

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
ECONOMIC JOB DEVELOPMENT CORPORATION
PURCHASING AND PROCUREMENT POLICY

THE CORPORATION SHALL MAKE NO PURCHASE OF SUPPLIES, EQUIPMENT OR MATERIALS NOR SHALL THE AGENCY CONTRACT FOR THE PURCHASE OF SUPPLIES, EQUIPMENT OF MATERIALS EXCEPT AS FOLLOWS:

A. WHEN THE COST OF THE SUPPLY, EQUIPMENT OR MATERIAL INVOLVED SHOULD REASONABLY BE EXPECTED TO COST IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000), THE ITEM TO BE PURCHASED SHALL BE FORMALLY BID AND THE PURCHASE MADE FROM THE LOWEST RESPONSIBLE BIDDER.

B. WHEN THE COST OF THE SUPPLY, EQUIPMENT OR MATERIAL INVOLVED SHOULD REASONABLY BE EXPECTED TO COST IN EXCESS OF THREE THOUSAND DOLLARS (\$3,000) BUT NOT MORE THAN TEN THOUSAND DOLLARS (\$10,000), WRITTEN PRICE QUOTATIONS SHALL BE OBTAINED FROM NOT FEWER THAN TWO (2) VENDORS AND THE PURCHASE MADE AFTER ALL SUCH QUOTATIONS ARE EVALUATED BY THE AGENCY.

C. WHEN THE COST OF THE SUPPLY, EQUIPMENT OR MATERIAL INVOLVED SHOULD REASONABLY BE EXPECTED TO COST IN EXCESS OF ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500) BUT NOT MORE THAN THREE THOUSAND DOLLARS (\$3,000), WRITTEN PRICE QUOTATIONS SHALL BE OBTAINED FROM NOT FEWER THAN TWO (2) VENDORS AND THE PURCHASE MADE AFTER ALL SUCH QUOTATIONS ARE EVALUATED BY THE AGENCY.

D. WHEN THE COST OF THE SUPPLY, EQUIPMENT OR MATERIAL INVOLVED SHOULD REASONABLY BE EXPECTED TO COST IN EXCESS OF FIVE HUNDRED DOLLARS (\$500) BUT NOT MORE THAN ONE THOUSAND FIVE HUNDRED DOLLARS

(\$1,500), ORAL PRICE QUOTATIONS SHALL BE OBTAINED FROM NOT FEWER THAN TWO VENDORS (2) AND THE PURCHASE MADE AFTER ALL SUCH QUOTATIONS ARE EVALUATED BY THE AGENCY.

E. NO SOLICITATION OF PRICE QUOTATIONS SHALL BE REQUIRED IN THE FOLLOWING INSTANCES:

E-1. WHEN THE COST OF THE SUPPLY, EQUIPMENT OF MATERIAL INVOLVED IS FIVE HUNDRED DOLLARS (\$500) OR LESS,

E-2. WHEN THE PURCHASE IS OF PROFESSIONAL SERVICES,

E-3. WHEN THE PURCHASE IS NECESSITATED BY A BONA FIDE EMERGENCY, WHICH EMERGENCY IS DESCRIBED IN WRITING BY THE AGENCY MEMBER OR EMPLOYEE DECLARING SAME, RATIFIED BY TELEPHONE BY NOT FEWER THAN A MAJORITY OF MEMBERS AND RATIFIED BY RESOLUTION AT THE NEXT MEETING OF THE AGENCY,

E-4. WHEN THE SUPPLY, EQUIPMENT OR MATERIAL SOUGHT TO BE PURCHASED IS AVAILABLE ONLY THROUGH A SINGLE SOURCE,

IN CONJUNCTION WITH THE ABOVE MENTIONED GUIDELINES THE APPROPRIATE BIDS WILL BE ENCLOSED WITH A PURCHASE ORDER GENERATED AS FOLLOWS:

A. A PURCHASE ORDER IS GENERATED BY THE EXECUTIVE DIRECTOR AND IS FORWARDED TO THE CHIEF FINANCIAL OFFICER WITH THE APPROPRIATE DOCUMENTATION.

B. THE CHIEF FINANCIAL OFFICER APPROVES PURCHASE ORDERS UP TO A MAXIMUM OF THREE THOUSAND DOLLARS (\$3,000), PURCHASE ORDERS IN EXCESS

OF THREE THOUSAND DOLLARS (\$3,000) REQUIRE AN APPROVAL BY THE TREASURER OF THE BOARD IN ADDITION TO THE CHIEF FINANCIAL OFFICER.

C. THE APPROVED PURCHASE ORDER IS THEN RECORDED AS AN ENCUMBRANCE AGAINST THE BUDGET AND RETURNED TO THE EXECUTIVE DIRECTOR WHO PLACES THE ORDER.

D. MERCHANDISE IS RECEIVED BY THE EXECUTIVE DIRECTOR AND THE PACKING SLIP IS SIGNED AND ATTACHED TO THE APPROVED PURCHASE ORDER; BOTH ARE FORWARDED TO THE CHIEF FINANCIAL OFFICER.

E. THE CHIEF FINANCIAL OFFICER THEN MATCHES THE INVOICE TO THE PURCHASE ORDER AND PACKING INFORMATION AND RECORDS THE ACCOUNTS PAYABLE AND REVERSES THE ENCUMBRANCE.

F. CHECKS ARE GENERATED EVERY OTHER THURSDAY IN CONJUNCTION WITH PAYROLL. CHECKS LESS THAN THREE THOUSAND DOLLARS ARE SIGNED BY THE CHIEF FINANCIAL OFFICER OR CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR. CHECKS IN EXCESS OF THREE THOUSAND DOLLARS (\$3,000) REQUIRE A SECOND SIGNATURE BY EITHER THE TREASURER/ASSISTANT TREASURER OR THE CHAIRMAN OF THE BOARD.

G. EXCEPTIONS TO THE ABOVE MENTIONED PURCHASING GUIDELINES ARE AS FOLLOWS:

1. RECURRING MONTHLY EXPENSES; I.E. UTILITIES, TELEPHONE, RENT
2. PROFESSIONAL SERVICES

IN THESE CASES A BLANKET PURCHASE ORDER WILL BE PREPARED ON JANUARY 1 IN ACCORDANCE WITH THE ANNUAL BUDGET, MONTHLY INVOICES WILL BE MATCHED TO THE BLANKET PURCHASE ORDER AND A RUNNING BALANCE WILL BE MAINTAINED. SHOULD THE AMOUNT OF THE BLANKET PURCHASE ORDER BE EXCEEDED BEFORE THE YEAR END A BUDGET MODIFICATION AND AN ADDITIONAL PURCHASE ORDER SHALL BE GENERATED.

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