

BUFFALO URBAN RENEWAL AGENCY

POLICIES AND PROCEDURES

PURCHASING

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24 CFR 85 Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments Sec. 85.36 and HUD Notice: CPD 96-05 Procurements of Consulting Services by Community Development Block Grant (CDBG) Recipients, HOME Participating Jurisdictions and Sub-recipients

APPENDIX B

City of Buffalo Charter Part I Chapter 12 Code of Ethics

Sources & References:

City of Buffalo Charter – Code of Ethics

City of Buffalo – Division of Purchase

Federal Procurement Regulations 24 CFR 85 & HUD Notice CPD 96-05

McKinney's Consolidated Laws of New York – General Municipal Law

State of New York – Office of General Services – State Contract List

The University of North Carolina at Greensboro – Purchasing Policies & Procedures

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POLICIES

POLICY 1 – MISSION STATEMENT & CODE OF ETHICS

MISSION STATEMENT

The primary goal and objective of all purchasing activities of the Buffalo Urban Renewal Agency is to acquire the needs of BURA within statutory, regulatory and procedural guidance in an efficient and effective manner at a fair and reasonable cost with timely delivery and proper performance of the purchasing process. BURA will adhere to federal regulations pursuant to 24 CFR 85 Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments Sec. 85.36 and HUD Notice: CPD 96-05 Procurements of Consulting Services by Community Development Block Grant (CDBG) Recipients, HOME Participating Jurisdictions and Sub-recipients – see **Appendix A**.

Consistent with 24 CFR 85.36(b)(2) OSP/BURA "will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders". As a 'custodian of public monies', the operating premise of BURA purchasing activities coordinated by the Office of Strategic Planning-Division of OSP Administration and Finance - Accounting/Purchasing Section -- integrity and professionalism.

CODE OF ETHICS

The purchasing processes of the Buffalo Urban Renewal Agency are guided by the principles of fairness, impartiality, and propriety. The actual absence of, or even the appearance of the absence of, these principals may constitute a conflict of interest where BURA, or individual, is adjudged as practicing favoritism or preferential treatment toward a particular vendor or contractor. Due to the detrimental impact that these conditions may have, BURA is committed to fair and open competitive placement of its requirements, and the avoidance of any conflict of interest.

In this regard, it is the policy of BURA that employees must avoid conflicts of interest which may compromise professional objectivity. This mandate is particularly true in the execution of BURA's purchasing practices, regardless of the individual doing so, as they retain a high level of public visibility due to the custodial nature of these responsibilities. BURA is mandated to adhere to guidelines set forth in the City of Buffalo Charter Part I Chapter 12 Code of Ethics- see **Appendix B**.

POLICY 2 - SCOPE AND SOURCE OF AUTHORITY

The Purchasing section is organized and administered as a unit reporting to the OSP Director of Administration & Finance. The responsibility for procurement, negotiations and administration of procurement policies and procedures has been centralized and delegated to the Resource Development Technician in the OSP Administration & Finance/Accounting Section. The function of the Purchasing section is to manage the procurement of equipment, supplies and services, within the scope of its authority and in accordance with applicable Federal, State and local policies and procedures.

The Purchasing Section shares the responsibility with other BURA offices to assure that all transactions satisfy the internal and external audits and conforms to good business practices.

DELEGATION OF AUTHORITY

The Director of OSP Administration and Finance has the authority to delegate responsibility for certain types of purchases and/or negotiations, when it is determined to be in the best interest of BURA.

Under the above provision, the Director has delegated the authority to Resources Development Technician in the OSP Admin/Accounting Division to approve purchase orders on items costing up to \$10,000.00. It is the RDT's responsibility to review, approve and sign the Purchase Order form. This authority extends only to items that obtained prior approval from the BURA Board. This includes annual BURA Administrative Overhead Budget items.

UNAUTHORIZED PURCHASES

Individuals shall not enter into purchase contracts, or in any way obligate BURA for procurement indebtedness except as specifically authorized by this document, by the Executive Director of the Office of Strategic Planning, the Deputy of OSP or by the Director of OSP Administration & Finance. Unauthorized purchases by an individual may be determined to be a personal obligation between the individual and the vendor and as such may not be honored by BURA for payment.

POLICY 3 - RATIFICATION OF UNAUTHORIZED COMMITMENTS

As such, commitments made by other individuals and departments may be considered unauthorized and not binding on the BURA (i.e., a personal liability for that individual making the commitment) unless otherwise "ratified" by the Purchasing Section.

"Unauthorized commitments" occur where the authority to obligate BURA does not exist nor reside in an individual or a BURA Division. "Unauthorized commitments" include the act of acquiring (ordering and accepting) commodities and services prior to properly submitting the requirement to the Purchasing Department. Unauthorized commitments are exacerbated by a vendor's invoicing for payment of such commodities or services prior to such a submittal. Note: "Unauthorized commitments" may take place where there is not a pre-existing Purchase Order as well as when there is a pre-existing

Purchase Order which is amended, or changed, without the Purchasing Section's approval to do so as evidenced by the Purchasing Section's issuance of a Change Order.

"Ratification" is the process by which the BURA 'recognizes' the unauthorized commitment as a institutional liability, formally consummates the act under a recognized BURA purchasing instrument, authorizes and makes payment. "Ratification", however, is not automatic and requires statements of justification by the effected individual or BURA Division, reviews, consideration and approval, if warranted.

When an "unauthorized commitment" is identified, the Purchasing Section will require the individual or a department committing the unauthorized act to formally address the following points in a memorandum which will accompany a Requisition for Purchase Order:

- What the circumstances were at the time that the goods or services were acquired which precluded the use of proper BURA procedures, and
- What actions have been taken to preclude a recurrence of the event.
- Acknowledgement that the BURA's procedures to process a purchase will be reviewed by/with the effected individual to reinforce the use of these processes.

Should the Purchasing Section find based on the BURA Division's memorandum that it would serve the best interest of BURA to recognize the "unauthorized commitment", the OSP Director/Admin-Finance will "ratify" the act and permit the issuance of a "ratifying" purchasing instrument. Setting aside the manner in which the goods or services were obtained, this judgment will be based on:

- whether there existed a valid need,
- whether funds were available, and
- would have otherwise been properly procured and paid

Instances of a flagrant "unauthorized commitment" may be briefed by the OSP Director Admin-Finance to the Executive Director of OSP as deemed appropriate. Where the circumstances may warrant, the election of whether to "ratify" the unauthorized act may be based on the decision of Executive Director of OSP. Repetitive instances of "unauthorized commitments" may result in further administrative actions.

POLICY 4 - PURCHASING PRACTICES

Purchases originate with the authorized submittal of a requisition approved by a requesting employees immediate supervisor and are consummated with the issuance of a purchase order by the Purchasing Section.

BURA purchasing is accomplished through a Purchase Order system. No purchase nor any action leading to the commitment of BURA may be initiated without the submittal of a fully funded and properly executed Requisition -see attachment **Requisition Form 1**

and a Purchase Order form – see attachment **PO Form 2**. Failure to submit a request in proper form will only delay the purchasing process.

Soliciting without the evidence of the availability and intent to expend funds can adversely impact BURA. Actions of this nature may be considered "frivolous bidding" and serve as basis for recovery of bidding and bid preparation costs as well as a suit by a vendor. As well, unauthorized commitments made on behalf of BURA may become a personal liability if not ratified by the Purchasing Section.

BURA divisions play an active role in contract administration and quality assurance of the BURA purchases as these responsibilities are specifically authorized by BURA Board actions and are delegated for specific procurement. Contract administration by the Purchasing Section is performed on a by-exception basis.

Purchases are subject to the terms and conditions of Federal law & regulations. Vendor & contractor terms of sale and conditions are subjugated to these.

Purchases, as well, are bound by the mandates for competition and the use of specific sources of supply. It is the policy of BURA to establish the environment for fair and equitable competition in its purchases, consistent with the efficient performance of BURA contractual obligations and other mandated programs.

Competition serves as the basic architecture of all BURA purchasing where competitively acquired pricing provides for the award of requirements to the lowest and most advantageous offer considering the offeror's: product or service cost, quality, suitability and conformity, delivery and performance; capacity and capability. Other factors specified in BURA solicitation of the requirement may be considered in making the award, as well.

It is BURA policy to adhere to the Federal requirements of open competitive bidding process ensuring that Women and Minority owned businesses have an opportunity to bid and use of state term contracts.

