
Agenda
ORGANIZATIONAL MEETING
January 21, 2026 at 8:00 a.m.
Watershed Education Center (Vitale Park)
Lakeville, NY 14480
All attachments and reports may be found at
www.lcwsa.us

1. Call to Order

2. Approval of Agenda

3. Organizational Item

- a. Appointment of Temporary Chair
- b. Appointment of Officers
 - o Chairman
 - o Vice Chairman
 - o Treasurer
 - o Secretary

4. New Business

Resolution No.: 2026-01

RESOLUTION REVIEWING AND ADOPTING VARIOUS LIVINGSTON
COUNTY WATER AND SEWER AUTHORITY POLICIES

5. Committee Assignment

- a. Governance Committee
- b. Audit & Finance Committee
- c. Strategic Growth Initiatives Committee

6. Adjournment



RESOLUTION NO. 2026 - 01

RESOLUTION REVIEWING AND ADOPTING VARIOUS LIVINGSTON COUNTY WATER AND SEWER AUTHORITY POLICIES

WHEREAS, the New York State Authorities Budget Office (“ABO”) recommends that the Livingston County Water and Sewer Authority (“LCWSA”) Board annually review, and update as necessary, various policies including, but not limited to policies for whistleblower protection, investments, procurement guidelines, and code of ethics, and

WHEREAS, the Executive Director has reviewed these policies and notwithstanding additional updates and revisions may be necessary in the future, recommends the LCWSA Board adopt the following policies, now therefore be it,

RESOLVED, the LCWSA Board adopts the Livingston County Water & Sewer Authority Code of Ethics, Investment Policy, Disposal of Property of the Authority Policy, Disposition of Surplus Items Policy, Procurement Policy, and Whistleblower Policy.

January 21, 2026
Livingston County Water & Sewer Authority
Moved By:
Seconded By:
AYES:
NAYS:

PURPOSE

These policies are based on the requirements of New York State Public Officers Law Section 74 and shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

SCOPE

This Code of Ethics shall apply to all directors, officers and employees of the Livingston County Water and Sewer Authority ("Authority").

POLICY

I. Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position with the Authority.
3. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
4. Directors and employees shall not make personnel investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her with regard to the Authority or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
5. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
6. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
7. Directors and employees shall not disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
8. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person, or that they are acting in violation of their public trust.
9. Directors and employees shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

10. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect interest, financial or otherwise, that may substantially conflict with the proper discharge of their official duties.
11. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex-officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.
12. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.

II. Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Authority Board. The Board may designate an Ethics Officer, or the Authority Attorney shall act as the Ethics Officer until one may be designated by the Board, who shall report to the Board and shall have the following duties:

- Counsel in confidence Authority directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

III. Violations and Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be fined, suspended or removed in the manner provided for in law, rules or regulations.

IV. Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

PURPOSE

The primary objectives of the local government's investment activities are, *in* priority order, to conform with all applicable federal, state and other legal requirements (legal); to adequately safeguard principal (safety); to provide sufficient liquidity to meet all operating requirements (liquidity); and to obtain a reasonable rate of return (yield).

SCOPE

This investment policy applies to all monies and other financial resources available for investment on its own behalf or on behalf of any other entity or individual.

POLICY

I. Delegation of Authority

The governing board's responsibility for administration of the investment program is delegated to the Treasurer who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

II. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Livingston County Water and Sewer Authority to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing~ which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

III. Diversification

It is the policy of the Livingston County Water and Sewer Authority to diversify its deposits and investments by financial institution, by investment instrument, and by security scheduling.

IV. Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

V. Designation of Depositaries

The banks and trust companies authorized for the deposit of monies to the maximum amounts are selected annually at the annual meeting of the Livingston County Water & Sewer Authority.

VI. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law #10, all deposits of the Livingston County Water and Sewer Authority, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- By a pledge of “eligible securities” with an aggregate “market value” as provided by GMI #10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.
- By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims paying ability is rated in the highest rating category by at least *two* nationally recognized statistical rating organizations.

VII. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Treasurer or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of the custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be comingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

VIII. Permitted Investments

As authorized by General Municipal Law #11, the Livingston County Water and Sewer Authority authorizes the Treasurer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit;
- Obligations of the United States of America (includes Treasury Bills);
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to LFL #24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Livingston County Water and Sewer Authority;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.

All investment obligations shall be payable or redeemable at the option of the Livingston County Water and Authority within such times as the proceeds will be needed to meet expenditures for purpose for which the moneys were provided.

IX. Authorized Financial Institutions and Dealers

The Livingston County Water & Sewer Authority shall maintain a list of financial institutions and dealers approved for investment purposes. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians.

X. Purchase of Investments

The Treasurer is authorized to contract for the purchase of investments:

- Directly, including through a repurchase agreement, from an authorized trading partner.
- By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all requirements set forth in the Office of the State Comptroller Opinion No. 8 8-46, and the specific program has been authorized by the governing board.
- By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Treasurer by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law. #10. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be comingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XI. Operating Procedures

The Treasurer is responsible for the investment of Livingston County Water and Sewer Authority funds. In the absence of the Treasurer, the Chairman or Vice Chairman is authorized to invest the funds. Investments will be based upon projections of the Livingston County Water and Sewer Authority's cash flow needs, so that investments shall mature at such time when funds are estimated to be needed for the orderly payment of Livingston County Water and Sewer Authority obligations.

Investments will generally be made based upon competitive bids solicited by telephone by the Treasurer and shall be awarded to the highest bidder who has and is willing and able to pledge sufficient and acceptable collateral.

Funds will only be transferred between institutions in the name of the Livingston County Water and Sewer Authority by using the Federal Reserve Wire Transfer (FedWire) system, or by Treasurer designee. Funds may be transferred within the same institution only between Livingston County Water and Sewer Authority accounts and by authorized staff.

The Treasurer will maintain an investment log detailing the specific information relative to each investment. All investment transactions will be promptly entered into the Livingston County Water and Sewer Authority accounting system. Comparisons of the existing investments to those recorded in the accounting system will be performed routinely.

XII. Internal Controls

Independent Certified Public Accountants shall, in conjunction with the annual audit, at least annually review the Investment Policies and Procedures of the Livingston County Water and Sewer Authority to be certain they are in conformance with all applicable laws, and regulations.

XIII. Repurchase Agreements – Underlying Security

Securities purchased under Repurchase Agreements (Repos) shall be limited to obligations of the United States of America, or obligations whose principal and interest are guaranteed, or insured by the United States of America. The term of Repos shall generally not exceed 180 days. Each Repo shall be specifically identified, segregated from the assets of the seller and delivered for safekeeping into an account designated and controlled by the Livingston County Water and Sewer Authority. Each seller shall enter into a master repurchase agreement with the Livingston County Water and Sewer Authority which shall specify the rights and obligations of the Livingston County Water and Sewer Authority and the seller in all Repo transactions.

XIV. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America
- No substitution of securities will be allowed.
- The custodian shall be a party other than the trading partner.

