

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

**Section 1. Policy Intent.**

This Procurement Policy is adopted pursuant to the provisions of General Municipal Law §104-b. The purpose of this Policy is to define the circumstances under which supplies and equipment and public works contracts may be let in the Town of Rhinebeck when those goods and services or public works are not required by law to be procured pursuant to the competitive bidding requirements of §103 of the General Municipal Law. These policies and procedures have been adopted in the best interest of the tax payers to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

**Section 2. Evaluation of Purchases.**

- a. Every prospective purchase of goods to be made must be initially reviewed to determine whether it is a purchase contract or a public works contract. Once that determination is made, a good faith effort shall be made to determine whether it is known, or can reasonably be expected, that the aggregate amount to be spent on the item of supply or service is not subject to the competitive bidding requirements of General Municipal Law (“GML”) §103, taking into account past purchases and the aggregate amount to be spent in a year.
- b. The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: purchase contracts of \$20,000 or less and public works contracts of \$35,000 or less; emergency purchases (pursuant to GML §103(4)); certain municipal hospital purchases; goods purchased from agencies for the blind or severely handicapped; goods purchased from correctional institutions; purchases under State and County contracts; purchase contracts, that are from sole source providers (a sole source provider being a provider or vendor that has been determined to be the only source of the goods or services that are to be obtained or provided); surplus and second-hand purchases from another government entity; leases of equipment with operators under the control and supervision of Town officers and employees, professional services; and insurance.
- c. The Town must first explore and exhaust purchase options under State and County Contracts, surplus and second-hand purchases from other government entities, certain municipal hospital purchases, goods purchased from agencies for the blind or severely handicapped and goods purchased from correctional institutions.
- d. The decision that a purchase is not subject to competitive bidding will be documented in writing by the individual making the purchase. This document may include written or verbal quotes from vendors, a memo from the purchaser indicating how the decision was arrived at, a copy of the contract indicating the source which makes the item or service exempt, a memo from the purchaser detailing the circumstances which led to an emergency purchase or any other written documentation that is appropriate. If the purchase is

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

approved for the contractors awarded by resolution of the Town Board, the Town Board shall state the reason why the purchase was not subject to competitive bidding.

- e. Leases which in substance are really purchases will be considered purchases for competitive bidding purposes and for compliance with this procurement policy.
- f. Installment purchase contracts for equipment, machinery and apparatus are subject to competitive bidding requirements and for compliance with this procurement policy. Lease arrangements, where the purchase price is less than a reasonably accurate estimate of fair market value of the equipment at the time of purchase, so that a component of the annual rental charge is really an installment payment towards the purchase of the equipment including arrangements where there is a normal purchase price or where title will automatically pass, is to be considered an installment purchase.
- g. Where a true rental or lease agreement includes provision for separate service or maintenance charges in addition to rental charges, the service and maintenance aspect constitutes a separate public works contract subject to competitive bidding requirements and compliance with this procurement policy. However, where service and maintenance are purely incidental to the rental agreement and no separate charge is fixed, competitive bidding would not be involved.

**Section 3. Methods for Securing Goods and Services.**

- a. All goods and services not subject to competitive bidding will be secured by use of written requests for proposals, written quotations, verbal quotations or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided. Whenever possible, requests or quotations will be solicited for local vendors and contractors to whom special consideration shall be extended in the awarding of contracts. Local contractors desiring to be considered for such work may submit notice of their intent and qualifications to the Town Board and Highway Superintendent.
- b. The following methods of purchase shall be used when required by this policy in order to achieve fair and reasonable pricing and the highest savings:

Purchases	<u>Method</u>
\$0 to \$2,000.	Oral request for the goods and oral/fax/quotes , so long as there are sufficient funds currently available in the budget.

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

\$2,001. To \$5,000.	Written/fax/quotes from three vendors, after obtaining authorization from Town Board so long as there are sufficient funds currently available in the budget.
\$5,001 to 20,000	Written RFP and written quotes from three vendors after obtaining authorization from Town Board so long as there are sufficient funds currently available in the budget.
Over \$20,000	Competitive bids pursuant to General Municipal Law Section 103 after obtaining authorization from Town Board so long as there are sufficient funds currently available in the budget.
<u>Estimated amount of public works contracts</u>	<u>Method</u>
\$500 to \$3,000	Oral request for the goods and oral/fax/quotes so long as there are sufficient funds currently available in the budget.
\$3,001 to \$25,000	Written/fax/proposals from three contractors, after obtaining authorization from Town Board so long as there are sufficient funds currently available in the budget.
\$25,001 to \$35,000	Written RFP and written/fax/proposals from three contractors after obtaining authorizations from Town Board so long as there are sufficient funds currently available in the budget.
Over \$35,000	Competitive bids pursuant to General Municipal Law Section 103 after obtaining authorization from Town Board so long as there are sufficient funds currently available in the budget.

