



Bustins Island Village Corporation
Established 1913

BOARD OF OVERSEERS

Policy Number: 115
Policy Name: Purchasing Policy
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Related Documents: none

Approved: April 7, 2018
Original/Prior:

Purchasing Policy

This Purchasing Policy is designed and implemented to obtain value for materials and services at reasonable and competitive prices. Competitive procedures may include competitive bids, requests for proposals (RFPs) and documentation of prices published by multiple vendors. In addition to price, recommendations for purchase may take into consideration quality, availability, reputation, experience, past performance history, technical capability, financial capacity and response time.

Purchases will be classified into three categories:

- **Small** – purchases of less than \$2,500
- **Medium** – purchases of \$2,500 to \$10,000
- **Large** – purchases of \$10,000 or more

Small Purchases (less than \$2,500) – Small purchases that are part of and within the approved budget for a committee, department or official may be made with the concurrence of that group without further approvals.

Purchases that are less than \$2,500 but that are not planned as part of the approved budget or would cause the budget category to be exceeded must be recommended, with justification, to the Board of Overseers for both purchasing and budgetary approval.

The splitting of purchases into multiple small purchases, so as to avoid a more formal process, is not permitted.

Medium Purchases (\$2,500 to \$10,000) – Medium purchases that are part of and within the approved budget category for a committee, department or official must be recommended to the Board of Overseers for purchasing approval.

Recommendations for purchases that are not part of the approved budget or would cause the budget category to be exceeded must include a justification for the purchase and the budget overage.

At least 3 quotes should be evaluated for the purchase to determine the best vendor and the best possible price. When that is not possible or reasonable, the recommendation should explain why the proposed vendor and price are acceptable based on other factors, such as for a repeat purchase or prior purchasing history from that vendor

Large Purchases (\$10,000 and up) – Large purchases must be sent out for a competitive bid based on a Request for Proposal (RFP) that has been approved by the Board of Overseers. A purchase recommendation based on at least 3 received bids should be sent to the Board of Overseers with an explanation of why that bid was chosen. The Board of Overseers must review and approve any recommendation for purchase.

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Board of Overseers Approval

Recommendations for purchase and associated documentation should be provided to members of the Board of Overseers, the Treasurer and the Clerk at least 3 days prior to a scheduled meeting where consideration of the purchase has been put on the agenda.

A majority vote of the Overseers present at a meeting is required to approve Small and Medium purchases.

By a majority vote of all Overseers the Board may approve, in advance, recurring Small and Medium purchases without bids from the previously approved vendor.

A majority vote of all Overseers is required to approve Large purchases.

By a majority vote of all Overseers the Board may waive the requirement for multiple bids when approving a purchase recommendation for a Medium or Large purchase. The minutes of the meeting must include the reasons for the waiver.

When timing is critical for any reason, the Chairman of the Board of Overseers, with the approval, via any communication means, of two additional Overseers, may immediately approve a Medium or Large purchase. The purchase approval must be ratified in the normal procedure at the next meeting of the Board of Overseers.