PURPOSE & SCOPE

It is the policy of the Livingston County Water and Sewer Authority (the “Authority”) that surplus items shall be disposed of in an orderly, equitable, and efficient manner. The disposal of obsolete and/or surplus items such as motor vehicles, office equipment and furniture no longer used by the Authority will be handled in the following manner.

Surplus items are defined as tangible or tangible public property with a value of \$1,000 or more.

POLICY

I. Procedures

The following procedures shall be utilized by the Authority and staff for disposal of surplus items by the Authority.

- A. Surplus items shall be identified by department heads and then forwarded to the Executive Director for consideration for disposal.
- B. Tangible public property, with a value of less than \$1,000, shall be disposed of at the discretion of the Executive Director.
- C. The Director or their designee shall determine if any other department can use the potential surplus items and, if so, said property shall be transferred to said department. Otherwise, said items shall be declared to be surplus and shall be disposed of pursuant to this policy.
- D. Prior to disposal of any personal public property by the Authority the Authority Board shall declare the items surplus by resolution for disposal.
- E. After the declaration by the Authority Board that said property is surplus, the Director or their designee is authorized to dispose of surplus items by sale, exchange, lease or public auction.
- F. Following the disposal of surplus items, the Director or their designee shall report to the Authority Board that the property has been disposed of and the manner of disposal and revenue, if any, received by the Authority from the sale.
- G. The Executive Director or their designee shall record or cause to be recorded of all surplus items, revenue received and the method of disposal to be kept by the Principal Account Clerk.

PURPOSE & SCOPE

The Livingston County Water and Sewer Authority (the “Authority”), a New York public benefit corporation, in compliance with the New York State Public Authorities Law, has established this policy for the Disposal of Property (the “Policy”).

This Policy shall apply to the disposal of real property and personal property throughout the year following its adoption and until such time as the Authority adopts a new or revised Policy. The Board of the Authority shall review and approve this Policy, with any necessary modifications and revisions, on an annual basis.

POLICY

I. Designation of Contracting Officer

The Authority hereby designates the Executive Director as the Authority’s Contracting Officer, in compliance with the provisions of New York State Public Authorities Law. The Contracting Officer shall hold this position until the Board of the Authority designate a new Contracting Officer or until such time as the Board adopt a new Disposal Policy.

The Contracting Officer shall be responsible for the administration and implementation of this Policy. The Contracting Officer shall cause the Policy to be posted on the Authority’s website so that it is available to the general public.

II. Application of Policy

The procedures outlined in this Policy shall apply to the Authority’s disposal from time to time of all personal property having a fair market value at the time of disposal of more than fifteen thousand dollars (\$15,000.00) and all interests in real property having a fair market value of more than one hundred thousand dollars (\$100,000) at the time of disposal. In addition, the Policy contains procedures governing the disposal of property for less than fair market value. As used in this Policy, “property” shall include tangible personal property and real property.

Tangible personal property and real property are distinguished from each other as appropriate in some Sections of the Policy.

The Authority shall dispose of tangible personal property with a fair market value at the time of disposal of fifteen thousand dollars (\$15,000) or less under the terms of the Authority’s Policy for Disposal of Surplus Items.

III. Purpose

The Authority has adopted this Policy to comply with the provisions of NYS Public Authorities Law and to realize a favorable return on the disposal of Authority property.

IV. Fair Market Value

Before disposing of property, the Contracting Officer shall take reasonable measures to determine the fair market value of the property to be disposed. The fair market value of property that (i) is unique in nature, or (ii) due to unique circumstances of the proposed transaction, is not readily valued by reference to an active market for similar property, shall be determined through an appraisal by a qualified professional. Prior to its disposal, the fair market value of all real property shall be established by an appraisal conducted by a qualified professional.

V. Advertised Bid

All disposals of Authority property shall be made after public advertisement for bids for the purchase of Authority property. The Contracting Officer shall order the advertising for bids in such a manner and in such publications as the Contracting Officer deems reasonably necessary to permit full and fair competition for the property consistent with the fair market value and nature of the property.

All advertisements for soliciting bids on Authority property shall state the method, place and deadline for the submission of bids, and request any other information the Contracting Officer deems necessary to evaluate bids being solicited. All advertisements shall include a statement that no warranty or guarantee of fitness for a particular purpose is included and that the property is being sold in As-Is Condition.

All advertisements and announcements soliciting bids shall state the place and time at which the content of all bids received for the property advertised shall be publicly disclosed. The content of all bids received shall be publicly disclosed as announced in the solicitation for bids.

VI. Award of Property Subject to Bid

Award of the property for which bids have been solicited shall be made within a timeframe reasonable for the evaluation of the bids received. The Contracting Officer shall evaluate the bids and select the bid most advantageous to the Authority based upon (a) conformance with the invitation for bids, (b) the terms, including but not limited to the price offered, and (c) any other factors that warrant consideration.

Notwithstanding the foregoing, the Authority may reject as inadequate all bids received in response to a particular solicitation for bids if the Contracting Officer deems that it is in the best interest of the Authority to reject all bids.

VII. Notification of Successful Bid

The Authority, or its designee, shall notify the successful bidder in writing of the Authority's acceptance of the bid. This notice shall contain a description of the property, a statement that no warranty or guarantee of fitness for a particular purpose is included and that the property is being sold in As-Is Condition, the amount of the successful bid and any other material terms of the bid. The bidder shall be required to make payment to the Authority, or its designee, in a form and on terms acceptable to the Authority before taking possession of the property.

The Authority, or its designee, shall gather the following information regarding any successful bidder: name, address, phone number.

The Authority, or its designee, shall provide to the successful bidder a deed, bill of sale, lease or other appropriate instrument adequate to transfer to the successful bidder the interest in the property.

VIII. Contracts to Dispose of Property

The Authority may solicit bids for contracts to dispose of the Authority property covered by the Policy. In the event that the Authority determines that the services of a company are necessary to assist the Authority in disposing of certain of its property, the Authority shall follow the same procedures in selecting an organization to dispose of property as the Authority follows under the Policy for disposal of property through advertised bid.

IX. Disposal of Property by Negotiation

The Authority may dispose of property through negotiation or by public auction without regard to the above described procedures if the Contracting Officer determines that any of the following conditions exist:

- (a) introduction into the market of the personal property to be disposed of would adversely affect the State or local market for that kind of property due to the property's artistic qualities, antiquity, historical significance, rarity, or other quality (separate from the property's utilitarian purpose), and a fair market price and other terms for the sale of the personal property can be obtained through negotiation;
- (b) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);
- (c) prices for the property that were obtained by advertised bid were not reasonable or the bid process did not generate open competition;
- (d) disposal of the property to the State or any political subdivision at fair market value can be arranged through negotiation;
- (e) the property is being disposed of for less than fair market value under the circumstances set forth in Section 11 of this Policy; or
- (f) such action is otherwise authorized by law.

