

# Town of East Greenbush

## PURCHASING POLICY

AS ADOPTED BY:  
EAST GREENBUSH TOWN BOARD  
April 2011

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Section 104-b of General Municipal Law (GML) as outlined by the New York State Comptroller's Office, requires every Town to adopt internal policies and procedures governing all purchases of goods and services not subject to the bidding requirements of GML, Section 103.

In compliance with Section 104-b, these purchasing policies will ensure that "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 matter so as to ensure the prudent and economical use of public monies 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, fraud and corruption."

**The Town of East Greenbush does hereby adopt the following procurement policies and procedures to be in compliance with the above Sectioned Laws.**

**Guideline 1.** Every Town Board member, department head or employee with the requisite purchasing authority 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. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity. This information will be used in the budgeting process.

**Guideline 2.** Prior to any purchase of goods or services the purchaser shall review the current budget line for each item to determine adequate fund availability. *Purchases can never exceed amount budgeted.*

**Guideline 3.** Every prospective purchase of goods or services shall be evaluated to determine the applicability of GML, Section 103 (Competitive Bidding/Monetary Thresholds). All purchases over twenty thousand dollars (\$20,000) or public works contracts or purchases over thirty five thousand dollars (\$35,000) shall be formally bid pursuant to GML, Section 103.

**Guideline 4.** All non-bid purchases should be sufficiently documented as to demonstrate they were made in accordance with GML 104-b. Purchases made from State or County contracts must include the contract number on the voucher. A good faith effort should be made to obtain the required number of quotations. If the purchaser is unable to obtain the required number of quotations, the purchaser will document the attempts made. Specific information regarding required documentation for various purchase types is included within these guidelines. The goal of this process is to demonstrate that the Town of East Greenbush has purchased the good or service in responsible and legal fashion.

**Guideline 5.** The lowest responsible quotation shall be awarded the purchase or contract unless a written justification providing reasons why it is in the best interest of the Town and its taxpayers to make the award to other than the lowest bidder.

**Guideline 6.** Except when directed by the Town Board, no solicitation of written proposals or quotations shall be required under the following circumstances:

- Goods purchased from State or County Contracts;
- Acquisition of professional services;
- Emergencies;
- Sole source situations (sole source justification must be approved);
- Goods purchased from the blind or severely handicapped;
- Goods purchased from correctional facilities;
- Goods purchased from another governmental agency;
- Goods purchased at auction from Federal or State government, New York State political subdivision or public benefit corporations; No exception for purchases from private source.

**Guideline 7.** Town of East Greenbush Purchasing Policy

- The purchasing process will utilize three forms – a requisition, a purchase order (PO) and a voucher. The requisition must be approved by the Department Head and the Town Supervisor before the purchase can be made. The purchase order authorizes the expenditure to be made and is designed to ensure the purchase is within the budget limits. The voucher authorizes payment to be made after the good or service has been rendered. The Supervisor's signature is necessary on vouchers that are not associated with any Department Heads, ex. attorney fees and employee expenses. Purchase order numbers are generated by the Purchasing Department.
- Purchases of less than \$300 for Commodities or \$1,000 for Public Work Projects should be made with the most responsible Vendor with respect to price and availability. A purchase order is required generated by the Town's accounting software.
- Purchases of \$300 to \$2,999 for Commodities or \$1000 to \$2,999 for Public Work Projects will be made after receiving at least two written quotes. An approved requisition (by the Town Supervisor) and purchase order is needed prior to purchase. Purchase order numbers at this level are generated by the Purchasing Department.
- Purchases of \$3,000 to \$19,999 (commodities) or \$34,999 (public work) will be made after receiving at least three written/FAX quotes. A purchase requisition, the three quotes attached, must be submitted to the Town Supervisor. Upon receiving the

approved requisition from the Town Supervisor it must be submitted to the Purchasing Department. A purchase order number generated by the Purchasing Department is needed prior to purchase.

- Purchases of \$10,000 or more (commodities or public work) need Town Board approval.
- Purchases over \$20,000 (\$35,000 for Public Work Projects) are subject to Competitive Bidding Law, Section 103.

**Guideline 8.** Exceptions – As always there are exceptions to the process. Some expenditures do not need prior approval or a voucher such as **utility bills, postage, phones, freight charges, Trust & Agency expenditures, and principal/interest on indebtedness.** Other expenditures that are approved by the Town Board, ex. Professional services, do not need a purchase order, however vouchers are still required.

**Guideline 9.** Emergencies – If by virtue of a *public* emergency arising out of an *accident* or an *unforeseen occurrence* purchases or services must be procured, the above guidelines do not apply. Public interest dictates that even emergency purchases be made at the lowest possible cost and informal solicitation of quotes should be attempted and documented.

Each and every employee of the Town of East Greenbush who is directly or indirectly involved with the purchasing process shall observe the highest standards of ethical conduct in the procurement of goods and services for Town operations. Every public employee should understand the legal constraints of State and Local Law governing purchasing. Favoritism, bias and preferential treatment of one vendor over another has no place in the public purchasing arena. It is expected that each and every participant in the purchasing process will be given equal treatment by the Town of East Greenbush and its employees thus insuring the most prudent use of taxpayers' dollars.

The Town Board shall annually review these policies and procedures. The Town Supervisor shall be responsible for conducting an annual review of the procurement policy and evaluate the internal control structure established to ensure compliance with the Purchasing Policy.

The unintentional failure to comply with the provisions of General Municipal Law, Section 104-b shall not be grounds to void action taken or give rise to a cause of action against the Town of East Greenbush or any employee thereof.