

CITY OF ITHACA

**PURCHASING POLICY &
PROCEDURE
MANUAL**



SUBJECT: City of Ithaca Purchasing Policy
EFFECTIVE: January 7, 1976
REVISED: April 21, 1981 December 19, 2011
December 22, 1993 **April 4, 2018**
April, 1998

PROCUREMENT POLICY FOR THE CITY OF ITHACA

Public purchasing has two central purposes; protection of public financial resources by obtaining the best work, service or product for the lowest possible price, and the prevention of favoritism, improvidence, fraud and corruption in awarding public contracts to the lowest responsible bidder. We need to foster competition, assure the prudent and economical use of public moneys, and adhere to Sections 103 and 104 of the General Municipal Law. This Purchasing Policy and Procedure manual is intended for use as a guide to City purchasing methods. When used with good judgment and common sense, this manual will enable the City to obtain the needed goods and services efficiently and economically. City employees involved in the purchasing process should be familiar with, and shall adhere to, the policies and procedures set forth in this manual.

The cooperation of all employees is essential if the City is to obtain the maximum value for each tax dollar spent. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound purchasing system.

The material in the manual is subject to revision to meet the often rapidly changing developments encountered in the field of purchasing. When changes become necessary, the information concerning these changes will be sent to all City departments.

The City of Ithaca Common Council shall annually review these policies and procedures.

This manual is effective immediately upon Common Council approval, and supersedes all previous purchasing instructions or directives.

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PURCHASING POLICY – QUICK REFERENCE SHEET

PLEASE NOTE: THIS IS A SUMMARY AND IS NOT A COMPLETE LIST OF PURCHASING POLICIES

COMMODITIES AND SERVICES:

Under \$500:	You do not need quotes or a PO (PO can be used if vendor requires). You can purchase items under \$500 with a Credit Card.
\$500-\$1,000:	Use of a PO encouraged (if vendor accepts them)
\$1,000 and up	PO required even if vendor does not accept them
\$0-\$1,000;	No quotes needed
\$1,000-\$4,999:	Three (3) Verbal Quotes
\$5,000-\$19,999:	Three (3) Written Quotes
\$20,000 and up:	Competitive Bidding Procedure

TYPES OF REQUISITIONS:

Request for Proposal (RFP): Used to requisition services that requires multiple factors to be considered in the award. This is a formal negotiation - price is not the only deciding factor. The deciding factors must be identified in the RFP and a committee ranks each proposal based on these factors.

Request for Bid (RFB): Used to requisition item(s) to be bid on. The award is based solely on price (or best value).

PUBLIC WORKS CONTRACTS:

Under \$5,000: Can be awarded at the discretion of the City Controller and a representative from the applicable City Department

\$5,000-\$34,999.99: Three (3) Formal Written Quotes

\$35,000 and up: Competitive Sealed Bid

EXCEPTIONS:

- Certain professional services
- Reimbursement of petty cash funds
- Utility bills
- Interdepartmental charges
- Medical examinations
- Legal notices
- Postage meter and stamp costs
- Items on state bid or OGS contract
- Emergency Purchases

PURCHASING RESPONSIBILITY

The City of Ithaca Controller's Office is hereby authorized to make all purchases of necessary goods and services by any means legal within the State of New York and within all applicable rules and regulations and in the best interest of the taxpayers of the City of Ithaca.

In keeping with General Municipal Law 104-b, which requires the identification of the individual or individuals responsible for purchasing and their respective titles, the following individual(s), name(s) and title(s), are responsible for purchasing for City of Ithaca:

Steven P. Thayer
City Controller

Scott A. Andrew
Deputy City Controller

ETHICS OF PURCHASING

In order to eliminate any suspicion of wrongdoing or unfairness of conflicts of interest prior to any purchase of materials, goods or supplies, the City Controller shall:

1. Consider the interest of the City in the betterment of its government.
2. Endeavor to obtain the greatest value for every dollar expended.
3. Be receptive to advice and suggestions from employees, insofar as such advice and suggestions are not in conflict with legal or moral restrictions in purchasing procedures.
4. Strive for knowledge of municipal equipment and supplies in order to recommend items that may either reduce cost or increase municipal efficiency.
5. Insist on and expect honesty in sales representation whether offered verbally or in writing, through advertising or by providing samples of a product.
6. Give all responsible bidders equal consideration and the assurance of unbiased judgment in determining whether their products meet specifications.
7. Discourage the offer of, and decline any and all gifts which in any way might influence the purchase of municipal equipment and supplies.
8. Accord a prompt and courteous reception, insofar as conditions permit, to all who call on legitimate business missions and cooperate with governmental and trade associations in the promotion and development of sound business methods in purchasing the City equipment and supplies.
9. Govern by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.

GENERAL PURCHASING STANDARDS, DEFINITIONS AND POLICIES

The City Controller's Office (or designee) shall be responsible for developing and administering a centralized purchasing system and procedure to make provisions for all purchases, sale, lease, rental and servicing of materials, supplies, equipment and services for all City departments and agencies of City government pursuant to and in compliance with all the applicable provisions of laws and regulations.

MAJOR ROLES AND RESPONSIBILITIES

The City of Ithaca does not have a separate Purchasing Division or Department, but instead utilizes a decentralized purchasing system. As such, the ultimate responsibility and provider of oversight to the entire purchasing system is the Controller's Office. Due to the decentralization of the purchasing system, each department is tasked with partial purchasing responsibility in which these responsibilities will be clearly highlighted throughout the policy.

City Controller and Office - The Controller's Office provides oversight, control, and the overall administration of the decentralized purchasing system. The Controller's office is responsible for handling the **Competitive Bidding** process.

Department Heads – Each department is responsible for initiating purchases, monitoring the delivery of purchases, and providing notifications of amendments of the purchase, etc. Department Heads are to ensure that designated purchasing employees fully comply with the purchasing policy.

Designated Purchasing Employees - Employees involved in their department's procurement process are to understand the purchasing procedures and to refer to this manual for reference of appropriate procedures to be used in the right situation.

Attorney - The City Attorney provides legal approval for written contracts when contractual work or purchases are required and ensures that the correct legal proceedings are used.

Vendor or Supplier - The vendor or supplier is the second party willing to supply a service or commodity to the City of Ithaca for the agreed upon price and stipulations.

TAX EXEMPT STATUS

As a municipality, the City of Ithaca is exempt from all State of New York sales taxes and some Federal Excise Taxes. If a vendor requests proof of tax exemption, the Controller's Office can provide documentation to the vendor.

PURCHASE REVIEW

Every purchase to be made must be initially reviewed to determine whether it is a purchase contract or a public works contract. The definitions of a Purchase Contract and a Public Works Contract are as follows:

- A. Purchase Contract - Involves the acquisition of commodities, materials, supplies or equipment.
- B. Public Works Contract – Involves the purchase of labor, construction and/or services related to construction.

When a contract involves both elements of a purchase contract and a public work contract, it must be reviewed to determine which type of contract it is. As a general rule, if the contract involves a substantial amount of services such that it is the focal point, and the acquisition of goods is incidental, it will be considered a contract for public work. Conversely, if services or labor are only minimal or incidental to the acquisition of goods, it will be considered a purchase contract. Once that 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 is not subject to competitive bidding, taking into account past purchases and the aggregate amount to be spent in a year. The following items are not subject to competitive bidding pursuant to Section 103 of the General Municipal Law: purchase contracts under \$20,000 and public works contracts under \$35,000; emergency purchases; sole source purchases; goods purchased from correctional institutions; purchases from agencies for the blind and disabled; purchases under State and County contracts; leases; and second-hand purchases from another government entity.

The City shall purchase materials, supplies, equipment and services as required, at the best possible and reasonable price, and maintain the appropriate documentation for the purchase as follows:

- A. Purchases will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods and services will be purchased at the lowest reasonable price, and that favoritism will be avoided.

