
 <b>NEW YORK STATE</b> <b>Corrections and Community Supervision</b>  <b>DIRECTIVE</b>	TITLE		NO. 2916
	<b>Purchasing Supplies and Equipment</b>		DATE 07/27/2017
SUPERSEDES DIR# 2916 Dtd. 08/21/2015	DISTRIBUTION A	PAGES PAGE 1 OF 4	DATE LAST REVISED
REFERENCES (Include but are not limited to) NYS Procurement Council's Procurement Guidelines; Procurement Stewardship Act of 1995; BSC Finance Policy, Directive #2011; ACA Standard 4-4038	APPROVING AUTHORITY 		

- I. **BACKGROUND:** This directive intends to compliment the New York State Procurement Council's Procurement Guidelines (Rev. 5/2014), promulgated after the Procurement Stewardship Act of 1995 and the NYS Business Services Center (BSC) Finance Policy-Purchasing. These references set forth procurement policies and procedures, and describe procurement techniques to be followed by Purchasing Officers (Institution Steward, Head Account Clerk, Principal Account Clerk, or Business Office designee.)
- II. **POLICY:** It is the policy of the State of New York, as set forth in the references cited above, to ensure that the State obtains "services" (including technology) on the basis of "best value" and commodities on the basis of "lowest price" from responsible vendors. Staff shall adhere to the provisions of this directive when initiating purchase requests, generating documentation to support purchasing decisions, and maintaining internal controls over the purchasing process. Staff shall follow the Procurement Guidelines (Rev. 5/2014) for procurement methods and procedures, and all current New York State control agency policies.
- The New York State Procurement Council's Procurement Guidelines (Rev. 5/2014) may be accessed at the following Office of General Services (OGS) website: [www.nyspro.ogs.ny.gov](http://www.nyspro.ogs.ny.gov), through the Centralized Procurement section. The Office of the State Comptroller (OSC) Guide to Financial Operations, Chapter XI Procurement and Contract Management may be accessed through the OSC website: [www.osc.state.ny.us](http://www.osc.state.ny.us), through the State Agency Representatives section. NYS BSC Finance Policy-Purchasing is located at the following website: [www.bsc.ogs.ny.gov](http://www.bsc.ogs.ny.gov).
- III. **GENERAL REQUEST AND PURCHASE PROCEDURES**
- A. Requester (Unit/Office Supervisor)
1. Prepare Purchase Order Request, including complete specification/description (i.e., name, size, colors, etc.) including delivery date, if desirable, and provide justification for purchase;
  2. Attach quotations/documentation, if available, to the Purchase Order Request; and
  3. Forward request and documentation to the Deputy Superintendent/Division Head/Regional Director for approval.
- BEST PRACTICE:** Requestor/Unit staff may obtain one quote and provide to Business Office Purchasing Officer, along with possible other vendors where quotes may be obtained (include vendor name and vendor contact, if known).

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B. Deputy Superintendent/Division Head/Regional Director

1. Should be satisfied that the order represents the type and quantity of goods needed to carry out the unit's mission; and
2. Records his or her approval or disapproval on the request. If approved, forwards to the Institution Steward/Purchasing Officer.

C. Steward/Purchasing Officer

1. Reviews the request vis-a-vis the action plan;
2. Notes his or her approval on the request, or explains disapproval to requester;
3. Using the Statewide Financial System (SFS), checks for availability of funds;
4. Checks current inventory and stock levels; and
5. Using SFS, accesses vendor system to identify suitable vendors. Utilizes Empire State Development's Minority and Women-Owned Business Enterprise (M/WBE) Directory to identify M/WBE vendors whenever possible.

For "OGS or less" or other discretionary purchases where alternate vendors are being solicited, obtains quotations, selects reliable source offering reasonable price, etc. using the appropriate procurement methodology.

**BEST PRACTICE:** If quotes were submitted with purchase request, Business Office Purchasing Officer should verify quotes submitted by unit and obtain quotes from suggested vendors and any other vendors they feel may be able to quote.

- Whenever possible, Purchasing Officer should obtain a minimum of one additional quote and verify all others.
  - If not possible to obtain additional quotes, Purchasing Officer must verify all quotes obtained.
6. *In Scope:* Enters requisition in SFS, including complete terms of the transaction, delivery point, recycling and "OGS or less" codes.

OGS BSC approves purchase order and distributes to: (1) vendor and (2) Agency-Purchasing Unit. Additional copies can be made at the discretion of the facility administration. The purchase order request and supporting documentation should provide justification to support both the selection of the vendor and the reasonableness of the price, and should be retained in accordance with the General Retention and Disposition Schedule (see Directive #2011, "Disposition of Departmental Records").

