

Purchasing Guidelines

Baldwin Public Library Birmingham, MI

I. Purpose of Guidelines

These guidelines have been approved by the Board of Directors of the Baldwin Public Library in carrying out its authority and responsibilities under Chapter XVI of the City Charter to exercise exclusive control of the Library Fund.

The purpose of these guidelines is to provide standardized policies and procedures for the purchase of Library materials, equipment, supplies, various operating expenses and contractual services by the Library and for the sale or abandonment of property no longer needed by the Library with the intent of providing for the efficient and effective use of the Library Fund.

The guidelines define the responsibilities of The Board of Directors, the Executive Director, as well as any Purchasing Agent of the Library within the scope of authority granted to such persons.

II. **Definitions** For purposes of these guidelines the following definitions will apply:

- A. **Board** means the elected Board of Directors of the Baldwin Public Library.
- B. **Charter** means the Charter of the City of Birmingham presently in effect and as it may be amended from time to time.
- C. **Director** means the Executive Director of the Library hired by the Board to operate the Library.
- D. **Library Materials** means all property regardless of format (whether tangible, intangible, intellectual or other property) acquired for the use of Library patrons in carrying out the purposes of the Library excluding land or any interest in land.
- E. **Equipment** means all furniture, furnishings, fixtures, equipment, machinery and similar tangible property necessary to the operation of the Library.

- F. **Supplies** mean all other property including consumables necessary for the operation of the Library.
- G. **Contractual Services** means all services obtained or performed by persons not employed by the Library, provided that contracts for contractual services for professional, insurance or other unique services will not be the subject to the guidelines but will be subject to prior authorization, engagement or contractual obligation made by the Board.
- H. **Contract** means all types of agreements, regardless of what they might be called, for the procurement of Library Materials, Supplies, Equipment, Contractual Services, or Operating Expenses except that the term will not include collective bargaining agreements.
- I. **Department Head** means the individual in charge of a department within the Library or that person's individual designee.
- J. **Associate Director** means an individual who assists the Director in the management of the Library and who is authorized to operate the Library in the absence of the Director.
- K. **Operating Expenses** means all expenses incurred other than Library Materials, Equipment, Supplies and Contractual Services including charges for utilities, telecommunication, personnel, training, dues and miscellaneous expenses necessary for the operation of the Library.
- L. **Purchasing Agents** means those persons authorized by the Board upon recommendation by the Director to make purchases of Library Materials, Equipment, Supplies, Contractual Services and Operating Expenses within the scope of their authority, including the Director or any Associate Director.
- M. **Treasurer** means the Treasurer of the City of Birmingham acting in the role of the Treasurer of the Library or the Treasurer's authorized designee.

III. Guidelines

- A. **Centralized Purchasing System** The Library will maintain a centralized purchasing system. All requests for purchase will be forwarded to the Purchasing Agents for the appropriate approval. The authority and responsibility for the purchase of all Library Materials, Equipment, Supplies,

Contractual Services and Operating Expenses will be under the direction of the Director and in conformance with the Board approved budget of the Library. The Director will oversee all the purchasing activities of the designated Purchasing Agents. All purchases will be reflected in properly authenticated vouchers in accordance with procedures established by the Treasurer of the City of Birmingham in accordance with the Charter.

B. Purchasing Controls and Supervision of Purchasing Agents The Director will establish and enforce appropriate internal controls for the management of the purchasing process and effectuation of the policies reflected in these guidelines. These will include providing guidance and training to all Purchasing Agents regarding the Purchasing Guidelines, including dollar limitations, quotation and bidding requirements, where applicable, and all purchasing procedures including requirements of the Treasurer. No purchase will be made except as authorized by the Library budget and in compliance with authorizations and procedures established by these guidelines. The Director will monitor all purchases and determine which items are surplus and suitable for disposal.

C. Purchasing Considerations In making all purchases, the Purchasing Agent will take into consideration the following factors, giving greater weight to the first three factors compared to the second three factors:

1. Price
2. Quality and serviceability
3. Vendor reputation and prior experience with vendor
4. Availability of quantity discounts
5. Birmingham based vendors
6. Recyclable sourced

D. Request to Purchase and Purchase Orders will be generated as follows:

1. **Library Materials:** Request to Purchase forms will be prepared based on requisitions authorized by a Department Head and approved by the Purchasing Agent in accordance with the approved budget for Library Materials.
2. **Equipment, Supplies, Contractual Services and Operating Expenses:** Request to Purchase forms based on requisitions authorized by a Department Head will be prepared for all Equipment, Supplies, Contractual Services and Operating Expenses as approved by the Purchasing Agent in accordance with the approved budget.
3. **Request to Purchase Forms** are not required for certain Operating

Expenses including charges for utility charges, postage, payroll, benefits, insurance, intergovernmental payments and any expenditure from petty cash. Adequate records will be maintained for all expenditures made for any of the foregoing purposes.