STATE TERM CONTRACTS

The State enters into these Term Contracts typically as annual contracts with vendors to acquire favorable prices for many commonly used items across the state. As such, the cost of an item under Term Contract may not be used as justification for purchasing an item from a non-contract source.

The first approach to any purchase should be to determine its availability on State Term Contract. While State Term Contracts as individual instruments are, in general, 'mandatory' contracts, limitations do exist in that select contracts have order limitations (dollar amount and/or quantity) above which the requirements must be referred to the State Division of Purchase and Contract for purchase and a select few contracts are classified as 'convenience' contracts or have minimum order requirements. Questions regarding what is available under State Term Contract or information concerning vendors under contract should be directed to the Purchasing Section.

State Term Contracts offer a vast array of products and services. These items may be viewed at the <http://www.ogs.state.ny.us/purchase/SearchBrowse.asp> .

SUPPORTED COMPUTER PRODUCTS AND RELATED TECHNOLOGY

To assure the integrity of the BURA and City's computing network and to be able to provide instruction, consultation and maintenance in a cost effective and efficient manner, BURA purchases of computer products and related technology will require prior review by BURA Senior Planning Systems Analyst. In addition to computer hardware (i.e., computers, printers, display systems, network boards) BURA computer related purchases will be compatible with the City network protocol and other operational software which are accepted for general use throughout the City as required by the Department of Management Information Systems.

While BURA divisions are not precluded from purchasing computer related products, they are nevertheless encouraged to give first consideration to the impact of its selection upon support when determining their requirements' specifications and prior to submittal to the Purchasing Section.

PARTIAL AND ADVANCE PAYMENTS

BURA , as a general practice, does not favorably view requests made by a vendor for payments which may precede performance ("advance payment") or during the course of performance prior to completion or delivery ("partial payment").

BURA, however, does permit select instances for "payment plans", or payments over a period of time; defined herein to include advance and partial payments. Instances where such payments may be applicable are where a substantial initial investment may be required for a commodity which has a protracted or long production lead time, or the same conditions for a future-year delivery. In these instances, BURA is required to limit the acceptance of vendors' request for a "payment plan" and to fully justify the request's approval.

Other instances will include but are not limited to periodical subscriptions, registration fees or reservation deposits.

JUSTIFICATION MEMORANDUM

The justification memorandum is not a specific form, but is a memorandum or letter which is prepared by a BURA division to explain a particular purchasing requirement, the use of a specific purchasing method, or when required by the Purchasing Section staff to support a certain action. The specific instances requiring the use of a justification memorandum are described throughout this manual.

A justification memorandum may be in any format and of any length and should be addressed to the Coordinator of Purchasing/Resource Development Technician. The purchase requisition referred to in the justification memo should be attached or clearly referred.

Each justification memorandum or letter is prepared for a unique situation; therefore, the information necessary in each instance is different and must be tailored to meet the circumstance's needs.

POLICY 5 - OBTAINING PROPOSALS AND QUOTATIONS

All BURA contracts for activities contained the Annual Action Plan to HUD must **first** be approved by the BURA Board. Contracts under \$5000 may be entered into at the discretion of the BURA Vice-Chair/Executive Director of the Office of Strategic Planning. Discretionary contracts are reported to BURA Board as consent items. All contracts are reviewed for eligibility, funding and satisfaction of environmental laws by BURA Finance & Compliance staff. All contracts are reviewed and Approved as to Form by the BURA General Counsel. Compliance with applicable Davis Bacon is ensured by the BURA Section 3 Coordinator.

CONFIDENTIALITY

The confidentiality of BURA costs estimate for a requirement, offeror or bidder proprietary product data, the competitive position of offerors and bidders, pricing information, technical evaluation information, and other information which may potentially enhance the advantage of one offeror or bidder over another must be maintained throughout the entire purchasing process until award is made. This practice is key to maintaining the integrity of BURA purchasing processes and procedures. Improper release of any of this information may compromise the ability of BURA to procure commodities or services in a competitive and equitable market as well as impair future purchases.

FORMS FOR OBTAINING PRICING

BURA secures competitive pricing through proposals, bids and quotations. Regardless of the solicitation practice used, BURA's preliminary cost estimates are to be safeguarded at all times and "for internal use only."

- Requests for Proposals (RFP) are defined as solicitation documents where the evaluation of competing offerors for an award may be performed considering factors other than/in addition to cost, e.g. performance and value for cost. These factors often entail some form of submittals or demonstration and may provide for measurable evaluation. Limited requests for clarification and 'discussions' may be available under the RFP. Respondents to this form of solicitation are termed 'offerors' who present an 'offer' or 'proposal' to BURA.
- Invitations for Bid (IFB) are defined as solicitation documents where the evaluation of competing bidders for an award is primarily based on cost, although other factors may be considered if specified in the IFB. Responses to IFBs are submitted as "sealed bids" and 'bids' are considered 'confidential' until award. No discussions, disclosure of price costing information nor relative positions of bidders are permitted under an IFB. Awards are premised solely on that which

was solicited and responded to. Respondents to this form of solicitation are termed 'bidders' who present a 'bid' to BURA.

- Requests for Quotation (RFQ) are defined as solicitation documents used to secure competitive pricing where the requirement is not complex. An award resulting from a RFQ is based on cost. Respondents to this form of solicitation are termed 'offerors' who present a 'quote' or 'quotation' to BURA. Three quotations are required. Orders over \$ 300 should be in written, faxed, e-mail or printed web page form. Verbal/phone quotations are permitted but must be documented by the requestor with: name of requestor, name of vendor, date, description of requested goods/services and price quotes. All orders over \$ 300 and up to but not exceeding \$ 10,000 must have at least three quotations from responsible vendors/sources. NYS Award Number from the State Contract list should be included in the documentation (if State Contract is used).
- Requests for Information and Planning Purposes (RFI) are defined as solicitation documents where the intent is to obtain product/service and pricing information for 'planning purposes' only. A RFI provides no commitment on behalf of BURA to make a purchase as a result of this form of solicitation. Rather, prospective respondents are advised that BURA is only seeking information; generally to assist in making a management and/or budgetary decision. Potential respondents are also informed that BURA is not responsible for any costs which may be incurred in preparing a response or the response itself. The RFI should be used judiciously as it can effect future responses to BURA RFPs and IFBs.

Proposals, bids and quotations within BURA's thresholds are procured with the following additional guidance:

- The BURA minimum dollar limitation for soliciting quotations is \$ 300. Above this threshold, BURA Divisions should obtain at least three competitive quotations.
- These quotations will be documented and maintained by respective BURA divisions and copies of quotes must be attached to the Purchase Order.
- For requirements exceeding \$ 10,000, formal written competitive proposals or bids must be secured. This action is necessary to officially determine the price, terms, and conditions of the vendor whose product is being sought and assure the vendor's compliance with the Federal and BURA terms and conditions, and specifications and statement of work.
- 'Original signature' pricing documents are required for Purchasing Section files for all proposals, bids and quotations. Facsimile submittals are permitted under RFPs, but not IFBs. Where a facsimile proposal is submitted, award will be premised on the receipt of the 'original signature' proposal document.
 - Information submitted in a successful proposal is used by the Purchasing Section a basis for preparing the Purchase Order. BURA's Purchase Order contains instructions to vendors that mandate specific performance. Accordingly, pricing information obtained by a BURA Division under

\$ 10,000 or a verbal solicitation must provide such essential elements as: company name and address, telephone number, name of quoting individual, and date of price quotation.

- Awards are principally made based on the information submitted along with the requirement, subject to the reservations stated otherwise herein. Specific justification is required of the BURA Divisions if it is deemed necessary to make an award to other than the lowest proposal/bid meeting specifications and requirements. Orders based on sole source/unique qualifications are subject to guidelines that are contained within Appendix B. The Purchasing Section's final determination will govern in such instances. The Purchasing Section, additionally, may consult with the OSP Director of Administration and Finance prior to awarding a purchase order when questions exist as to the adequacy or validity of the justification for a given order.
- The Purchasing Section encourages BURA Divisions to assist in obtaining pricing information prior to submitting a requirement. BURA divisions should use the following guidelines when seeking pricing. The Purchasing Section will review this information and may re-solicit the requirement, where deemed necessary, prior to issuing any purchase order. When seeking and obtaining pricing information, BURA Divisions are to:
 - Provide the same information to at least three vendors.
 - Establish and state a common deadline date for vendors to respond with a quotation.
 - Provide the vendors: quantity, brand, catalog number or a good description and ask for comparable items.
 - Request a 'delivered price' with F.O.B. Buffalo.
 - Specify the required delivery date.
 - Obtain the sale person's name, vendor name, address, telephone number and "quoted by " information.
 - Clearly advise the vendors that by asking for pricing information BURA is not placing an order nor under any obligation to do so.

