ALLEGANY COUNTY LAND BANK CORPORATION
PURCHASING POLICIES AND PROCEDURES

THE POLICIES DESCRIBED BELOW APPLY TO ANY PURCHASE(S) MADE BY THE ALLEGANY COUNTY LAND BANK CORPORATION ("ACLBC" AND/OR "LAND BANK")

Additional requirements applicable solely to those purchases made under government awards, if any, are described in the "Procurements Under Awards" section below.

Overview

It shall be a strict Land Bank requirement to follow a practice of responsible, reasonable, and ethical policies and procedures related to purchasing, agreements, and contracts, and related forms of commitment (the "Purchasing Policy"). The Purchasing Policies describe the principles, practices, and procedures to which all Land Bank staff, whether Officer(s), Director(s), Employee(s), and/or Agent(s), shall adhere in the completion of their designated responsibilities and shall be bound by the terms and conditions of the Purchasing Policy in connection with the procurement and acquisition of any goods, services, and/or equipment by the Land Bank.

Purchasing Responsibility

Only those individuals identified herein and/or duly designated by resolution of the ACLBC Board of Directors shall possess the authority to initiate purchases on behalf of the Land Bank, and only within the boundaries described herein. The ACLBC Board of Directors shall state in writing any individual(s) who may initiate purchases or prepare purchase orders before any such individual(s) shall possess such authority.

A Land Bank employee designated by the Board Chairman shall be responsible for processing all Land Bank purchase orders consistent with this Purchasing Policy the ACLBC Chairman shall possess approval authority over all purchases and contractual commitments as defined by the Purchasing Policy, except those transactions exempted herein. The ACLBC Board of Directors shall deliberate as soon as practicable to make the final determination on any proposed purchase(s) for which budgetary and/or any other material condition(s) may result in denial of the transaction(s), if such a deliberation is requested by the ACLBC Chairman

Non-Discrimination

All vendors/contractors who are the recipients of ACLBC funds, or who propose to perform any work or furnish any goods under agreements with the Land Bank shall agree to these important principles:

1. Vendors/contractors will not discriminate against any employee and/or applicant for employment because of race,

religion, color, sexual orientation, and/or national origin, except where religion, sex, or national origin is a *bona fide* occupational qualification reasonably necessary to the normal operation of the vendors/contractors.

2. Vendors/contractors agree to post in conspicuous places, available to employees and/or applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisements, and/or solicitations placed in accordance with Federal law, rule, and/or regulation shall be deemed sufficient for meeting the intent of this section.

Purchase Orders

It is the policy of the Land Bank to utilize a purchase order system. A properly completed purchase order ("Purchase Order") shall be required for each purchase decision and for any purchase(s) with the exception of travel advances and expense reimbursements. Travel Advances shall require prior written request by the requesting individual(s) and approval from the ACLBC Board of Directors. A properly completed Purchase Order shall contain, at a minimum, the following information:

1. Specifications or statement of services required.
2. Vendor name, address, point of contact and phone number.
3. Charge Account Code (if applicable).
4. Delivery, packing and transportation requirements.
5. Special conditions (if applicable).
6. Catalog number, page number, etc. (if applicable).
7. Net price per unit, less discount, if any.
8. Total amount of Purchase Order.
9. Authorized signature
10. Date of Purchase Order preparation.

Purchase Orders shall be pre-numbered and sequential, kept in a secure area under the Land Bank Treasurer's supervision, and issued upon request from an authorized purchaser.

Authorizations and Purchasing Limits

Purchase(s) less than $1,000. Any completed Purchase Order(s) must be signed and dated by the preparer and approved by the Land Bank Director, no matter the amount, before it is deemed effective. The Land Bank Chairman is authorized to enter into any contract(s) on behalf of the Land Bank in any amount(s) less than $1,000.00.

Open purchase orders. Open purchase orders can be requested for routine purchases totaling under $500. Open purchase orders may be kept on file with local merchants to assist in the procurement of everyday items. The open purchase order will not be used for items costing over $500. A separate Purchase Order must be made for those items costing more than $500 with prior approval obtained consistent with the Purchasing Policy.

Purchase(s) more than $1,000. Any contract(s) in an amount exceeding $1,000.00 must be reviewed and approved by the Land Bank counsel, Director, and a majority vote by the Land Bank Board. These requirements shall also apply to the renewal(s) of any existing contract(s).

