



Salamanca Industrial Development Agency Policy

SUBJECT: PURCHASING POLICY

The Agency's purchasing activities will be part of the responsibilities of the Operating Officer. The purchasing process should enhance agency operations through the procurement of goods and services deemed necessary to meet Agency needs. The Board recognizes its responsibility to ensure the development of procedures for the procurement of goods and services not required by law to be made pursuant to competitive bidding requirements. This Acquisition Policy shall apply to all officers and employees of the Salamanca Industrial Development Agency. This policy shall serve as a guide for official conduct and is intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

Contracting officer of the SIDA shall be the Chief Operations Officer (COO). In the event the COO is not available in a timely manner, the SIDA Board Chairman shall assume all the rights and responsibilities of the COO.

These goods and services must be procured in a manner so as to:

- a) Assure the prudent and economical use of public moneys in the best interest of the taxpayer;
- b) Facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances; and
- c) Guard against favoritism, improvidence, extravagance, fraud and corruption.

Guidelines and dollar limits are as follows:

Commodities and Equipment

<u>Dollar Limit</u>		<u>Appropriate Procedure</u>
\$.01-\$3,000	per purchase	Discretion of the Chief Operations Officer
\$3,000-\$5,000	per purchase	Documented telephone quotes w/fax reply from 3 or more vendors (if at all possible) and approval of the SIDA board.
\$5001-\$9,999	per purchase	Quotations in writing from a minimum of 3 vendors, and approval of the SIDA board.
\$10,000 & up		Sealed bid in accordance with General Municipal law and the Procurement Lobbying Law Section 103(attached) with final approval By the SIDA board.

Service Contracts Including Construction or Repairs

<u>Dollar Limit</u>		<u>Appropriate Procedure</u>
\$.01-\$3,000	per purchase	Discretion of the Chief Operations Officer
\$3,001-\$5,000	per purchase	Documented telephone quotes w/fax reply from 3 or more vendors (if at all possible) and approval of the SIDA board.
\$5001-\$19,999	per purchase	Formal request for proposal (RFP) from a minimum of 3 vendors (if available) , and approval of the SIDA board.



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SUBJECT: PURCHASING (Cont'd.)

\$20,000 & up

Sealed bid in accordance with General Municipal law Section 103 and the Procurement Lobbying Law (attached) with final approval By the SIDA board.

Sealed bids will be opened on a specific date. Contracts will be awarded to the lowest responsible vendor. In the event a contract is not awarded to the lowest bidder, a full and complete documented explanation for rejecting the lower bid(s) is required. Proper documentation must be given if the required number of quotes cannot be accommodated. Under no circumstances can a quote that exceeds the bid limit be awarded.

Contact change orders to the contract need board approval.

Emergencies

There may be times when emergencies arise. Due to the time constraints inherent in the above process it may be necessary for the contracting officer to contract with a vendor to mitigate damages or costs. In an emergency the procurement of a service or commodity shall follow the limits and requirements below.

Dollar limit

\$1000 - \$3000

Emergency Procedure

Discretion of the Chief Operations Officer
With notice to the board chairman as expeditiously possible. Subsequent approval of the entire board. Also see below

\$3001-\$9,999

Discretion of the Chief Operations Officer
With documented approval by the board chairman. Also see below

In the case of an emergency involving a dollar limit under \$3,000, the Operations Officer shall write a narrative fully describing the emergency and the reasonableness of the procedure followed. Such narrative shall be kept on file within Agency records.

In the case of an emergency involving a dollar amount greater than \$3,000 but less than \$10,000, the Operations Officer shall write a complete narrative on the reasonableness of the procedure followed. This narrative then will be presented to the board at it's next regularly scheduled meeting and kept on file within the agency.

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Competitive Bids and Quotations

As required by law, the Board will follow normal bidding procedures in all cases where needed quantities of like items will total the maximum level allowed by law or policy during the fiscal year, and in such other cases that seem to be to the financial advantage of the Agency.

A bid bond may be required if considered advisable.

No bid for supplies shall be accepted that does not conform to specifications furnished unless specifications are waived by Board action. Contracts shall be awarded to the lowest responsible bidder who meets specifications. However, the Board may choose to reject any bid.

The chief operating officer is authorized to enter into cooperative bidding for various needs of the Agency.

SUBJECT: PURCHASING (Cont'd.)

