

Purchasing Policies and Procedures

Objective:

To establish practical and efficient procurement procedures in accordance with the Mid-Michigan Library League policy. The procedures apply to the procurement from outside vendors or suppliers of goods and services, such as supplies, equipment, service contracts, consultants, etc.

Procedure:

1. Authority and responsibility
 - a. The purchase of goods and services for the League is the responsibility of the Director on behalf of, and through the Mid-Michigan Library League Board of Trustees.
 - b. The Director is designated the Library Purchasing Agent, with authority to negotiate purchases and award contracts and leases in accordance with the policies and procedures specified in section 5.
 - c. The Director and the Administrative Assistant and any other personnel with organization responsibility will have the following procurement responsibilities:
 1. Procurement planning, including identification of required goods and services within areas of administrative responsibility, and associated cost estimates.
 2. Initiation and/ or approval of requisitions for goods and services, and verification of availability of budgeted funds in the appropriate accounts. Procedures for initiating and processing purchase order requisitions are outlined in section 4.
 - d. Under the Mid-Michigan Library League's administrative policy, only the Director is authorized to contractually obligate MMLL to the purchase of goods and services. A contractual commitment is normally created by the signing of a contract by the Director, or by the Board of Trustees.
2. Major steps in the Regular Procurement Process are:
 - a. A requisition is prepared and approved by the department head. Section 4 provides instruction for completing and processing a requisition.
 - b. The requisition will be reviewed and approved by the Director. When approved, forwarded to Accounting for entry into the system.
 - c. Requisition to the Director for verification of budgeted funds.
 - d. Upon delivery of goods or performance of service the requesting department will forward the signed receipt, packing list or purchase order to Administrative Assistant/Bookkeeper.
3. Exceptions to the Regular Procurement Process:
 - a. Specific library staff may act as an agent of the Mid-Michigan Library League and directly purchase the following items. Include samples – library supplies, under \$100.00

Authorized management staff must establish effective internal controls to assure that sufficient budgeted funds are available in the appropriate budget accounts prior to making a purchase commitment. After the service is completed, a purchase order requisition is submitted for payment.

- b. Exceptions to the requirement for “Sealed Bids” and Request for Proposal are for Professional Services, an item being “Rare or Unique” a company is a “Sole Source”, or there is an “established bid” price.
 1. Professional Services are services provided by an independent contractor possessing an advanced, specialized type of knowledge, expertise, or training customarily acquired by a prolonged course of study like accountants, attorneys, architects physicians, and librarians.
 2. Unique items including books.
 3. Sole Source in which a single company or firm is the only one able to provide an item.
 4. Established bid price from a vendor through the State of Michigan or REMC.
- c. The Purchase of consulting services is subject to the following procedures:
 1. The use of a consultant and the associated project must be approved by the Director prior to beginning the consultant selection process for consulting services with an estimated cost less than \$2,000.00. More than \$2,000 requires approval by the Mid-Michigan Library League Board.
 2. Unless only one consultant is considered appropriately qualified, selection should be based on level of service, past performance and cost.
 3. Terms for the consulting engagement, including specific work to be done and financial commitment by the Mid-Michigan Library League, must be documented in writing and signed by the Director. The document may be a formal contract or letters of agreement.
 4. A contractual commitment on the part of the Mid-Michigan Library League exists when a signed contract or authorizing letter is delivered to the consultant. Prior to delivery of the contract document and the beginning of the consulting engagement, the document must be submitted in order to assure budget control and encumbrance of funds. Based on instructions indicated on the requisition, the Director’s office will mail the contract document directly to the consultant or return the contract to the requisitioner for delivery.

4. Purchasing Policies and Procedures

a. General Policies

1. The Purchasing Agent has the authority to negotiate all purchases and award contracts and leases, except as otherwise provided in these procedures.
2. Whenever practical, all purchase of supplies and equipment shall be made on the basis of competitive pricing to appropriate specifications. All bids, Request for Proposals and specifications shall be available for inspection by the parties involved.

3. Purchases not over \$2,000 may be made at the discretion of the Director using a Purchase Order.
4. The purchase of items costing \$2,001 up to \$5,000, for a single item, or group of related items, shall be made on the basis of available quotations and/or telephone quotations and price data, serving the best interests of the Mid-Michigan Library League.
5. The purchase of items exceeding \$5,001 for a single item, or group of related items, shall require formal, written bids or Request for Proposals from at least (3) three qualified vendors (where available); and the purchase order shall be awarded with the approval of the Mid-Michigan Library League Board of Directors.
6. All Requisitions for items or a group of related items, having a cost of \$5,000 or more shall be subject to the formal bidding process. The formal bid process includes advertising in a local newspaper, trade publications, and via the Mid-Michigan Library League webpage. Awards will be made on these bids or RFP's following approval by the Mid-Michigan Library League Board of Trustees.
7. Requirements or agreements for more than one year may be purchased if presented to the Mid-Michigan Library League Board at first presentation or reviewed annually with prior approval of the Board of Trustees.
8. Joint or cooperative purchasing with other library cooperatives or government agencies, REMC or State of Michigan, may be practiced whenever such practice is economical and/or desirable. Where bids and quotations have been secured under cooperative purchasing arrangements, bid and quotation requirements will be waived.

b. Competitive Bids

1. General Practices

- Bids will be solicited from sources believed able to offer the best prices, namely; the manufacturer, jobber wholesaler, and retailer.
- All bids shall be requested on the basis of f.o.b. destination.
- The omission of payment terms and f.o.b. point on a bid reply may subject it to disqualification at the discretion of the Purchasing Agent.

2. Inquiry for Prices

The inquiry for prices specified as "Sealed Bids: shall include the following.

Instructions to Bidders.

- a. All bids are to be sealed and endorsed Bid No. _____
- b. When a catalog reference follows the description of an item, this reference is intended to establish minimum standards; general quality of design, workmanship and materials; a means of more fully describing the item and is to be regarded as part of the description of the item. Proposals are invited from other established manufacturers and suppliers on equipment that is similar in design, equal in quality, and meeting the detailed requirements as

outlined in the specifications. The use of catalog references is not intended to limit competition.

- c. The Board of Trustees of the Mid-Michigan Library League shall be the sole judge on the selection of any or all items submitted in any proposal or bid. The MMLL Board of Trustees reserves the right to waive irregularities and make an award, which, in its judgment, is in the best interest of the Mid-Michigan Library League as a bid.
- d. In the performance of any contract or purchase order resulting from an accepted bid, the bidder agrees not to discriminate against any employee, with respect to his or her hire, tenure, terms, conditions of employment or any matter directly or indirectly related to employment, because of his or her sex, age, race, national origin, religion, weight, height or handicap.
- e. Proposals shall remain firm for a period of sixty (60) days after the official bid opening.
- f. The prices quoted must be net and exclude all federal, state and municipal sale excise taxes.
- g. All bid proposals shall include freight and delivery. Installation charges should be included if requested in the specifications.

c. Award of Bids

- 1. All bids shall be awarded to the lowest qualified bidder that offers acceptable quality and service.
- 2. Whenever the lowest bidder does not receive the award, specific reasons for that decision shall be made as a matter of record.
- 3. The MMLL Board of Trustees will make the final determination of acceptable quality and service.
- 4. Acceptance of bids will take place at a public meeting by majority vote of the Board of Trustees.
- 5. The Board of Trustees is under no obligation to accept any bid and may choose to re-bid an item if no acceptable bids are received.

The policies contained in this manual are effective as of May 25, 2006, and shall remain in effect until replaced by the Mid-Michigan Library League Board of Trustees.