Additionally, where competition is not evident or inadequate to enable or warrant an award based on 'competitive pricing', the Purchasing Section may require the BURA Division originating the requirement to assist in making a determination as to the price offered by a vendor being "fair and reasonable" as well as in determining the vendor to be "responsible" It is the policy of BURA not to award a requirement to a vendor which is not responsive, cannot be determined responsible, and when the price is not "fair and reasonable."

- Price "fair and reasonableness" may be adjudged based on value analysis, price analysis or cost analysis. 'Value analysis' is the BURA Division's assessment that a commodity's or service's price is reasonable considering such factors as: the department's own knowledge of the requirement, a comparison of the requirement and the effort required to provide the commodity or service, etc. 'Price analysis' is the comparison of prices for past similar purchases or known market price structures. 'Cost analysis' is an in depth line item research of all cost elements comprising a price which may rely on published standards (e.g., Means Manual) to include both labor and materials where elements can be segregated.
- Vendor "responsibility" is the assessment that a prospective award recipient has both the 'capacity' and 'capability' to perform a requirement for BURA. 'Capacity' includes the financial and organizational resources to satisfactorily execute and complete a Purchase Order. 'Capability' envelopes the technical knowledge, equipment, experience, etc., to perform satisfactorily and typically includes reference checks of similar work performed for other clients.

POLICY 6 - PURCHASING DELEGATIONS

BLANKET PURCHASE ORDERS

BURA Divisions may be permitted to make repetitive purchases of the same type of commodities or service under Blanket Purchase Orders. This condition may apply when it has been established that there is such a need (where same or similar items are repetitively procured) and an award can be made to a vendor or contractor who will accept verbal orders for each individual purchase (or, "call") rather than requiring individual printed purchase orders. The use of Blanket Purchase Orders are limited to the competitive requirement as per the State Contract list:

<http://www.ogs.state.ny.us/purchase/SearchBrowse.asp> . Additionally, the use of each Blanket Purchase Order is constrained to a given BURA Division (BURA Supervisor of Maintenance and Purchase Section's Revenue & Complaint Manager) authorized to place orders under the Blanket Purchase Order as recorded in the Blanket Purchase Order.

POLICY 7 - PRESSING NEED, EMERGENCY AND CONFIRMING PURCHASES

Policy dictates that the issuance of an official BURA Purchase Order or other recognized document will precede the procurement and receipt of commodities and services. Integral to this process is the element of planning.

It is recognized, however, that instances do occur where planning is not possible due to the circumstances surrounding the requirement. Such situations are defined as where there is a "pressing need" or "emergency", as prescribed below. In these specific instances (as defined below), occasional exceptions may be made to this policy with the prior approval of the Director of OSP Administration and Finance.

Where the conditions may substantiate and when approved by the Director of OSP Administration and Finance, expedited purchases may be executed. BURA Divisions affected by such circumstances will contact the Director of OSP Administration and Finance prior to acting or committing BURA. Where time is available, the circumstance will be reviewed and prior approval of the Purchasing Department sought by the BURA Division. When the conditions are such that immediate action is warranted, the Director of OSP Administration and Finance will be advised as rapidly of the circumstances as possible.

EMERGENCY PURCHASES

While emergency purchases do not require competitive bidding, it is nevertheless in the public interest that such purchases be made at the lowest cost to BURA.

In order for circumstances to require immediate action which cannot await bidding within this section, there must be some imminent danger to public or private property or the life, health or safety of a municipality's residents which makes a further delay in action occasioned by compliance with competitive bidding requirements unwarranted.

BURA is delegated the authority to make emergency purchases not to exceed \$ 50,000 without following the prescribed procedure for routine purchases when it can be determined and documented that the failure to procure the requirement will be to the severe detriment of BURA, employees, or the public. Although competition may be forgone under such conditions, BURA must still act reasonably in using public funds.

When the requirement exceeds \$ 50,000, BURA Division shall advise the Deputy Executive Director and/or Director of OSP Administration and Finance of the need so that BURA may obtain approved vendors list from the State Contract list. Whether prior approval was or was not possible, BURA Division will provide the Director of OSP Administration and Finance sufficient information to allow an written explanation of the emergency to be submitted to BURA Board. This explanation must clearly portray the cause and reasons for handling the specific transaction as an emergency.

PRESSING NEED PURCHASES

"Pressing Need conditions" are defined as: Unforeseen situations which have created a requirement which immediate, on-the-spot purchase (or rental) of equipment, materials, supplies or services can only rectify. The causes for such situations may include, by example: delay by contractors, delay in transportation, breakdown of machinery, unanticipated volume of work.

The administrative processes for "Emergency Needs" will apply to "Pressing Needs"; however, competitive placement of the requirement with a vendor shall be exercised. Additionally, purchase requisitions for "Pressing Need" purchases must be submitted to the Purchasing Section, with a written explanation of the circumstances. The Purchasing Section will solicit prices, as applicable and time permits, and authorize the purchase.

CONFIRMING PURCHASE ORDERS FOR EMERGENCY AND PRESSING NEEDS

If the situation warrants and time permits, the Purchasing Section may verbally assign a Purchase Order number to the transaction, authorize BURA Division to place the order by telephone, and issue a follow-on printed Purchase Order on a "confirming" basis. Normal invoicing, receiving and payment practices will follow.

POLICY 8 - SOLE AND SINGLE SOURCE PURCHASES

POLICY AND DEFINITIONS

Sole and single source purchasing is an exception to BURA purchasing policies. The final determination as to whether such an exception request is valid will be made by the Purchasing Section and rest on the existence of a valid supportable requirement which is adequately documented. Federal regulations require that all procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of § 85.36. Requirements for sole source and/or unique qualifications are detailed in Appendix A.

Sole source and single source purchases are segregable in definition and use. The common thread, however, through each type of purchase is that a justification to procure from a sole or single source cannot be solely based on quality or price; 'quality' can be a subjective evaluation and "pricing" subject to the level of competition.

- "Sole Source" applies where it can be substantiated that a requirement involves commodity or service provided by only one vendor or contractor which has exclusive rights (e.g., rights to data, patent or copy rights, proprietary interests or secret processes) to the manufacturing of the product or service. "Sole Source" requirements must withstand the questions of (1) is the commodity or service the only of its kind which can fully satisfy the requirement and (2) the commodity is available from one, and only one, source. In this context, "sole" means, 'the only one.'
- "Single Source" applies where it can be substantiated that a commodity or service can be obtained only from one vendor or contractor which often is a the "single" representative of the manufacturer or principal company. "Single Source" purchases frequently involve a vendor or contractor whose product or service is discernibly distinguishable from all others in the market and singularly meets all significant elements of BURA's requirement. In this context, "single" means, 'the one among others.'
- "Brand Name" specificity does not necessarily equate to a "Sole Source" nor a "Single Source" purchase. "Brand Name" requirements typically are peculiar to one manufacturer, but not one supplier. Accordingly, "Brand Name" requirements may not satisfy the criteria of either "Sole Source" or "Single Source" practices as several vendors or contractors may be able to provide the product or service and, therefore, the requirement can be competitively awarded. Purchasing

specifications, in this instance, will provide for "Brand Name or Equal" specification; which identify the salient features of the requirement in a non-restrictive manner.

- "Comparable" is defined as equal in those specific areas of specification or performance which must be provided to allow the commodity's use or service to be provided as it is intended or unequivocally required. That is, a product or service may be argued as "comparable" when it meets the key specific levels of function although it does not explicitly meet all specifications. In this context, "comparable" may be 'acceptable.'
- "Performance Specifications" are to be used, whenever feasible, to describe requirements. "Performance Specifications" detail an expected outcome or result rather than the processes required to arrive at the outcome or result and, as such, contribute to competition.

BURA purchasing policy provides that exclusionary purchasing practices can be avoided by writing specifications which invite maximum reasonable competition and are not unduly restrictive. Accordingly, requirements submitted for purchasing are to be accompanied by specifications which encourage competition, consistent with the particular need.