X. Documentation of Disposal by Negotiation

The Contracting Officer shall cause to be prepared an explanation of the circumstances of the disposal when property is disposed of through the negotiation process described in Section 9, and any of the following are true:

- (a) tangible personal property disposed of has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);
- (b) real property sold has an appraised value in excess of one hundred thousand dollars (\$100,000.00);
- (c) real property leased has an estimated annual fair market rent over the term of the lease in excess of fifteen thousand dollars (\$15,000.00);
- (d) the tangible personal or real property has been disposed of by exchange; or
- (e) any part of the consideration for the property disposed of consists of real property.

Not less than ninety (90) days prior to the scheduled date of any transaction under Section 9 and 10 of the Policy, the Contracting Officer shall provide the following information to the Board of the Authority (the “Board”), the Office of the State Comptroller, the New York State Director of the Budget, the New York State Commissioner of General Services, the New York State Authorities Budget Office, and the New York State Legislature c/o the Speaker of the House and the Senate Majority Leader:

- (a) description of the parties involved in the property transaction;
- (b) justification for disposing of the property by negotiation;
- (c) identification of property, including its location;
- (d) estimated fair market value of the property;
- (e) proposed sale price of the property;
- (f) size of the property; and
- (h) expected date of sale of the property.

XI. Disposal of Property for Less than Fair Market Value

The Authority may sell, lease or otherwise alienate an asset owned, leased or otherwise in the Authority’s control for less than fair market value only if the Contracting Officer determines that any of the following conditions exist:

- (a) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
- (b) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- (c) the Authority seeks to transfer the asset to a non-governmental entity, the disposal is not consistent with the Authority's mission, purpose or governing statutes, and the Authority either:
 - i. provides written notification to the Governor, the Speaker of the Assembly, and the temporary President of the Senate, and all such recipients fail to deny the proposed transfer within the applicable time period as set forth in Section 2897 of the Public Authorities Law; or
 - ii. the transfer is of property obtained by the Authority from a political subdivision where the Authority resides and is approved in accordance with Section 2897(7)(iii) of the Public Authorities Law.

For each proposed transfer of an asset below fair market value, the Contracting Officer shall provide the following information to the Board and to the public:

- (a) a full description of the asset;
- (b) an appraisal of the fair market value of the asset and any other information establishing the fair market value requested by the Board;
- (c) a description of the purpose of the proposed transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including, without limitation:
 - i. the kind, number, location, wages or salaries of jobs created or preserved that are required by the transfer; and
 - ii. the benefits, if any, to the communities in which the asset is situated that are required by the transfer;
- (d) a statement of the value to be received compared to the fair market value;
- (e) the names of any private parties participating in the transfer and a statement of the value to the private party; and
- (f) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

The Board shall consider the foregoing information before approving the disposal of any property for less than fair market value. The Board shall also make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose. The reporting requirement of this Section 11 is in addition to the reporting requirements of Section 9 and 10 of the Policy, as applicable.

XII. Yearly Property Report

Each year the Contracting Officer shall publish a report listing all of the real property of the Authority to the extent permitted under applicable laws and regulations governing homeland security. The report will list and fully describe all real and personal property disposed of by the Authority during the previous twelve-month period.

The report shall contain a full description of each item of property disposed of, the price received by the Authority and the name of the individual(s) or entity that purchased the property.

The Contracting Officer shall cause the report to be delivered to the Office of the State Comptroller, the New York State Director of the Budget, the New York State Commissioner of General Services, the New York State Authorities Budget Office and the New York State Legislature c/o the Speaker of the House and the Senate Majority Leader.

The Contracting Officer shall publish the report on the Authority's website.

XIII. Annual Report to the New York State Authorities Budget Office

The Authority will include in its Annual Report, in addition to providing the information contained in the Yearly Property Report described above, a listing and description of all real property disposed of by the Authority during such year having an estimated fair market value in excess of Fifteen Thousand and No/100 Dollars (\$15,000.00). The Annual Report must include, at a minimum, the price received by the Authority and the name of the purchaser for all property sold. The Annual Report shall also contain a description of all assets, services or both assets and services that are sold by the Authority without competitive bidding, which description shall include the following:

- (a) the nature of those assets and/or services;
- (b) the names of the counterparties; and
- (c) where the contract price for assets that are sold by the Authority is less than fair market value, then a detailed explanation of the justification for making such sale without competitive bidding will be provided along with a certification by the Executive Director stating that they have reviewed the terms of the sale and determined that it complies with the applicable law and the Authority's procurement Policy.

The Authority shall cause its Annual Report to be delivered to the Governor, Office of the State Comptroller, the New York State Authorities Budget Office, the Senate Finance Committee Chair, Assembly Ways & Means Committee Chair, Livingston County Board of Supervisors, Livingston County Treasurer and Livingston County Administrator within ninety (90) days after the end of the Authority's fiscal year. The Authority shall publish its Annual Report on the Authority's website.

PURPOSE & SCOPE

The Livingston County Water and Sewer Authority (the “Authority”) is a local public benefit corporation created by a special act of the New York State Legislature, codified as Article 5, Title 8G, of the Public Authorities Law (the “Enabling Statute”) for the express purpose of providing water and sewer services within Livingston County, New York. As outlined in its enabling statute, the Authority was created “for the benefit of the people of the county and the state, for the improvement of their health, welfare and prosperity, and that such purposes are public purposes, and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it”.

The Authority actively solicits competition for all procurements, unless otherwise specified in this Policy. By promoting the competitive securing of goods and services, the Authority seeks to ensure the prudent and economic use of public monies in the best interest of the public, its customers, and its bondholders. The Authority seeks to facilitate the acquisition of goods and services of maximum quality at the lowest possible price.

In enacting this Procurement Policy, the Authority intends to guard against favoritism, extravagance, fraud, and corruption. Wherever possible within existing laws, the Authority seeks to promote and support local businesses and industry. The Authority intends for the adoption of this Procurement Policy to foster a greater degree of public accountability of the Authority’s personnel and others involved in the procurement process to provide assurance to its customers and the public that the Authority’s procurements are in their best interests.

The Procurement Policy governs the procurement of goods and services for use by the Authority. Authority personnel are directed to comply with the Procurement Policy. Authority personnel shall retain the necessary documentation as required in this Policy to substantiate compliance with it. The Procurement Policy will be posted on the Authority’s website.

This Procurement Policy is intended to conform the Authority’s procurement process to the requirements of the New York State Finance Law §139-j and 139-k, as well as to General Municipal Law (“GML”) §103 and 104-b. In the event of a conflict between the Procurement Policy and the requirements of any applicable law, the law will prevail.

Procedures for the Procurement of Goods and Services

The Authority formally adopts the following written policies applicable to all purchases of goods and services. These policies are meant to actively promote competitive procurement of all goods and services, with very limited exceptions, as set forth in this Procurement Policy. Authority personnel are directed to comply with these policies and to retain the necessary documentation as required in this Procurement Policy to substantiate such compliance.