4. **Purchase Orders:** Purchase Orders will be issued for any order in excess of \$6000.00.
5. **Orders** are placed only after appropriate approvals have been received.

E. Limitations With Respect To Purchases

1. The Director has authority to authorize in conformance with the approved budget and without further Board approval, any order not exceeding \$6000 in conformance with paragraph III F.
2. The Board must approve any order in excess of \$6,000. Single source Library Materials within the approved budget, do not require further Board approval.
3. The Board may authorize any order, regardless of purchase price, from a single source supplier, based upon the recommendation of the Director. A full report of this order will be made to the Board

F. Use of Competitive Quotes Except as otherwise permitted under these Guidelines prior to issuance of a Request to Purchase form, the Purchasing Agent will secure three competitive quotes for purchases greater than \$500 and not exceeding \$6000.00. If there are less than three competitive quotes the Director will document the efforts made to secure competitive quotes. Based on application of the purchasing considerations, the Director will select the best overall quote.

1. The Purchasing Agent may authorize any order having a purchase price of \$500 or less without obtaining competitive quotes.
2. The Purchasing Agent will obtain a minimum of three quotes for any order having a purchase price over \$500.
3. The Purchasing Agent will determine which quote to accept in the case of orders having a purchase price of \$6000 or less.
4. Competitive quotes are not required for Library Materials that are single

source. A single source item is one that is not available from another vendor.

G. Use of Competitive Bidding

- 1. Competitive Bidding required** Except as permitted under 2 below, competitive bidding is required for all items with a cost in excess of \$6,000.
- 2. Competitive Bidding not required** Upon the recommendation of the Director or upon the direction of the Board, taking into consideration the cost and nature of the item, the costs associated with the competitive bidding process, and the availability of competitive bidders, the Board may dispense with a competitive bidding procedure for any order greater than \$6000 but less than \$25,000.

H. Bidding Procedure

1. An invitation for bids must be publicized, "no less than five (5) days preceding the last day set for the receipt of bids."
2. The invitation must include a general description of the supplies or services to be purchased. It must also state where bid forms and specifications may be obtained, when they must be filed and when the bids will be opened. Bidders will be instructed to submit sealed bids, which are clearly identified as bids on the outside of the envelope.
 - (a) Invitations for bids will be placed in suitable trade publications or on governmental bid website such as MITN.
 - (b) The Purchasing Agent will also solicit sealed bids from all persons who are on any most current "bidders" list by mailing them a copy of the public advertisement so as to acquaint them with the proposed purchase.
 - (c) Invitations for bids sent to prospective bidders on the "bidders' list" will be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.
 - (d) All bids received will be time-stamped and remain unopened until the date and hour of the bid opening. Bids are to be opened publicly at the time, place and date specified in the invitation for bids. Bids are to be recorded, tabulated and available for public inspection.

(e) In cases of orders over \$6000, the Director will recommend to the Board in writing for final approval, the best overall bid based on the purchasing considerations of Section III C under these guidelines or whether all bids should be rejected.

(f) All bidders, successful and unsuccessful, will be notified of the decision of the Director or Board. Any bid bonds received from unsuccessful bidders will be returned in a timely manner. Any deposits for specifications will be returned upon receipt and opening of the specifications.

(g) The Library will not be obligated to purchase from the lowest bidder.

- I. **Payment Process** Vendors will be directed to send all invoices to the Library bookkeeper. Invoices will be matched with the packing slips received with the order. Any registration forms or other documentation to be sent to the vendor should be attached along with an additional copy of each. The Library bookkeeper will then prepare the voucher required for payment for approval by the Director and the Board.

Vouchers will be certified by the Board Secretary in accordance with Charter requirements and will be forwarded to the Treasurer. The Treasurer will make no payment without proper authorization.

J. **Emergency Purchases**

1. Only in the case of an emergency involving an apparent threat to the safety, health or welfare of the Library, or its users or employees may the normal purchasing procedures may be disregarded. A report of such action should be made to the Board as soon as possible.
2. Emergency purchases may be made by the Director, or in the absence of the Director or by a designated Purchasing Agent.

K. **Petty Cash Purchases**

1. A petty cash fund of not more than \$200 will be maintained by the bookkeeper for the purpose of purchasing incidental items and may be authorized by any Purchasing Agent in amounts not exceeding \$50.
2. Any cash removed from the petty cash fund must be replaced by a pre-numbered petty cash voucher accompanied by a receipt or invoice from

the supplier of the item or service purchased.

