

ONONDAGA COUNTY WATER AUTHORITY PROCUREMENT POLICY

I. INTRODUCTION

The Onondaga County Water Authority (“OCWA” or “Authority”) was created as a public benefit corporation, pursuant to Public Authorities Law Article 5, Title 7, to carry out its purpose of benefiting the people of Onondaga County and State of New York, to supply and sell water for domestic, commercial, and public purposes. Among the powers granted to OCWA under Public Authorities Law § 1154, is the power to make contracts and to execute all necessary and convenient instruments to further OCWA’s stated public purpose. OCWA’s mission is to provide safe, reliable and affordable water to residents, businesses and industries in Central New York in a manner protective of water resources and the environment.

This procurement policy (“Policy”) is intended to ensure that goods and services are procured by OCWA in a manner that is compliant with all provisions of governing law and OCWA’s enabling statute.¹ More specifically, it is the formal policy of OCWA to actively solicit competition for procurements pursuant to this Policy. Importantly, the Executive Director may, for cause and as outlined herein, make exceptions and waive certain procedures, including when making emergency purchases.

By promoting the competitive purchasing of goods and services, OCWA will assure the prudent and economic use of public monies and facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances. It is also the intention of this Policy to guard against favoritism, extravagance, fraud, and corruption. The implementation of this Policy will foster public accountability on the part of OCWA and those involved in the procurement process and will provide greater assurance that procurements will be executed in the best interests of OCWA customers.

II. STANDARD PROCUREMENT PROCEDURES

A. CONSTRUCTION PROCUREMENTS (\$10,000 OR MORE)/BID PROCESS

Pursuant to Public Authorities Law § 1166, all contracts/orders for work, material, or supplies performed or furnished in connection with construction involving an expenditure of more than ten thousand dollars (\$10,000) shall be awarded only after:

- 1) inviting sealed bids; and
- 2) passage of [a resolution by the Authority Board](#) authorizing the award.

Any invitation for sealed bids shall include:

- 1) cover letter/advertisement;
- 2) notice to bidders;
- 3) instructions to bidders;
- 4) specifications and drawings (if applicable);
- 5) bid sheet;
- 6) non-collusion bidding certificate;

¹ The only provision in OCWA’s enabling statute which specifies a required procurement procedure is that found in Public Authorities Law § 1166 which addresses “construction contracts”.

- 7) combined disclosure, affirmation, and certificate;
- 8) draft engagement agreement;
- 9) general conditions (if applicable);
- 10) piggybacking clause (if applicable);
- 11) OCWA insurance requirements and certificate of insurance template;
- 12) MWBE Policy;
- 13) Sexual Harassment Prevention Certification;
- 14) Bond Requirements (where required by law or where OCWA deems it to be in the public interest);
- 15) Bid Security Requirements (where required by law or where OCWA deems it to be in the public interest);
- 16) New York State Labor Rates (if applicable); and
- 17) any other forms/documents required by law.

The notice inviting sealed bids shall be published at least once in a newspaper or trade paper selected by OCWA, no less than ten (10) days before the date for the receipt of bids. Such advertisement shall contain a statement of the time and place where all bids received, pursuant to such notice, and when said bids will be publicly opened and read. OCWA may also take additional measures, including broad direct solicitation by letter, telephone, and notice to public listings such as the Dodge Reports and Syracuse Builder's Exchange (for construction services), to maximize the response to the bid and thereby increase competition.

OCWA may designate any officer or employee to open the bids at the time and place specified in the notice. Such designee shall make a record of such bids in such form and detail as may be necessary for meaningful review and [present the same at the next regular or special meeting of the Board](#). All bids received shall be publicly opened and read at the time and place so specified.

OCWA shall retain the authority, if it is in the interest of the Authority, to reject all bids. Alternatively, OCWA shall award the contract to the lowest responsible bidder furnishing the required security, unless it determines that it is in the public interest that a bid other than the lowest bid should be accepted. If it is determined that a bid other than the lowest bid be accepted, the Authority must clearly justify the reasons for contracting with an entity other than the lowest bidder and the award must include this reasoning.