Procurement Authority and Responsibility

The Finance Office is charged with the responsibility to procure materials, supplies, equipment, and services as needed by the Authority in pursuing its mission. All such purchases shall be made in accordance with the New York State Finance Law, the Enabling Statute, and this Procurement Policy.

The Authority Board of Director designates the Executive Director as the Authority's Procurement Officer. The Procurement Officer, or their designee, is directed and authorized to do the following:

- A. Create purchase orders on behalf of the Authority for the acquisition of supplies, materials, equipment, and services necessary to support the functions of the Authority in accordance with this Procurement Policy.
- B. Prepare and recommend revisions and amendments to the Procurement Policy and submit them periodically to the Board for approval.
- C. Develop and implement written procedures and forms to ensure compliance with the Procurement Policy within ninety (90) days of adoption of this Procurement Policy and update such procedures and forms as necessary.
- D. Supervise the receipt and inspection of all materials, supplies, equipment, and services purchased to ensure conformance with specifications.
- E. Recommend the disposition of surplus and unused supplies, materials, equipment, and scrap through sale or other means. Maintain necessary records for the efficient operation of the Finance Office.
- F. Develop, or cause to be developed, a purchasing schedule for Invitations to Bid and Requests for Proposals.

The Procurement Officer, or their designee, shall perform the following functions:

- A. Analyze purchase orders from Authority departments to ensure the proper authorizations are present, and that the procurement is tailored to meet the Authority's needs and is not unnecessary nor duplicative. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- B. Assist Department Heads in the preparation of invitations for bids, requests for proposals, informal solicitations and notices of procurement opportunities, as needed.
- C. Remain current and in compliance with applicable federal, State and local laws.
- D. Maintain vendor files.
- E. Maintain all supporting documentation including small purchase procurement authorizations, sole source documentation, and quotations.

POLICY

I. Board Approval of Contracts and Authorization for the Approval of Certain Contracts Advertisement of Bids and the Solicitation of Requests for Proposals or Information

Board approval is required for all contracts requiring execution by the Executive Director, including:

- A. Any construction-related contract for goods, equipment or services with an actual or estimated value of Thirty-Five Thousand Dollars (\$35,000) or more; and
- B. Any other contract for goods, equipment, or services with an actual or estimated value of Twenty Thousand Dollars (\$20,000) or more.

The Board delegates and vests the power and duty to sign and execute any construction-related contracts for goods, equipment or services with an actual or estimated value of less than \$35,000 where performance will be completed in a period of one year or less to the Executive Director without Board approval.

The Board delegates and vests the power and duty to sign and execute any other contract for goods, equipment or services with an actual or estimated value of less than \$20,000 where performance will be completed in period of one year or less to the Executive Director without Board approval.

The Board delegates and vests the power and duty to authorize the advertisement of bid notices, the solicitation of requests for proposals, and the solicitation of requests for information to the Authority's Staff, consisting of the Executive Director, Deputy Executive Director, Director of Operations, Wastewater Treatment Manager, Principal Financial Clerk, Authority Attorney and Secretary to the Authority. The Authority Staff has the duty to report to the Board at each of its meetings all advertisements of bid notices, solicitations of requests for proposals and solicitations of requests for information that have been posted to the Authority's website since the prior Board meeting.

II. Purchases for Goods, Equipment, and Services Related to Construction

All contracts related to construction with a value over \$35,000 must be awarded pursuant to a Resolution of the Authority's Board of Directors. The Authority must issue an invitation for sealed bids for contracts for work, materials or supplies related to construction. The Authority may issue a request for sealed proposals for professional service contracts for consulting engineers on construction projects.

The Authority complies with the New York State Department of Labor's prevailing wage requirements on all contracts for public works.

The Authority complies with the requirements of General Municipal Law § 101 for all contracts for public works in excess of \$500,000.

All sealed bids shall be publicly opened by Authority personnel designated by the Authority's Procurement Officer. All sealed bids shall be awarded to the lowest responsible, responsive bidder pursuant to the criteria under Articles 14 and 15 regarding bid openings.

The Authority has the exclusive right to declare a bid rejected in its discretion.

The following guidelines are established for contracts related to construction involving an annual expenditure up to \$34,999,

| <u>Purchase Amount</u> | <u>Quotes</u> |
|------------------------|--------------------------|
| \$0 - \$4,999 | One (1) written quote |
| \$5,000 up to \$34,999 | Three (3) written quotes |
| \$35,000 and over | Sealed bid |

The Procurement Officer shall review all quotations prior to a purchase. In all instances where practicable the Procurement Officer shall retain copies of such quotes for a period of not less than six (6) years. In any instance where less than three written quotes have been obtained the Procurement Officer shall ensure the circumstances underlying the purchase are documented in a memorandum maintained in the purchasing system.

The Authority reserves the right to not award any contract to a person or corporation who is in arrears to the Authority, in litigation or potential litigation with the Authority, or in a fee dispute with the Authority.

III. Purchases for Goods, Equipment, and Services Not Related to Construction

The following guidelines are established for purchases of goods, equipment or services involving an annual expenditure up to \$19,999. In all instances, purchase orders are required to be completed for all purchases in excess of \$3,000 with the exception of emergency purchases.

| <u>Purchase Amount</u> | <u>PO Required</u> | <u>Quotes Needed</u> | <u>Type of Quotes</u> |
|------------------------|--------------------|----------------------|-----------------------|
| \$0 - \$499 | No | No | N/A |
| \$500 - \$1,499 | Yes | 2 | Verbal/Written |
| \$1,500 - \$19,999 | Yes | 3 | Written |

All awards shall be made to the lowest responsible bidder if possible. Circumstances may dictate a purchase from other than lowest bidder, in which case documentation shall be provided to the Procurement Officer explaining the reason and justification for not selecting the lowest bidder (i.e. delivery requirement, quantity requirement if a pick-up, location of vendor, known past experience of vendor, etc.).

All purchases for goods, equipment, and services which will involve an annual expenditure of \$20,000 or greater shall be awarded after an invitation for sealed bids has been issued. All such sealed bids shall be awarded to the lowest responsible, responsive bidder pursuant to the criteria under Articles 14 and 15 regarding bid openings.

The Procurement Officer shall review all quotations prior to a purchase. In all instances where practicable the Procurement Officer shall retain copies of such quotes for a period of not less than six (6) years. In any instance where less than three written quotes have been obtained, the Procurement Officer shall ensure the circumstances underlying the purchase are documented in a memorandum maintained in the purchasing system.

The Authority reserves the right to not award any contract to a person or corporation who is in arrears to the Authority, in litigation or potential litigation with the Authority, or in a fee dispute with the Authority.