- B. Proper written documentation (acceptable to the Controller's Office) by the individual making the purchase will be required whenever a contract is awarded to other than the lowest responsible vendor. This documentation will include an explanation of how the award will achieve savings, is an environmentally preferable alternative, or how the vendor was not responsible.

NEW YORK STATE CONTRACTS

Purchases shall be made, to the extent practicable, through: available New York State contracts of the Office of General Services, Division of Standards and Purchase; Department of Correctional Services; New York State Industries for the Disabled; Industries for the Blind of New York State; and surplus and second-hand purchases from another governmental entity, whenever such purchases are in the best interest of the City. The State Contracts can be obtained on the New York State Website at the following address: <http://www.ogs.state.ny.us>. Click on Procurement Services; click on Search State Contract Award notices, and look up information by using key word search or contract group number. If a State Contract exists for the desired item, the State Contract should be the primary source, unless reasoning can be provided to select a different vendor.

State List of Debarred Vendors - In addition to a vendors list, there is also a Debarred Vendors List. This list contains the name of businesses that are disapproved of hiring due to poor service, failure to comply, or difficulty shown in cooperating. Before moving forward with a purchase, you should regularly check the Debarred Vendors List in order to ensure that the businesses that you intend to compare price quotes with are not on this list. So, be sure to review the **state list of debarred vendors**. If the vendor who you plan to purchase from is on this list, you should not purchase from that vendor. This list can be found in the Controller's Office.

PROPERTY RECORDS

The Deputy City Controller, in conjunction with appropriate City Staff, shall establish a procedure for maintaining an up-to-date property and inventory record of all equipment, except expendables, held by the City and for the disposal of obsolete surplus or non-movable materials, supplies, and equipment.

CONFLICT OF INTEREST

No official or employee of the City shall be interested financially in any purchase or contract secured by the City. This also precludes acceptance of gratuities, financial or otherwise, by the above persons, from any supplier of materials, supplies, equipment, or services to the City, the sharing of bids, or specifications with potential bidders prior to the competitive process, and assisting a supplier or firm to win a contract award prior to or during the competitive process.

FEDERALLY FUNDED PURCHASING CONFLICT OF INTEREST STATEMENT

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents can neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be applied for violations of such standards otherwise.

The City Controller's Office or designee shall develop a procedure for review of procurement practices or activities upon receipt of an inquiry or allegation of violation of this policy following its adoption.

MINORITY AND WOMEN OWNED BUSINESS

To the extent possible, the City of Ithaca will encourage contracts with minorities and women-owned businesses, and the City will not discriminate against contractors because of race, creed, color, national origin, sex, age, disability, or marital status, or sexual or affectional preference and will continue existing programs of affirmative action to ensure that minorities are afforded equal opportunities without discrimination.

EXCEPTIONS TO GENERAL PURCHASING STANDARDS

Internal control involves not only compliance with required purchasing procedures, but also affects the paperwork necessary. "Over-papering" can ruin the effectiveness of the system almost as quickly as non-compliance. The authorized dollar limits, requirements of quotations, and utilization of purchase orders are waived for the following exceptions, established upon a determination of operational efficiencies and economics:

1. Purchases under \$500
2. Office supply orders
3. Petty cash reimbursements
4. Utility Bills
5. Maintenance, Repairs and Parts (up to \$5,000)
6. Interdepartmental Charges
7. Postage Costs
8. Memberships & Dues
9. Subscriptions
10. Mileage, Travel, Conference reimbursements
11. Other expenses determined by the purchasing agent or designee on an individual basis.

EMPLOYEE FRAUD

Policy Statement: An act of fraud is committed if an employee of the City negotiates a personal procurement by fraudulent use of a City requisition number, purchase order number or procurement card.

If an employee claims a purchase is on behalf of the City of Ithaca, when in fact the purchase was made solely for personal use, an act of fraud has been committed. By making a personal procurement from State Contracts, an act of fraud has also been committed. By committing an act of fraud, the employee is subject to disciplinary action and/or prosecution.

BUY LOCAL POLICY

On March 7, 1979 the Common Council passed the following resolution regarding a "buy local" policy:

RESOLVED, That this Common Council establishes the policy that all City agencies and departments will purchase supplies, materials, and equipment within the City of Ithaca pending availability of comparable quality and price.

ENVIRONMENTALLY PREFERABLE PURCHASING

It is the policy of the City of Ithaca to require purchase of products and services that minimize environmental and health impacts, toxics, pollution, and hazards to worker and community safety and to the larger global community to the greatest extent practicable; however

It is not the intent of this policy to require a department, buyer or contractor to take any action that conflict with local, state or federal requirements or to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.

Environmentally Preferable Purchasing is an important component of this policy, effective December 19, 2011, and will guide City efforts to meet the following goals:

- minimizing health risks to City staff and residents,
- minimizing the City's contribution to global climate change,
- improving air quality,
- protecting the quality of ground and surface waters, and
- minimizing the City's consumption of resources.

Further, Environmentally Preferable Purchasing is adopted and encouraged by the City in order to:

- purchase products that include recycled content in order to support strong recycling markets,
- institute practices that reduce waste by increasing product efficiency and effectiveness, use products that are durable and long-lasting, and reduce materials that are landfilled,
- purchase products and institute practices that conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, and use recycled wood and wood from sustainably harvested forests,
- purchase energy from renewable or green sources in preference to fossil fuels,
- purchase products that are free of mercury and lead and eliminate the use of other persistent bioaccumulative toxic chemicals where possible,
- increase the use and availability of environmentally preferable products, services and distribution systems that protect human health and the environment,
- support emerging and established manufacturers and vendors that reduce environmental and human health impacts in their services and production and distribution systems, and
- create a model for successfully purchasing environmentally preferable products and services that encourages other buyers and consumers in our community to adopt similar goals.

Specifications for Environmentally Preferable Purchasing

A. Source Reduction:

The City of Ithaca shall institute practices that reduce waste and result in the purchase of fewer products whenever practicable and cost-effective, but without reducing safety or workplace quality.

City departments shall purchase remanufactured products (i.e. for equipment and vehicles) whenever practicable, but without reducing safety, quality or effectiveness.

Products that are durable, long lasting, reusable, refillable, recyclable or otherwise create less waste shall be selected whenever possible.

Vendors shall be required to minimize packaging to the greatest extent practicable. Packaging that is reusable, recyclable or compostable shall be selected when suitable uses and programs exist. The City shall not purchase any polystyrene foam food packaging.

Vendors shall be required whenever possible to take back and reuse pallets and packaging materials. Suppliers of electronic equipment shall be required to take back equipment for reuse or environmentally safe recycling when the City discards or replaces such equipment, unless the City deems it worthwhile to send the equipment to a non-profit organization for reuse.

ALL documents shall be printed and copied on both sides to reduce the use and purchase of paper, unless needed to be single sided as per legal requirements. The Information Technology staff shall provide guidance to City departments and staff for setting duplexing as the default on each workstation, when feasible, or train employees to use this option, for all capable printers.

B. Toxics Reduction and Pollution Prevention:

City departments shall purchase energy-efficient products and consider "less toxic alternatives" when purchasing products such as cleaning products, pesticides and herbicides.

To the maximum extent practicable, all cleaning or disinfecting products (i.e. for janitorial or automotive use) shall (i) meet Green Seal Standards for environmental preferability and performance, (ii) be products delineated on the NYS OGS Green Cleaning Product List, or (iii) meet NYS OGS guidelines and specifications for green cleaning products. When contracting with new supply vendors, the City shall encourage training of its janitorial staff.

Purchasing products containing persistent bio-accumulative toxic chemicals (PBTs) shall be avoided, where alternatives exist.

When maintaining buildings and landscapes, the City shall manage pest problems through prevention and physical, mechanical and biological controls and use least toxic chemical pesticide products only after safer approaches or products have been determined to be ineffective.