OCWA has the discretion to insert a provision in any construction contract stating that additional work may be done or material or supplies furnished for the purpose of completing such contract at an expense not exceeding fifteen per centum (15%) of the amount of such contract if such additional work, materials, or supplies shall be ordered by OCWA.

OCWA may provide a program for the payment of damages for delays and incentive awards to encourage timely project completion. The bidder whose bid is accepted shall give security for the faithful performance of the contract, pursuant to the requirements and exceptions set forth in State Finance Law § 137, and such other security as OCWA may require, and may be required to maintain for such period as shall be stipulated for any construction done under the contract for such period as shall be stipulated, all in the manner prescribed and required by OCWA. The sufficiency of such security shall, in addition to the justification and acknowledgement, be approved by OCWA's Executive Director or his/her designee.²

² All designees referenced herein shall be set forth in a memo from the Executive Director.

If the bidder whose bid has been accepted after formal written notification shall neglect or refuse to accept the contract within ten (10) working days after written notice that the contract has been awarded on the bid, or if he/she accepts but does not execute the contract and give proper security, OCWA shall have the right to declare his/her deposit forfeited and thereupon it shall be readvertised and rebid in the manner provided for in this Policy.

No construction bid shall be accepted from, or any contract awarded to, any person or corporation who is in arrears to OCWA or the County of Onondaga upon any debt or contract, or is a defaulter as surety or otherwise upon any obligation of OCWA or the County.

In case any work shall be abandoned by any contractor, OCWA may, if it determines it is in the best interest of the Authority, adopt any or all sub-contracts made by such contractor for such work and all such subcontractors shall be bound by such adoption if made; and OCWA shall have the option to, in the manner provided herein, readvertise and rebid the work specified in the original contract exclusive of so much thereof as shall be provided for in the subcontract or subcontracts to be adopted.

B. OTHER GOODS, EQUIPMENT, AND SERVICES

1. Goods, Equipment, and Services with expected value of \$35,000 or more

- a. **Goods and Equipment** - Purchases of non-construction related goods, as well as all equipment, by OCWA involving an expenditure on a reasonably anticipated annual basis of \$35,000 or more, to include like-kind goods (see definition below), shall be made and awarded pursuant to the bidding process set forth in II(A) above subject to the following process amendments:
 - i. OCWA shall have the discretion to insert a provision stating that additional work may be done or material or supplies furnished for the purpose of completing such contract at an expense not exceeding thirty per centum (30%) of the amount of such contract if such additional work, materials, or supplies shall be ordered by OCWA;
 - ii. OCWA shall not be obligated to determine whether a vendor is in arrears to the County of Onondaga prior to awarding the contract; and
 - iii. If the bidder whose bid has been accepted after formal written notification shall neglect or refuse to accept the contract within ten (10) working days after written notice that the contract has been awarded on the bid, or if he/she accepts but does not execute the contract and give proper security, OCWA shall have the right to declare his/her deposit forfeited and readvertise and rebid in the manner provided for in this Policy, or award the bid to the second highest bidder.

In any case where a responsible bidder's gross price is reducible by an allowance for the value of used machinery, equipment apparatus, or tools to be traded in by OCWA, the gross price shall be reduced by the amount of such allowance, for the purposes of determining the low bid. In cases where two (2) or more responsible bidders furnishing the required security submit identical bids as to price, OCWA's Board may award the contract to any of such bidders.

OCWA reserves its discretion to reject any or all bids and, if it so chooses, re-advertise for new bids in the manner provided for in this Policy.

Like-kind goods/services are goods or services that are similar in nature though they may be purchased for different events and/or purposes (e.g., signs purchased for a media event and signs purchased for a recruitment fair; OCWA logoed apparel purchased by different departments). OCWA must ensure that like-kind goods or services purchased for different events and/or departments be aggregated for the purposes of the Goods, Equipment, and Services portion of this Policy.

