

Adopted: October 2014

Revised: March 1, 2016

**PROCUREMENT POLICY
OF THE
GLENVILLE LOCAL DEVELOPMENT CORPORATION**

I. PURPOSE:

The primary objectives of this Policy are: to assure the prudent and economical use of the monies of Glenville Local Development Corporation “(GLDC”); to facilitate the acquisition of goods and services of the highest quality at the lowest possible cost under the circumstances; and to guard against favoritism, improvidence, extravagance, fraud and corruption.

II. PROCUREMENT OFFICER:

a. **Procurement Officer Designation.** Unless the Board of Directors (the “Board”) appoints another officer or employee of GLDC as Procurement Officer, the Procurement Officer shall be the Board Chair of the GLDC or such other officer or employee of the GLDC designated by the Chair to carry out the general and specific provisions of the policies and procedures set forth herein. Where the Board Chair does not serve as Procurement Officer, the designation of the Procurement Officer shall be made annually.

b. **Procurement Officer Duties.** The Procurement Officer shall perform the various duties specified in this Policy, and shall have general operational responsibility to insure compliance with the provisions of this Policy.

III. PROCUREMENT REQUIREMENTS:

a. **General.**

- i. Subject to the provisions of this Policy, procurement of GLDC shall be carried out in a manner that provides maximum free and open competition.
- ii. Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

iii. Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

iv. Any and all bids or offers may be rejected when it is in GLDC's interest to do so.

b. **Contents of Solicitations**. Solicitations for goods and services shall contain:

i. a clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition; and

ii. the requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

iii. a description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

iv. the specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

v. All requests for payment will be made using the Expense Voucher form provided as Attachment (1). The Voucher, together with support procurement/expense information will be filed and retained.

c. **Procurement Procedure**

i. Before initiating a procurement transaction, the Procurement Officer shall take reasonable steps to confirm the necessity of the purchase so as to avoid purchasing unnecessary items.

ii. Prior to commencing any procurement of goods and services, the Procurement Officer shall prepare a written statement setting forth the basis for (1) any determination that competitive bidding is not required for such procurement, and if applicable (2) the determination that such procurement is not subject to any requirements set forth in this Policy. Such written statements shall be filed and retained.

iii. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

- iv. Except as otherwise set forth in this Policy, a competitive process is required for the procurement of commodities, materials, supplies or equipment involving an expenditure of more than \$500.00. For purchases above this amount, the following procedure shall be followed:

\$501 - \$3,000 -- Documented verbal quotations from at least three vendors.

\$3,001 and up -- Written/fax quotations from at least three vendors.

- v. A good faith effort shall be made to obtain the required number of proposals or quotations. If the Procurement Officer is unable to obtain the required number of proposals or quotations, the Procurement Officer will document the attempt made at obtaining the proposals or quotes. In no event shall the failure to obtain the required proposals or quotations be a bar to the procurement.
- vi. Circumstances justifying an award to other than the lowest cost quoted include: delivery requirements, quality requirements, past vendor performance, unavailability of two or more vendors who are able to quote on a procurement, and in the circumstance where it may be in the best interest of the GLDC to consider only one vendor who has previous expertise with respect to a particular procurement.
- vii. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained by the Procurement Officer in the procurement file.

d. **Exceptions to Competitive Procurement** The competitive procurement requirements of this Policy shall not apply in the following circumstances.

- i. **Sole Source**– Sole source procurements is defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product/service offered and there is no competition available.
- ii. **Emergency**– An emergency exists if the delay caused by soliciting quotes would unreasonable and unnecessarily endanger financial or property interests of the GLCD. With approval by the Chairperson of the GLDC Board, such emergency shall not be subject to competitive procedures of this Policy.
- iii. **Board of Directors' Waiver**– The GLDC Board may adopt a resolution waiving the competitive process whenever it is determined to be impracticable.
- iv. **Professional Services** – Procurement of professional services requiring special or technical skill, training or expertise must be chosen based on the following: accountability, reliability, responsibility, skill, conflict of interests, reputation, education, training, judgment, integrity, continuity of service and moral worth. The nature of these

services are such that they do not readily lend themselves to a competitive procurement process or other provisions outlined in a procurement policy. In determining whether a service fits into this category, the GLDC shall take into consideration the following guidelines: whether the services are subject to State licensing or testing requirements; whether substantial formal education or training is a necessary prerequisite to the performance of the services and whether the services require a personal relationship between the individual and the GLDC members. Such professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); technical services of an engineer engaged to prepare plans, maps and estimates; services of a certified public accountant; investment management services; printing services involving extensive writing, editing, or art work; marketing and promotional services, real estate brokerage; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software. All professional services contract shall require authorization of the GLDC Board.

