

Rochester Zen Center Policy for Contracting and Major Purchases

The Board adopts the following general policies regarding large purchases and major projects: (1) vendors shall be reviewed periodically for price and performance, (2) vendors shall be asked for non-profit or other possible discounts, and (3) at least three bids shall be obtained for large purchases and projects, unless there is a particular reason for not doing so. Application of these general policies shall be guided by the considerations set forth below.

In many cases adhering to a policy of obtaining multiple quotations or bids can save the Center substantial amounts of money. On the other hand, sometimes the best combination of price and quality can be obtained through building a network of trusted suppliers and contractors upon whom we can rely. Trusted suppliers and contractors can be especially valuable in emergencies and other difficult situations.

Those overseeing expense budgets should discuss in advance with the Business Manager purchases of items or contracts for jobs (1) costing more than \$1,000 (or such other amount as the Business Manager may determine is appropriate for a particular type of purchase), (2) costing more than ten percent of any individual annual expense budget, or (3) to be charged to a capital expense budget. (Under the Business Manager's current practice, capital items are generally tangible items with an expected useful life of more than one year costing more than \$500.) The Business Manager, acting in consultation with the responsible department head, will then decide whether multiple bids or quotations should be obtained. This decision will be based on factors such as the type of purchase, the characteristics of possible suppliers and our past experiences with them, and the effort required to obtain multiple quotations. For example, when shopping for a car, we would naturally compare prices at various dealers; on the other hand, we would typically solicit quotations from various insurance agents rather infrequently, given the great amount of time and effort involved in doing so.

The spirit of these guidelines is to avoid making large purchases or contracting for major projects "on autopilot" without ensuring that the Sangha's money is being used as effectively as possible. Such automatic purchasing behavior is particularly likely to cause problems when a vendor is allowed to view the Center as a customer that never compares various vendors' prices and performance, but instead automatically gives its business to that particular vendor.