- b. **Services** – Purchases for non-construction related services involving an expenditure on a reasonably anticipated annual basis of \$35,000 or more, to include like-kind services, may be made pursuant to either the bidding process set forth in II(A) above or the request for proposal process set forth in II(C) below, even if the services are not professional in nature.

If utilizing the proposal process, the award of a services contract must be based on a “best value” evaluation which means the contract is awarded to the bidder that optimized quality, cost, and efficiency, among responsive and responsible bidders. For certain service and technology procurements where qualifications can be determined on a pass-fail basis, base value can be equated to low-price. Such basis may also identify a quantitative factor for bidders that are small businesses, certified minority-or women-owned business enterprises, or service-disabled veteran-owned business enterprises as defined by law.

In a best value evaluation, the award shall be based, to the extent possible, on an objective and quantifiable analysis.

2. **Goods, Equipment, and Services with expected value of \$10,000 - \$34,999**

For purchases of non-construction goods and services, as well as all equipment involving an expenditure on a reasonably anticipated annual basis of between \$10,000 and \$34,999, to include like-kind goods and services, OCWA shall obtain, whenever possible, three (3) or more written quotes.

As part of the written quote process, OCWA will provide potential vendors with the following:

- i. cover letter that includes a detailed description of the goods, services, or equipment sought;
- ii. draft engagement agreement; and
- iii. OCWA insurance requirements and certificate of insurance template.

OCWA shall require potential vendors to submit quotes that include the following:

- o projected cost of the goods, equipment, or services including the detailed costs (i.e. hourly rate, cost of supplies, etc.);
- o detailed description of the goods, equipment, and/or services that will be provided;
- o for services, statement of qualifications, including a reference to similar work experience; and
- o projected timeline for completion of the project or the term of the agreement.

If the quote is for services, the award may be made using a best value analysis as described in II(B)(1)(b) above.

3. Goods, Equipment, and Services with an expected value of \$3,000 - \$9,999

For purchases of all goods, services, or equipment involving a total purchase price on a reasonably anticipated annual basis of between \$3,000 and \$9,999, to include like-kind goods and services, OCWA shall, whenever possible, include at least three (3) verbal quotes from different vendors and document the substance of those quotes (i.e., vendor name, date, time, contact person). During the verbal quote process, OCWA will provide the potential vendors with:

- i. A detailed listing of the goods, services, or equipment desired,
- ii. draft engagement agreement (if applicable); and
- iii. OCWA insurance requirements and certificate of insurance template (if applicable).

If the quote is for services, the award may be made using a best value analysis as described in II(B)(1)(b) above.

4. Goods, Equipment, and Services with an expected value up to \$2,999

Purchases for all goods, services or equipment involving a total purchase price on a reasonably anticipated annual basis of up to \$2,999, to include like-kind goods and services, may be awarded without competitive quotes.

B. PROFESSIONAL SERVICES/PROPOSAL PROCESS

Contracts which require professional methods, character, or standards, or require a State license to practice, or special skill and training or which may be creative, technological, and/or specialized in nature, including information technology, legal, and engineering services are considered to be professional service contracts.

Competitive quotes are not required for non-recurrent professional service arrangements projected to cost, in aggregate, less than \$10,000 annually.

For professional services projected to cost \$10,000 or more annually, OCWA shall seek proposals via the following process:

Request for Proposals (RFP) Process

It is the policy of OCWA to negotiate professional service contracts on the basis of demonstrated competence and qualification for the type of professional services required at fair and reasonable fees. These services shall be procured pursuant to a competitive RFP process, prior to OCWA entering into a contract as follows:

1. OCWA shall research professional firms engaged in the lawful practice of the profession and estimate the cost of the services required. OCWA shall send at least three (3) firms an RFP which shall include, at a minimum:

- a. description of the scope of services needed;
- b. OCWA insurance requirements and certificate of insurance template;
- c. draft engagement agreement (this can be OCWA's template or an industry-specific template that the parties agree upon such as the EJCDC contract template); and
- d. list of what vendors must submit to OCWA, to include:
 - i. statement of the vendor's relevant qualifications;
 - ii. relevant performance data and/or references for others the vendor has worked with in a similar capacity;
 - iii. if relevant, the estimated time it will take to complete the project; and
 - iv. costs for the services, including, if relevant, the hourly billing rates.