Emergency Purchases. The only instances in which this policy will not apply is in emergency situations where immediate procurement may be necessary to prevent delays in critical agency activities or such delays may vitally affect the life, safety, or health of individuals served. The process for emergency purchases requires a written purchase request be completed to begin procurement.

Purchase(s) requiring bids. Any Land Bank purchase(s) of goods, services, and/or equipment which will exceed $20,000 in one fiscal year, and any contract(s) for any time interval exceeding $35,000 shall be formally bid using Section 103 of the New York General Municipal Law for parameters. Subject to the requirements herein, the following provisions shall be observed in connection with Land Bank purchases:

1. Any purchase(s) of good(s), service(s), and/or equipment estimated to cost:

    (a) Less than $20,000 but greater than $3,000 shall require written/fax quotes from 3 vendors;

    (b) Less than $3,000 but greater than $1,000 require oral/fax quotes from 2 vendors;

    (c) Less than $1,000 are left to the discretion of the Purchaser, subject to the requirements of this policy.

2. Any construction and/or demolition contract(s) in an estimated amount of:

    (a) Less than $35,000 but greater than $10,000 shall require a written request for proposals and written/fax proposals from not less than three (3) qualified contractors;

(b) Less than $10,000 but greater than $500 shall require a written request for proposals and written/fax proposals from two (2) qualified contractors;

(c) Less than $500 are left to the discretion of the Purchaser.

4. Any written request for a proposal shall describe the desired purchase(s) and/or service(s) sought. The ACLBC shall compile a list of any qualified contractor(s) and/or vendor(s) from whom written/fax/oral quotes have been requested and the written/fax/oral quotes offered. All information gathered in complying with the procedures of this policy shall be preserved and filed with the documentation supporting any subsequent purchase(s) and/or contract(s).

5. The lowest responsible proposal or quote shall be awarded the purchase(s) and/or contract(s) unless the ACLBC Director prepares a written justification providing reasons why it is in the best interest of the Land Bank and its constituents to make award the contract to one other than the contractor or vendor who submitted the lowest bid. For the purposes of the Purchasing Policy, “responsible” shall mean one whose business and financial capabilities, past performance, and reputation support that the bidder is fully capable and qualified to perform the work, and/or provide the goods and/or services sought. If any contractor(s) and/or vendor(s) is/are not deemed responsible, facts supporting that determination shall also be documented and filed with the record supporting the relevant procurement(s).

6. A good faith and duly diligent effort shall be expended to obtain the required number of proposals or quotations, pursuant to the Purchasing Policy. If the required number of proposals or quotations cannot be obtained following a duly diligent effort undertaken in good faith, the ACLBC Director shall document the effort undertaken to obtain such proposals or quotations. Under no circumstances shall the inability by the Land Bank to obtain any number of proposal(s) or quote(s), by itself, function as a bar to a particular purchase or procurement, provided the requirements herein have been satisfied.

7. Except when directed by the Board of Directors, no solicitation of written proposals or quotations shall be required for the following types of procurements or circumstances:

(a) Acquisition of professional services;

(b) Emergencies in which time is a crucial factor;

(c) Sole-source situations;

(d) Goods purchased from agencies for the blind or severely handicapped;

(e) Goods purchased from correctional facilities;

(f) Goods purchased from another governmental entity;

(g) Goods purchased at auction; and

(h) Goods or services purchased for less than $500.

Affirmative Consideration of Minority, Small Business, and Women-Owned Businesses

Whenever and to the fullest extent reasonably possible, positive efforts shall be made by the Land Bank to utilize local small businesses, minority-owned firms, and women's business enterprises. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small local business, minority-owned firms and women's business enterprises.
3. Consider in the contracting process whether firms competing for larger contracts tend to subcontract with small local businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting with consortiums of small local businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such agency as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Right to Audit

It shall be strict Land Bank policy to require a "Right to Audit" clause in any contract(s) between the Land Bank and any vendor(s) that either; 1) take any form of temporary possession of any asset(s) directed for the Land Bank, or 2) process data that will be used in any financial function of the Land Bank. This Right to Audit clause shall permit access to and review of all documentation and processes relating to the vendor's

operations that apply to the Land Bank as well as all documents maintained or processed on behalf of the Land Bank for a period of three years. The clause shall state that any such audit procedures may be performed by Land Bank employees and/or any outside auditor(s) and/or contractor(s), as designated by the Land Bank, solely in its discretion.