*Out of Scope:* Prepares the Purchase Order, including complete terms of the transaction, delivery point, recycling and "OGS or less" codes, and to whom invoices should be sent for payment.

Distributes Purchase Order to: (1) vendor, (2) Agency-Purchasing Unit, and (3) Agency-Delivery. Additional copies can be made at the discretion of the facility administration. The Purchase Order Request and supporting documentation should provide justification to support both the selection of vendor and the reasonableness of the price, and should be retained in accordance with the General Retention and Disposition Schedule (See Directive #2011).

#### IV. INTERNAL CONTROLS

- A. Separation of Duties: **OSC internal control guidelines require that the following functions be performed by different personnel:** (1) Preparing purchasing specifications; (2) Receiving responses to proposals; (3) Evaluating proposals; (4) Receiving; and (5) Payment.
- B. Transaction Records: The Business Office shall maintain records of purchases which include documentation to support both the selection of vendor and the reasonableness of the price paid. These records shall be retained for six years.
- C. SFS: Purchasing staff shall use SFS for all transactions where appropriate (e.g., P-card (VISA) up to \$5,000).
1. Security: The facility SFS Security Administrator (Institution Steward or assignee) will ensure separation of duties by limiting job function assignments through role mapping.
- D. Purchasing Requirements: Purchasing staff shall ensure that purchase requests are used and approved as required, utilizing preferred sources, centralized contracts, agency contracts, MWBE, etc.
1. Discretionary Purchases: When purchasing items/services from open market (after first checking preferred source, centralized contracts, agency contracts, M/WBE, etc.), the following are the minimum recommendations:
- a. \$0 - \$2,500
- (1) Ensure that the commodities and services acquired meet their form function and utility needs (make sure the item/vendor you select meets the needs of the end user).
  - (2) Document and justify the selection of the vendor (lowest price, best delivery date, best product fitting end user's needs, etc.).
  - (3) Document and justify the reasonableness of the price to be paid (obtain one or more additional quotes (verbal quotes are acceptable), compare with published prices and past purchases).
  - (4) Utilize P-card (VISA) whenever possible (up to \$5,000).
  - (5) Buy from a responsible vendor (verify on-line website, verify phone number and address, verify workers' compensation insurance on the Department of Labor website, note if this is a vendor whom you have done business with and have first-hand knowledge of reputation and workmanship, etc.).
- b. \$2,501 - \$10,000
- (1) Obtain one written quote; if quote not obtained by Business Office staff, quote(s) must be verified by Business Office Purchasing Officer.
  - (2) Appropriate documentation should be noted in procurement file (attempts to obtain quotes, single/sole source, etc.).

Note: Utilize P-card (VISA) up to \$5,000 whenever possible.

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- c. \$10,001 - \$49,999
    - (1) Obtain three written quotes; if quotes not obtained by Business Office staff, quotes must be verified by Business Office Purchasing Officer.
    - (2) Consider advertising opportunity in the NYS Contract Reporter.
    - (3) Obtain signed quotes (a diligent effort should be made to obtain a minimum of three quotes).
    - (4) If over \$15,000 obtain lobbying forms from vendors.
    - (5) Complete Agency Certification for Lobbying.
    - (6) Keep thorough procurement records.
  - d. \$50,000 and Over: If OGS or Agency contract purchase, obtain approved agency spending controls application that can be found on the Division of Budget (DOB) website at [www.budget.ny.gov/ebudget-portal/](http://www.budget.ny.gov/ebudget-portal/).
    - (1) If discretionary purchase, obtain approved agency spending controls application that can be found on the Division of Budget (DOB) website at [www.budget.ny.gov/ebudget-portal/](http://www.budget.ny.gov/ebudget-portal/) and proceed with a formal advertised bid, which should be initiated by Purchasing Officer in Business Office. Refer to OGS Procurement Guidelines. Make sure the M/WBE Directory is referred to in order to identify companies that should be added to bid solicitation list. -OR-
    - (2) Obtain three written quotes from M/WBE vendor(s) up to \$200,000 and follow procurement guidelines for discretionary purchasing with M/WBE's (must be advertised in Contract Reporter, must justify price, and MUST be sent to OSC for approval, etc.).
2. Emergency Purchases: There should be adequate documentation to support emergency procedures. In accordance with State Finance Law, an "emergency" is defined as an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk. The "Agency Head" must approve of the emergency procurement determination in order to forego competitive bidding requirements and this must be documented in the procurement record. At the facility level, the "Agency Head" is defined as the Superintendent, or in his or her absence, a designee.
3. P-card (Visa) transactions must be reconciled and approved in SFS timely.