

Olean Local Development Corporation

Purchasing Guidelines

| | Purchase Order | Verbal Quotes | Written Quotes | | RFP | Published/Competitive Bid |
|---------------------------------|----------------|---------------|----------------|---|-----|---------------------------|
| Purchase Contracts | | 2 | 2 | 3 | | |
| \$50 - \$499 ¹ | X | | | | | |
| \$500 - \$4,999 ² | | X | | | | |
| \$5,000 - \$19,999 ³ | | | | X | X | |
| Over \$20,000 | | | | | | X |

| | Purchase Order | Verbal Quotes | Written Quotes | | RFP | Published/Competitive Bid |
|----------------------------------|----------------|---------------|----------------|---|-----|---------------------------|
| Public Works Contracts | | 2 | 2 | 3 | | |
| \$50 - \$499 ¹ | X | | | | | |
| \$500 - \$2,999 ² | | X | | | | |
| \$3,000 - \$9,999 | | | X | | | |
| \$10,000 - \$34,999 ³ | | | | X | X | |
| Over \$35,000 | | | | | | X |

Exceptions to the above guidelines:

- Emergencies⁴
- Insurance⁵
- Professional Services⁵

Notes:

- 1) The time and documentation required by this policy may be more costly than the item itself or wasteful and therefore would not be in the best interest of the agency.
- 2) A good faith effort is required to obtain a reasonable number of proposals or quotations. If unable to obtain more than one proposal or quotation, you must document the attempt made in obtaining the proposal. A verbal quotation should be documented by, at a minimum, the date item or service desired, price quoted, name of vendor, and name of vendor's representative. Documentation for all quotes should accompany the vouchers.
- 3) The purchaser has the option to request written quotations or a request for proposal.
- 4) The key to utilizing this exception is that the goods or services must be purchased immediately and a delay in order to seek alternative proposals may **threaten the life, health, safety, or welfare** of the residents or employees.
- 5) The courts have held that professional services and insurance are not contracts for public works, and therefore, are not subject to competitive bidding procedures.
- 6) Procurements which are equal to or less than the state bid prices shall be presumed acceptable for purchase contracts which do not otherwise require competitive bidding. Current state price bid materials shall be required as documentation supporting the purchase.
- 7) The Agency shall take the following steps to promote opportunities of, and encourage participation by, certain Minority and Women-owned Business Enterprise (M/WBE) in the Agency's procurement process via:
 - a) Using the services and assistance of the New York State M/WBE Directory.
 - b) Placing qualified M/WBE businesses on solicitation lists for purchasing and public works contracts.

Additional Notes:

- 1) If the Agency proceeds through the competitive bidding process (soliciting bids through the newspaper) and only receives one bid, the Agency may negotiate downward with a sole bidder, where the bidding specifications, contract terms, and conditions are not changed. {Opinion of State Comptroller 78-739}
- 2) It is important to note that purchases cannot be separated in an effort to avoid the purchasing guidelines. The dollar value is for all items/ services provided to the Agency by the vendor for a period of 12 months.
- 3) In general, purchase contracts involve the acquisition of commodities, materials, supplies, or equipment, while contracts for public works involve services, labor, or construction. As a general rule, if the contract involves a substantial amount of services, it will be considered a public works contract. Conversely, if services and labor are minimal, it is considered a purchase contract.