Vendor / subcontractor Files and Required Documentation

The designated Land Bank employee who functions as the ACLBC Accounts Payable Specialist shall create a vendor folder for each new vendor / subcontractor from whom the Land Bank purchases goods or services. Upon making the initial purchase from any vendor(s) (regardless of whether a contract is involved), the ACLBC Accounts Payable Specialist will request a completed and signed Form W-9 from that vendor, or provide equivalent, substitute information. Completed, signed Forms W-9 or substitute documentation shall be filed. Any vendor(s) who fail(s) to return a completed, signed Form W-9 or provide equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies of the Land Bank.

Ethical Conduct in Purchasing

Ethical conduct in managing all Land Bank purchasing activity is essential. ACLBC personnel must always be mindful that they represent the ACLBC Board of Directors and share a professional trust with other staff and the public.

ACLBC personnel shall discourage the offer of, and decline, individual gifts, or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. ACLBC personnel shall promptly notify a supervisor if offered such gifts.

Conflicts of Interest Prohibited

No Officer, Director, Employee, contractor, and/or Agent of the Land Bank shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an Officer, Director, Employee, and/or Agent of the Land Bank, or any member of his/her immediate family, his/her spouse/partner, or any entity(ies) that employ(s) or is about to employ any of the parties indicated herein, has a financial, and/or any other interest(s) in the vendor selected.

Officers, board members, employees and agents of the Land Bank shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value of $25.00 or less may be accepted with the approval of the Land Bank Director.

Procurements Under Awards

Procurement of goods and services whose costs are charged to any award(s) received by the Land Bank are subject to all requirements of the Purchasing Policy, as described hereinabove, as well as the following supplemental policies:

1. The Land Bank shall avoid purchases that are not necessary for the performance of the activity(ies) required by any award(s).

2. Where appropriate, an analysis shall be made of any available lease and purchase alternative(s) to identify the most economical and practical procurement for the government.

3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to any award(s).

4. For all procurements in excess of the Federal “small purchase acquisition threshold” (and/or such amount(s) established by State law, if any) procurement records and files shall be maintained the include all of the following:

    a. The basis for contractor selection;

    b. Justification for lack of competition when competitive bids or offers are not obtained; and

    c. The basis for award cost or price.

5. The Land Bank shall make all procurement files available for inspection upon request by any Awarding Agency(ies).

6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any Federal agency(ies).

No ACLBC Officer, Employee, contractor and/or Agent shall participate in the selection, award, or administration of a contract supported by grant funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the Officer, Director, Employee, and/or Agent, and/or any member of her or his immediate family, his or her partner, or an Agency which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Receipt and Acceptance of Goods

All departments or designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Verify the quantity of boxes/containers with the packing slip.
2. Examine boxes/containers for exterior damage.
3. Note on the packing slip any discrepancies (missing or damaged boxes/containers, etc.).
5. Sign and date the packing slip and deliver to the treasurer
6. Retain a copy of the packing slip and send original to financial official immediately

When goods are moved to another area for thorough inspection, the following inspection procedures shall be performed by Chairman appointed Board member and/or a Land Bank Board of Director's sub-committee

1. Remove any packing slip(s) from each box/container.
2. Compare the description and quantity of goods per the Purchase Order with that of the packing slip.
3. Examine goods for physical damage.
4. Count and/or weigh items, as appropriate.
5. Record an indication of counts on the Purchase Order.

It is the policy of the Land Bank to perform by Chairman appointed Board member and/or a Land Bank Board of Director's sub-committee the preceding inspection procedures promptly to facilitate the timely return of goods and/or communication with vendors when necessary.

Real Property Contracts

Prior to execution of any contract(s) for any interest(s) in real property, the Land Bank shall first obtain ACLBC Director's approval of any such contract(s). Upon ACLBC Director's approval, the prospective contract(s) shall then be referred to the Land Bank counsel for review and approval. Upon approval of the Land Bank counsel, the proposed contract(s) shall then be referred to the ACLBC Board of Directors for approval and resolution.