

## Purchasing Policy

ISO New England Inc.



12/6/2022	15.0	Revised Section 4.3 to include requirements for authoriz Approvers.
2/8/2023	16.0	Added exemptions list to Credit Card purchases, updated PO

CONTENTS:		Page
1.	Purpose and Applicability	5
2.		

1. Purpose and Applicability

- 1.1 To establish minimum guidelines governing the process of committing the funds of ISO New England Inc. (ISONE) to a Vendor

This Policy applies to all ISONE Employees, Consultants, Officers, and agents directly or indirectly involved in the purchasing of goods and/or services for or on behalf of ISONE.



#### 4.3 Purchase Order Approval Authorizations

The following have the authority to approve purchases within their respective areas of responsibility and approved budgets according to the dollar limits defined in the exception of medical expenses where the Vice President of Human Resources is the authorized approver without dollar limits and reimbursable Purchase Orders and System Impact Studies and Feasibility Studies where the President and Chief Executive Officer and Chief Financial Officer are authorized approvers without dollar limit

\*\* In the absence of an authorized signer, the Chief Executive Officer is authorized to approve transactions without dollar limit.

Requests for modifications to Purchase Order Approval Authorizations listed in this Section 4.3 and within the Finance Approver Listing must be reviewed by the Controller and Director, Accounting and approved by the Chief Financial Officer or the Chief Executive Officer, in his/her absence.

#### 4.4 Excess Expenditures

For expenditures in excess of approved limits and budgets provided in Section 4.3, the following guidelines apply:

- x The President and Chief Executive Officer and the Chief Financial Officer shall have joint authority to increase the annual budget by an aggregate of up to \$500,000;
- x Increases in the annual budget in excess of \$500,000 but less than \$1,000,000 shall require the additional approval of the Chairman of the Audit and Finance Committee; and
- x Increases in the annual budget of \$1,000,000 or more shall require the approval of the Audit and Finance Committee of the Board of Directors.

#### 4.5 Purchase Order Signatory

Purchase Orders are signed by the Purchasing Manager or the Chief Purchasing Analyst in the absence of the Purchasing Manager or the Chief Purchasing Analyst.

4.6 Purchase Order Revisions

Revisions to Purchase Orders are be subject to the same management approval levels for transactions within their respective areas of responsibility and approved budgets according to the dollar limits defined in Section 4.3 of this document. Revisions to Purchase Orders exceeding \$1,000,000 require approval by the Chief Executive Officer or may be approved by the Chief Financial Officer in accordance with Section 4.3 above if within 20% of the Original PO Total.

5. Competitive Thresholds

The extent of competition required in the procurement of goods and/or services shall be based on the following thresholds, established by reference to the estimated value of goods and/or services to be procured.

5.1 For purchases with an estimated cost less than or equal to ~~\$50,000~~ ~~\$50,000~~

x Use sound business practices in efforts to obtain the products and services needed at the lowest cost possible while still maintaining the required quality.

5.2 For purchases with an estimated cost greater ~~\$50,000~~ ~~\$50,000~~ one of the following designations, process and/or justification is required:

- x CMP (Competitive Quotes) A minimum of three quotes were solicited from three different sources of supply (Vendors).
- x RFP (Request for Proposals)- Competitive solicitation issued by the Purchasing Manager or Lead Purchasing Analyst in conjunction with the Subject Matter Expert(s) for the competitive procurement of a specific product(s), project(s) and/or service(s).
- x OEM (Original Equipment Manufacturer) A purchase that is a specific fit to the original product, no other product, support or service will meet the business



x RFQ (Request for Qualifications) –



12. Conflicts of Interest

All ISO-NE directors, officers, and employees are required to strictly adhere to the ISO Code of Conduct<sup>1</sup> including the provisions governing actual and potential conflicts of interest due to Vendor relationships. In addition, ISO requires certain vendors to contractually agree to adhere to the Code of Conduct's conflict of interest provisions and to notify the ISO in the event of an actual or potential conflict of interest.

---

<sup>1</sup> [https://www.isone.com/staticassets/documents/aboutiso/corp\\_gov/bylaws/code\\_of\\_conduct.pdf](https://www.isone.com/staticassets/documents/aboutiso/corp_gov/bylaws/code_of_conduct.pdf)