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

- c. Any written RFP shall describe the desired goods, quantity and the particulars of delivery. The purchaser shall compile a list of all vendors from whom written/fax/oral quotes have been requested and the written/fax/oral quotes offers.
  - d. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to procurement.
  - e. All information gathered in complying with the procedures of this policy shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.
4. The lowest responsible proposal or quote shall be awarded the purchase or public works contract unless the purchaser prepared a written justification providing reasons why it is in the best interest of the Town and its taxpayers to make an award to other than the low proposer. Such justification may give special consideration to local vendors or contractors pursuant to Section 3(a). If a proposer is not deemed responsible, facts supporting that judgment shall also be documented and filed with the records supporting the procurement. In order to minimize and/or preclude these situations, it is expected that the purchaser would not solicit quotes from suppliers previously deemed unacceptable due to justifiable reasons.

**Section 4. Exceptions.**

The solicitation of alternative proposals or quotations shall not be required in the best interests of the municipality in the following circumstances where proper qualifications are not necessarily found in the individual or company that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures:

- a. **Professional services or 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. In determining whether a service shall fit into this category, the Town Board shall take into 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 municipal officials.

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

Professional and 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 estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or artwork; management of municipally owned property; and computer software or programming services for customized programs or services involved in substantial modification and customizing of prepackaged software.

- b. **Emergency purchases as defined in Section 103(4) of the General Municipal Law** – Due to the nature of this exception, these goods or services must be purchased immediately where a delay in order to seek alternate proposals may threaten life, health, safety or welfare of the residents. This section does not preclude alternate proposals if time permits.
- c. **Purchases of surplus and second-hand goods from any source** – If alternate proposals are required, the Town is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually contained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.  
Not
- d. **Goods under \$500 and public works contracts for less than \$500** – The time and documentation required to purchase through this policy may be more costly than the item itself and therefore not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.
- e. **Sole Source** – When it can be justified that this supplier is the only source which can manufacture a product or provide a service so that there is no possibility of competition (i.e. patent, directed by law, possesses unique expertise).
- f. **Single Source** – Source identified as the result of previous standardization of a specific purchase when there are no other suppliers of that item for the Town service area.
- g. **Lease of equipment so long as the project is under the complete control and supervision of the Town** – However, in such event competitive proposals are to be solicited from vendors who can provide a similar type service when the Town wishes to make such leases or rentals in the future; and any lease or rental rates shall be subject to the prior approval of the Town Supervisor.
- h. **Option to utilize competitive bidding process** – No portion of this policy shall be construed as preventing the competitive bidding of purchase contracts under \$20,000 or public works projects under \$35,000, if so desired by the Town Board. In that event, the Town Board shall also be permitted to award purchase contracts pursuant to General

**REVISED PROCUREMENT POLICY AND PROCEDURES  
FOR THE TOWN OF RHINEBECK**

**Adopted on November 14, 2016 by Resolution 2016217  
Revised on February 11, 2019 by Resolution 2019056**

Municipal Law §103(1) on the basis of best value, in accordance with Local Law No. 3 of 2016.

**Section 5. Responsible Officers and Officials.**

The following officers and officials are responsible for purchasing goods and services for the Town.

Superintendent of Highways:	Purchases related to Highway Department
Town Clerk:	Purchases related to Town Hall
Town Justices:	Purchases related to Town Court
Each Department Head:	Purchases related to their respective department.

**Section 6. Town Board Approval** – Where the cost of the item exceeds the sum of \$3,000 for public works contract and/or \$5,000 for a purchase, no officer or employee of the Town of Rhinebeck, other than the Highway Superintendent of the Town of Rhinebeck and Water & Sewer Superintendent of the Town of Rhinebeck shall purchase on behalf of the Town of Rhinebeck, or place any order for the purchase of any item on behalf of the Town of Rhinebeck, unless and until a majority of the members of the Rhinebeck Town Board shall have voted, in advance, to approve such purchase or such order. However, all requisitions above \$5000 must be submitted to the Supervisor for his review and his decision.

**Section 7.** This policy shall be reviewed annually, unless otherwise prescribed by law, by the Town Board at its organizational meeting or as soon thereafter, as is reasonably practicable.

**Section 8.** This Procurement Policy shall take effect immediately upon adoption by Resolution.