If substantive clarifications regarding or amendments to RFPs are made to one vendor, they must be shared with all vendors who have expressed an interest in responding to the RFP.

2. OCWA shall evaluate the submissions and select, in order of preference, based upon the criteria established in the RFP, the professional firm deemed to be the most qualified to provide the services required at a fair and reasonable cost.
3. OCWA shall enter into a contract with the most qualified professional firm for the professional services required at the level of compensation OCWA deems to be fair and reasonable. In making this decision, OCWA will take into account the estimated value of the services to be rendered, including the cost, scope, complexity, and professional nature thereof. The contract shall specify the factors deemed necessary by OCWA, including, if relevant, the allowable indirect costs, the direct labor costs, and the hourly labor billing rates in any labor category for any professional firm selected to render services to OCWA, and the determination of the reasonableness of cost.
4. OCWA may, subject to these provisions, contract with the professional service provider under a retainer type agreement which delegates to OCWA authority to approve specific work task assignments within a general scope of services.
5. Should OCWA be unable to negotiate a satisfactory contract with the professional firm considered to be the most qualified, at a fee OCWA determines to be fair and reasonable, negotiations with that professional firm shall be formally terminated. OCWA shall then undertake negotiations with the second most qualified professional firm or seek additional firms to respond to the RFP. If negotiations fail with the second most qualified professional firm, OCWA shall formally terminate negotiations with that firm. OCWA shall then undertake negotiations with the third most qualified professional firm or seek additional firms to respond to the RFP, and so forth, until it has selected the most qualified firm in order of competence and qualifications that will provide the services at a reasonable cost. OCWA will enter into an agreement based upon the conditions set forth herein.
6. OCWA reserves the right to reject any or all RFPs at any time.

D. LEASES

OCWA shall obtain, whenever possible, formal written quotations or proposals from three (3) or more vendors for any lease exceeding \$20,000 in total costs and make a recommendation to the Executive

Director relative to the selection of the lessor. Such written quotations or proposals shall set forth the terms of the lease and particulars as to the equipment to be provided and details as to cost, on an annual and total lease basis, which may be used for evaluation of the proposal. The lease shall include details as to additional cost(s) beyond the base lease amount necessary to properly evaluate the equipment to be leased prior to award to the successful vendor.

Leases in excess of \$30,000 shall be approved by the Authority Board.

III. EXEMPTIONS FROM STANDARD PROCUREMENT PROCEDURES

A. REPAIR, MAINTENANCE, AND/OR IN-KIND REPLACEMENT PROVIDED BY ORIGINAL MANUFACTURER

Repair, maintenance, and/or in-kind replacement services provided by the original equipment manufacturer, supplier or installer are exempt from the standard procurement procedures of this Policy when their services are required due to a specific or proprietary type of equipment.

B. EMERGENCIES

In the case of public emergencies arising out of an accident or other unforeseen occurrence or condition whereby circumstances affecting OCWA buildings, property, pipelines, or the life, health, safety, or property of OCWA employees, customers, or the general public require immediate action which cannot await a competitive process or competitive bidding, contracts for construction or the purchase of supplies, materials, equipment, or services may be approved by OCWA's Executive Director by immediate contract assuming the Executive Director temporarily dispenses with the competitive bidding or other procurement requirements set forth herein. However, a good faith emergency must exist and while the emergency procurements do not require compliance with this Policy, it is nevertheless the policy of OCWA that such procurements must, wherever possible, be made at the lowest possible cost to OCWA and any purchases exceeding \$10,000 must be subsequently affirmed by OCWA's Board. Declarations of Emergency shall be documented in writing.

C. SOLE SOURCE VENDORS

A Sole Source exemption can be utilized when a certain source or vendor is preferred to others due to reasons of public interest.