When maintaining buildings, the City shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde when purchasing materials such as paint, carpeting, flooring, adhesives, furniture and casework.

The City shall purchase products and equipment with no lead, cadmium or mercury whenever possible. For products that must contain lead or mercury because no suitable alternative exists, preference shall be given to those products with the lowest quantities of these metals and to vendors with established lead, cadmium and mercury recovery programs.

The purchase of all pentachlorophenol, arsenic and creosote treated wood is prohibited.

When replacing vehicles, the City shall lease or purchase only the most fuel-efficient models available that are suitable for each task and through carsharing and carpooling, shall minimize the number of vehicles purchased, as referred to in the "Green Policy for the City of Ithaca Fleet". To the extent practicable, the City shall use renewably-derived fuels or fuels that are cleaner and less-polluting than gasoline and conventional diesel fuel, including biodiesel, natural gas and electricity.

C. Recycled Content Products:

It is the policy of the City to purchase and use recycled products to the extent that such use does not negatively impact health, safety, or operational efficiency. A 10% price preference may be given to recycled content products based on the lowest bid or price quoted by the suppliers offering the competing non-recycled content products.

All products purchased for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines shall contain the highest postconsumer content practicable, but no less than the minimum recycled content standard. These guidelines can be obtained at the U.S. EPA Website at the following address:

<http://www.epa.gov/epawaste/conservetools/cpg/products/index.htm>

Copiers and printers purchased shall be compatible with the use of recycled content and remanufactured products.

City departments will favorably consider the selection of other recycled content and renewable materials, products and supplies over their non-recycled content and non-renewable alternatives whenever availability, fitness, operational efficiency, quality, safety, and price are equally acceptable. The list of materials, products and supplies shall include, but not be limited to, business office products, compost, fuels, mulch, asphalt, transportation products (e.g. signs, cones, delineators, and barricades), and other items.

All pre-printed recycled content papers intended for distribution that are purchased or produced shall contain a statement that the paper has recycled content. Whenever feasible, the statement should indicate the percentage of postconsumer recycled content it contains.

D. Energy and Water Savings:

New and replacement equipment for lighting, heating, ventilation, refrigeration and air conditioning systems, water consuming fixtures and process equipment and all such components shall meet or exceed Federal Energy Management Program (FEMP) recommended levels, whenever practicable.

All products purchased by the City and for which the U. S. EPA Energy Star certification is available shall meet Energy Star certification. When Energy Star labels are not available, products shall meet or exceed the FEMP recommended levels.

When energy is purchased, renewable or green sources are preferred. These include solar power or photovoltaics, wind power, geothermal, and hydroelectric energy sources and do not include fossil fuels (coal, oil or natural gas).

Demand water heaters shall be purchased whenever practicable.

Energy Star and power-saving features for copiers, computers, monitors, printers and other office equipment shall be enabled during the initial installation and shall remain enabled unless these features conflict with the manufacturer's recommended operation and maintenance of the equipment, or its specific operational use.

E. Landscaping:

All landscape renovations, construction and maintenance by the City, including workers and contractors providing landscaping services for the City, shall employ sustainable landscape management techniques for design, construction and maintenance whenever possible, including, but not limited to, integrated pest management, grasscycling, drip irrigation, composting, and procurement and use of mulch and compost that give preference to those produced from regionally generated plant debris and/or food waste programs.

Plants should be selected to minimize waste by choosing species for purchase that are appropriate to the microclimate, species that can grow to their natural size in the space allotted them, and perennials rather than annuals for color. Native and drought-tolerant plants that require no or minimal watering once established are preferred.

Hardscapes and landscape structures constructed of recycled content materials are encouraged. The City shall limit the amount of impervious surfaces in the landscape, wherever practicable. Permeable substitutes, such as permeable asphalt or pavers, are encouraged for walkways, patios and driveways.

When available, the City shall purchase landscaping equipment that is not dependent on the use of fossil fuels.

F. Forest Conservation:

To the greatest extent practicable, the City shall not procure wood products such as lumber and paper that originate from forests harvested in an environmentally unsustainable manner. When possible, the City shall give preference to wood and wood products that are certified to be sustainably harvested by a comprehensive, performance-based certification system. The certification system shall include independent third-party audits, with standards equivalent to, or stricter than, those of the Forest Stewardship Council certification.

Implementation - Department heads shall implement environmentally preferable purchasing practices, in accordance with this section of the policy, in coordination with the Controller's Office and other appropriate City personnel.

Whenever possible, the City will use recognized eco-labels and standards to make purchasing decisions.

Wherever feasible and appropriate, life cycle cost analysis should be used by City departments and staff to assist in selecting products and services. "Cost" shall be calculated over the life of the item and should consider initial acquisition costs, useful life, costs of maintenance and operation over the useful life, and costs of disposal and/or replacement at the end of the useful life, rather than initial acquisition costs alone.

Successful vendors or bidders shall certify in writing that the environmental attributes claimed in bids or price quotes are accurate.

Although not the lowest proposal or price quoted by suppliers, City departments and staff may nonetheless purchase a product that adheres to the environmentally preferable purchasing specifications stated in this Section, if there is "prudent and economical use of public moneys in the best interests" of City taxpayers. Such determination of "best interests" may include full consideration and comparison of product life cycle costs (including product maintenance, operation and disposal costs), as described above. A further consideration may include direct and identifiable benefits to taxpayers, other than product cost (for example, the cost of permeable pavers might exceed the cost of asphalt paving, yet the use of permeable pavers could mitigate storm water run-off and reduce the potential for flooding and infrastructure damage in low-lying areas). Justification for a determination of "best interests" shall be documented by City departments and staff and submitted to the Controller's Office prior to the purchase of products or services.

If the buyer making the selection from competitive bids or the requesting department seek to purchase products that do not meet the environmentally preferable purchasing criteria in this Policy, the buyer shall provide a written justification to the Controller's Office (or designee) for why compliance is not practicable, e.g., the product is not technically practical, economically feasible, or available within the timeframe required.

Vendor contracts shall be negotiated in light of the requirements of this policy. If a vendor that is under contract to the City of Ithaca is no longer able to provide a product that meets the City's environmentally preferable specifications, it shall notify the appropriate city representative and provide written justification for why compliance is not practical. Prior written consent from an authorized City representative shall be required before substituting any alternative product or service.

Training of buyers and other relevant city staff, vendors, contractors and grantees shall include instruction on the environmentally preferable purchasing requirements of the Policy.

The DPW Stock Room has made significant efforts to implement an environmentally preferable or green purchasing program for most cleaning and janitorial products supply. All City departments are encouraged to order and purchase such products through the Stock Room, to the extent practicable.

SWEATSHOP-FREE PROCUREMENT

Effective January 1, 2012, the City of Ithaca and every department and division within the City government shall take all steps within its authority to ensure that, whenever possible, City purchases of apparel or textiles, in excess of \$1,000, are from contractors or suppliers confirmed to be "sweatshop-free" – i.e., whose products are confirmed by a credible, independent source to be manufactured or assembled without violating the wage and hour, labor, safety, health, environmental, building, fire, or anti-discrimination laws, rules, codes, regulations or standards that are applicable in the country of manufacture or assembly, or that are contained in the International Labour Organization (ILO) Core International Labour Standards (whichever is stricter).

POLICY ON SWEATSHOP-FREE PROCUREMENT OF APPAREL AND TEXTILES

Any purchasing contract for the procurement of apparel or textiles shall comply with all applicable federal, state, and local laws and regulations, including the City of Ithaca Purchasing Policy and Chapter 39 of the Municipal Code of the City of Ithaca.

