

Ulster Tobacco Asset Securitization Corporation

Procurement Policy

The Ulster Tobacco Asset Securitization Corporation (the "Corporation") does hereby adopt the following procurement policies and procedures:

Guideline 1. Every prospective purchase of goods or services involving an expenditure of more than \$20,000.00, and all purchase contracts involving an expenditure of more than \$10,000.00 shall be evaluated by the Board of Directors of the Corporation and awarded to the lowest responsible bidder unless otherwise determined by the Board due to unusual circumstances. The Treasurer of the Corporation and/or such other person designated by the Corporation with purchasing authority (hereinafter "Purchaser") shall estimate the cumulative amount of the items of supply or equipment needed in a given fiscal year. The information gathered and conclusions reached shall be documented and kept with the file or other documentation supporting the purchase activity.

Guideline 2. All purchases of a) supplies or equipment which will exceed \$10,000.00 in the fiscal year or b) public works contracts over \$20,000.00 shall be formally bid pursuant to General Municipal Law Section 103.

Guideline 3. All estimated purchases of:

Less than \$10,000.00 but greater than \$4,999.00, may be bid at the option of the Corporation, or in the alternative, shall require written and/or faxed quotes from at least three or more vendors where available.

Less than \$5,000.00 but greater than \$999.00, may be bid at the option of the Corporation, or the alternative, require an oral request for the goods and written and/or faxed quotes from two vendors where available.

Less than \$1,000.00 are left to the discretion of the purchasers, but shall be documented by invoice for future reference.

All Estimated Public Works Contracts of:

Less than \$20,000.00 but greater than \$9,999.00, may be bid at the option of the Corporation Board, or in the alternative, shall require written and/or faxed proposals from three contractors where available.

Less than \$10,000.00 but greater than \$4,999.00, may be bid at the option of the Corporation Board or shall require a written and/or faxed proposal from two contractors where available.

Less than \$5,000.00 may be bid at the option of the Corporation Board or shall be left to the discretion of the purchaser providing adequate documentation by invoice or otherwise supplied for future reference.

Guideline 4. The purchaser shall compile a list of vendors from whom written, fax, or oral quotes have been requested and/or offered, and all information gathered and complying with the procedures of this Guideline shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract.

Guideline 5. The lowest responsible proposal or quote shall be awarded the purchase or public works contract unless the purchaser, whether Corporation Board or a Corporation manager or staff, prepares a written justification and providing reasons why it is in the best interest to the Corporation to make an award to other than the lowest bidder. If a bidder is not deemed responsible, facts supporting that judgment shall also be documented and filed with the record supporting the procurement, where available.

Guideline 6. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser shall document the attempt made at obtaining the proposals. In no event shall the inability to obtain proposals or quotes be a bar to the procurement.

Guideline 7. Except when directed by the Corporation Board, no solicitation of written proposals or quotations shall be required under the following circumstances:

- Acquisition of professional services;
- Emergencies;
- Sole source situations;
- Goods purchased from agencies for the blind or severely handicapped;
- Goods purchased from correctional facilities;
- Goods purchased from another governmental agency;
- Goods purchased at auction; and
- Goods purchased under the state bid; goods purchased under County bid.

Guideline 8. Cumulative purchases of goods or services during a single transaction exceeding the applicable thresholds shall require approval prior to purchasing.

Guideline 9. This policy shall be reviewed annually by the Corporation at its annual meeting or as soon thereafter as is reasonably practicable.