e. **Miscellaneous Procurement Provisions**

- i. It is the preference of the GLDC to provide opportunities for the purchase of goods and services from business enterprises located with the Town of Glenville and from certified minority and/or women-owned business enterprises. To that end the GLDC will utilize available lists of local business enterprises and M/WBE firms certified by the State of New York, and will solicit quotations and proposals from such businesses.
- ii. Comments concerning the Procurement Policy shall be solicited from the members of the Board from time to time
- iii. The GLDC shall annually review the policies and procedures herein. Amendments to these policies and procedures may be made and published at any time during the year.
- iv. The unintentional failure to fully comply with the provisions of this policy shall not be grounds to void action taken or give rise to a cause against the GLDC or any member, officer, employee or volunteer thereof.

IV. ADDITIONAL PROCUREMENT REQUIREMENTS INVOLVING FEDERAL FUNDS SUBJECT TO 24 CFR PART 84

Procurements of goods or services which involve the expenditure of Federal Funds subject to 24 CFR Part 84, shall additionally comply with the following:

a. **Code of Conduct**¹

- i. No employee, officer, or agent of GLDC shall participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.
- ii. No officer, employee or agent of GLCD shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.
- iii. Any alleged violations of these standards of conduct shall be referred to the GLDC Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.
- iv. GLDC board members, officers and employees shall be alert to organizational conflicts which would jeopardize the negotiation process and limit competition.

b. **Contract Pricing**

- i. Cost plus percentage of cost and percentage of construction cost methods of contracting is not the preferred method of making purchases. GLDC shall perform cost or pricing analysis in connection with every procurement action including contract modifications in accordance with the requirements of “[Cost and Price Analysis for HUD Grantees and Funding Recipients](#)”. Costs or prices based on estimated costs for projects shall be allowed only to the extent that the costs incurred or the cost estimates included in negotiated prices are consistent with federal cost principals. Cost reimbursement, fixed price, or a combination thereof may be utilized as appropriate. A cost reimbursement type contract is most appropriate when the scope and extent of the work to be performed are not clearly defined. A cost reimbursement contract must clearly establish a cost ceiling which may not be exceeded without formally amending the contract, and must identify a fixed dollar profit that may not be increased unless there is a contract amendment that increases the scope of the work.

¹This requirement is in addition to GLDC’s Code of Ethics. In the event of a conflict between the provisions hereof, and GLDC’s Code of Ethics, the provisions hereof shall apply.

- ii. A fixed price contract is appropriate when the scope of work is very well defined and product oriented. A fixed price contract must establish a guaranteed price that may not increase unless there is a contract amendment that increases the scope of the work.

c. **Exclusion of Certain Contractors** Contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals for procurement transactions involving Federal Funds shall be excluded from competing for such procurements.

d. **Other Factors Considered** Consideration shall be given to such matters as contractor integrity; compliance with public policy, including, where applicable, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u); record of past performance; financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by implementation of E.O.s 12549 and 12689, "Debarment and Suspension," at 24 CFR part 24.

e. **Option of Leasing** Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

f. **Miscellaneous**

- i. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- ii. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient

g. **Use of MWBE Suppliers** Positive efforts shall be made by GLDC to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. GLDC shall take all of the following steps to further this goal.

- i. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- ii. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- iii. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

- iv. Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- v. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

h. **Requirement for Federal Review** GLDC shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

- i. GLDC's procurement procedures or operation fails to comply with the procurement standards in HUD's implementation of Circular A-110.
 - ii. The procurement is expected to exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403 (11) (the "small purchase threshold"), whichever is greater, and is to be awarded without competition or only one bid or offer is received in response to a solicitation.
 - iii. The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.
 - iv. The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.
 - v. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold
- i. **Additional Procurement Records** Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:
- i. Basis for contractor selection;
 - ii. Justification for lack of competition when competitive bids or offers are not obtained;
and
 - iii. Basis for award cost or price.

Attachment 1

Expense Voucher

EXPENSE VOUCHER

*Attach receipts to back of Voucher

DATE	EXPENSE	PURPOSE	COST
TOTAL:			\$ -

**MAKE CHECKS
PAYABLE TO:**

Signed: _____

Date: _____

Treasurer:	Date:	Check #	Amount:
Second Approval:	Date:	Expense:	