REQUEST FOR EXCEPTION

Both "Sole Source" and "Single Source" purchases must be able to withstand the scrutiny of the test of 'no alternatives.' As such, the submittal of such a request and its documentation represents a good faith certification on behalf of a BURA Division and the signator as well as the ability to substantiate the request and sustain any inquiries.

The determination as to whether to accept and act upon a "Sole Source" or "Single Source" request relies on the reasonability of the request and the clear demonstration and documentation of alternative sources and products or services leaves no doubt as to the course which BURA has elected in the purchase. Key to this research is: the use of specifications which only state the salient aspects of the requirement and can provide for the purchase of the minimally acceptable quality necessary to perform a given task or function satisfactorily at the lowest fair and reasonable cost.

"Sole Source" and "Single Source" requests are not to be submitted when:

- Personal preference for a product, brand or vendor exists.
- Cost, vendor performance and delivery are the justification; these elements are considered in the evaluation for award factors.
- The statement of "no substitution" is the only rationale.
- Lack of planning exists on behalf of the requiring department.
- The justification is solely based on quality or price, and immediate availability for delivery,

- Offers of trade-in allowances, no cost options or accessories, or special "package" or "deals" are made.

DOCUMENTATION OF REQUEST

When a "Single Source" requirement entails the purchase of a commodity or service from a vendor who has been appointed as the manufacturer's sole regional representative, the purchase must be documented by the manufacturer's own signed certification and statement of such fact on its letterhead. This statement must be issued by the manufacturer's corporate headquarters, not a regional office, and be secured by the requiring department.

POLICY 9 - PURCHASING NEW VERSUS USED AND DEMONSTRATOR EQUIPMENT, AND PURCHASING TRIAL EQUIPMENT

NEW VERSUS USED EQUIPMENT

General purchasing practices prescribe that purchases are of "new materials." The Purchasing Section's solicitation of the requirement will allow for the offer of both "new" and "used" to assure an equitable evaluation baseline. This evaluation will assess whether the value of a "used" purchase is reasonable given the expected usefulness of the item remaining, any warranty or guarantee extended with the "used" item, and the incremental cost to step-up to a "new" item and its associated benefits.

Additionally, policy provides that all used equipment purchased must carry a "new" warranty, except those items purchased from State and Federal Surplus Property.

Definitions which are relevant in these decisions and should be selectively used to clearly identify the type of requirement are:

- "New": Never used and with a "new" full warranty period.
- "Used": Normally purchased "as is, where is" with no warranty or guarantee.
- "Newly Manufactured" or "Factory-Produced New": Previously manufactured and used as another model after which the item is brought into the a remanufacturing facility and made into a "new" model meeting "new" standards and tolerances with a "new" warranty. This description is often identified as, "like new."
- "Factory Remanufactured": Previously used and returned to a remanufacturing facility and, using new and used parts, is brought up to standards and may extend a "new" warranty.
- "Reconditioned" or "Refurbished": Cleaned and repaired to a state of usefulness by the manufacturer or a dealer with little, if any, warranty.

- "Demonstrator": Equipment which previously was "new", "remanufactured" or "reconditioned" and used in some form external to the BURA Divisions by a vendor to demonstrate operations, functions and capabilities to other potential customers.

Note: Often companies will offer "Demonstrator" equipment at special prices under "New" warranty conditions. Offers of this type are usually worthy, but cannot be accepted without providing for such an allowance in the competitive solicitation of the requirement.

PURCHASE OF TRIAL EQUIPMENT

Where a BURA Division has the specific need to subject a particular piece of equipment to a trial period prior to making the decision to purchase such, or "fly before you buy", a BURA Division will specifically coordinate such a need with the Purchasing Section prior to any arrangements being made with the vendor. Concurrence by the Purchasing Section in a trial period does not waive any statutory or regulative requirements otherwise imposed on BURA; specifically, the requirements for competition and full justification of non-competitive purchases. Failure of a BURA Division to secure the Purchasing Section's concurrence in the trial may cause a personal liability to fall upon that individual(s) initiating the trial.

When the trial equipment's value will exceed \$500, BURA Division shall secure a Purchase Order through the Purchasing Section. The Purchase Order will provide for the trial and disclaim any assumption of liability on behalf of BURA to purchase the equipment upon conclusion of the trial period (as prescribed in the Purchase Order) nor for the security of the equipment in the case of loss or damage. The Purchase Order will encumber \$1.00 of the BURA money but not be processed for payment as so noted on the Purchase Order. Any purchase of the trial equipment will be executed by issuing a Change Order against the Purchase Order.

POLICY 10 - PROTEST OF AWARD PROCEDURES AND VENDOR DISPUTES

POLICY AND DEFINITIONS

In the preparation of requirements and specifications and the solicitation of such, all efforts should be made to avoid creating any conditions which may contribute to the protest of an award. Should however a protest occur, it is BURA's policy to resolve protests effectively at the lowest administrative level possible and to maintain integrity and confidence in the BURA's purchasing processes.

"Protest", as used in this Policy, means a written objection by an interested party to a solicitation for offers as to matters which may effect a proposed award. "Dispute", as used in this Policy, is a written objection to issues which may administratively arise during the performance of a purchase order. "Protestor," as used in this Policy, means an actual or prospective offeror/bidder whose direct economic interest would be adversely affected by an award or by the failure of an award to be made. To be

considered a valid "protest", the objection must be submitted in writing to BURA as specified herein, and no other party, and adhere to the guidelines of BURA protest procedures.

CONDITIONS FOR PROTEST

Protests of award generally result from the existence of specifications or terms and conditions in a solicitation assessed by a prospective vendor or contractor to be preferential or unobtainable. Protests may also result from the challenge of an award to a specific vendor or contractor which is assessed by another prospective vendor or contractor as not having the capacity and/or capability to perform the award as specified.

Protests may be filed for cause for conditions which are apparent in the solicitation no later than fifteen (15) consecutive calendar days from the date of the protested award. Where a protest is filed prior to an award, the protest shall not be considered, the award made and the interested party so informed in writing.

To be fully considered, protests must clearly contain and address the following elements:

- Name, address, and telephone number of protestor.
- Solicitation number, or Purchase Order number, and date affected by the protest.
- A detailed statement of the factual grounds for the protest accompanied by copies of all relevant documents. This statement must contain specific sound reasons and attach any supporting documentation for why the party is protesting an award.
- A concise statement as to the form of relief requested by the protestor.

PROTEST RESOLUTION PROCEDURES

The Director of OSP Administration and Finance is BURA designee for protest resolution.

Protests of award must be filed by a protestor within 15 consecutive calendar days from the date of the protested award to the office of the Purchasing Section. Filings not made within this period will not be considered. A copy of filings meeting this time requirement will be furnished to the Executive Director of the Office of Strategic Planning within five (5) consecutive calendar days of receipt.

Following the receipt of a protest, the protest will be immediately provided to the Director of OSP Administration & Finance and who will direct the research of the protest and prepare findings and conclusions.

- If the letter of protest does not contain the information required of a protesting party, the Director of OSP Administration & Finance may refuse the protest and so inform the protestor in writing within five (5) consecutive calendar days of the

receipt of the protest. Such a decision will be coordinated with the BURA Counsel. A copy of such will be provided to the Executive Director of the Office of Strategic Planning.

- If the protest shows merit, the Director of OSP Administration & Finance may convene a fact-finding meeting with the protestor to fully determine the nature of the protest and to make an initial attempt to resolve the disputed conditions. Prior to such a meeting, the Director of OSP Administration & Finance may seek the BURA Counsel's opinion as well as factual statements from the Purchasing Section. It will be the preference of the Division of OSP Administration & Finance to bring the protest to a conclusion - by mutual agreement - at the time of its meeting with the protestor without inhibiting the proposed award or nullifying the actual award.

Should this fact finding meeting not resolve the protest, the Director of OSP Administration & Finance will confer further with BURA Counsel, as required, and determine whether to conduct a protest meeting with the protestor or to issue a written decision to the protestor. The latter may be elected where the protest does not contain the information required of a protestor, or if the Director of OSP Administration & Finance determines that a meeting would serve no purpose. Such a decision will be coordinated with the BURA Counsel and a copy of such provided to the City of Buffalo Corporation Counsel and the Executive Director of the Office of Strategic Planning.

Where a protest meeting request is granted, scheduling of the meeting will be attempted within fifteen (15) consecutive calendar days of receipt of the protest. The Director of OSP Administration & Finance will issue a written decision within five (5) consecutive calendar days from the date of the protest meeting. Such a decision will be coordinated with the BURA Legal Counsel and a copy of such provided to the City of Buffalo Corporation Counsel and the Executive Director of the Office of Strategic Planning upon its release.