Procurement of Goods and Services

Any unintentional failure to fully comply with these provisions shall not be grounds to void action taken or give rise to a cause of action against the Agency or any Agency employee.

All policies and procedures regarding the procurement of goods and services shall be reviewed annually by the Board .

On or before the 31st of March in each year, the authority must file with the comptroller the guidelines most recently approved by the authority, including the name of the designated officer.

No contracts for goods and services shall be made by individuals in the Agency that involve expenditures without first securing approval for such contract from the Board.

No Board member or employee of the Agency shall have an interest in any contract entered into by the Agency.

Acquisition of Real Estate

1. Definitions (PAL S2895)
 - a) "Acquisition" or "purchase" means the transfer of title or any other beneficial interest in personal or real property to the agency.
 - b) Property means real property and any inchoate or other interest in such property, to the extent that such interest may be conveyed to the agency for any purpose

2. Duties of Authority (PAL S2896)

Adopt guidelines by resolution which must :

 - a) Detail the authority's policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the acquisition of real property
 - b) Designate the COO as the contracting officer who shall be responsible for the authority's compliance with, and enforcement of, such guidelines.
 - c) Review and approve acquisition guidelines on an annual basis.
 - d) On or before the 31st of March in each year, the authority must file with the comptroller the guidelines most recently approved by the authority, including the name of the designated officer.
 - e) These guidelines should be posted on the authority's website and maintained on such site until the procurement guidelines for the following year are posted
 - f) Maintain adequate inventory controls and accountability systems for all property under authority control.
 - g) Periodically inventory all property of the authority.

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- h) Publish a report listing all real property of the authority annually. Such report shall consist of a list and full description of all real and personal property acquired during the reporting period. The report must contain the price paid by the authority and the name of the seller for all property bought by the authority during the reporting period. A completed report must be filed with the state comptroller, state director of the budget, state commissioner of general services, and the state legislature.

Acquisition of Real Estate

- 3. Acquisition Requirements (PAL S2897)
 - a) The contracting officer must have supervision and direction over the acquisition of property.
 - b) Custody and control of the property, after its acquisition, and the purchase of such property must be performed by the authority in possession thereof.
 - c) A receipt of a deed, bill of sale, lease, or other instrument executed by or on behalf of the SIDA, purporting to accept transfer of title or any other interest in the property under the provisions of the PAAA shall be conclusive evidence of compliance with the provisions of PAAA insofar as it concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of a lack of such compliance prior to closing.
 - d) The agency must not purchase property for more than FMV (with exception as is set forth in 4 g and h below). Appraisal of the value of proposed property to be purchased must be made by an independent appraiser and included in the record of the transaction.

- 4. Procedures for Acquisition
 - a) The contracting officer will be the contact person within the agency. Any contact by interested parties will be handled by the contracting officer. Any contact by a prospective seller to a board member or employee should be directed to the contract officer.
 - b) All contacts verbal or written received by a board member or employee including the contracting officer by prospective bidders or buyers shall be documented by the contacted person and kept on file by the contracting officer.



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- c) All contracts for acquisition of property must be made after an appraisal by an independent appraiser (with exceptions as discussed below).
 - 1) The property involved is of a nature which, if made public would adversely affect State or local market for such property, and the estimated FMV of such property and other satisfactory terms of acquisition can be obtained by negotiation;
 - 2) Such action is otherwise authorized by law.
- h) Exception to purchases obtaining property for more than FMV: The acquisition is for an amount more than the estimated FMV of the property, the terms of such acquisition are obtained by public auction or negotiation, acquisition of the property is intended to further the public health, safety, welfare, or economic development of the agency, state or political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits), the purpose and terms of such acquisition are documented and approved by the board of the public authority.

Acquisition of Real Estate

- i) Ninety-day notice of a negotiated acquisition: An explanatory statement has to be prepared and transmitted to the state comptroller, state director of the budget, state commissioner of general services and the state legislature must be filed at least 90 days in advance of such instances of acquisition by negotiation where:
 - 1) Any real property that has an estimated FMV in excess of \$100,000, except in instances where real property is disposed of by lease or exchange unless such lease or exchange includes:
 - i. Any real property disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of \$100,000 for any such years.
 - ii. Any real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of \$100,000; or
- Any real property or real and personal property acquired of by exchange, regardless of value, or any property any part of the consideration for which is real property.