

43NORTH

Procurement Policy & Guidelines

1. PURPOSE

The purpose of this policy is to ensure that goods and services purchased for the performance of 43North's business, startup competition and related programs are cost-effective and in compliance with best practices for non-profit organizations.

2. SCOPE

This policy applies to any employee authorized to initiate and/or approve purchases paid for with 43North funds.

3. RESPONSIBILITY

Each Department Director is responsible for determining whether a purchase within their Department is allowable as relevant to the core functions and mission of 43North, meeting the goals of the Department in timely fashion, and will ensure purchases are in accordance with this policy.

4. CODE OF CONDUCT

As representatives of 43North, all officers, directors and employees are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Officers, directors and employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside 43North. This applies to any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts; and administration and supervision of contracts.

- a. No employee, officer, director, volunteer or agent of 43North shall participate in the selection, award or administration of a bid or contract if a conflict of interest is real or apparent to a reasonable person.
- b. Conflicts of interest may arise when any employee, officer, director, volunteer or agent of 43North has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.

5. OVERVIEW

43North requires employees to perform some measure of cost/price analysis when making purchases. Buyers shall avoid purchasing unnecessary items. All vendor bids and quotations must be evaluated on the basis of product/service quality, technical compliance with specifications, total cost, and the vendor's alignment with the mission of 43North.

Before beginning vendor selection, employees should be sure that they have a clear and accurate description of the requirements for the material, product, or service being acquired so that a fair and equitable comparison of price and/or cost can be made. This description should be provided to potential vendors. Whenever possible, two or more price quotes should be obtained for all goods and services.

The vendor selection process for goods valued at less than \$10,000 need not be documented or maintained as part of the transaction record. Discretionary levels increase to \$50,000 when purchasing from a New York State Certified Minority or Women-Owned Business Enterprise. The vendor selection process for goods in excess of \$10,000 but less than \$25,000 requires documented verbal quotations or written/fax/email quotations from two or more vendors. Vendor selection for goods in excess of \$25,000 requires three competitive written prices or quotes to be obtained and retained.

Vendor selection for goods valued at less than \$10,000 is the responsibility of Department Directors as such decisions must relate directly to the budget of the Director's department. Vendor selection for goods and services in excess of \$10,000 is the responsibility of Department Directors, must relate directly to the budget of the Director's department, requires the approval of the Executive Director and must follow check-signing protocols for checks over \$10,000.

6. COST & PRICE ANALYSIS

Some form of cost or price analysis must be made, and documented in the procurement files, in connection with every procurement action over \$25,000. Price analysis is used when it is a lump sum fixed price. Cost analysis may be used where it is a cost-reimbursement purchase or where there is only one prospective bidder and no comparable goods or services are available to be compared.

- c. Price analysis involves a comparison of marketplace prices.
- d. Cost analysis involves an examination of all the elements used in calculating a contract's total estimated cost. It requires the review and evaluation of each element of cost to determine whether it is reasonable cost.

7. VENDOR SELECTION AND BIDDING REQUIREMENTS

Employees shall consider the following before making a vendor selection:

Does the vendor provide the best mix of quality, service and price for the specified need? Relevant factors may include:

- a. Delivery requirements
- b. Quality requirements
- c. Quantity requirements
- d. Past vendor performance
- e. Past vendor experience
- f. Unavailability of other vendors willing to provide a quote or proposal in a sufficiently timely manner
- g. It may be in the best interests of 43North to consider only one vendor who has the previous expertise with respect to a particular procurement

Other considerations include:

- a. Does the vendor qualify as a small, disadvantaged, minority or women-owned business? Buyers should make concerted efforts to purchase goods and services from qualified vendors and these vendors should be given preference to the extent practical and economically feasible.
- b. Does the vendor supply products and services that conserve natural resources, are energy efficient and protect the environment? Vendors should be given preference, to the extent practical and economically feasible, for such products.

8. NON-COMPETITIVE VENDOR SELECTION

Occasionally, an employee is unable or chooses not to competitively bid the requirements. These situations are characterized as sole or single source transactions.

Sole Source: No other vendor capable of fully meeting the requirements exists.

Single Source: Alternative vendors exist in the competitive market, but the employee chooses to solicit a bid from only one particular vendor because of technical requirements (precision, reliability) or past performance by other vendors (poor service, availability of parts).

9. PROFESSIONAL SERVICES

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, application of proprietary technology, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Furthermore, professional service contracts often involve a relationship of personal trust and confidence. Procurement of professional services below \$25,000 is not subject to the procurement procedures of this policy but shall require approval of the Executive Director and Board Chair.

10. OTHER EXCEPTIONS

The purchase of utilities and inter-affiliate transactions are excepted from proposal requirements.

Where three vendors are not available, able or willing to provide a quote, employees are excepted proposal requirements.

11. DEBARMENT AND SUSPENSION

Employees must actively attempt to verify that a vendor is not debarred, suspended or otherwise excluded from any applicable state licensing and/or registering processes.

12. EXCEPTIONS

Requests for exceptions to this policy must be directed to the Executive Director, who must proactively approve any exception request.