IV. Purchases for Professional Services

The following guidelines are established for purchases related to professional services.

| <u>Purchase Amount</u> | <u>Quotes</u> |
|------------------------|---------------------------|
| \$0 - \$24,999 | One (1) written proposal. |
| \$25,000 and over | Request for Proposal |

The Procurement Officer shall review all proposals prior to a purchase. In all instances where practicable, the Procurement Officer shall retain copies of such proposals for a period of not less than six (6) years. In any instance where less than three written proposals have been obtained, the Procurement Officer shall ensure the circumstances underlying the purchase are documented in a memorandum maintained in the purchasing system.

The Authority reserves the right to not award any contract to a person or corporation who is in arrears to the Authority, in litigation or potential litigation with the Authority, or in a fee dispute with the Authority.

V. Professional Service Contracts

Professional services are those which require a State license to practice, special skills and training (i.e., creative, technological), or those which require professional methods, character or standards. Professional services shall be procured after the Authority issues a Request for Proposals (“RFP”) and the proposals have been reviewed by Authority personnel in accordance with Article 16 of this Policy. Every attempt shall be made to issue the Request for Proposal to three or more firms. The RFP shall define the scope of work, required qualifications, deliverables, and may request a proposed fee for the services, as well as an estimated time frame for completion of the scope of work. The proposed fee may include, as is relevant to the scope of work, any lump sum costs as set for in the RFP, direct labor costs, hourly billing rates and relevant estimated indirect costs.

Professional service contracts may include retainer type agreements where the selected firm provides services to the Authority upon approval of Authority personnel within a general scope of services and at previously set billing rates.

VI. Insurance

The Authority is a member of the New York Municipal Insurance Reciprocal (NYMIR), a not-for-profit insurance company. It is the Authority’s intent to purchase insurance coverage from NYMIR. If NYMIR cannot provide the coverage required by the Authority, the Authority will go through an insurance agent. The RFP process is used to choose the Authority insurance agent. The Agent will investigate agreements for insurance coverage. If competition is available in the market, RFP’s will be requested to evaluate potential insurance carriers. If no competition is available, a contract will be negotiated between the Authority and the respective insurance carrier.

VII. Repair and Maintenance Contracts

All repair and maintenance contracts shall be reviewed by the Procurement Officer. All contracts for repair and maintenance must be executed in the manner set forth in Article 1 of this Procurement Policy.

Repair and maintenance contracts include contracts for “per call” services where equipment is serviced upon request and service contracts which include preventative annual maintenance. If the estimated value of the repair and maintenance contract is for more than \$20,000, the Authority shall issue an invitation for sealed bid for the services; if the estimated value for the contract is between \$1,000 and \$20,000, the Authority shall obtain written quotations from at least three vendors; if the estimated value for the contract is less than \$1,000, the Authority shall obtain, where possible, three verbal quotes.

Repair and maintenance services provided by the original equipment manufacturer, supplier or installer may be exempt from the quoting aspect of this policy if their services are required due to a specific or proprietary type of equipment that would qualify the services to be procured as a sole source pursuant Articles 9 of this Policy.

VIII. Standardization

Section 103 of the General Municipal Law makes it possible for the Authority to standardize on a particular type of material or equipment. A standardization resolution must be approved by at least two thirds of all Board members and must state that for reasons of efficiency or economy, there is a need for standardization. The resolution will contain a full explanation supporting such action.

The adoption of such a resolution does not eliminate the necessity for conformance to the competitive bidding requirements.

Standardization, as the word implies, restricts a purchase to a specific model or type of equipment or supply, but does not limit the vendors it can be purchased from.

The list of such Board approved standardization material or equipment shall be attached to this Policy as Appendix A.

IX. Sole Source Procurements

When only one source can provide a particular good, piece of equipment or service, such procurement is defined as sole source. Sole source procurements include sole providers of a licensed or patented good or service, sole providers of a factory-authorized warranty service, items manufactured by a single manufacturer, or exclusive distributors. The Procurement Officer will review all requests for sole source purchases. Requests should be accompanied by a letter from the manufacturer confirming that the product is a sole source item, and a quote for the purchase.

X. Emergency Purchases

Emergency purchases may be allowed in cases where a genuine emergency or necessity for immediate action exists. Notwithstanding any of the other provisions in this policy, in the case of (1) a public emergency arising out of an accident or other unforeseen occurrence or condition whereby circumstances affecting Authority buildings, property, or the life, health, safety or property of Authority employees, customers or the general

public; and/or (2) the prospect of interruption of service to a community due to an unforeseen circumstance; and/or (3) the disruption of the efficient operation of the Authority arising from an unforeseen circumstance requires immediate action which cannot await a competitive process or competitive bidding, the Authority may enter into contracts for public work or the purchase of supplies, materials, equipment or services.

Declarations of Emergency shall be documented in writing. A declaration may be approved by any of the **two (2) following individuals**: Executive Director or Deputy Executive Director.

Documentation and justification of a Declaration of Emergency shall be provided to the Procurement Officer prior to any purchase under such Declaration.

In any emergency procurement, the quantity to be purchased should only be that necessary to meet the circumstance. If time, nature of the requirements, and other circumstances permit, verbal or written price quotations should be obtained from more than one potential source. All purchases under a Declaration of Emergency must be made with thirty (30) days of the Declaration of Emergency.

All emergency purchases shall be reported to the Board as reasonably possible following the emergency and at the next Board meeting following the purchase.

XI. “Piggybacking” Exception to Competitive Bidding

Pursuant to GML § 103(16), in lieu of complying with competitive bidding requirements, the Authority may purchase apparatus, materials, equipment or supplies, or contract for services related to the installation, maintenance or repair of apparatus, materials, equipment and supplies through the use of a contract let by the United States of America or an agency thereof, any state, or any other county or political subdivision or district therein (i.e., the Authority may “piggyback” onto a contract let by another governmental entity)¹.

In order to take advantage of the Piggybacking Exception, the general requirements² set forth below must be met:

1. The contract must have been made available for use by other governmental entities (typically by inclusion in the contract of a clause extending the terms and conditions of the contract to other governmental entities); and
2. The contract must have been let in a manner that constitutes competitive bidding consistent with New York law³;
3. The terms of the contract should be carefully reviewed for consistency with New York law and regulations (which may for example prohibit advance payment for goods and services);
4. The payment to the contract vendor must be subject to standard procedures for claims processing;

¹ This exception is effective August 1, 2017, unless extended by the state legislature.

² See NY State Office of the Comptroller Memorandum “New ‘Piggybacking’ Law – Exception to Competitive Bidding,” November 2012.

³ Note, that the NY Comptroller has opined that this requirement does not mean that the contract be let precisely according to NY GML § 103, rather, the contract must be let in “harmony or general agreement with” competitive bidding principles. NY State Office of the Comptroller Memorandum “New ‘Piggybacking’ Law – Exception to Competitive Bidding,” November 2012.