1. To the extent allowed under General Municipal Law, Section 103, the City of Ithaca and its departments shall only purchase apparel or textiles confirmed to be sweat-shop free, as those terms are defined herein, unless:
 - a) The Controller certifies that no confirmed sweatshop-free apparel or textiles are available and that the acquisition of the apparel or textiles sought is essential or time-sensitive, the contracting agency may select a supplier that is not confirmed to be sweatshop-free; or
 - b) The purchase of apparel or textiles is for less than \$1,000.
2. For purposes of this revision, "sweatshop-free" shall refer to apparel or textiles that are manufactured or assembled without violating laws, rules, codes, regulations or standards regarding wage and hour, labor, safety, health, environmental, building, fire, or anti-discrimination, that are applicable in the country of manufacture or assembly, or that are contained in the ILO Core International Labour Standards (whichever is stricter).
3. Apparel or textiles may be confirmed to be sweatshop-free by:
 - a) Certification or otherwise credible data, information, or reports submitted to the City Controller from the Sweatfree Purchasing Consortium or its agency members;
 - b) Certification or otherwise credible data, information, or reports submitted to the City Controller from another comparable independent monitoring organization as selected by the Common Council or its members; or
 - c) Self-certification by affidavit of the supplier or vendor that the apparel or textiles are sweatshop-free, provided that such certification is not contradicted by credible information received by the City Controller.
4. As a member of the Sweatfree Purchasing Consortium, the City will receive information from the Sweatfree Purchasing Consortium regarding manufacturers, contractors, subcontractors, suppliers, or vendors found to have violated human rights or labor standards. The City Controller shall advise Department Heads of violation information from the Sweatfree Purchasing Consortium, and Department Heads shall provide such information to all staff in a position to purchase City-required apparel.
5. The City encourages its officials and staff to strive to uphold the standards of the City Policy Statement on Sweatshop-Free Procurement of Apparel and Textiles, in making purchases of work-related apparel.

COOPERATIVE PURCHASING

On November 4, 2015, Common Council approved authorization to enter into Purchasing Cooperative Agreements as follows:

WHEREAS, General Municipal Law §103 authorizes the City to purchase apparatus, materials, equipment and supplies, including vehicles, and to contract for services related to the installation, maintenance or repair of those items, through the use of contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein so long as the contract is let in a manner that constitutes competitive bidding consistent with state law; and

WHEREAS, City Departments have identified savings on certain products offered through purchase cooperatives run by state political subdivisions (school districts, municipalities, etc.) issuing public competitive bids and awarding

contracts for various public safety, public works, communication products and services, and other products, and which contracts are then made available to local governments through membership in the cooperative; and

WHEREAS, to purchase through such purchasing cooperatives, the City must typically execute an agreement to participate; now, therefore be it

RESOLVED, That the City's purchasing policy be amended to authorize the Mayor, upon the consultation and advice of the City Attorney and the City Controller, to enter into purchasing cooperatives agreements with other governmental entities or political subdivisions, where there is no fee to the City to become a member, and where the cooperatives and their underlying bidding procedures meet the requirements of General Municipal Law §103.

AUTHORIZED EQUIPMENT LIST POLICY

On September 14, 1989, Common Council approved the following resolution relating to the Authorized Equipment List:

WHEREAS, the authorized equipment list threshold has heretofore been \$200, whereby all purchases in excess of said amount have required Common Council authorization, and

WHEREAS, various departments of city government have requested a review and reconsideration of the \$200 minimum authorized equipment list amount in view of inflationary effects on equipment items; now, therefore, be it

RESOLVED, That the minimum authorized threshold be increased to \$500, effective immediately.

For equipment purchases under \$500, the department head will submit the equipment request to the Controller's office for review and approval.

SALE OF SURPLUS PUBLIC EQUIPMENT POLICY

When public equipment is sold by the City, the following procedures must be adhered to:

1. Equipment deemed surplus by a City department must be surplus to all City departments. Departments must check with other City departments to determine if another department can use the surplus equipment. If another department can use the equipment, the appropriate transfer of equipment, accountability and financial activity will be made by the departments and the Controller's office.
2. If the equipment is deemed City surplus, City-wide, the equipment may be sold or placed in a City auction for sale.
3. Selling Procedure: Department establishes specifications of equipment for sale and a sealed bid equipment sale is performed through the City Controller's Office. The sale must be advertised in the City's official newspaper and sealed bids must be received. The sale of equipment will be awarded to the highest bidder. Cash or certified check will be accepted by the City. The proceeds of the sale will be placed into the appropriate City fund and account.
4. Equipment, deemed surplus, can also be placed in a city or municipal auction. The proceeds of the sale will be placed into the appropriate City fund and account.

WICKS LAW

Separate specifications for contracts involving the erection, construction, reconstruction, or alteration of buildings, when the entire cost of the work exceeds \$500,000, shall be prepared for the following work to be performed:

- A. Plumbing and gas fitting;
- B. Steam heating, hot water, ventilating and air conditioning apparatus (HVAC);
- C. Electric wiring and standard illuminating fixtures;
- D. General Construction.

These specifications shall be written as to permit separate and independent bidding for each of the four areas of work. Building requirements as explained earlier in this document will pertain to each bid.

EMPLOYEE TRAVEL

On occasion, an employee may be required to travel out of the City for City business. When this occurs, the employee will be reimbursed travel expenses.

Process

Travel by an employee must be approved by Department Heads. Once approved, a Travel Authorization Request form must be filled out. The Travel Authorization Request form should contain the following information:

- Name and Title of Employee,
- Department,
- Account to be Charged,
- Destination (city/town) and Purpose of Travel,
- Dates of Travel,
- Estimate of Transportation Cost Information (whether it be by City or personal vehicle, plane, etc.),
- Estimate of Lodging Costs,
- Estimate of Meals Costs,
- Registration Fees, if applicable,
- Total Cost of Travel,
- Current Budget Balance of account to be charged, and
- Signature of Department Head

Two copies of the Travel Authorization Request form are to be submitted to the Controller's Office at least two (2) weeks prior to travel. The Controller's Office will then review the request and the account to which the travel will be charged. If the budget allows for the expense, the Controller's Office will sign both copies and return one copy to the requesting department and forward the other copy to the Accounts Payable Coordinator.

Once approved, the requesting department will proceed with a purchase order and voucher as required within the purchasing policy.

Employee Responsibility

It is the responsibility of the employee to retain all receipts during the time of travel. Receipts shall be itemized. Credit Card receipts showing the total of a purchase will not be accepted.

Upon return of the employee, a voucher may be used with receipts attached, to receive reimbursement of the expenses. Gratuities (up to 18%, pre-tax), taxes on meals and tax on gasoline for City vehicles will be refunded to the employee. If a private vehicle is used, mileage will be reimbursed at the current IRS rate. **The City will not reimburse expenses for movies viewed in a hotel, alcohol or tax on alcohol for any reason.**

CREDIT CARD POLICY

Credit Cards are issued by name to individual employees and generically to Departments and cannot be transferred to, assigned to, or used by anyone other than the designated employee. As the liability for the Credit Card resides with the City and not the cardholder, use for personal purchases is strictly prohibited.

In addition, the Credit Card cannot be used for certain restricted items as indicated in the "Unauthorized Card Use" section of the Policy/Procedures manual. Fraudulent and/or misuse of the card is grounds for cancellation of Credit Card privileges and may lead to disciplinary action, up to and to include termination of employment.

Any IT purchases must be approved in writing by the IT Director.

The Department Head is responsible to closely audit all Credit Card transactions for the department. The Controller's Office will perform periodic audits of Credit Card transactions.

The Controller, as fiscal officer of the City, is the only position authorized to enter into a credit card agreement. The City Controller provides final approval to all Credit Card applications after the applicant signs the cardholder agreement form.

A more detailed Credit Card Policy is distributed to cardholders at the time the card is given to the employee or Department and provides additional guidance on allowed and unallowed purchases.

FEDERAL PURCHASING REGULATIONS

Any purchases to be made using State or Federal funding must be completed and monitored according to the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Award (2CFR 200). A link to the CFR can be found below:

<https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html>

All Federal Grant usage within the City of Ithaca is privy to these policies and procedures due to the fact that the City of Ithaca exceeds the annual threshold for this requirement.

