The use of a signature stamp does not assure the review of the voucher. Authorized signatures accepted: Mayor, Deputy Mayor, Commissioner of Accounts, Deputy Commissioner of Accounts, Commissioner of Finance, Deputy Commissioner of Finance, Director of Finance, Commissioner of Public Safety, Deputy Commissioner of Public Safety, Commissioner of Public

Works, Deputy Commissioner of Public Works, Director of Public Works, President of the City Center Authority, Secretary to the Civil Service Commission.

Warrants

Warrants are submitted to the City Council for approval during regularly scheduled City Council meetings.

Mid warrants are only for utility payments, insurance payments, taxes, and payments that are time sensitive and are posted Wednesday a.m. on the weeks with no City Council meeting. Vouchers for mid warrants are due by close of business the Friday prior to the week of no City Council meetings.

Year End Purchase Orders

All requests for year end purchase orders must conform to purchasing policies and have funds available to cover expenses.

As per Finance Policy, all requisitions listing the Finance Department as a vendor must have a certification of funds (no exceptions) **prior** to submitting to the Purchasing Department. Purchase orders encumbered to Finance will be allowed for pending Grants, **Use of Reserves, Donations** and Capital projects.

Requisitions for encumbered purchase orders must have an actual vendor and be based on a commitment for goods, services, awarded projects and be ordered during the calendar year.

The only exception for a purchase order issuance will be by City Council approval. The requisitions must have Council approval date, budget funds available, vendor information and all documented information on product or service.

Authorized Travel Reimbursement

All travel must have prior written approval from the respective department head. Lodging is only authorized if the place of business is more than 100 miles from the City of Saratoga Springs. The Office of the State Comptroller sets rules and regulations for reimbursement of expenses incurred while traveling on official business, which can be viewed in their Travel Manual at the web site; <http://www.osc.state.ny.us/agencies/travel/manual.pdf>. The City of Saratoga Springs follows these already established guidelines.

All mileage is clocked from City Hall, 474 Broadway, to the point of destination.

Meal reimbursement is only granted if an itemized meal receipt is submitted.

Other Reimbursements

All requests for reimbursements must provide full documentation.

No sales tax will be reimbursed.

Mileage reimbursement request must be filled out on the Mileage Reimbursement form and attached to a voucher.

No alcoholic beverages may be purchased with City funds.

Improper Purchases

The following items, shall include but are not limited to, are to be considered as improper purchases and will not be purchased by the Commissioner of Accounts and his/her designated representative or reimbursed to the purchaser: alcohol, meals (unless during the course of a previously approved overnight trip); clothing/footwear unless contractual, and/or is safety apparel mandated by OSHA; campaign literature; items to be used for personal use such as coffee makers, refrigerators, etc.

Forms

All forms required by the Purchasing department are located on the public drive in a folder labeled Purchasing.

CITY OF SARATOGA SPRINGS - VOUCHER

474 Broadway Saratoga Springs, NY 12866

DEPT/LOC _____ DEPARTMENT _____

VENDOR # _____ VENDOR NAME _____

REMIT ADDRESS _____

PO#	FINAL	PARTIAL		
INVOICE # and ACCOUNT #	ORG	OBJECT	PROJECT	\$ AMOUNT
			TOTAL	\$0.00

I certify the articles or services were necessary and for sole use of City; have been received in good condition or properly performed.

Department Head or Deputy **Date**

This claim is approved from the appropriation indicated above.

Audited, i.e. this purchase is in conformity with appropriate standards and procedures.
Commissioner of Accounts

Commissioner of Finance **Date**

PAYEE CERTIFICATION: I certify that the above is just, true and correct, that no part thereof has been paid except as stated and that the balance is actually due and owing and that taxes from which the City is exempt are excluded.

Vendor's Signature **Date**

Signature required for all vendors who cannot supply an invoice.