If the written decision of the Director of OSP Administration & Finance is appealed (within the BURA purview), a response will be tendered from the Executive Director of the Office Strategic Planning, but only upon the receipt of the protestor's formal written appeal. Such an appeal must be submitted to the Executive Director of the Office of Strategic Planning to be accepted. The Executive Director of OSP may elect an additional meeting with the protestor prior to BURA issuing any further final written decision.

If the written final decision by the Executive Director of OSP is appealed, the complainant must file a claim with the City of Buffalo via the Common Council Claims Committee. Such a filing will be valid only if the conditions of the City Charter are met..

VENDOR/CONTRACTOR DISPUTE

Disputes may arise during the performance of a Purchase Order. Such a grievance typically result from decisions made while administering a Purchase Order, are initiated

by the vendor or contractor performing the order, and represent the lack of agreement by the vendor or contractor in a decision rendered by BURA.

To be formally considered, the dispute must be submitted in writing as a claim and demonstrate a demand or assertion seeking, as a matter of right, the payment of monies, the adjustment or specific interpretation of the Purchase Order's terms and conditions, or some other form of relief.

"Claims" will be addressed as prescribed in Protest Resolution. The principles of protest handling will be applied in claims resolution. Claims regarding the text of a Purchase Order or its performance will be addressed using the following 'order of precedence': (a) the Proposal Form (excluding the specifications), (b) the Representations, (c) clauses, provisions and terms and conditions, (d) other documents and attachments, (e) the specifications, and (f) the drawings.

POLICY 11 - RECEIVING ORDERED MATERIALS

Receipt, inspection, identification of exceptions, and acknowledgement for payment are key follow-on processes to a purchase. Upon receipt of a purchased item, the Purchasing Section Buyer is responsible for inspecting the delivered materials, noting the condition and quantity of items received, checking for visible damage, and recording any discrepancies or damages on the bill of lading, and acknowledging receipt for payment. (See Procedure Section for further guidance.)

ACKNOWLEDGEMENT OF RECEIPT TO ACCOUNTS PAYABLE

If inspection of merchandise received indicates that all items ordered have been received and are in good condition, acknowledgement of receipt should follow, by forwarding a signed receiving copy of the purchase order to OSP Admin/Finance - Accounts Payable.

If a partial shipment has been received and the vendor has indicated on the packing slip that items have been back ordered, a photocopy should be made of the Purchase Order receiving copy and sent to OSP Admin/Finance - Accounts Payable. These documents are to indicate solely those items that were received. Upon receipt of the remainder of the purchased items, a second copy to the Purchase Order should be sent to OSP Admin/Finance -Accounts Payable indicating such.

NOTIFICATION OF DISCREPANCIES TO PURCHASING DEPARTMENT

If, during inspection of shipments, damages or discrepancies are found, a report should be made to the Purchasing Section as soon as possible. This notification is equally important for latent or concealed damages which are discovered after removal of items from packing materials.

If damage is discovered, all packing materials and the shipping cartons should be kept until an inspection report is received from the shipper and instructions are obtained as to the disposition of the damaged materials. The Purchasing Section will correspond

with the carrier and/or vendor concerning credit for, or replacement of the damaged merchandise.

RETURNS TO VENDORS

No supplies or equipment should be returned to a vendor without first obtaining the vendor's permission and shipping instructions.

BURA Divisions desiring to return materials to a vendor should notify the Purchasing Section, giving the reason for the desired return. The Purchasing Section will secure permission from the vendor for return of the materials and obtain shipping instructions. The Purchasing Section will notify BURA Division concerning the vendor's return instructions and the OSP Admin/Finance -Accounts Payable Office concerning the credit memo.

As the return of merchandise may occur for a number of reasons, the associated financial responsibility or liability will depend on the reason for the return. Generally, when materials are defective, freight charges and other costs involved are the responsibility of the vendor; otherwise, the BURA Division for which the return is being made may bear the cost involved. Most vendors will charge at least a 10% restocking charge when merchandise is returned as a result of an over purchase, or where the BURA made an error in requesting materials.

DELIVERY WITHIN THE FISCAL YEAR IN WHICH THE PURCHASE IS MADE

BURA policy requires that a delivery must be made and acceptance acknowledged prior to any payment can be made for goods or services. To obtain delivery prior to the end of the fiscal year in which the purchase is made, the following procedure should be followed:

Since delivery on many equipment items may require as much as six months or more and furniture items six to eight-weeks, such purchases must be accomplished as early in the year as possible. These facts do not preclude the placement of such purchase orders late in the fiscal year; however, should delivery not be made before the end of the fiscal year (April 30), payment for the purchase will be from the next fiscal year's budget. Accordingly, fiscal year end requirements should be submitted in anticipation of the receipt of the goods prior to the end of the fiscal year given these know limiting factors.

BURA Divisions anticipating the need for supplies or equipment to be delivered after May 1 and charged against the next year's budgeted funds may process purchase requisitions prior to April 30 provided that the requests carry the following notation:

"FUTURE REQUISITION: For delivery within new fiscal year; to be charged against new year's budget."

The purchase requisition, thus, will be encumbered against the next fiscal year's funds.

POLICY 12 - UNIQUE PURCHASE ITEMS

PURCHASES FOR PERSONAL USE OF EMPLOYEES

BURA policy prohibits the BURA from entering into any purchase contracts on behalf of employees. All materials purchased by BURA on official Purchase Orders or other recognized BURA purchasing instruments remain the property of the BURA until consumed or disposed of by public sale through surplus property procedures, unless otherwise allowed by State statute.

All Purchase Orders issued by the Purchasing Section, accordingly, must be for official use by BURA Divisions.

PURCHASES FROM EMPLOYEES OR EMPLOYEE FAMILY MEMBERS

BURA policy forbids purchase of materials or services from BURA or City employees or their family.

PURCHASES OF FOOD ITEMS, REFRESHMENTS, SUNDRIES, ETC.

Food items, refreshments (coffee, donuts, drinks, etc.) and sundries may not be purchased using certain federal funds (i.e. CDBG). Such purchases may, however, be allowed under certain explicit grants, contracts or trust funds, or discretionary accounts, providing the funding agency will not disallow the expenditure.

POLICY 13 - DEALINGS WITH VENDORS

CONTACT WITH VENDORS DURING SOLICITATION AND PROPOSAL/BID REVIEW

BURA Divisions are reminded and cautioned that during the period of evaluation and prior to award, possession of the proposals/bids and accompanying information is limited to personnel of BURA, BURA Purchasing Section and to those who are specifically responsible for review and evaluation of the proposals/bids. There must be no vendor participation in the review and evaluation, and no information may be furnished to vendors regarding the status of the evaluations. All vendor contact, particularly for proposal/bid clarification, shall be made by the Purchasing Section.

CORRESPONDENCE WITH VENDORS

Following the transmittal of a Purchase Order to a vendor, all correspondence in connection with the fulfillment of the order or contract will be handled by the Purchasing Section. BURA Divisions should notify the Purchasing Section staff of any matters they feel necessitate correspondence.

If delays or problems with delivery are encountered, BURA Divisions are to contact the Purchasing Section. The Purchasing Section staff will then contact the vendor and notify the BURA Division of the resolution.

Complaints about products received (shortages, damages, late shipments) should be routed through the Purchasing Section and will be handled as addressed above.

COMPLAINTS TO VENDOR

When a vendor repeatedly provides poor service and/or merchandise does not meet written specifications to the extent that work is hampered, BURA Divisions are to forward specific complaints to the Purchasing Section. The complaint must be submitted in a written memorandum or letter and clearly explain the conditions which generated the complaint. The Purchasing Section will complete the "Complaint to Vendor" form and transmit such to the NY State Office of General Services, or take appropriate action directly with the vendor. BURA Divisions are urged to make written complaints, when justified.

SALES CALLS BY VENDORS

Receipt of equipment for demonstration and evaluation purposes is permissible provided no obligation is made to the vendor to purchase the equipment.

PRODUCT AND SERVICE DEMONSTRATIONS BY VENDORS

WHEN REQUESTED BY VENDOR

From time to time vendors may request that they be allowed to demonstrate a new product line or a new service. BURA does not prohibit this type of demonstration; however, arrangements for space for such demonstrations must be made with the appropriate Division Head and through the Purchasing Section.