5. A cost-benefit analysis should be used to confirm that “piggybacking” is cost justified in light of all pertinent cost factors including any potential savings on administrative expense;
6. The Authority must maintain appropriate documentation (including copies of the contract, an analysis showing compliance with the criteria set forth in this Article 13 and a cost saving analysis) to allow a thorough review of any decision to use “piggybacking” by Authority officials, external auditors and regulators; and
7. With respect to contracts let by non-New York entities, the following elements should also be present: (i) public solicitation of bids or in the case of best value, offers, (ii) submission of sealed bids or offers, or analogous procedures to secure and preserve the integrity of the process and confidentiality of the bids or offers submitted, (iii) preparation of bid specifications, or a similar document that provides a common standard for bidders or offerors to compete fairly, and (iv) award to the lowest bidder who materially or substantially meets the bid specifications and is determined to be a responsible bidder, or in the case of a best value process, an award to the responsive and responsible offeror.

XII. Preferred Source Exception to Competitive Bidding

Pursuant to State Finance Law § 162(4), the Authority is required to purchase certain approved products and services from “preferred sources,” provided they meet the Authority’s needs for form, function and utility. Preferred Sources include veterans, not-for-profit organizations that serve and employ people who are blind and severally disabled, and the correctional industries program to DOCS. Procurement from such preferred sources takes precedence over all other sources of supply and is an exception to the competitive bidding requirements otherwise applicable under GML §103. Purchases from preferred sources shall be made from the List of Preferred Source Offerings and in compliance with the NYS Procurement Bulletin-Preferred Source Guidelines, as promulgated and amended by the Office of General Services.

XIII. Award on the Basis of Best Value

Pursuant to GML §103, purchase contracts may be awarded by the Authority to a responsive and responsible offeror on the basis of “best value” (i.e. a “competitive offering”), instead of to the lowest responsible bidder. This includes contracts for service work, but excludes contracts necessary for the completion of a public works contract covered by the prevailing wage provisions of article 8 of the Labor Law, such as for building construction.

“Best value” is defined for this purpose as a basis for awarding contracts “to the offeror which optimizes quality, cost and efficiency, among responsive and responsible offerors.” In assessing best value, non-price factors can be considered by the Authority when awarding the purchase contract. Non-price factors can include, but are not limited to, reliability of a product, efficiency of operation, difficulty/ease of maintenance, useful lifespan, ability to meet needs regarding timeliness of performance, and experience of a service provider with similar contracts. The basis for a best value award by the Authority, however, shall reflect, whenever possible, objective and quantifiable analysis. For purposes of best value, a responsive offeror is an offeror meeting the minimum specifications. In assessing whether an offeror is responsible, the Authority should consider an offeror’s capacity and financial ability to complete the contract, accountability, past performance, reliability and integrity.

In order to make an award on the basis of “best value,” the Authority must be prepared to show that: (1) the offeror is responsive and responsible; and (2) the Authority applied objective and quantifiable standards, whenever possible, to determine that the offer optimizes quality, cost and efficiency. The Authority shall have a written justification if it bases a best value award on criteria that are not objective and quantifiable.

The best value specification shall describe the general manner in which the evaluation and award of offers will be conducted by the Authority and, as appropriate, identify the relative importance or weighting of price and non-price factors. In evaluating and determining to accept a higher priced offer, the Authority shall use a cost-benefit analysis to show quantifiable value or savings from non-price factors that offset the price differential of the lower price offers and maintain documentation of this analysis as part of the Procurement Record.

XIV. Advertisement and Opening of Bids

Advertisements for bids may be published in any of the following, but not limited to: the New York State Contract Reporter, the Dodge Report, Construction Exchange, Livingston News and/or such other appropriate publication. The advertisement shall contain a statement of the time when, and place where all bids received, pursuant to such notice, will be publicly opened and read. The Authority encourages its personnel to take all such additional measures as possible to maximize the response to the bid invitation, including broad direct solicitation by letter and telephone and notice to additional public listings.

As set forth in Article 1, a formal resolution is not required prior to advertisement of a bid notice.

In accordance with State Finance Law §139-j and §139-k, all questions about meaning or intent of the bidding documents shall be submitted to the designated contact person in writing.

Bid openings for contracts are conducted by the Procurement Officer, or their representative, at 1997 D’Angelo Drive, Geneseo, NY 14454 or designated location at the specified time and day. All bids received shall be publicly opened and read at the time and place so specified. At least one (1) week shall elapse between the first publication of such advertisement and the date so specified for the opening and reading of the bids.

XV. Rejection of Bids

The Authority reserves the right to reject any and all bids or to accept any bid deemed to be for the best interests of the Authority even though the bid chosen may result in the award of the contract to a bidder whose bid is not mathematically lowest.

In the event the Authority reviews the bids and decides to reject the bids, the bidders will then be notified of the rejection and the necessary steps will be taken to return their bid security (whether in the form of a bid bond or certified check). Upon written request, bidders, or offerors whose bid or proposal has been rejected shall be advised of the reasons for rejection.

In evaluating the responsiveness of an apparent low bidder, the Authority may consider the following factors:

1. Has all required information been provided?

-
2. Does the bid contain mistakes?
 3. Has the bidder failed to commit to a firm price?
 4. Are there unacceptable qualifications or conditions tied to the bid?
 5. Has the bid been prepared in accordance with the bidding instructions?
 6. Are unacceptable provisions included in the bid?
 7. Has the bidder altered or limited any of the contract or solicitation provisions?
 8. Has the bidder offered non-conforming products or services?
 9. Has the bidder failed to acknowledge addendums to the invitation to bid issued by the Authority?

The foregoing list is not exhaustive. Minor deviations which are immaterial and do not affect quantity, quality or delivery may be waived by the Authority if such waiver does not prejudice or affect the relative standing of bidders.

In evaluating the responsibility of an apparent low bidder, the Authority may consider, among other factors, whether the bidders' records with the Authority or other owners includes or demonstrates:

1. Being listed on a Federal or State debarred contractors list.
2. Poor prior performance on an Authority contract.
3. Lack of adequate expertise; prior experience with comparable projects; or financial resources to perform the work outlined in a timely, competent, and acceptable manner. Evidence of such factors may include failure to submit satisfactory evidence of insurance, surety bonds, or financial responsibility, or a history of terminations for cause.
4. Engagement in criminal conduct in connection with any other government contract or the conduct of business activity that involves such crimes as extortion, racketeering, bribery, fraud, bid-rigging, and embezzlement.
5. Grave disregard for the safety of employees, Authority personnel, or members of the public.
6. Willful noncompliance with the State's Labor Law requirements regarding prevailing wages and supplemental benefits, including consideration of any pending violations.
7. Disregard for other State Labor Laws, including child labor, proper and timely wage payments, and unemployment insurance laws.
8. Violation of the State Workers' Compensation Law, including failure to provide proof of proper workers' compensation or disability coverage.

9. Violations of the State's Environmental Conservation Law or violations of any other Federal or State environmental statutes.
10. Failure to abide by State and Federal statutes and regulations regarding efforts to solicit and utilize disadvantaged, minority, and women-owned business enterprises as potential subcontractors.
11. Submission of a bid which is mathematically or materially unbalanced.
12. Submission of a bid which is so much lower than the Authority's confidential engineers estimate that it appears unlikely that the contractor will be able to complete the project satisfactorily at the price bid.
13. The presentation of false or misleading statements or any other issue that raises serious questions about the responsibility of the bidder.

