



---

## Niagara Falls Water Board Standard Purchasing Procedures

### PURPOSE

To set forth the Niagara Falls Water Board's (hereafter "NFWB") Policy and Procedures for non-discretionary purchasing.

The primary purpose of this policy is to communicate policies and procedures and to give guidance to those personnel assigned to the purchasing function.

### POLICY

1. All purchasing contracts made by the NFWB shall be made in the best interests of the Board and shall be made for a price not greater than that which is substantially similar to the market price of a like item or items purchased. It is the responsibility of those involved in the procurement of goods and services for the NFWB to comply with all state and local laws and always perform their duties in an ethical manner which will not cast suspicion on the way in which the NFWB operates its procurement system. It is imperative that all NFWB employees involved in the process of procuring goods and services be especially cautious to avoid any appearance of indiscretion or impropriety when dealing with vendors and/or prospective vendors. It is the policy of the NFWB to purchase from a qualified vendor who has submitted the lowest price, regardless of where the vendor is located, assuming all else is equal.
2. All purchasing contracts made by the NFWB shall be evidenced digitally in the Financial Management Software (FMS), or in writing, on a Requisition form which provides a description of the items purchased, the terms of the sale, and the NFWB internal budget account number, and shall be maintained as part of the records of the Board.
3. The NFWB may contract or purchase through non-competitive negotiations under circumstances where a written determination is made that competitive bidding is not feasible, and it is further determined in writing by the NFWB through the office of the Executive Director that one of the following conditions exists:
  - 3.1 An emergency exists which will cause public harm as a result of the delay in competitive procedures.
  - 3.2 There is only a single source within a reasonable geographical area of the goods or services to be procured.
  - 3.3 Services pursuant to a franchise awarded according to law.
  - 3.4 Real property or an interest in real property.
  - 3.5 The contract is for replacement parts where the need cannot be reasonably anticipated and stockpiling is not feasible.
4. If the item to be purchased can only be obtained from one supplier, "Sole Source" shall be indicated in the body of the purchase order. If the purchase is the subject of a



Water Board standardization resolution, "Standardization" shall be noted on the purchase order

5 Purchases from Employees:

- 5.1 The NFWB can, without conflict, purchase goods and/or services from Water Board employees. It is of the utmost importance to avoid any perception of impropriety.
- 5.2 The employee from whom the purchase is to be made cannot be employed in a capacity of decision-making regarding the purchase of goods and/or services. He/she cannot serve in a capacity that would render decisions on the necessity of the purchase.
- 5.3 All established procedures for purchase, delivery, payment, etc. will be followed.
- 5.4 The Executive Director has the sole authority in determining when or if a conflict exists that could render the purchase inadvisable.

6 Purchase Cards are available to authorized employees. Please refer to the Purchase Card Policy for policies and procedures.

7 New York State Contracts:

- 7.1 The NFWB may, without soliciting competitive bids, purchase materials, equipment and supplies through New York State ("NYS") contracts at the same prices and under the same terms and conditions as the State. However, no purchase may be made through a NYS contract after competitive bids have been received unless the purchase may be made upon the same conditions and specifications as the bid but at a lower price.
- 7.2 All purchases through a NYS contract must be made only from the vendor awarded the contract. No purchases may be made from other vendors without soliciting competitive bids.
- 7.3 When it is determined that a purchase is to be made through NYS contract, an approved requisition and/or purchase order referencing a valid NYS contract number must be prepared.
- 7.4 A complete list of commodities available through NYS contracts can be seen at the following website: <http://www.ogs.state.ny.us>

8 Professional Services:

- 8.1 Professional services are those services requiring special or technical skill, training, or expertise. These type of services are routinely provided by attorneys, accountants, engineers, and architects, etc. Bidding is not required when a service is so specialized that it would not be in the NFWB's best interest to do so. The decision not to rely on competitive bidding procedures is based on the nature of the service, qualifications, prior experience, or an existing relationship with the NFWB.
- 8.2 An effective way to award contracts for professional services is to solicit requests for proposals ("RFP"). This ensures that qualified firms are given the opportunity to submit proposals and can result in reduced costs as a result of



competition. However, contracts are awarded based on the criteria listed above and not on price alone.

## **9 Purchase Orders including Blanket PO's**

### **9.1 Purchases Less Than \$1,000**

- 9.1.1 Where possible, prior to the purchase of an item or service, the NFWB employee shall contact at least two (2) suppliers of the item or items to be procured to obtain the best price for and quality of the item or items to be purchased.
- 9.1.2 Division Heads are authorized to make and approve purchases on behalf of the NFWB in an aggregate amount up to \$1,000.
- 9.1.3 Various other designated subordinate employees are authorized to make and approve purchases on behalf of the NFWB in an aggregate amount up to \$500.

### **9.2 Purchases Greater Than \$1,000 and Less than \$5,000**

- 9.2.1 Quotes for purchases of \$1,000 up to and including \$5,000, whether verbal or written, shall be documented in the quotes section of the procurement process and/or as part of a manual purchase requisition .
- 9.2.2 Required Final Approval: Any Director reporting directly to the Executive Director.

### **9.3 Purchases Greater Than \$5,000 and Less than \$10,000**

- 9.3.1 Quotes for purchases of \$1,000 up to and including \$5,000, whether verbal or written, shall be documented in the quotes section of the procurement process and/or as part of a manual purchase requisition form and as a separate written document, dated and signed by an authorized vendor representative. Written quotes shall be scanned and attached to the requisition and maintained by the Board's FMS.
- 9.3.2 Required Final Approval: Executive Director

### **9.4 Purchases Greater Than \$10,000**

- 9.4.1 Copy of competitive bids, dated and signed by authorized vendor representatives, **or** one of the following exceptions, along with an explanation for the exception, indicated on the requisition:  
    "Emergency", **or**  
    "Contract" with the contract number or copy of the contract attached, **or**  
    "Sole Source" or "Standardization" **or**  
    "Only Two Sources Available", if only two suppliers can be located, written on the Requisition, with two written quotes attached, dated and signed by authorized vendor representatives.
- 9.4.2 Required Final approval: Board of Directors

10 Where cash can be used for small purchases or expenses less than \$50, the Petty Cash system may be utilized. Written receipts and internal expense codes must accompany all reimbursements. Petty Cash purchases are not intended to circumvent the purchasing system.



- 11 When all variables are equivalent, local vendors shall be given preference over non-local vendors.
- 12 Procurements shall not be parceled, split, divided or purchased over a period of time in order to circumvent the dollar purchasing limitations specified herein or to circumvent the employee's authorized spending limit.
- 13 Non-bid products and services should be reviewed periodically for competitive pricing and required at any time that prices have increased.