The vendor will be responsible for all expenses incurred in the demonstration. BURA will not accept any responsibility for the safety of the equipment of the vendor nor obligate itself to any purchase from the vendor as a result of the demonstration.

WHEN REQUESTED BY BURA

A more common type of demonstration is that requested by a BURA Division from a vendor of a particular piece of equipment. In these instances, the arrangements are to be made between the BURA Division and the vendor under the conditions specified above. Prior to making arrangements for such a demonstration, a BURA Division should be coordinated with the Purchasing Section.

All expenses incurred from these demonstrations are the responsibility of the vendor. BURA will not accept any responsibility for the safety of the equipment nor obligate itself to any purchase from the vendor as a result of the demonstration.

PURCHASE AFTER DEMONSTRATION

The demonstration of equipment to a BURA Division or to an individual in no way obligates BURA to purchase or lease the equipment or service. Any purchase requests issued after demonstrations will be processed in accordance with the normal purchasing regulations of BURA.

POLICY 14 - REPAIR OF EQUIPMENT

REPAIR OF IN-WARRANTY EQUIPMENT

Most new equipment is warranted by the manufacturer for a period of time against faulty parts or workmanship. Such equipment is generally supplied with a warranty card which is to be completed and returned by BURA Division to the manufacturer as soon as the equipment is received. Unless this warranty card is returned promptly, some manufacturers will not accept liability for the repair or replacement of the equipment. In the case of equipment obtained by solicitation, the warranty specifications will be spelled out on the solicitation, the offeror's/bidder's response, and the purchase order.

A request for in-warranty service may be originated by the BURA Division owning the equipment or, if the division chooses, the Purchasing Section will contact the vendor for service of equipment. When submitting the service request, the BURA Division should furnish the number and date of original purchase order and the nature of the defect.

The Purchasing Section will communicate with the vendor for instructions on handling the warranty repair. If return to the vendor is necessary, BURA Division will be responsible for forwarding the equipment to the vendor. The BURA Division is not to return the equipment until shipping instructions are obtained from the vendor.

The vendor repairing the equipment will return the repaired equipment directly to the BURA Division. Accordingly, BURA Division is to provide the vendor with its complete address, including the name of the person in charge of the equipment, room number, and the name of the building. Any freight or service charges not paid by the vendor will be billed to the BURA by the vendor after the transaction is completed.

REPAIR OF OUT-OF-WARRANTY EQUIPMENT

Repair of out-of-warranty equipment is paid for by BURA on a per-call basis. Requests for out-of-warranty service not covered by a service or maintenance contract should be initiated by the submittal of a Service Order Request Form to the Purchasing Section. The Purchasing Department will require evidence of funds (funding source) and assign a purchase order number for the repair service request and authorize the BURA Division to contact the service facility.

It should be noted here that it is best to always obtain thorough estimates of repair costs in order to avoid spending more for repairs than would be necessary for replacement of the equipment.

In instances where a firm-fixed price estimate is not available, the Purchasing Section may issue a "Not to Exceed (NTE)" Purchase Order for the repair. Such a Purchase Order authorizes repair to proceed under a specified dollar limit; this limit may not be exceeded unless amended by a Purchase Order Change Order issued by the Purchasing Section. Additionally where conditions warrant, the Purchase Order may provide for a tear-down-and-quote where a BURA Division is not obligated to proceed with a repair if the initial tear-down and inspection demonstrates that the costs of repair will exceed the value of the equipment or the division elects not to proceed.

Upon shipment, the equipment to be returned for repairs should be returned to the company by the BURA Division in accordance with the repair facilities shipping instructions.

POLICY 15 - SURPLUS PROPERTY

TRADE-IN WITH PURCHASE

Some used equipment has value when used as a trade on the purchase of new equipment of the same type. When a BURA Division wishes to trade-in used equipment, a request to do must be made of the Purchasing Section and included in the purchase requisition for the affected new equipment.

The existing equipment to be effected by the trade-in request is to be identified by: year of acquisition and production (if known), original or initial acquisition cost(s), model number, serial number, description, and a BURA inventory number.

If BURA deems this trade-in desirable, the Purchasing Section will request approval from the State Surplus Property Division. Prior to request for approval, the Purchasing Section must have a written quotation of the trade-in allowance offered by the vendor. Only if approved by the State may BURA offer the existing equipment as a trade-in under the purchase.

EQUIPMENT TRADE-IN

When a piece of equipment has been disposed of by trading-in on a new item, the disposing BURA Division head will forward an Equipment Disposal -Form 9 to the Purchasing Section. The Purchasing Section will sign the form, confirming that a trade occurred, and record the change in the BURA Property inventory.

POLICY 16 - EXCISE AND SALES TAX

FEDERAL, STATE AND COUNTY TAXES

The Buffalo Urban Renewal Agency, being an agency of the State of New York, is exempt from Federal Excise Tax. The Purchasing Section must furnish the State of New York Exemption Number to vendors for items subject to Federal Excise Tax, indicated as follows:

Federal Tax Exemption, Internal Revenue Code
Registry No. A171813
For Exclusive Use Buffalo Urban Renewal Agency

POLICY 17 - EQUIPMENT SERVICE CONTRACTS, LEASING AND LEASE-PURCHASE

EQUIPMENT SERVICE CONTRACTS

Most equipment generally requires service to continue in proper operating condition. For equipment which cannot be serviced by BURA staff such as specialized computer equipment, copiers, etc., it is often most economical to arrange for a service or maintenance agreement with the manufacturer or service agency. The cost of service on the equipment, which must be borne by BURA, usually includes charges for the service calls, labor, and parts each time repair or maintenance is required. Parts are usually covered in a service agreement; therefore, the savings on service calls and labor charges can make the lump sum payment for a service agreement very reasonable.

Service agreements for individual pieces of equipment should be requested on a Service Request Order Form. Most typically it will be accompanied by the vendor's service agreement. Justification for a service agreement may be requested by the Purchasing Section when the costs appear exorbitant.

When lump sum equipment service contracts are executed by the Purchasing Section, BURA will normally pay for the entirety of the service prior to performance, thus which may or may not have been performed. Therefore, nothing of value is received until such time as an equipment failure occurs or contractual preventive maintenance is performed. The execution of the Purchase Order written for lump sum equipment service contracts, thus, serves as the authority for payment of the vendor's the invoice.

Service agreements should normally be arranged to coincide with the beginning and ending dates of the fiscal year. When agreements are begun after the beginning of the fiscal year, the agreement should be pro-rated to end no later than final day of the fiscal year.

LEASING VERSUS PURCHASE OF EQUIPMENT

The leasing of any equipment will be accomplished as would an outright purchase. The competitive procedures and associated regulatory and guidance practices will apply.

Prior to pursuing an extended lease of any equipment however, BURA Division shall accomplish a lease-versus-purchase comparison. Such a comparison must clearly demonstrate that it is more cost advantageous to BURA to enter into a lease in lieu of making a purchase.

This justification will address the 'life-cycle' costs which may be imposed by both a lease and a purchase. Cost elements to be addressed, as a minimum, by this cost study will include: initial acquisition costs, initial (supplies) start-up costs, repetitive maintenance

and sustainment (supplies) costs. This study should assume a three (3) year baseline for applying costs.

LEASE-PURCHASE AGREEMENTS

Lease-purchase agreements may be permissible but are not encouraged as they are viewed by BURA as 'negative-spending'. Any request for a lease-purchase agreement must be approved by the Director of OSP Administration & Finance prior to acceptance.

The burden of justifying such a lease-purchase request lies on the BURA Division. As such, lease-purchase should only be considered as an alternative to outright purchase when extremely large sums of money are involved.

Any justification must be accompanied by a supporting lease-purchase versus purchase comparison. Such a comparison must clearly demonstrate that it is more cost advantageous to BURA to enter into such an arrangement.

POLICY 18 - CONTRACTUAL SERVICES AND CONSULTANT SERVICES

CONTRACTUAL SERVICES

"Contractual Services" are defined as: work performed by an independent contractor requiring specialized knowledge, experience, expertise or similar capabilities wherein the service rendered does not consist primarily of acquisition by BURA of equipment or materials.

It is the general policy of BURA to acquire contractual services (to include, equipment service contracts) by seeking competition. BURA Divisions interested in obtaining contractual services should review federal regulations pursuant to 24 CFR 85 Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments Sec. 85.36 and HUD Notice: CPD 96-05 Procurements of Consulting Services by Community Development Block Grant (CDBG) Recipients, HOME Participating Jurisdictions and Sub-recipients **Appendix A** for compliance with rules and regulations established by these policies.