XVI. Requests for Proposals

A Request for Proposal (RFP) is used when goods and services are complex, do not have standardized specifications, and where price is not the only determining factor. An RFP is the best source of competition when obtaining professional services. Professional services include services rendered by attorneys, engineers, insurance companies and certain other services requiring specialized or technical skills, expertise or knowledge. Circumstances which may dictate the use of an RFP include:

- A. Multiple solutions are available that will fit the need.
- B. Multiple suppliers can provide the same solution.
- C. There is a requirement to determine the "best value" of the suppliers' available solutions.
- D. Products/services for the project cannot be clearly specified.
- E. Different skills, expertise and technical capabilities are required from the consultants.
- F. Price is not the determining criterion for awarding the contract. When reviewing RFPs, project approach and understanding, firm experience, and individual experience shall take precedence.

As set forth in Article 1, a formal resolution is not required prior to issuance of an RFP.

Upon receipt of all proposals, a review committee shall be set up to include at least three employees of the Authority to review all proposals. After proposals are received, evaluated and terms negotiated, the contract(s) can be awarded to the supplier(s) presenting the best combination of price, delivery, compliance to specifications, capacity to perform, and quality of service. A recommendation to award shall be presented to the Board for final approval and execution of contract.

Request for Proposal for Independent Auditor Services will request pricing for a period of no more than five (5) consecutive years.

XVII. Requests for Information/Request for Qualifications

A Request for Information (RFI)/ Request for Qualifications is a method of soliciting information from different suppliers prior to formally sourcing products or services. It is normally used where there are many potential suppliers and not enough information is known about them. It is a structured process where an extensive list of potential suppliers can be reduced to a concise list of those organizations that are willing and able to fulfill the Authority's requirements.

As set forth in Article 1, a formal resolution is not required prior to issuance of an RFI.

XVIII. Requests for Quotes/Informal Quotations

A Request for Quotes is a written request for quotes that is emailed or mailed. There is no public reading of bids or quotations. Items are to be purchased at the lowest cost consistent with the quality and service required. If the bids are tied, the location of the product and delivery time of the product will be considered. Request for Quotes may be used for procurements of under \$20,000 or for procurements of under \$35,000 for construction contracts. The Request for Quotes must be issued to at least three potential vendors, and in all instances where practicable, at least three quotes should be obtained for the services or goods to be purchased. The Procurement Officer shall retain copies of all quotations for a period of not less than six (6) years.

XIX. Quotation Process

Documentation of quotations is required. Written or verbal quotations shall be documented on or attached to existing Authority 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.

XX. Expenses not Subject to Negotiation

The Authority recognizes that prompt payment of invoices for utilities, including, but not limited to, electrical, telephone, cellular, natural gas, governmental fees of any sort, legal notice publications, postage, medical examinations, mileage, travel, conference reimbursement, subscriptions, contracts for professional services which are exempt under the General Municipal Law and delivery services is important and represents a good business practice. The fees for such services are not subject to negotiation. The Authority may make such payment upon receipt of an invoice for the same without Board approval, provided that the cumulative dollar amount for such purchases for the year is within the amounts budgeted and approved by the Board.

The Board delegates and vests the power and duty to make payments for these services upon receipt of an invoice for the same without further Board action to the Executive Director or their designee.

XXI. Statement of Non-Collusion Regarding Bids and Proposals

Every sealed bid to provide work, services or equipment to the Authority shall contain a detailed statement subscribed by the bidder or proposer, under penalty of perjury, certifying that the prices were arrived at independently without collusion, consultation, communication or agreement; that the prices have not been disclosed and will not knowingly be disclosed by the bidder prior to the opening; and that no attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit or not to

submit a bid for the purpose of restricting competition. No contract shall be awarded where the statement of non-collusion required herein is not properly completed and submitted with the bid or proposal.

XXII. Procurement Compliance Requirements

All Authority procurements are subject to the restrictions on contacts during the procurement process set forth in State Finance Law § 139-j, as well as the disclosure of contacts and the responsibility of offerors set forth in State Finance Law § 139-k (“Lobbying Law”).

Pursuant to the Lobbying Laws, all “contacts” (defined as oral, written or electronic communications with the Authority intended to influence a procurement) during procurement must be made with the designated Point of Contact only. Exceptions to this rule include written questions during the bid process, communications with regard to protests, contract negotiations and RFP conference participants. Nothing in the Lobbying Law inhibits any rights to make an appeal, protest or complaint under existing administrative or judicial procedures.

Violations of the policy regarding permissible contacts must be reported to the appropriate Authority officer and investigated accordingly. First violation may result in a determination of non-responsibility and ineligibility for award to the violator and its subsidiaries, affiliates and related entities. The penalty for a second violation within four (4) years is ineligibility for bidding/proposing on a procurement and/or ineligibility from being awarded any contract for a period of four (4) years. The Authority will notify the New York State Office of General Services (the “OGS”) of any determinations on non-responsibility or debarments due to violations of the Lobbying Law. Violations found to be “knowing and willful” must be reported to the Authority Chairman and OGS.

Moreover, the statutes require the Authority to obtain certain affirmation and certifications from bidders and proposers. Exhibit B contains the forms to comply, with additional information and instructions.

The Authority’s Board members, officers, and employees shall conduct themselves at all times in accordance with the Authority’s Code of Ethics, as amended.

XXIII. Performance Security and Bonding Requirements

- A. Bid Security: All formal bids for construction contracts shall require bid security equal to five percent (5%) of the total bid price in the form of a bid bond or a certified check. Bid security may be required for product contracts at the discretion of the Procurement Officer in consultation with the Attorney Counsel and Executive Director.
- B. Performance Bond: All construction contracts shall require a performance bond guaranteeing the contractor’s faithful performance equal to the contract amount. The Performance Bond shall remain in full force and effect for the duration of the contract and for one full year after final acceptance of the project. Performance security may be required for product contracts at the discretion of the Procurement Officer in consultation with the Authority Counsel and Executive Director.
- C. Payment Bond: All construction contracts shall require Payment Bonds in an amount equal to the contract amount which shall remain in full force and effect for the duration of the contract and for a period of one year following final acceptance of the contract.

Any section of this article can be waived or altered in instances where project securities and/or bonding would be prohibitive to getting qualified bidders and/or reasonable pricing. The decision to waiver or alter security or bonding requirements can be made by the Executive Director after consultation with the Authority Attorney and Authority Engineer, and notification to the Board.

XXIV. Contractor Insurance

Contracts, Invitations to Bid, and Requests for Proposals shall require bidders/contractors to obtain insurance on behalf of the Authority as a condition of doing business with the Authority. All vendors and contractors are required to meet New York State's requirements for appropriate Workers' Compensation and Disability Coverage. Prior to issuing an Invitation to Bid or Request for Proposals, the Authority's Claims Representative/Risk Manager shall review and approve the insurance requirements. Additionally, prior to entering into any contract the Authority Attorney shall review and approve compliance with the insurance requirements.