For the purchasing of goods and services using Federal funding, all City of Ithaca Purchasing Policies and Procedures are to be followed.

In addition, the following procedures must be followed:

1. Vendors must be vetted using the U.S. Federal Government's System for Award Management (SAM) before the purchase and/or contract is completed. Vendors must be run through this system before each purchase to ensure that they are not suspended or debarred from federally funded transactions. If a department is going to make a purchase using Federal funding, they must notify the Controller's Office or the City Controller and request a vendor check before the purchase is made. All vendors will be required to register on the SAM website.
2. Bonding Requirements (when required to comply with 2 CFR Section 200.325) for work performed are as follows:
 - a. Bid Bond 5% of total bid
 - b. Performance Bond 100% of total bid
 - c. Payment Bond 100% of total bid

It is the responsibility of the requesting Department Head to ensure that all Federal Purchasing Regulations are followed for the purchase and the monitoring of contractor performance as a result of that purchase.

AUTHORIZED LIMITS AND CONTROL

Annually, the authorized limits for purchasing transactions shall be reviewed, evaluated and adjusted to more accurately reflect the market pricing, inflation, processing expenses, applicable laws, and the City's utilization experience.

The following authorized dollar limits are effective **April 4, 2018**. These limits are applicable per total purchase transaction, provide for departmental delegation and discretion, and require documentation as specified:

Type of Contract

Purchase of Materials,
Supplies, and Equipment

Public Works
Contract

Transaction Dollar Limit

Process

\$1 – 500

\$ 1 - 500

Vendor selected by Department and processed for payment on a claims voucher. Selection of vendor based on lowest price is encouraged.

Purchase order not required, but may be necessary for certain vendors.

*If applicable, Department enters Purchase Order No. into computer system and/or Purchasing Department enters purchase order.

\$501 – 2,500

\$ 501 – 5,000

At Department's discretion; either Department or Controller's Office obtains documented telephone/verbal/Fax quotes from at least three separate vendors (if available).

Recommend low quote be written and documentation for any exceptions needs to be included.

*If applicable, Department enters Purchase Order No. into computer system and/or Purchasing Department enters purchase order.

Controller's Office issues purchase order.

\$ 2,501 – 9,999

\$5,001 – 19,999

Department or Controller's Office obtains written/fax quotations from at least three (3) separate vendors (if available).

*If applicable, Department enters Purchase order No. into computer system. Lowest quote should be selected; if not, documentation must be provided.

<u>Purchase of Materials, Supplies, and Equipment</u>	<u>Type of Contract</u>	<u>Process</u>
<u>Transaction Dollar Limit</u>		
\$20,000 and above	Public Works Contract	<p>Department and/or Controller's Office prepares and completes written specification.</p> <p>Controller's Office advertises for competitive sealed bids in conformance with General Municipal Law, Section 103.</p> <p>Bids opened publicly in conformance with General Municipal law, Section 103.</p> <p>Lowest responsible bidder meeting bid specifications will be selected. A bid file will be established and retained by the Purchasing Department. If lowest responsible bidder is not selected, reasons must be documented and agreed upon by the Controller's Office.</p> <p>Contract or purchase order issued by Purchasing after appropriate approval by Boards and/or Dept. Heads.</p>
	\$35,000 and above	

CITY OF ITHACA BIDDING PROCEDURES

General Municipal Law Section 103 requires that any purchase of like or similar items in excess of \$20,000 aggregate be submitted for public competitive bid. Likewise, any public works project requiring materials and labor in excess of \$35,000 is required to be put out for public competitive bids. The law also states that if Local Laws are more stringent than State Laws then the Local Law shall be adhered to. The strictest law shall be used. The City Controller's Office or designee shall be responsible for all required public advertising and competitive bidding; shall conduct all bid solicitations and openings; and secure the recommendations for awarding contracts from the appropriate official. Opportunity shall be provided to all responsible suppliers to do business with the City. To this end, the City Controller's Office or designee shall develop and maintain lists of potential suppliers (bidders list) for various types of materials, supplies, equipment, and services. Lists shall include and highlight all environmentally responsible suppliers. Such lists shall be used to develop mailing lists of potential suppliers and for distribution of specifications, drawings, and invitations to bid. Any supplier may be included on the list upon request. When soliciting bids, a statement of "Information to Bidders" shall be included with all specifications submitted to suppliers. The information to bidders shall be incorporated in all contracts awarded for the purchase of materials, supplies, equipment, and services. The statement shall assist bidders with general information included in the bid. All contracts which require public advertising and competitive bidding shall be awarded as provided by State law and consistent with policies and procedures of the City attached hereafter. Recommendation for awarding contracts shall be submitted by the appropriate official.

- A. Specifications shall be developed to a minimum standard, which will allow greater participation by vendors in the sealed bid process. Specifications that are too precise and do not allow for competition are not in keeping with the intent of General Municipal Law Section 103 and may result in lawsuits against the City.
- B. Brand names can be used in bid specification. If the Controller's Office is supplied with a brand name, the buyers will generally specify "brand name or equal" on the bid. A brand name gives the parties involved an idea of what type and quality of product is required. In many cases, several distributors can supply a given brand. The most important features or requirements must be addressed, since no two brands are identical. In all aspects, describe which aspects are needed for any product offered to be equivalent. Make it clear at the outset what would be considered "equivalent"..
- C. The issuance of plans and specifications and other bid documents, and the receiving of mailing fees, deposits, bid bonds, or certified check, and contract bonds will be handled by the Controller's Office generally, and/or the appropriate City officials, when required by law. **Bid documents can also be obtained on the City's website at www.cityofithaca.org/bids - the documents can be downloaded for free.** Deposits on plans and specifications for bids (when a deposit is required) – The City must refund entire bid deposit with return of plans and specifications in good condition within 30 days from unsuccessful bidder. If unsuccessful bidder picks up more than one set of plans, then we are to return deposit less cost of reproducing the additional sets. If nonbidder returns sets, no matter how many sets, we are to return the deposit less cost of reproduction.
- D. Performance bonds shall be required when bidding capital improvement or public works projects. Bidders are required to submit their performance bonds before, or at the time that they sign a contract. This bond will ensure that the bidder performs their duties as agreed upon between the date of the award and the set date of completion of the contract.
- E. Prevailing wages (obtained by the Controller's Office) consist of pay scales that have been bargained for by the various unions through the State and are set by the New York State Department of Labor. Vendors must pay these rates to those employees who work on public works projects in any municipal facility. There is no dollar threshold where these wages do not apply. In having vendors submit quotes, it is extremely important to make sure that they understand that prevailing wages apply for any public works project, regardless of the cost of the contract. In addition, for projects that are Federally funded, wage rates in compliance with the Davis-Bacon Act must be followed.
- F. The Controller's Office shall prepare and place the bid advertisement for the receipt of bids in the City's official newspaper on such a purchase contract or a public works contract after authorization to proceed by the appropriate City officials. At least five days shall elapse between the first publication of such advertisement and the date so specified for the opening of the bids. Advertisement shall contain a statement of the bid time and place. As a general rule, use three weeks as the time between the bid advertisement and the bid opening.
- G. An addendum will be issued to clarify the bid requirements and/or the bid specifications. When a discrepancy, ambiguity or omission is revealed, an addendum will be issued to clarify the bid requirements. The addendum is sent by fax, email or mail to all vendors that received the bid. The Controller's Office will make every effort to ensure that the appropriate vendors receive addenda. The addendum procedure can also be used to extend the bid date to give the vendors/contractors sufficient time to submit a responsible bid.