The following types of services are generally exempt from adherence to procedures for securing contractual services:

- Services provided by individuals by direct employment contracts with BURA.
- Public utility services (gas, water, electricity).
- Telephone, telegraph, and cable services furnished by utility companies.
- Services provided which are subject to published tariff rates as established by the Interstate Commerce Commission.

- Services which are merely incidental to the purchase of supplies, materials or equipment.
- Services provided directly by an agency of the State, Federal or Local Government, or their employees when performing the service as a part of their normal governmental function.

Prior to a BURA Division seeking to obtain a contractual service, it should make all of the following determinations:

- that funds are available to cover the total cost of the service
- that the desired level of quality of the service is adequate and reasonable for the purpose intended
- that all rules, regulations and procedures referred to herein have been or will be complied with, and
- that obtaining the service is in the best interest of BURA.

CONSULTANT SERVICES

"Consultant Services" are defined as: work or tasks performed by an independent contractor possessing specialized knowledge, experience, expertise and professional qualifications to investigate an assigned problem or project and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services, to include: planning, directing, evaluation and operation.

The authority to permit the purchase of any such services from a consultant resides with the Buffalo Urban Renewal Agency board. Exception: contracts under \$ 5,000 entered into by authority of BURA Vice-Chair/Executive Director of the Office of Strategic Planning. Exception contracts are required to be reported to BURA Board as informational 'consent items' and are subject to procurement regulations as well as federal eligibility regulations.

REQUESTS FOR AUTHORITY TO CONTRACT WITH CONSULTANTS

Prior to initiating any action which may lead to the purchase of consultant services, BURA Division must submit a written request in form of an agenda item to BURA Board for their approval. Contract which, as a minimum, shall include those elements of information and justification outlined below. The responsibility for the preparation of this document rests with the designated Project Manager from a BURA Division as designated by Executive Director of the Office of Strategic Planning. Preliminary review of proposed items will take place at pre-BURA meeting.

PROCEDURES

PROCEDURE 1 – PURCHASE REQUISITION

BURA Divisions wishing to obtain supplies, goods or services must first complete and send a Purchase Requisition (form 1) to the Purchasing Section.

All Requisition for Purchase Order forms are to be typed leaving the shaded areas blank but filling in all other spaces which apply to your specific request. Any available descriptive literature should accompany any Purchase Requisition.

PROCEDURE 2 - PURCHASE ORDER

REGULAR PURCHASE ORDER

The BURA Purchase Order is an official document issued by the Purchasing Section which authorizes vendors to provide commodities and services to the various BURA Divisions. Solely by the signature of a Purchasing Section officer or agent acting in their capacity as an 'appointed agent' of BURA is the Purchase Order a binding instrument upon BURA, and the vendor or contractor.

Four copies of Purchase Orders are issued: to Purchasing Section, to the vendor, BURA Division that made the request, and OSP Admin/Finance in Financial Control of Agencies.

When changes to a Purchase Order (such as cancellation, quantities, price, etc.) occur, refer to section Procedure 3 for completion of Request for Change Order.

BLANKET PURCHASE ORDER

A "Blanket Order" is a purchase order which has been issued to a vendor against which multiple purchases may be made for a specified period of time. Similar to a regular Purchase Order, BURA Division funds are obligated (i.e., encumbered) upon the establishment and issuance of a Blanket Purchase Order.

Blanket Purchase Orders are issued for supply-type commodities and services only.

When repeated purchases of the same type of commodity item or services are anticipated, multiple purchase requisitions or small purchase authorizations may be eliminated by submitting one purchase requisition to establish a Blanket Purchase Order. Note: Equipment purchases are not permissible under Blanket Purchase Orders and require individual purchase requisitions as the need arises.

Prior to the issuance of a Blanket Purchase Order, a BURA Division's budget will be encumbered for the total amount of purchases as indicated on the purchase requisition. The primary budget category will be reduced by the amount of the blanket purchase order and a new category set up for the corresponding amount (i.e. reduce cd-13-29 Supplies by \$ 2500.00 and add same amount to new cd-14-29 Supplies-Blanket PO).

CHANGES TO BLANKET PURCHASE ORDERS MAY BE REQUESTED BY USING THE REQUEST FOR CHANGE ORDER FORM

Materials cannot be shipped against a blanket order beyond the period indicated. Nor can materials be shipped in excess of the dollar amount, without authorization from the Purchasing Section. Materials are to be invoiced when delivered.

1. The funding amount for a Blanket Purchase Order must be equal to or exceed \$ 300, unless otherwise established by the Purchasing Section. The total of all individual "orders" or "calls" placed under a Blanket Purchase Order may not exceed the limit established by the Purchasing Section on the face of the Blanket Purchase Order.
2. No equipment may be purchased under a Blanket Purchase Order.
3. BURA Purchasing Section will maintain a running tabulation (log) of expenditures under the blanket order to prevent exceeding the funded limit of the Blanket Purchase Order.
4. BURA Divisions will acknowledge receipt of deliveries made under Blanket Purchase Orders as prescribed by Purchasing Section.

PROCEDURE 3 - REQUEST FOR CHANGE ORDER

PREPARATION OF THE REQUEST FOR CHANGE ORDER

A Request for Change Order, Form 4, is used by BURA to request a change to an existing Purchase Order. The Request for Change Order form is an un-numbered form available from the Purchasing Section. After a BURA Division correctly and completely executes the form, the form is forwarded to the Purchasing Section for action.

A Change Order is required to notify vendors of needed changes to an existing Purchase Order or as an internal document to notify departments, with a need to know, about changes requested on an existing Purchase Order. Change Orders are required to be issued whenever an amendment of a Purchase Order is required to accommodate a change in: quantity, price, performance, terms and conditions, specifications and/or statement of work.

Note: Change Orders are limited to twenty-five percent of the total amount of the initial purchase order award price. Change Order requests which exceed this limitation must be accompanied by a written justification by the BURA Division and are subject to the Purchasing Section's review and approval.

As is the case with the Purchase Order, the Change Order can only be issued by the Purchasing Section as only the Purchasing Section is authorized to change or amend a contractual liability of BURA established by the issuance of a Purchase Order. A copy of the completed Change Order is provided to all BURA Division having received a copy of the original Purchase Order (whether in 'hard copy' or by the automated purchasing system). Changes to Purchase Orders should be kept to a minimum; however, more than one change order may be issued for a single Purchase Order.

Note: BURA Division may forward Requests for Change Order by e-mail when the change is not significant, does not entail change to a statement of work or specifications, is an extensive change, or would otherwise be better served by a 'hard copy'. This e-mail should capture the information listed below.

The following is a brief description of the information required on a manually prepared Request for Change Order.

1. "Purchase Order No." - Identify the Purchase Order under which the change is to be made.
2. "Date" - The date the Request for Change Order form is completed.
3. "Vendor's Name:" - The name of the vendor as shown on the Purchase Order.
4. "Departmental Approval" – BURA Division approval must be the person responsible for expenditure of funds from the account code(s) being charged on this Request for Change Order, and this signature must be the 'signature of record'. The date must reflect the date the signature was written.
5. "P.O. / Contract" - If the description of the item is not to be changed by this request it should be given exactly as it appears on the original Purchase Order. If the description is changing, the new description should be provided.
6. "Original Contract Sum" - The original order sum is shown in the Order Total block on the original Purchase Order and represents the total amount encumbered.
7. "New Contract Sum" - The revised order sum.
8. "New Contract Sum" - The difference between number 6 and 7 above and may be either plus (+) or minus (-). Please use the plus (+) or minus (-) sign to indicate the difference on your order. If there is no difference, enter "0".
9. "Original - Account Number" - The account number(s) which was encumbered on the original Purchase Order. In most cases this entry will represent the only account number to be charged on an original Purchase Order; however, if more than one account number shared in the cost as shown on the original Purchase Order, record all account numbers.

PROCEDURE 4 - TRAVEL, AUTO ALLOWANCE & PETTY CASH REQUESTS

TRAVEL REQUESTS

All BURA employees are required to obtain prior approval from the Office of the Mayor before making arrangement to travel on BURA/City business (Form 5). Daily allowances for Meals will not exceed \$ 35.00 per diem. Alcoholic beverages will not be reimbursed. When privately owned automobiles are used, the rate is 35 cents per mile (Form 5.1 Mileage Expense Report). This rate is for out of town travel only. All reimbursement

requests will contain attached receipts and detail the incurred costs by the following categories:

- Meals & Lodging
- Out of Town Transportation (via common carriers or personal automobile)
- Registration Fees

Reimbursement requests will be submitted to the Director of OSP Administration & Finance for payment.

