

**OCRA PURCHASING PROCEDURE SHORT VERSION 2009**

**Vendor Selection and Purchase Documentation Process**

**GENERAL RULE: Obtain three quotes. Select the vendor with the lowest quote.**

<b>Cost Levels</b>	<b>Authorization</b>	<b>Quotes</b>	<b>Documentation</b>
<b><u>Under \$501</u></b>	Dept Manager & Business Officer	Single quote only. Three quote rule is waived.	<b>Purchase Order</b> (accessible in Mas Accounting Program)
<b><u>\$501-\$1000</u></b>	Dept Manager & Business Officer	Obtain verbal quotes / Use <b>*Verbal Quote Form</b> to record quotes (see shared drive "Special Forms; Accounts Payable Related.")	<b>Purchase Order</b> (accessible in Mas Accounting Program)
<b><u>\$1,001-\$4,999</u></b>	Dept Manager, Business Officer, Exec. Director	Obtain written quotes (or) RFQ for highly detailed orders (or) RFP for highly complex orders. Advertising required for RFP/RFQ.	Purchase Order (or) Contract (for complex orders requiring detailed specifications). Contracts must be written/ approved by Agency Counsel.
<b><u>\$5,000-\$15,000</u></b>	Dept Manager, Business Officer, Exec. Director, (purchase reported by Business Officer, to Board if between \$5,000 & \$15,000)	Obtain written quotes (or) RFQ for highly detailed orders (or) RFP for highly complex orders. Advertising is required. RFQ/RFP over \$5,000 should be reviewed by Agency Counsel.	Purchase Order (or) Contract (for complex orders requiring detailed specifications) Contracts must be written/ approved by Agency Counsel.
<b><u>Over \$15,000</u></b>	Dept Manager, Business Officer, Exec. Director, Agency Counsel Board Resolution	Formal bid process (or) RFP for highly complex orders. Advertising is required.	Purchase Order (or) Contract (for complex orders requiring detailed specifications). Contracts must be written/ approved by Agency Counsel.
<b><u>Over \$15,000 NYS Requirement</u></b>	Purchases over \$15,000 require a designated Agency Contact, other than the procurement manager, to handle vendor inquiries. <i>Also include with the proposal, St Finance 139-K Forms.</i> (See Bill Bulsiewicz, Agency Counsel, for more information.)		
<b>VENDOR SELECTION INSTRUMENTS</b>			
<b><u>Verbal</u></b>	Quotes for purchases of \$1,000 or less may be taken by phone call.		
<b><u>Written</u></b>	Vendors are required to submit their quotes by fax or e-mail for purchases over \$1,000 .		
<b><u>Request For Quotation (RFQ)</u></b>	Quotes for purchases over \$1,000 involving detailed specifications should be collected by using an RFQ. The RFQ is designed to list the required specifications of the product being purchased. RFQs are mailed to vendors and advertised in the newspaper. If more than \$5,000, should be reviewed by Agency Counsel.		
<b><u>Request For Proposal (RFP)</u></b>	An RFP is designed to obtain not only a vendor's quote but, also the vendor's expert analysis on how to handle a project. Unlike a RFQ or a Bid Request price may not always be the deciding criteria in vendor selection. RFPs are mailed to vendors and advertised in the newspaper. If more than \$5,000, should be reviewed by Agency Counsel.		
<b><u>Formal Bid Request</u></b>	Formal bids are sought for high priced (over \$15,000), well defined, purchases. Bids are advertised in the Agency's designated newspaper and mailed to preselected vendors. Sealed bids are opened in public. Faxed or emailed bids are not accepted. Bid packages must be reviewed by Agency Counsel.		
<b>Affidavit Of Non-Collusion and Conflict Of Interest Form:</b> These forms must be included in any RFQ, RFQ, or Bid Package sent to a vendor. They must be completed by the vendor before an agreement is made to purchase from them.			

## PURCHASE ORDERS and CONTRACTS

Purchase orders are simplified contracts filled out by the Department Manager and stored in the Agency's financial system. An order is placed only after the purchase order has been approved.

Document Type	Situational Use
<b><u>Standard Purchase Order</u></b>	Prepared for most Agency purchases after the vendor selection process has been completed. The purchase description, cost, freight fee, and payment terms are established.
<b><u>Emergency Purchase Order</u></b>	In emergency situations, where time is critical, the order can be placed verbally (three quote rule is waived) and confirmed with a written Purchase Order. <i>This should be used for true, documented emergencies only. The Executive Director should be informed ASAP.</i>
<b><u>Blanket Purchase Order</u></b>	Prepared for expected repetitive, lower cost purchases of a vendor's products or services over a period of up to one year.
<b><u>State or County Contract Purchase Order</u></b> (web sites: <a href="http://www.ogs.state.ny">www.ogs.state.ny</a> & <a href="http://www.ongov.net/purchase">www.ongov.net/purchase</a> )	When purchases are made from vendors holding a State or County Contract the three quote rule may be waived. The applicable State or County contract number must be entered on the purchase order and a copy of contract text showing this number and expiration date of the contract should be obtained for the records.
<b><u>Contracts and Customized Contracts</u></b>	Prepared and/or approved by the Legal Department and used instead of a purchase order for high priced purchases when detailed specifications are important to protect the Agency's interests. (See Bill Bulsiewicz, Agency Counsel, for more information concerning contracts).

## REORDERING

Quotes under \$2,500 may be used for a subsequent purchase if made within a six month period.

## RECEIVING GOODS

OCRRA personnel receiving products should sign, date, and forward shipping documents to the Department Manager. If no shipping receipt is available then it is recommended that the Agency's **\*Receiving Receipt Form** be filled out instead.

## PAYMENT to VENDORS

The **\* Payment Authorization Form** is filled out and signed by the Department Manager to initiate the payment process relating to a purchase order or contract transaction. The vendor's name, address, amount to be paid, general ledger account number, and a description of the purchase is filled in and with the attached purchase order, invoice, and quote documentation is forwarded to Accounts Payable. Approval from the Business Officer and Executive Director (for payment over \$1,000) is needed before payment can be sent to the vendor. Transactions, such as, purchases from utilities, for subscriptions, petty cash replenishment, where a purchase order or contract is not practical a **\*Check Request Form** is used to request, authorize and process payment.

## \* FORMS

The basic forms used in the purchasing and payment process include the **Verbal Quote Summary Form**, the **Receiving Receipt Form**, and the **Payment Authorization Form** or the **Check Request Form**. These forms, as well as this document, are located in the Agency's shared drive in the Special Forms folder under Accounts Payable Procurement Update. The Agency **Purchase Order** is accessible in the Mas Accounting Program and entered by a Department Manager or a designated staff member. They are printed and sent to vendor solely by the Agency Accounting Section. (See Bob Magari for assistance with entering purchase orders in the Agency's financial system.)