- H. The City Controller's Office (or designee) shall open all bids and read them publicly at the advertised time during regular business hours at City Hall, 108 East Green Street, Ithaca, New York.
- I. The Controller's Office and/or appropriate City officials shall review bid documents to determine the lowest responsible bidder meeting the specifications so that a recommendation for an award can be made at the next regular meeting date or committee-of-the-whole meeting with power to act of a particular board or the Common Council.
- J. When an award is made by the appropriate board or Common Council, the Controller's Office and/or applicable department shall arrange for the execution of the contract documents by the contractor, Mayor and any other applicable City Official.
- K. Award will be made to the lowest responsible bidder. The term "responsible" means: financially responsible; accountable; reliable; sufficient resources; skill; judgment; integrity; responsive; and moral worth. In deliberating the responsibility of a bidder, contractor or a sub-contractor, all contracting agencies shall give due consideration to any credible evidence or reliable information regarding the guidelines set forth in Chapter 39 of the City Code.

STANDARDIZATION

Section 103 of the General Municipal Law makes it possible for the City to standardize on a particular type of material or equipment. The resolution, approved by Common Council members, shall state that for reasons of efficiency or economy there is a need for standardization. The resolution shall contain a full explanation supporting such action.

The adoption of such a resolution does not eliminate the necessity for conformance to the competitive bidding requirements.

Standardization, as the word implies, restricts a purchase to a specific model or type of equipment or supply. An example of standardization would be the limiting a purchase of trucks to a particular make or model on the basis of past performance and/or future plans.

EXCEPTIONS TO BIDDING PROCEDURES

Pursuant to General Municipal Law, Section 104-b(2)(f), the procurement policy may contain types of procurement for which, or circumstances when, at the sole discretion of the governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the City. In the following circumstances, it may not be in the best interests of the City of Ithaca to solicit quotations, or document the basis for not accepting the lowest bid:

EMERGENCY EXPENDITURE/CAPITAL PROJECT PROCEDURE

An exception to the required competitive bidding requirements exists for emergency situations. Three basic statutory criteria must be met in order for a procurement to fall within the emergency exception: (1) the situation arises out of an accident or unforeseen occurrence or condition; (2) public buildings, public property or the life, health, safety or property of the City are affected; and (3) the situation requires immediate action, which cannot await competitive bidding.

The department head, in conjunction with the City Controller's Office or designee, must review the circumstances of the capital expenditure and determine that the situation is an emergency as defined previously. If an emergency is declared, the approval by the existing Board (BPW) and Common Council must be made by resolution stating that a public emergency exists.

If a public emergency is declared, then the competitive bidding requirements will be waived, but the following procedures must occur to assure that purchases are made at the lowest reasonable costs practicable under the circumstances:

- 1. The informal solicitation of verbal quotes by at least three (3) qualified contractors/vendors, or as many as practicable, followed up by a written quotation.
- 2. Department head and staff make recommendations of award of contractor to the City Controller's Office or designee. If the lowest quote was not selected, reasons for such must be documented.
- 3. Award of contractor, based upon recommendations by staff, department head, and purchasing agent, should be made by resolution at the applicable Board meeting.
- 4. A contract, with an amount not to exceed, must be entered into between the contractor and the City.
- 5. Any change orders to the contract must be properly reviewed and approved by the appropriate City personnel.

PROFESSIONAL SERVICES

Generally, professional services involve specialized expertise, use of professional judgment and/or a high degree of creativity. The individual or company must be chosen based on accountability, reliability, integrity, and moral worth. These 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. In addition, although it has been held that the exception may apply, in proper circumstances, to contract with a corporation. In these instances the services generally are to be performed by particular designated individuals. Finally the courts have noted that professional service contracts often involve a relationship of personal trust and confidence. Among the services which have been held to be exempt from competitive bidding under this exception include, but are not limited to, the following: other physicians, psychiatrists, psychologists, pharmacists, engineers, surveyors, accounting firms, attorneys, architects, and individuals who supply a service that requires specific training to perform a task that is unique and not readily available from most sources. Negotiations for all services which are not determined to fall under the RFP process shall be determined by appropriate staff of the City of Ithaca.

In determining whether a service fits into this category, the appropriate City official shall take into consideration the following guidelines: (a) whether the services are subject to State licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and municipal 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 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; Bonding Attorney 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. Other professional services related to specified projects or contracts will be examined on an individual case basis.

The City will solicit proposals for professional services on the City's General Services every three years or as the Controller's Office deems necessary. Extension of contracts can be made by appropriate authorization from Common Council.

MANDATED SOURCES

Sources include the Department of Correction, Industries for the Blind of New York State, and the N.Y.S. Industries for the Disabled.

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 shown:

1. Unique benefits of item needed;
2. No other product/service can compare;
3. Cost is reasonable as compared to product offered;
4. There is no competition available.

STATE/COUNTY CONTRACTS

The City can purchase (and, in fact, is encouraged) from **New York State Contracts**. The contract must have the applicable P#. The City can purchase from County contracts if the County has passed appropriate resolution stating availability to local municipalities.

PIGGYBACKING

Effective August 1, 2012, a new subdivision 16 was added to General Municipal Law (GML) § 103 to authorize political subdivisions and districts therein to purchase apparatus, materials, equipment and supplies, and to contract for services related to the installation, maintenance or repair of those items, through the use of contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein. The contract must be made available for use by other governmental entities.

LEASES

Prices will be negotiated between the City of Ithaca and the lessor.

COOPERATIVE PURCHASING

General Municipal Law §103 authorizes the City to purchase apparatus, materials, equipment and supplies, including vehicles, and to contract for services related to the installation, maintenance or repair of those items, through the use of contracts let by the United States or any agency thereof, any state or any other political subdivision or district therein so long as the contract is let in a manner that constitutes competitive bidding consistent with state law; also known as Cooperative Purchasing. The City is allowed to enter into purchasing cooperatives agreements with other governmental entities or political subdivisions, where there is no fee to the City to become a member, and where the cooperatives and their underlying bidding procedures meet the requirements of General Municipal Law §103

The decision that a purchase is not subject to competitive bidding will be documented, in writing, by the individual making the purchase. This documentation may include: written or verbal quotes from vendors; a memo from the purchaser indicating how the decision was reached; 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 which is appropriate.

REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES PROCEDURE

A more detailed version of a formal quote, which is usually used when contracting for a professional service, is a Request For Proposal (RFP). An RFP should include the following:

1. A work statement or performance specification detailing what is required.
2. Evaluation *criteria* by which proposals will be judged. Frequently the criteria are divided into three main categories:
 - a. Managerial capability
 - b. Technical acceptability
 - c. Approach in meeting performance requirements and reasonableness of price.
3. Once criteria have been determined, the amount of *weight* each element will carry should be determined. This weight information can be included in the RFP document or the criteria can be presented from most important to least important. (Optional)
4. Time frames within which the work is to be completed.

Proposals are typically judged on the vendor's ability to do the work specified and in the time frame specified and based on their experience, personnel and past performance. After determining which vendors meet these criteria, price is then considered.

The three most common ways to award a RFP are as follows:

1. Award to the most responsive vendor and negotiate price.
2. Select two or three of the most responsive proposals and request sealed bid pricing for the proposals and award to the vendor submitting the lowest price.
3. Award to any firm the City feels can perform the job.

Transaction Dollar Limit	Process
\$1 - \$999	Informal – Department and/or Purchasing telephone one qualified supplier to discuss scope of work, negotiate price and award the contract.
\$1,000 - \$2,999	Informal – Department and/or Purchasing telephone a minimum of three (3) qualified suppliers, discuss various approaches and request proposals in the form of letters. Evaluate the proposals and award a contract.
\$3,000 - \$19,999	Informal – Department and/or Purchasing issue a letter to at least five (5) suppliers describing your requirements and the selection criteria. Evaluate the proposals, document your decision and award a contract. Keep the process as simple as possible. Award letter and RFP tabulation schedule should be sent to all participating vendors.
\$20,000 and Greater	Formal – Department and/or Purchasing should issue a formal RFP to known suppliers. Advertise locally in the City's official newspaper. Allow at least five (5) days for vendor response to RFP. A three-week time frame is best. If RFP is above \$100,000, should also advertise on the State level (NY Times, NYS Contract Reporter, etc.)