It is the policy of OCWA to promote competition in the procurement process, whenever possible. Toward that end, the Authority will not specify a certain source or vendor to the exclusion of all others, except where such a designation is required for the public interest, such as where geographic, security, public health, or other conditions require the use of one source or vendor.

Sole Source exemption requests will only be made to the Authority Board if the requesting department first determines and documents that the purchase price and delivery, warranty, and other relevant terms, are more economically beneficial than what is offered by other vendors, including any source or vendor on a government contract ("Government Vendors"). Relevant Government Vendors may match the lower non-government contract prices prior to OCWA entering into a Sole Source contract. When OCWA determines that a certain source or vendor is required to the exclusion of others for the public interest, it

will provide in the [Board-approved resolution](#), that any other source or vendor who can meet the specifications required will also be considered.

The process for obtaining a Sole Source vendor exemption is as follows:

1. Contracting official completes the attached Sole Source/Standardization Checklist (the “Checklist”).
2. Each Checklist is reviewed and approved by the relevant department manager, CFO, General Counsel, and Executive Director.
3. All approved Checklists are summarized and justified on a resolution to be [presented to the Authority Board](#).
4. [Authority Board approves the resolution](#).
5. Sole Source vendor executes an engagement agreement and provides required evidence of insurance coverage to the satisfaction of the General Counsel.
6. [All Board-approved exemptions are re-authorized annually](#) and new Checklists are re-accomplished at least every three (3) years.

D. STANDARDIZED PRODUCTS

Standardization is a method available to utilize particular products where there are strong reasons of efficiency or economy.

It is OCWA’s policy that it will not specify the product of a certain manufacturer to the exclusion of all other comparable products, except where such a designation is required for the public interest. Although OCWA may specify a particular product which it regards as its general standard, it should provide that any other manufacturer of a similar product may meet the specifications if his or her product is reasonably equivalent to that mentioned as the standard. Nevertheless, in those instances where the public interest requires that OCWA standardize, such standardization may only occur upon the [adoption of a resolution by the Authority Board](#) stating that, for reasons of efficiency or economy, there is a need for standardization.

The process for obtaining a Standardized Product exemption is as follows:

1. Contracting official completes the Checklist.
2. Each Checklist is reviewed and approved by the relevant department manager, CFO, General Counsel, and Executive Director.
3. All approved Checklists are summarized and justified on a [resolution to be presented to the Authority Board](#).
4. [Authority Board approves the resolution](#).
5. Standardized product vendor executes an engagement agreement and provides required evidence of insurance coverage to the satisfaction of the General Counsel.
6. [All Board-approved exemptions are re-authorized annually](#) and new Checklists are re-accomplished at least every three (3) years.

Importantly, even where OCWA standardizes on a particular article or type of equipment, competitive bids or quotes from all suppliers of that article or type in upstate New York or, if necessary, outside the area must be actively solicited to promote competition. In such case, OCWA, shall contract with the

lowest responsible bidder, or the party providing the lowest quote, furnishing the required security after any public advertisement as may be required herein.

E. GOVERNMENTAL ENTITIES/PIGGYBACKING/PURCHASE COOPERATIVES

OCWA can purchase goods and services using contracts let by the United States of America or any agency thereof, any state or any other political subdivision or district therein if such contract was let to the lowest responsible bidder or otherwise in a manner consistent with the New York State Public Authorities Law and made available for use by other governmental entities. This “Piggybacking” will allow OCWA not only to comply with purchasing requirements and formalities, but also to improve the efficiency, effectiveness, and economy of the procurement process. OCWA is specifically authorized to make purchases of material, equipment, services, or supplies, utilizing County or State current competitive procurement lists.

OCWA may utilize authorized purchasing cooperatives, including the three purchasing cooperatives listed below, to track and compile contracts let by other entities and made available for use by other governmental entities such as OCWA.

1. NJPA – National Joint Powers Alliance/Sourcewell
2. U.S. Communities
3. TCPN – The Cooperative Purchasing Network

OCWA may utilize other purchasing cooperatives approved by the Executive Director.