XXV. Support for Minority and Women-Owned Business Enterprises

Pursuant to New State Executive Law Article 15-A, the Authority recognizes its obligations under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises when awarding contracts in purchasing goods, services, and equipment. The Authority will encourage active participation by minority-owned and women-owned businesses in its procurement process and will fully support equal opportunity and fair treatment of all people in its contracting.

It is the desire of the Authority to promote and assist participation by MBE's and WBE's and facilitate a fair share of the awarding of contracts and bids. The Authority aims to solicit proposals from NYS-certified MWBE's that are qualified to perform the required work. For goods and services contracts in excess of \$25,000 and construction contracts in excess of \$100,000 the Authority shall attempt to utilize, in good faith, any MBE's or WBE's will strive to achieve a minimum MWBE contractor participation based on the Authority's Annual MWBE Goal Plan, project funding requirements as determined by funding agencies, or Article 15-A, as amended.

XXVI. Annual Review

The Board shall annually review and re-adopt this Policy at its Annual Meeting in January. The Procurement Officer shall be responsible for assisting the Authority in conducting an annual review of this Procurement Policy, for an evaluation of the internal control structure established to ensure compliance with this Procurement Policy and for reviewing and recommending standardized and sole source vendors for Board consideration annually.

APPENDIX A

STANDARDIZED MATERIALS AND EQUIPMENT

| PRODUCT | USE |
|--|--|
| General Electric iFix (SCADA) | Software, maintenance, support, professional services |
| Neptune Automatic Meter Reading System (AMR) | Water meters for residential, commercial and industrial meters |
| Schneider electric – Modicon - PLCs, Field Operator Terminals, Variable Speed Drives | Equipment, parts, service, support |
| EsTeem – Mesh Radios | Equipment, parts, service, support |
| Hirschmann – Managed Ethernet Switches, Cellular Modems | Equipment, parts, service, support |
| Endress and Hauser – Flow meters | Equipment, parts, service, support |
| Ashcroft – Pressure Transmitters, Level Transmitters | Equipment, parts, service, support |
| Mueller – Meter pits, all brass fittings for water service-related items | |
| AY McDonald – Meter pits, all brass fittings for water service-related items | Equipment, parts, service, support |
| Kennedy – Fire Hydrants | Equipment, parts, service, support |
| Kupferle Eclipses – Auto flusher, water sampling stations | Equipment, parts, service, support |
| Smith and Blair; Ford – Water main repair bands | Equipment, parts, service, support |
| Baldor Electric; US Motor – Electric motors | Equipment, parts, service, support |
| Liberty Pumps; Dayton – Sump pump | Equipment, parts, service, support |
| Dezurik; Pratt – Plug valve | Equipment, parts, service, support |
| Kennedy Valve; Pratt – Check Valve | Equipment, parts, service, support |
| Peplink Works – Cellular Modems | Equipment, parts, service, support |
| CLA-VAL – Control Valves | Equipment, parts, service, support |

PURPOSE

The Livingston County Water & Sewer Authority's Code of Ethics requires directors, committee members, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Authority, the practice of honesty and integrity in fulfilling our responsibilities and compliance with all applicable laws and regulations is expected. Employees are strongly encouraged to discuss with supervisors, managers, or other appropriate personnel, when in doubt, about the best and ethical course of action in a particular situation.

The Whistleblower Policy is a method of encouraging the reporting of complaints and concerns regarding questionable accounting, internal accounting controls, and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Authority's accounting practices.

The Authority's Audit Committee is responsible for investigating & resolving all reported whistleblower complaints and allegations.

SCOPE

It is the responsibility of all directors, committee members, officers, and employees to comply with the Code of Ethics and to report violations or suspected violations in accordance with this Whistleblower Policy.

POLICY

I. Definitions

For purposes of this policy:

1. **Good Faith.** Good faith is evident when the report is made without malice or consideration of personal benefit and the employee has a reasonable basis to believe that the report is true; provided, however, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.
2. **Wrongdoing.** Examples of wrongdoing include, but are not limited to, fraud, including financial fraud and accounting fraud, violation of laws and regulations, unethical behavior or practices, endangerment to public health or safety and negligence of duty.
3. **Adverse Employment Action.** Examples of adverse employment action include, but are not limited to, suspension or termination.

II. Protection of Whistleblowers

No board member, committee member, officer, or employee who in good faith reports a violation of the Authority's Code of Ethics shall suffer harassment, retaliation or adverse employment consequence.

An employee who retaliates against someone who has reported a violation in good faith is subject to adverse employment action.

The identity of any employee who makes reports pursuant to this policy shall not be revealed to persons in the employee's department, division, or work location. The Authority will make good faith efforts to protect the confidentiality of employees making reports provided, however, the Authority or its employees and agents shall be permitted to reveal the reporting employee's identity and confidential information to the extent necessary to permit a thorough and effective investigation or required by law or court proceedings. In addition, the Authority will not tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith allegation anonymously.

The Authority Board and its Audit Committee shall not retaliate and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an allegation or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating the allegation.

This policy presumes that employees will act in good faith and will not make false accusations when reporting wrongdoing. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to adverse employment action. Employees who report acts of wrongdoing pursuant to this policy can and will continue to be held to the Authority's general job performance standards and adherence to the Authority's policies and procedures.

III. Reporting Violations

The Authority suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected wrongdoings to the Audit Committee, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with this process, individuals should contact the Audit Committee directly.

Employees who become aware of any wrongdoing or suspected wrongdoing are encouraged to make a report as soon as possible. Acts of wrongdoing may be disclosed in writing, by telephone or in person. Contact information is posted in the employee break room disclosing Audit Committee members, addresses and telephone numbers.

Note: When reporting an alleged violation by telephone, it is not required to leave your name.

In the event the act of wrongdoing concerns a member of the Audit Committee, the report of wrongdoing should be filed with the Authority's general counsel who will determine who to disclose the information to for further investigation. The address and phone number of the Authority's general counsel is included on the Audit Committee listing in the employee break room.

IV. Procedures for Receiving Accounting Allegations

1. Any allegation that is made directly to management, whether openly, confidentially, or anonymously, shall be promptly reported to the Audit Committee.

2. Each allegation forwarded to the Audit Committee, whether openly, confidentially, or anonymously, shall be reviewed by the Audit Committee, who may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or management should investigate the Accounting Allegation, taking into account the following considerations:

- a. If the Audit Committee determines that management should investigate the allegation, management shall thereafter promptly investigate and report the results, in writing, to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and analysis of results.
- b. If the Audit Committee determines that it should investigate the allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel, or other experts to assist in the investigation and analysis of results.
- c. All whistleblower records shall be retained for a period of seven years.

V. Training

All employees will be made aware of this policy and its related procedures annually via staff meeting.