An evaluation committee should be established to review proposals. Award recommendation must go to Common Council for approval, unless the budget has already been approved by Common Council as part of a Capital Project, then award by Common Council is optional. Award letter and resolution must go to vendor. RFP tabulation schedule must be sent to all participating vendors.

Selecting a Winning Proposal:

When selecting a winning proposal, the following criteria should be used:

1. The supplier fully understands the needs and problems of the organization;
2. The supplier knows how to satisfy the needs or solve the problems, and offers a suitable plan;
3. The supplier is well qualified by virtue of experience and resources, including personnel, to carry out the proposed plan;
4. The price asked is reasonable and is within the project's budget. Price can be negotiated.

Protest Procedure for Request for Proposals

1. Changes to RFP will be made by addendum. This addendum shall be mailed so as to be received by potential bidder no less than five (5) days before the proposal due date.
2. Requests for clarification, changes, or protests of the Request For Proposal must be received by the City in writing not less than ten (10) days before the proposal due date.
3. Any approved clarifications, changes, or protests to the RFP shall be sent to all proposers.
4. The City's replies to requests under #2 above will be postmarked at least seven (7) days before the proposal due date.
5. A proposer desiring to protest an award of RFP or any portion of the RFP Procedure shall:
 - A. File a protest in writing to the City of Ithaca Project Manager for this procurement, stating the nature and basis of protest. This protest may cover pre-award, award and post-award phases of procurement, but must be filed no later than thirty (30) days from the date of the City of Ithaca awarding resolution.
 - B. Following the receipt of the written protest, the applicable Department Head or designee, Controller's Office designee and project manager for the procurement shall meet with the aggrieved bidder(s) within five (5) days of receipt of protest, and attempt to resolve the problem.
 - C. If this meeting is unsuccessful in resolving the protest, the matter shall be sent to the City Attorney for resolution.
 - D. If the matter is still unresolved, the protest will be sent to the applicable City Board, Commission or Council for decision. The decision of the applicable Board is final.
 - E. The formal record of the dispute resolution process shall be the minutes of the Board, Committee or Council meeting.

CURRENT PURCHASING PROCEDURES

GENERAL PROCEDURES

- A. With the exception of those purchases made under blanket purchase orders and/or emergency purchases (designated by Common Council and applicable board) or emergency situations (those requiring immediate action), only the person designated by the Mayor and the Common council as Purchasing Agent (or designee) may commit the City for a purchase.
- B. The material, equipment, supplies and/or services to be purchased shall be of the quality and in the quantity required to serve the function in a satisfactory manner, as determined by the requisitioner and the Controller's Office (or designee).
 - 1. When purchasing, the City must consider the following factors in determining the vendor to be selected:
 - 1. Price
 - 2. Quality (durability of goods and equipment)
 - 3. Benefits vs costs
 - 4. Contracting out or in-house work
 - 5. Lease or buy
 - 6. Buying goods that save and /or enhance our environment
 - 7. Buying energy-efficient items
 - 8. Maintenance costs and down time

It is the responsibility of the requisitioner to provide an adequate description of items needed so that the Controller's Office (or designee) may be able to prepare the specifications to procure the desired commodity and/or service. The requisitioner will assist the Controller's Office (or designee) in the preparation of specifications. Standard supply lists of commonly used items shall be jointly developed for all categories or groups of supplies by the Controller's Office (or designee) and the appropriate requisitioners. These lists shall be used as a basis for requisitioning.

- A. It is the responsibility of the Controller's Office (or designee) to make alternative suggestions to the requisitioner if, in the judgement of the Controller's Office (or designee), the specifications would restrict competition or otherwise preclude the most economical purchase of the required items. In the case of disagreement as to the content of the specifications, the Common Council, after reviewing all available data, will make the final decision.
- B. When a low bidder proposes an alternative as an "equal" to that specified, it is the responsibility of the Controller's Office (or designee) in conjunction with the department head involved to determine whether the proposed substitution is, in fact, an equal.
- C. All bids for the City of Ithaca shall be required to include a Bid Sheet which lists: vendor bidding; subject of bids; date of bid opening; detail of bid made including item #, quantity, description, net unit price and net extension price of each item bid, delivery time, and the Waiver of Immunity Clause and Non-Collusive Bidding Certification. The Bid Sheet, Waiver of Immunity Clause and the Non-Collusive Bidding Certification must be signed by the bidding vendor to be considered for award.
- D. Bid files shall be maintained by the Controller's Office and shall include bid specifications and drawings, bid tabulation sheets, bids, award letters, and other appropriate documentation as deemed necessary.
- E. In cases of tie bid between two or more responsible bidders furnishing the required security, the officer, board or agency may award the contract to any of such bidders. The bids can also be rejected and re-advertised.

PURCHASE REQUISITIONS

Purchase Requisitions are being phased out of the purchasing procurement system. The City has established, and is continuing to update a computerized purchase order system. This system eliminated the need for a purchase requisition form for all purchases. A requisition can still be used if so desired.

PURCHASE ORDERS – CURRENT

The primary usage of the Purchase Order (P.O.) is to reserve budget funds for the requested purchase. The P.O. is also one method used by the City to document and pay for the purchase of a commodity, good, or equipment. The Purchase Order form serves as the primary record indicating that materials and or services were received and that payment for such purchases can be made. The P.O. is to be jointly used with the voucher.

HOW TO USE THE PURCHASE ORDER

In all purchases over \$500, the purchase order must be created in order to reserve the funds for that purchase within the department’s budget. Then the voucher form, a separate procedure, is sent to the vendor for acknowledgment of the purchased goods. After the purchase is received, a voucher form signed by the vendor and Department Head is submitted to the Accounts Payable Coordinator for payment.

Purchase orders will be entered into the computerized system by the on-line departments or appropriate City personnel. These purchase orders, depending on dollar value, must comply with previously stated authorized limits and controls. The purchase order system has been designed not to allow purchase orders written without available funds in the applicable account.

Purchase orders will be printed off the computerized system and will be approved for purchase as follows:

<u>Dollar Value</u>	<u>Process</u>
\$1 – 500	No purchase order needed (but can be used if required by vendor; obtained and approved by Controller’s Office (or designee) or Accounts Payable Coordinator or designee. Purchase order approved for appropriate purchase, dollar value, and funds available in account)
\$501 – 1,000	Purchase order obtained and approved by Controller’s Office (or designee) or Accounts Payable Coordinator or designee. Purchase order approved for appropriate purchase, dollar value, and funds available in account.
\$1,001 and greater	Purchase order obtained and approved by Controller’s Office (or designee). Purchase order approved for appropriate purchase, dollar value and funds available in account.

The purchase order is a three-part form, which is routed as follows:

White (original) copy is sent directly to the vendor by the Controller’s Office.

Yellow copy is forwarded to the appropriate department making the purchase.

Pink copy is retained by the Finance Department/Controller’s Office.

Cancellations: If for some reason an order is cancelled the yellow copy and copies of any correspondence should be returned to the Finance Department. This procedure should also be done for partial cancellations.

Blanket Orders: A blanket purchase order is a purchase order made out to one particular vendor for a specific dollar amount, to be used on an as-needed basis when there is no provision to maintain an inventory. Blanket purchase orders eliminate the need to issue separate purchase orders for items purchased frequently from the same vendor. The amount a blanket purchase order is made out for and the length of time it will remain in effect will be determined by the respective department head in conjunction with the City Controller.

Departments must keep a record of their purchases made against the blanket purchase order to ensure that they do not exceed the amount allowed on the purchase order. Any over-expenditure, depending on the circumstances, may not be approved by the Department Head for payment. If it is determined that a blanket purchase order may not be sufficient to cover all purchases to be made in the designated time period, the department should notify the City Controller immediately.

