

SOUTHERN TIER NETWORK, INC.
Purchasing Policy

Southern Tier Network, Inc. ("STN" and/or the Corporation") is a Local Development Corporation pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York and an IRS 501(c)3 Non-Profit Corp. All purchasing on behalf of the Corporation shall be conducted in accordance with this policy and within amounts appropriated in the annual budget.

CAPITAL PROJECTS

When a capital project is in progress and the following criteria have been met:

- A project budget has been detailed.
- The project vendors have been identified.
- The budget and the selected vendors have been approved by the Board of Directors.
- The project is proceeding within budget parameters (in the judgment of the Finance Committee).

Then budgeted equipment, supplies, material, professional services, and non-professional services may be purchased upon approval by the CEO, the Treasurer, or the Board Chair.

When a capital project is in progress and any of the following criteria arise:

- The total project cost is projected to exceed the contingency factor by 5%.
- Any single budget item is projected to exceed 10% of its budgeted cost.
- Cash-on-hand projections become negative.
- Any other issue of concern to the Finance Committee.

Then additional oversight and authorization steps and procedures, appropriate to the situation, may be implemented by the Board of Directors.

OPERATING EXPENSES

The purchase of equipment, supplies, material, and non-professional services for annual operations shall be authorized as follows:

- Where the estimated cost is up to and including One Thousand Dollars (\$1,000.00) purchases shall be made upon verbal quotations or at the discretion of the Chief Executive Officer. In the event that the purchase is made from a vendor not providing the lowest quote a written explanation will be placed in the file.
- Where the estimated cost exceeding One Thousand Dollars (\$1,000.00) and up to and including Ten Thousand Dollars (\$10,000.00) purchases may be made utilizing at least two written quotations, if available. In the event that the purchase is made from a vendor not providing the lowest quote a written explanation will be placed in the file.
- Where the estimated cost is over Ten Thousand Dollars (\$10,000.00) and does not exceed Twenty Five Thousand Dollars (\$25,000.00), the purchase shall be made

utilizing at least three written quotations if available and shall be authorized by the Chief Executive Officer who shall notify the Board of Directors of said purchase. In the event that the purchase is made from a vendor not providing the lowest quote, an explanation shall be made to the Board at its next meeting.

- Where the estimated cost is over Twenty Five Thousand Dollars (\$25,000.00), the purchase shall be based upon a competitive process (which may include three written quotes) and shall be authorized by the Board of Directors prior to purchase. In the event that a purchase is submitted to the Board that selects a vendor not providing the lowest cost a written explanation shall accompany the recommendation.
- In all cases involving sole sourcing, documentation supporting the use of a sole source shall be placed in the file.

Professional services agreements are not required to be awarded to the lowest responsible bidder, but rather STN may use a selection process to determine the most qualified proposal to perform the services. All contracts for professional services shall be awarded based upon a request for proposals process. If the cost of the services is not more than Ten Thousand Dollars (\$10,000.00), the Chief Executive Officer may authorize the agreement and shall notify the Board of said contract. If the cost of services exceeds Ten Thousand Dollars (\$10,000.00) the Board of Directors shall authorize the contract.

Emergency Purchase Orders. Where an emergency condition exists posing an imminent danger to public health, personal safety, public or private property, the Chief Executive Officer is authorized to make purchases of goods or services which may be necessary to meet the emergency condition without following the purchasing policy. In each case, where practicable, the Chief Executive Officer will endeavor to obtain, at a minimum, verbal quotations for the work or services necessary. Any and all emergency purchases shall be reported to the Board of Directors as soon as practicable.

Sole Source Purchases. Where the goods or the services are available for purchase from just one source (defined as sole source items) the procurement of said items need not follow this purchasing policy. In order to purchase goods or services without competitive bidding or competitive quotations the Chief Executive Officer must certify that the goods or services are only available through one source.

Adopted: 11/15/12

Reviewed and adopted 2/12/2019