

## 2.2 Purchasing And Contracting Policy

1. **Purpose.** Purchasing and contracting for the Traverse Area District Library (“TADL”) shall be handled in a manner which promotes the best interests of TADL while providing a fair opportunity for businesses to participate in the purchasing and contracting process.
2. **Quantity Purchases.** Goods discounted for large quantity purchases shall be planned for and purchased whenever practical.
3. **Overdrafts Prohibited.** No purchase will be authorized which would overdraw a budgetary account. If the Library Director anticipates that a purchase will exceed a budgetary account, a request must be submitted to the Board of Trustees to request that the necessary budget amendment be completed prior to initiating such a purchase.
4. **Quality.** Quality of goods and services is as important as price and can be ensured by preparing precise specifications for competitive bidding describing quality requirements. All such specifications shall permit competition whenever practicable. Bids shall be evaluated and awarded on the basis of the overall best value to the TADL.
5. **Public Records.** All specifications, bid documents (after the specified time for bid opening), purchase orders, and supporting documents are public records which shall be made available to the public upon request and consistent with Michigan’s Freedom of Information Act.
6. **Endorsement.** No TADL employee shall endorse or in any way permit the employee’s name or position, or grant permission for the TADL’s name to be used and advertised to support a product or a vendor without Board approval. No TADL employee shall use TADL’s name, or the employee’s position at TADL, to obtain special consideration in a personal purchase.
7. **Records Retention.** TADL shall retain copies of all purchase orders, service orders, requisitions, and bid files consistent with TADL’s records retention policy
8. **Special Considerations.**
  - a. The Library’s intent is to purchase from and contract with responsible vendors that maintain a presence within the district whenever feasible. To ensure local participation, the Library will make reasonable attempts to notify local vendors of the opportunity to provide goods and services and to include quotes from the same.
  - b. As a political subdivision of the State of Michigan and member of the Mid-Michigan Library League, Michigan Library Association, American Library Association, and Michigan Library Consortium, the Library is privy to a number of negotiated agreements for the provision of goods and services, the cost of which may be fiscally beneficial to the Library.
  - c. The Library will make every effort to consider all of these relationships when determining purchase decisions

## Traverse Area District Library Policy Manual

- 9. Transactions over \$15,000.** The Library Director or his or her designee, seeking to purchase goods, products, or services that will cost over \$15,000 shall either:
- a. Prepare or have prepared precise specifications describing the item and submit them for handling through the competitive bid procedure described herein; or
  - b. If otherwise approved by the Library Director consistent with this policy, place an order for the goods, products, or services.
  - c. Competitive bidding shall not be required when the Library Director and the Board determine that the public interest will be best served by purchase from or jointly with another unit of government; when an emergency exists; or when the public interest will be best served without obtaining bids, such as in the employment of professional services.

### **10. Competitive Bidding Procedure.**

- a. **Sealed Bids.** Sealed bids are required in transactions involving expenditures of more than \$15,000, unless otherwise authorized by the Library Director as provided herein. A “sealed bid” means a written response to a solicitation which requires a public bid opening. Sealed bids shall strictly comply with submission criteria to protect the integrity of the sealed bid process. It is the bidder’s responsibility to ensure compliance with submission requirements. The Library Director may disqualify a sealed bid that does not conform to the submission requirements.
- b. **Initiation of Competitive Bidding Procedure.** The Library Director or his or her designee shall initiate this procedure by submitting a written request to the Board, along with a vendor’s list and specifications. The Library Director may seek assistance from library staff or legal counsel in preparing specifications. Whenever possible, specifications shall include a proposed contract or service order, insurance requirements, and bond requirements, if any.
- c. **Publication.** The Library Director shall publish an advertisement for bid in a local newspaper on at least two dates. The final publication day shall not be later than one week prior to the bid opening date.
- d. **Bid Opening.** The Library Director shall select the time and place of the bid opening. The Library Director or his designee shall attend the bid opening and record the bids received. Bid openings shall be public unless otherwise stated in the bid specifications. At the bid opening, the Library Director or his designee may request clarification of a bid from any vendor attending the bid opening. No bids shall be accepted after the deadline indicated.
- e. **Bid Award.** The Library Director or his designee shall provide a request and recommendation of the bid award, along with the requisition (if appropriate). After approval by the TADL Board, the Library Director shall complete the purchase order, service order, or contract. The bid will be awarded based on the overall best value to TADL, and price will not necessarily be the sole consideration.

## Traverse Area District Library Policy Manual

- f. **Sole Bidders.** In the event only one bid is received, the Library Director may recommend award of the sole bid if the following conditions have been met:
  - i. Due diligence has been performed in soliciting bids according to these policies and procedures; and,
  - ii. The bid has been evaluated and determined to be reasonable based on the history of past purchases and evaluation of the market.

### **11. Comparative Quote Process.**

- a. Goods or services with a projected value of between \$5,000 and \$10,000: At least three informal quotes are required.
- b. Goods or services with a projected value of between \$10,000 and \$15,000: At least three formal quotes are required.
- c. These quotes shall be procured from valid, reputable sources in a manner consistent with sound purchasing procedure.

### **12. Exceptions.** Unless otherwise addressed herein, the expenditures listed below are exempt from the quote/bid provisions of this policy.

Exempt are purchases

- a. less than \$5,000;
- b. to alleviate an emergency condition which is a threat to public health, welfare or safety; or where immediate expenditure is necessary for operational continuance;
- c. for the acquisition of library materials (books, CDs, DVDs, periodicals, online services, etc.)
- d. for the acquisition of general expendable supplies;
- e. required by local, state or federal statute;
- f. required by contractual arrangement approved by the Board of Trustees, including labor agreements;
- g. economically procurable from only one source;
- h. a unique opportunity for substantial savings;
- i. at auction;
- j. required for professional services;
- k. a contract for the maintenance or service of equipment which is entered into with the manufacturer or authorized service agents of that equipment;
- l. procured from another governmental agency;
- m. which no other responsive offer has been received;
- n. for computer equipment or peripherals when required for consistency or inter-operability; or,
- o. those when the Library Director and the Board determine that the public interest is best served without a competitive bid.

## Traverse Area District Library Policy Manual

Regardless of these exceptions, Library administration will make reasonable attempts to make certain that all purchases meet the purpose of this policy employing verbal or written quotes, advertised prices, comparison shopping, requests for proposals, or bids, depending upon the circumstances and whichever method is most beneficial to the Library.

**12. Real Estate.** All purchases of real estate, improved or unimproved, will be made only with prior consent of the Board of Trustees.

**13. Credit Card Purchases.** For those purchases that are not handled through competitive bid process, the Library Director may utilize the Library's credit card so long as any such credit card is issued and utilized consistent with TADL's credit card policy.

**14. Purchasing Goods or Services When a Conflict of Interest May Be Present.** Purchases by the TADL of supplies, materials, or services from an employee or member of the Board, or from members of employee's or a Board member's immediate family, shall be documented to provide a record for the public establishing that the purchase was made in the best interest of the Library, price and other factors considered. Any such purchase shall be in compliance with TADL's Conflict of Interest Policy.

**15. Delegation of Authority.** The Library Director has discretion to authorize delegation of authority for any permissible expenditure under this policy to any Library employee.

Revised 9 April 2009