When orders are delivered or picked up the receipts, delivery slips or other documents transmitted by the vendor will be signed by the individual receiving the order. The blanket purchase order number will be placed on the documents which will be kept on file within requesting department.

If a blanket purchase order dollar amount is exceeded, a new blanket purchase order should be generated.

PROCUREMENT DELIVERY/PAYMENT PROCESS (Bid/Non-Bid Purchases)

After the award of a contract and/or the selection of a vendor:

A Contract, if applicable, is to be developed by the appropriate department and executed in accordance with the contract approval process.

The Requisitioning Department will inspect and accept the delivery, unless the nature or complexity of the purchase requires the inspection by the City Controller's Office (or designee).

Any errors or damages in the delivery will be reported to the vendor by the requisitioning department. Consistent or unresolved problems are to be brought to the attention of the Controller's Office (or designee) where the matter will be addressed and resolved.

VOUCHER PROCEDURE

Every purchase, either a purchase of commodities, professional services or public works requires a voucher to be attached to all purchasing documents (i.e. P.O.) in order to confirm payment. The voucher document essentially provides two purposes. The first is to serve as a cover sheet for all documents involved in a single purchase. The second purpose is to provide a form for processing claims for payment. When properly filling out a voucher, it will provide a brief summary of every component of the purchase.

All invoices and signed vouchers will be sent to the requisitioning department by the vendor. The requisitioning department, if applicable, will be sure the service-provided certification has been signed by the vendor, and properly complete the voucher, including: department; Purchase Order number, if any; claimant's name and address; fund appropriation; description of services, and amounts. The voucher and applicable invoice will then be signed by the requisitioning department head(s), and sent to the Accounts Payable Coordinator for audit and payment.

The Accounts Payable Coordinator will develop the audit abstract based upon vouchers and invoices received prior to the audit. The vouchers and invoices must be properly completed, signed and have appropriate documentation to be included in the audit. The vouchers and invoices must be received by the Accounts Payable Coordinator one week prior to the audit dates.

Vouchers and invoices that miss the audit abstract will be held over to the next available audit date. Emergency payments will be limited and only approved by the Controller's Office. A manual check will be written if necessary.

Once the audit abstract is developed, it is then forwarded to the Controller's Office for audit approval. After the signed audit approval, the abstract is sent back to the Accounts Payable Coordinator for payment. Checks will be cut and mailed by the Friday following the audit.

Audits are performed as follows: DPW, Water and Sewer and Joint Activity every two weeks; Fire Department every two weeks; and Common Council, which includes all other departments, every two weeks. Holidays may change audit schedule slightly. A "clean-up" audit shall occur at the end of every fiscal year. A copy of the audit abstract is sent to the appropriate Boards and Council for their review. Audit questions should be brought to the attention of the Controller's Office.

CONTRACTS

Contracts shall be required to have proper signatures per the City's Contract Approval Process. It is the responsibility of the procuring department to circulate contracts on a timely basis to be sure all required signatures are received. Contracts **must** have all applicable signatures prior to commencement of the work or service. Contract payments will be held by the City, if the applicable signatures and/or contract information is not in the contract. The contract must be properly executed.

If amendments to contracts are needed, additional work cannot begin until all required signatures or initials are present on the contract.

CONTRACT PROCEDURE:

Why is a Contract Necessary?

If your purchase is either labor intensive, or is a very complex purchase of equipment or another good, then you should make sure to use a contract during your purchasing process. The purpose of a contract is to ensure that both parties in the transaction agree to negotiated terms and that such document is legally abiding and approved by the City Attorney.

Developing a Contract

The following rules and guidelines should be kept in mind while developing the contract for your purchase.

- a. Standard contract templates can be obtained from the Attorney's office and are also available on the "Q" drive within the City Attorney's folder of the City's Computer Network.
- b. Contracts shall be required to have the proper signatures according to the City's Contract Tracking Procedures prior to the provision of product, work, or service.
- c. It is the responsibility of the Primary Contract Monitor to circulate contracts on a timely basis to be sure that all required signatures are received. See the external policy titled "**Contract Tracking**" for clarification on the Primary Contract Monitor. The contract tracking policy is a separate policy from the purchasing manual, but it is to be used in conjunction with the purchasing policy. See appendix.
- d. Contract payments will be held by the City, if the applicable signatures and/or contract information is not in the contract.
- e. If amendments to contracts are needed, additional work cannot begin until all required signatures or initials are present on the contract.

Developed contract is then sent to the Attorney's Office for review and approval. Allow up to four (4) weeks for the Attorney's Office approval.

Appropriate Board and/or Council resolution to execute contract should be made, if applicable.

Once approved by Attorney's Office and appropriate Board or Council where necessary, the contract is then sent to vendor for signature. Other appropriate signatures will then be needed as per the Contract Approval Policy.

Three copies of contracts should be made and all have original signatures. One copy to Clerk's Office for official filing, one copy to vendor, and one copy to remain in Department.

City contracts should have the following information included in them as a minimum:

1. Date of contract;
2. Parties of contract, including names, addresses and social security numbers, where applicable;
3. Detailed schedule of services to be provided by the contractor;
4. Payment amount in a "not-to-exceed" format. No open-ended payment contracts will be approved.
5. Insurance documentation, including workers' compensation and disability coverage. Certificate of insurance if required.
6. Relationship of contractor to City (fringe benefit clause);
7. Termination of contract language;
8. Hold harmless wording;
9. Anti-discrimination wording;
10. Applicable signatures by City and contractor.

Standard contracts can be obtained from the Controller's Office and Engineer's Office.

Other Contract Information for Larger Public Work Contracts:

1. Table of Contents
2. Bid Advertisement
3. Instructions for Bidders
4. Defined terms
5. Copies of Bidding Documents

6. Qualifications of Bidders
7. Examination of Contract Document and site
8. Interpretations and addenda
9. Bid Security requirements (normally 5% of bid – certified check or bond)
10. Contract time/schedule
11. Liquidated damages provisions
12. Substitute or “Or Equal” items wording
13. Subcontractors, suppliers and others (identity of subcontractors)
14. Bid form (either standard City bid sheet or other)
15. Submission of bid (time, place and how to submit)
16. Modification and withdrawal of bids
17. Opening of bids
18. Bid period to remain subject to acceptance (normally 45 days after bid opening)
19. Award of Contract
20. Contract security (Performance Bonds)
21. Signing of agreement wording
22. Sales and Use Taxes
23. Retainage provisions
24. Equal opportunity clause
25. Non-collusive certification and Waiver of Immunity Clause
26. Iran Divestment Act Certification, and Bidders Qualification Statement
27. Prevailing Wage Rates (Controller’s Office to order wage rates from NYS Labor Department)
28. Estimated quantities clause
29. Applicable form of agreement
30. Certificate of Insurance minimum limits (see attached sample)
31. General/Technical specifications with drawings if applicable
32. Other supplemental conditions as needed

CONTRACT APPROVAL POLICY

Common Council approved the following relating to Contract Approval:

The City Policy for approval and execution of City Contracts is established as follows:

- A. Contracts for amounts less than \$500., when prepared on a boiler plate form contract developed by the City Attorney, shall require approval of signature of both the Department Head giving rise thereto, and of the City Controller for availability of funds. Any deviation from the approved form would require further review and approval by the City Attorney.
- B. Contracts of \$500. or more but less than \$2,000., shall require all the approvals disclosed in A. above, plus the approval of the City Attorney in all instances.

- C. Contracts in the amount of \$2,000. or more shall require all approvals presented heretofore in clauses A and B above, plus the approval of the Mayor and the Chairperson of the City Administration Committee (unless specifically authorized by the applicable board whereby the Mayor's signature would not be required).

This policy shall be effective **April 4, 2018**, and will be reviewed annually by the Controller's Office for possible changes and amendments. All changes and/or amendments to the purchasing policy must be approved by Common Council.