F. NEW YORK STATE PREFERRED SOURCES

OCWA is required to purchase commodities and services from “Preferred Sources” first if a Preferred Source offering meets OCWA’s needs for form, function, and utility. These Preferred Sources do not need to follow the competitive bid and/or RFP process. New York State’s current list of Preferred Source Organizations including:

1. CORECRAFT - New York State Department of Corrections and Community Supervision Division of Industries.
2. New York State Preferred Source Program for People Who are Blind.
3. New York State Industries for the Disabled.

G. SURPLUS AND SECOND-HAND SUPPLIES

Surplus and second-hand supplies, material, or equipment may be purchased by OCWA without competitive bidding from the Federal Government, the State of New York, or from any other political subdivision, district, or public benefit corporation.

IV. OTHER PROCUREMENT REQUIREMENTS

A. BID ERRORS

In all bids, OCWA reserves the right to require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors, assuring a full and complete understanding of a vendor's proposal and/or to determine a vendor's compliance with the requirements of the bid.

B. CHANGE ORDERS

OCWA may, if it determines it to be in the best interest of the Authority and OCWA customers, issue a change order for a vendor to increase the vendor's scope of work on a particular project. No additional work can commence or funds may be expended until the change order is approved by the vendor and OCWA. Any change order exceeding fifty per centum (50%) of the original project price or \$100,000, whichever is less, **must also be approved by the Authority Board.**

C. SUPPORT FOR MINORITY, WOMEN-OWNED, SMALL, AND VETERAN-OWNED BUSINESSES

OCWA supports the participation in procurement of state-certified minority – and women-owned businesses enterprises (“MWBs”), state certified service-disabled veteran-owned businesses (“SDVOBs”), NYS small business enterprises (“SBs”), local food growers, and the New York State Textiles (“NYS Textiles”) when awarding contracts in purchasing goods, services, and equipment. OCWA will not discriminate against any person who is qualified and available to perform the work by reason of race, color, creed, gender, or national origin. The Authority will encourage participation by the above enterprises in its procurement process and will fully support equal opportunity and fair treatment of all people in its contracting.

D. ANNUAL REVIEW

The Authority Board shall review this Policy annually. OCWA's Executive Director shall be responsible for assisting the Board in conducting such review and for evaluating the Authority's internal control structures to ensure the Authority is in compliance with this Policy.

E. RECORD KEEPING

OCWA shall maintain all bids, quotes, proposals, and records supporting the same in compliance with the New York State Retention and Disposition Schedules.

OCWA will maintain a file for each contract bid consisting of the following:

1. copy of all advertisements requesting bids;
2. list of publications that ran the aforementioned advertisements;
3. list of contractors to whom OCWA sent bid documents; and
4. copies of all contractors' responses to OCWA's non-bid inquiry, if received.

F. OTHER

Documentation of quotations is required. Written or verbal quotations shall be documented on, or attached to, existing OCWA forms. Bid or quote solicitations must provide, where applicable, that shipping, handling, and other ancillary charges are included in bids. Quotes and proposals must be considered in determining the lowest responsible and responsive provider.

As a public authority created under New York State Law, OCWA's Policy is subject to all of the restrictions on contracts during the procurement process set forth in applicable New York State Law, including State Finance Law of the State of New York § 139-j, as well as the Disclosure of contracts and responsibility of offerors set forth in § 139-k of said State Finance Law.

Adopted December 11, 2009

Revised May 19, 2010 (\$5,000-\$20,000 3 written quotes; \$1,000-\$5,000 3 verbal quotes)

Revised October 14, 2011 (\$2,000-\$5,000 3 verbal quotes; Exempt Original Manufacturer)

Revised May 13, 2013 (Purchases through Municipalities Other Than...; Construction Contracts – “pursuant to the requirements and exceptions”)

Revised January 15, 2014 (formatting)

Revised June 18, 2014

Revised December 15, 2023 (multiple changes including updating thresholds, adding checklist)