

Orange County Water Authority

PROCUREMENT POLICY

A. Introduction

1. Scope – In accordance with Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, the Orange County Water Authority (“OCWA”) is required to adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Section 103 of the GML and paid for by an OCWA for its own use and account.
2. Purpose – Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstance and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

1. Purchase of Commodities, Equipment or Goods

DOLLAR AMOUNT:	PROCEDURE:
\$1 to \$1,000	At the discretion of the Board
\$1,000 to 3,000	Documented telephone quotes from at least three separate vendors
\$3,001 to 9,999	Formal written quotes from at least five separate vendors
\$10,000 and up	Sealed bids in conformance with GML §103

2. Purchase of Services

DOLLAR AMOUNT:	PROCEDURE:
\$1 to \$1,000	At the discretion of the Board
\$1,000 to 3,000	Written quotes from at least three separate vendors
\$3,001 to 13,000	Written quotes from at least six separate vendors
\$13,001-19,999	Formal Request for Proposal (RFP) with a response from at least three vendors.
\$20,000 and up	Formal sealed bids in conformance with GML §103.

3. Circumstances Justifying an Award to Other than the Lowest Cost Quoted include:

- a. Delivery requirements
- b. Quality requirements
- c. Quality
- d. Past vendor performance
- e. The unavailability of three or more vendors who are able to quote on a procurement
- f. It may be in the best interests of the Authority to consider only one vendor who has previous expertise with respect to a particular procurement.

4. Documentation

- a. For each purchase made the Executive Director or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
- b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the Executive Director or such authorized designee, and filed with the purchase order or contract thereof.
- c. For those items not subject to competitive bidding such as professional services, emergencies, purchases under city contracts or procurements from sole sources, documentation should include a memo to the files which details why the procurement is not subject to competitive bidding
- d. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

5. Exceptions to Bidding

- a. Emergency Situation – An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality or of the citizens. With approval by the Executive Director, such emergency shall not be subject to competitive bidding or the procedures stated above.
- b. Resolution Waiving Bidding Requirements – The Authority may adopt a resolution waiving the competitive bidding requirements whenever it is determined to be impracticable.
- c. Sole Source – Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown

that the time needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waiving bidding requirements, as described above, is required.

- d. Insurance – All insurance policies shall be procured in accordance with the following procedures:
 - (1) Premium less than \$10,000 – Documented telephone quotations from at least three agents (if available).
 - (2) Premium over \$10,001 – Written quotations/fax/email or proposals from at least three agents (if available).

 - e. Professional Services – This category includes services which require special education and/or training, license to practice or are creative in nature. Examples of professional services are lawyers, doctors, accountants, engineers, artists, water conservation education teachers, etc. Minority and Women Business Enterprises – The Authority shall comply with all applicable legal requirements relating to the hiring of such businesses.
6. Unintentional Failure to Comply – The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Authority or any officer thereof.

Adopted: May 14, 2008