AUTO ALLOWANCE

All BURA using privately automobiles will be reimbursed at a rate of \$ 12.00 per day. Documentation of usage will be detailed in a standard BURA Auto Allowance (Form 6) and Daily Auto Allowance Report (Form 6.1), verified by BURA Division Head and approved by the Deputy Department Head. Auto Allowance Form must be submitted to the Director of OSP Administration and Finance in order to effect reimbursement to the employee.

PETTY CASH REQUESTS

BURA Petty cash requests are limited to \$ 50.00 and emergency circumstances up to \$ 100.00. All petty cash requests for reimbursement must be submitted to the Director of OSP Administration & Finance on Petty Cash Request (Form 7). Receipts from vendor(s) must be attached.

PROCEDURE 5 - REQUEST FOR QUOTATION FORM

[Policy 5](#) prescribes that BURA Divisions may use the Request for Quotation form (Form 8) to obtain competitive pricing for requirements which are over \$ 300.00 do not exceed \$ 10,000.00. The use of the Request for Quotation (RFQ) form for pricing standard, non-complex requirements adds validity to the pricing process, integrity to purchasing practices, and provides a reference document for awarding a Purchase Order.

BURA Divisions wishing to use the RFQ may obtain copies from the Purchasing Section. Completion, issuance, evaluation of responses and submittal to the Purchasing Section will adhere to the practices outlined in Policy 5 and below. Copies of all quotations offered as a result of a BURA Division's issuance of a RFQ will accompany the purchasing requirement submittal.

PREPARATION OF THE REQUEST FOR QUOTATION (RFQ) FORM

1. "Date of Issue:" - Enter the date which the RFQ is mailed to prospective vendors.
2. "Date and Time Quotation is Due:" - Enter the common date and time (specify, a.m. or p.m., and EST) which responses to the RFQ are due to the BURA Division.

3. "Issued By:" - Complete all BURA Division information required by "Issued by:". Note: This information establishes to whom the prospective vendors will respond; therefore, ensure that the entries in this area are the BURA Division and individual knowledgeable of the requirement being solicited.
4. "Quote By:" - Vendor is to complete "Quote by:" area.
5. Paragraph 3, "Pricing is based on ... :" – BURA Division is to complete "delivery/performance completed by:" If the BURA Division is aware of a date that is significantly important to the requirement, this date should be so stated and emphasized in the "Item Description."
6. "Item No." - Identify each individual commodity or service to be quoted sequentially as Item No. 001, 002, 003, etc.
7. "Quantity" - State the quantity of each Item Number required.
8. "UNCG Catalog Ref. No." - Identify the Catalog Number of the commodity to be quoted and the name of the Vendor whose catalog is being used.
9. "Vendor's Cat. Ref. No." - Vendor is to complete its Catalog Number for each item.
10. "Description" - Concisely describe commodity or service to be quoted. Use of common industry abbreviations and acronyms are acceptable. Description should, however, leave no doubt as to what constitutes BURA's requirement and leave nothing to debate.
11. "Unit" - State the unit of each Item No. required in standard accepted terms or units of measure, e.g. each, thousands, job, lot, etc.
12. "Unit Price" - Vendor is to complete "Unit Price."
13. "Total Price" - Vendor is to complete "Total Price" based on "Quantity" and "Unit Price."
14. "Vendor acknowledges that delivery/performance ... :" - Vendor is to complete "delivery/performance can be made by:" as part of its quotation.
15. "Signed:" - Vendor is to complete signature block.

PROCEDURE 6 - PURCHASE ORDER RECEIVING

Policy 11 prescribes the BURA Divisions' responsibility for performing specific duties related to the receipt of commodities delivered or services performed.

Receipt may be by forwarding signed receipt-acknowledged copies of the Purchase Order to the OSP Admin/Finance – Accounts Payable.

Note: As it is an objective of the automated purchasing initiative to eventually eliminate BURA Divisions' hard copy of the Purchase Order. Purchase Order receiving through the automated purchasing system will be highly encouraged.

Receiving is required of all Purchase Orders with the exception of equipment maintenance and "check with order" Purchase Orders. Under these exceptions, payment is made upon submittal of the vendor's invoice.

The following sequence of events may occur when commodities or services are received from vendors:

If all commodities or services ordered are received in proper quantity and in good condition as specified on the Purchase Order, the order is considered to be "complete." The Purchasing Section Buyer or BURA Division individual responsible for the receipt of commodity or service shall attach the packing slip to the receiving copy of the Purchase Order, sign and date the copy as "Received", and forward this copy to OSP Admin/Finance-Accounts Payable. Accounts Payable will match up the company invoice with the receiving copy of the Purchase Order and will process payment.

If partial shipment is received in good condition and is as otherwise specified on the Purchase Order, the BURA Division individual receiving the commodity (or service) shall attach the packing slip to a photocopy of the receiving copy ('hard copy') of the Purchase Order and forward such to OSP Admin/Finance-Accounts Payable. Any and all partial shipments shall follow the above procedure until the completion of the Purchase Order. When the final shipment is made and the order is completed, a "final" receiving copy ('hard copy') of the Purchase Order with the final packing slip shall be sent to the OSP Admin/Finance-Accounts Payable Office for payment. Accounts Payable is responsible for matching up partial invoices with partial receiving reports and issuing payment.

When merchandise received is damaged, notification must be made to the Purchasing Section Buyer within twenty-four (24) hours. A photocopy of the receiving copy of the Purchase Order must be sent to the Purchasing Section indicating damages in merchandise received. In cases where packing materials have obviously been damaged, the merchandise must be opened and inspected while the delivery person is still present. Notation of damages, shortages or errors, must be made on all copies of the bill of lading and the delivery person must sign all copies of the bill of lading when such notations have been made. All merchandise received should be inspected and checked for performance as soon as possible after receipt, regardless of condition of packing materials. Concealed damages may exist and should be reported as soon as possible. DO NOT discard damaged packing materials until notified by the Purchasing Section to do so. ALL contact with vendors or delivery sources shall be made by the Purchasing Section Buyer.

When a discrepancy exists between the commodity (or, service) ordered and that received, the BURA Division will notify the Purchasing Section immediately, and within twenty-four (24) hours. If the error is immediately recognizable as the merchandise is unloaded; the unloading should be stopped and a call placed to the Purchasing Section.

The Purchasing Section will advise if delivery should be accepted or refused. In the case of concealed errors, (such as incorrect color, too many or too few items shipped, wrong model, etc.) the Purchasing Section must be notified within a reasonable period. The BURA Division will keep all packing materials and will be notified by the Purchasing Section concerning the return of the merchandise to the vendor. In cases where the BURA Division has erred in its ordering of materials and wishes to return such to the vendor, the BURA Division will be responsible for any charges involved such as shipping cost and restocking fees. All contacts with vendors regarding errors in shipments are to be made by the Purchasing Section.

When an amendment or change is required of a Purchase Order to enable payment, the processes under [Policy 11](#), Receiving Ordered Materials and [Procedure 3](#) Request for Change Order, will be followed.

PROCEDURE 7 – DISPOSITION, THEFT OR TRADE-IN OF CAPITAL ASSETS

Disposition of capital assets must be approved by the OSP Director of Administration & Finance. Form 9 will be used to request approval for the disposal of any capital asset (class 6) or to report the theft of such assets or use for trade-in to purchase another similar asset. Under federal grant regulations, approval must be obtained to dispose of assets purchased with federal grant funds. Any income earned from the sale of such assets should be noted and the ultimate disposition of such income will be determined by the Office of OSP Administration & Finance. This form should be transmitted to OSP Administration & Finance, Room 214 city hall, Buffalo, NY 14202. Note: a separate form should be used for each asset.

FORMS

Form 1 - Purchase Requisition

Form 2 - Purchase Order

Form 3 - Blanket Purchase Order

Form 4 - Request for Change Order to Purchase Order

Form 5 - Travel Request

Form 5.1 – Mileage Expense Report

Form 6 - Auto Allowance

Form 6.1 – Auto Allowance Daily Report

Form 7 - Petty Cash Request

Form 8 - Request for Quotation

Form 9 – Capital Asset Disposal Form