

PROPOSAL: PROCUREMENT AND PURCHASING REQUIREMENTS

Whereas: Local 802 currently lacks formal guidelines for how member dues are spent on procurement and,

Whereas: Without a structured approach to purchasing, the union risks overpaying vendors, missing opportunities for savings, and leaving itself vulnerable to waste due to conflicts of interest and,

Whereas: Data from leading consultancies including McKinsey & Company and Accenture shows that organizations without structured procurement rules typically underperform and leave cost savings on the table and,

Whereas: Instituting modern procurement practices including competitive sourcing, conflict of interest controls, and analytics-driven supplier evaluation yields measurable hard-dollar savings of 5-20% on relevant contracts and,

Whereas: For Local 802, implementing such practices could translate to hundreds of thousands of dollars over the years to come, which can fund more resources for member support, fighting for higher wages, defending pension security, expanding health benefits, and organizing the next generation of musicians and,

Whereas: A common-sense framework is needed that ensures fair prices while maintaining efficiency through a simple tiered system with provisions for emergencies and automatic inflation adjustments,

Therefore BE IT RESOLVED THAT:

Article III shall be amended by adding a new Section 14 as follows:

Section 14. Procurement and Purchasing Requirements

(a) Competitive Bidding Thresholds

Local 802 shall follow these procurement requirements based on total annual expenditures with any single vendor (including all affiliates and subsidiaries):

- (1) Under \$2,000: No formal requirements.
- (2) \$2,000 - \$10,000: Documented cost justification required.
- (3) \$10,000 - \$30,000: Minimum three (3) written quotes from qualified vendors required.
- (4) Over \$30,000: Formal competitive bidding process required with: (i) minimum of three (3) written bids from qualified vendors; and (ii) documented evaluation criteria and written selection justification.

(b) Conflict of Interest

All individuals involved in procurement must disclose in writing all personal, financial, or professional relationships with potential vendors, or any relationships that could reasonably appear to influence judgment. Disclosures must be submitted before bid solicitation and retained in the procurement file. Affected individuals must recuse themselves from all related discussions and decisions, unless the Executive Board votes to allow their participation. If the Executive Board permits participation, it must document the conflict, the reasons for allowing participation, and record the vote in meeting minutes. The conflicted person is prohibited from voting on their own participation.

(c) Record Retention

All required procurement documentation, including justification, bids, disclosures, contracts, invoices and correspondence, shall be retained for seven (7) years from purchase or contract execution date and shall be made available to Executive Board members upon request.

(d) Compliance and Implementation

(1) The Financial Vice President shall be responsible for overseeing compliance with this Section.

(2) These represent minimum standards; the Executive Board may impose more stringent requirements.

(3) All procurement activities remain subject to applicable federal and state laws.

(4) Annual Review: All vendors with annual spending of \$10,000 or more shall be subject to competitive review at contract renewal or annually, whichever comes first.

(5) Existing Vendors: Any vendor currently exceeding \$30,000 annually must undergo the formal competitive bidding process as described in (a)(4) within six (6) months of adoption of this bylaw.

(6) Emergency Procurement: An emergency exists when immediate action is required to protect health, safety, or welfare; prevent significant property damage or operational disruption; or to comply with urgent legal mandates. The Executive Board shall adopt and maintain an Emergency Procurement Policy addressing authorization procedures, spending limits (not to exceed \$20,000), vendor selection, conflict disclosures, and reporting requirements. All documentation requirements as described in this Section remain in effect. Situations requiring emergency procurement three (3) or more times within twelve (12) months for the same or substantially similar goods or services shall no longer qualify as emergencies and shall require a formal procurement process.

(7) Threshold Adjustments: Beginning January 1, 2026, and annually thereafter, all dollar thresholds in this Section shall be adjusted by the percentage change in the U.S. Department of Labor's Consumer Price Index for All Urban Consumers (CPI-U) for the New York-Newark-Jersey City metropolitan area for the twelve-month period ending the preceding October 31. Adjusted thresholds shall be rounded to the nearest \$100. In no event shall thresholds be reduced below the amounts specified in this Section as originally adopted.

Submitted by Andrew Bove (B09683)



The Local 802 Executive Board has reported this proposed bylaw amendment unfavorably.