

## **Purchasing**

The Poughkeepsie Public Library District establishes this purchase policy in order to comply with generally accepted auditing standards and cost containment.

### **General**

1. De-centralized purchasing policies are utilized at the Library District. No individual member of the staff may place an order with any vendor or take any action that encumbers the Library District's funds for supplies, equipment or services (verbally or otherwise) without prior approval of the department head and the issuance of a purchase order by the Business Manager as later described. This restriction is not intended to preclude preliminary discussions with potential vendors to arrive at satisfactory delivery dates, quality, and quantity aspects or estimated costs. In fact, it is encouraged. However, no commitment or firm order can be placed without a properly executed purchase order. Failure to obtain a properly executed purchase order prior to placing an order may result in the purchase being deemed a personal expense, not reimbursable by the Library District.
2. The materials, equipment, supplies, and services to be purchased shall be of the quality and quantity required to serve the functions of the Library District in a satisfactory manner, as determined by department heads and recommended to the Library Director.
3. It is the responsibility of each department head to secure the appropriate quotes or to investigate alternative suppliers to ensure the most economical purchase of required items. The process of securing bids is further described in this policy. The Library Director or designee shall have the final authority on all purchase decisions.

### **The Purchasing Process**

Every purchase to be made must initially be reviewed to determine whether it is a purchase contract or a public works contract. The term "public works contract" would apply to those contracts or projects involving labor or both material and labor where labor is a substantial component, 50% or more, of the cost. Purchases of the same commodity cannot be artificially divided for the purpose of avoiding the bidding threshold. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid. Once the determination is made, a good faith effort will be made to determine whether it is known, or can be reasonably expected, that the aggregate amount to be spent on the item of supply or service in one fiscal year is not subject to competitive bidding. If it seems likely that the bid limits may be exceeded, bidding shall take place.

NYS General Municipal Law, Section 103, requires that all purchase contracts for public works involving an expenditure of more than \$35,000 in one fiscal year and all purchase contracts for commodities involving an expenditure of more than \$20,000 in one fiscal year shall be awarded to the lowest responsive, responsible bidder after public advertisement for sealed bids. (Historically there have been only a few instances where competitive bidding was required.) Furthermore, the Board authorizes that purchase contracts (including contracts for service work, but excluding any purchase contracts necessary for the completion of a public works contracts to Article 8 of the labor law) may be awarded on the basis of best value, as defined in section one hundred sixty-three of the State Finance Law.

The Library District shall comply with the requirements of General Municipal Law section 103-g, which prohibits, with few exceptions, competitive bidding contracts with entities that invest

significantly in the Iranian energy sector, as outlined in the law known as “The Iran Divestment Act of 2012”.

NYS General Municipal Law section 104-b requires that policies and procedures for purchasing goods and services, when the cost falls below the competitive bid limits and are not available through government contracts, be established by the governing board and reviewed annually.

NYS General Municipal Law section 104-b (2) (f) requires the identification of the individual or individual(s) responsible for purchasing and their respective titles. As such, Rebecca Gillis, the Business Manager under the general supervision of the Library Director shall be responsible for this process.

### **Purchases Not Subject to Competitive Bid**

All goods and services not required to be publicly bid pursuant to General Municipal Law Section 103 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 both the City and the Town of Poughkeepsie through the use of verbal quotations, written quotations, written requests for proposals or any other method that facilitates the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and guards against, favoritism, improvidence, extravagance, fraud, and corruption, except in the following circumstances:

- Purchases of prison-made goods from NYS Department of Correctional Services, Division of Industries (Corcraft).
- Purchases of goods or services from the NYS Industries for the Disabled.
- Purchases of goods or services from Industries for the Blind.
- Purchases through New York State Contract, at the State’s price, from the vendor holding the Office of General Services contract.
- Purchases of commodities made under any NYS County contract that has been extended to political subdivisions.
- Purchases of apparatus, materials, equipment or supplies, or a contract for services related to the installation, maintenance, or repair of apparatus, materials , equipment , and supplies, made through the use of a contract let by the United States of America or any agency thereof, any state or any other county or political subdivision or district therein if such contract was let in a manner that constitutes competitive bidding consistent with state law and made available for use by other governmental entities.
- Purchases of services from a monopoly (e.g. utility services).
- Purchases of Professional Services.
- Sole source – there is only one manufacturer and distributor.
- Emergency Purchases – GML 103(4) defines it as “a public emergency arising out of an accident or other unforeseen occurrence or condition, whereby circumstances affecting public buildings, public property or the life, safety, or property of the inhabitants require immediate action”. The Board of Trustees has designated the Library Director with the authority to declare an official emergency.
- Professional Services & Consultants:

Instead of competitive bids, Requests for Proposals (RFP’s) are used as a means of obtaining all types of professional services requiring special or technical skill, training, or expertise. The individual or company must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity, and moral worth. These qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of the services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category the Library Director shall take in to consideration the following guidelines:

1. Whether the services are subject to State licensing or testing requirements;
2. Whether substantial formal education or training is a necessary prerequisite to the performance of the services; and
3. Whether the services require a personal relationship between the individual and the library officials.

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 or architect engaged to prepare plans, maps, and estimate; securing insurance coverage and/or service of insurance broker; services of certified public accountant; investment management services; printing services involving extensive writing, editing, or art work; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

All consultants and services must have a contract outlining services and fee schedules to be reviewed and approved by the Library Director.

### **Emergency Situations**

An emergency exists when the delay caused by soliciting formal quotes or competitive bids would endanger the health, welfare or property of the public or the Library District. In such situations, the emergency procurement of goods or services will be requested by the department head and require the approval of the Library Director. Lack of anticipation or planning cannot be deemed as a cause for declaring an emergency. A true emergency does not exclude the need for securing competitive pricing, only the formal bidding process. Documentation as to the nature of emergency must accompany the request for the emergency purchase.

### **Sole Source**

When there is only one possible source from which to procure goods and/or services, thus indicating there is no possibility of competition, the following will be documented:

1. The unique benefits to the Library District of the item as compared to other products available in the marketplace;
2. No other product/service provides substantially equivalent or similar benefits;
3. That, considering the benefits received, the cost of the item is reasonable to other products offered available in the marketplace;
4. There is no possibility of competition available, as from competing dealers or distributors;
5. Document should contain final approval of the Library Director;
6. Failure to have a properly executed agreement may result in delay or denial of payment.

**Purchase of Goods and Services**

With the understanding that purchases for library materials are often available through statewide or national discount programs for libraries, the Board of Trustees establishes the following policy related to bids:

1. Purchase (Commodity) Contracts: The following schedule is related to non-library materials where individual items are at the stated prices and for which there are sufficient budget appropriations. Department heads and all involved in the purchase process shall be aware of prevailing state contracts or other previously arranged discount plans of which the Library District may take advantage. State contracts are available for view at: <http://www.ogs.ny.gov>.
2. Library Materials: Annual expenditures for books, magazines, AV, and other such materials intended for patron use are generally over the bidding threshold. Therefore purchases shall be made from vendors holding a New York State contract or a contract let by the United States of America or any agency thereof, any state or any other county or political subdivision or district therein if such contract was let in a manner that constitutes competitive bidding consistent with state law and made available for use by other governmental entities. Materials available only from the publisher, deemed to be sole source, are generally purchased with little or no discount.
3. Ongoing Expenditures: The following schedule applies to purchases where anticipated yearly expenditures for items are known to exceed the following thresholds in any of the prior three years.

General Goods (including Rental of Equipment)

Estimated Value Contract	Policy
Up to \$7,500	Discretion of the Business Manager. Purchase shall be based upon reliable market information such as catalogues, phone quotes, or previous quotations.
\$7,501 - \$10,000	Documented telephone quotes from three (3) responsible vendors, if available. (attached to purchase order)
\$10,001 - \$20,000	Documented written or electronic quotes from three (3) responsible vendors, if possible. (attached to the purchase order)
Over \$20,000	Competitive bids required

Should the required number of vendors not be available, satisfactory documentation of the special situation must be submitted with a request for an exception to this requirement, which must be approved by the Library Director.

Rental of equipment with an option to buy must be put out to bid if the total amount to be paid over the term of the lease plus any additional amount when lease expires exceeds the amount allowed by the NYS Bidding Law (\$20,000).

Public Works Projects

<b>Estimated Value Contract</b>	<b>Policy</b>
Up to \$14,999	Discretion of the Business Manager. Purchase shall be based upon reliable market information such as catalogues, phone quotes or previous quotations.
\$15,000 - \$35,000	Formal written quotations or declinations to quote from at least four (4) responsible vendors (if available). Requests for Proposals shall be used for complex procurements involving multiple components.
Over \$35,000	Competitive Bids required.

Professional Services and Consultants Exempt from Competitive Bids

<b>Estimated Value Contract</b>	<b>Policy</b>
Up to \$35,000	Purchase method shall be at the discretion of the Business Manager. A contract outlining services rendered and fee schedules shall be approved by the Library Director.
Over \$35,000	Prices will be obtained by formal RFP from at least three (3) sources (if available), with the award of the contract recommended by the department head in conjunction with the Business Manager and approved by the Library Director.

Criteria for evaluation of proposals must be prepared in advance, and the relationship between the successful proposal and these criteria must be explained in writing and kept on file.

**Award and Documentation for the Purchase of All Goods and Services**

Award:

All awards from verbal or written quotes shall be made to the supplier offering the best value to the Library District. In determining best value for the Library District, the purchase price and whether goods or services meet specifications are the most important considerations. However, the Business Manager may consider other relevant factors, including:

- (a) Installation costs;
- (b) Life cycle costs;
- (c) The quality and reliability of the goods and services;
- (d) The delivery terms;
- (e) The quality of probable supplier performance under the contract such as past supplier performance, the supplier's financial ability to perform, the supplier's ability to provide reliable maintenance agreements and support;
- (f) The cost of any employee training associated with a purchase;
- (g) The effect of a purchase on departmental productivity;

- (h) Other factors relevant to determining the best value for the Library District in the context of a particular purchase.

Documentation:

All quotes (written, electronic or telephone) shall be documented in the procurement record and shall be filed in the respective year's user department quote files and attached to the purchase requisition in MUNIS, the Library District's fund accounting software. If unable to attach in MUNIS, the user department shall send a copy by email or inter-office mail to the business office. All such purchases shall have the quote number referenced on the electronic purchase requisition in MUNIS.

Insufficient Appropriations

There shall be no purchases for items where there is insufficient appropriation. The Library Director shall have the authority to transfer funds between any budget lines. However, the Board of Trustees must approve the creation and funding of new positions, with the exception of Student Library Workers. All budget transfer shall be reported to the Finance Committee and the Board of Trustees in a timely manner.

Claims

All invoices and pre-payments shall be paid in accordance with the claims policy established by the Board of Trustees. The Library Director shall have the authority to pay all claims made for purchases and report such activity to the Board of Trustees on a monthly basis.

Any and all procedures outlined in either General Municipal Laws 103 and 104b shall be adhered to. The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the Library District's policies regarding procurement will not be grounds to void action taken nor give rise to a cause of action against the Library District or any officer or employee of the Library District.