3. The receipt or invoice must detail the type and amount of the expenditure and signed by the person requesting reimbursement. The petty cash voucher must indicate the appropriate account number to which the purchase should be charged, and indicate the Purchasing Agent's approval. This should be done at regular intervals to avoid running the fund too low. No reimbursements will be made without the required supporting documentation.
4. To insure accountability, the petty cash fund must be balanced daily. Therefore, the sum of all unused cash and petty cash vouchers should equal the total of the respective department's petty cash total. If the actual balance differs from the amount that should be in the fund, the Director will be contacted immediately.

L. Request for Early Release Checks

1. Because early release checks are issued prior to Board approval, they are to be used only when absolutely necessary and are subject to approval by the Treasurer. Early release vouchers must receive proper authorization before submittal to the Treasurer. Such checks will be so noted in the Board report and included in the monthly voucher list.
2. Early release checks may be issued upon compliance with the following requirements:
 - (a) Prepare a requisition for payment.
 - (b) Attach all supporting documentation.
 - (c) Mark requisition "EARLY RELEASE CHECK" and indicate date needed.
 - (d) Deliver to the Treasurer.
 - (e) The check will be prepared upon approval of the Treasurer.
 - (f) The check will be mailed or delivered immediately upon completion.

M. Disposal of Obsolete, Worn or Surplus Library Materials, Equipment and Supplies Items determined by the Director to be obsolete, worn or surplus, will be disposed of in one of the following ways

1. Any item with an original estimated value of not more than \$6,000, after consideration of factors including, but not limited to, usability, storage availability, handling and disposition costs and expenses may be disposed of by the Director or a designated Associate Director, using their best judgment. Any sale of any item based on one or more informal quotes or silent auction will be deemed an appropriate way of disposition.
2. Any item with an original estimated value of more than \$6,000, after consideration of factors including but not limited to, usability, storage availability, handling and disposition costs and expenses upon recommendation of the Director, may be disposed of by the Board, exercising its best judgment, in one of the following methods:
 - (a) Sale after obtaining informal quotes or silent auction.
 - (b) Manufacturer trade in.
 - (c) Transfer to the City auction.
 - (d) Abandonment or other disposal.
3. Any transfer of obsolete, worn or surplus Library Materials to the Friends of the Library, for purposes of a book sale for the benefit of the Library, having a collective value to the Library of not more than \$6,000, will be deemed an appropriate way of disposition.

N. Issuance of Contracts Pursuant to Accepted Competitive Bids When deemed necessary to protect the interests of the Library, the Director will require bid bonds and performance bonds as a part of a request for quotation. The value of the required bonds will be stipulated in the bid document.

1. Bid bonds will be in the form of a cashier's check, certified check, or equivalent direct obligation drawn on a recognized bank doing business in the State of Michigan and will be made payable to the Baldwin Public Library.
2. Performance bonds, if so indicated on the bidding documents, will be furnished by the successful bidder or bidders within ten days notification of acceptance of bid. Said bond will be made out to the Baldwin Public Library as security for the faithful performance of the

contract. The surety thereon or surety company indicated must be authorized and licensed to transact business in the State of Michigan. Failure or refusal to furnish said performance bond as required will result in the forfeiture of any bid deposit provided to the Library, as liquidated damages.

3. All vendors or contractors performing services on the Library's property will submit proof of Worker's Compensation Insurance as required by the State of Michigan; liability insurance-no less than \$500,000 for injuries, including accidental death to any one person, and subject to the same limit for each person, in an amount not less than \$100,000 on account of any one accident; comprehensive automobile liability and property damage insurance in the amount of \$500,000. The insurance will include non-ownership motor vehicle bodily injury and property damage. Specific insurance requirements will be included as an attachment to all Library issued contracts.
4. The acceptance of an order or contract by a vendor or contractor does not in any way make the Library a party to any infringement or damage suits. All such suits are to be borne by the vendor or contractor.

IV. Freedom of Information Act Procurement information will be a public record to the extent provided in the Freedom of Information Act, Act No. 442 of the Public Acts of 1976 and will be available to the public as provided in the Act. Information furnished by a bidder, which is identified as a trade secret, will not be disclosed outside of the Library without prior written consent of the bidder. Unopened bids and bids on which awards have not been made will not be made available to the public.

V. Non-Discrimination Pursuant to Act. No. 453 of the Public Acts of 1976, as amended, a vendor or contractor, while in the performance of a Library contract, will not discriminate against an employee or applicant for employment because of race, color, religion, national origin, disability, age, gender, or sexual orientation. Any breach of this Act may be regarded as a material breach of the contract. This provision will also apply to any subcontractor in the employ of the vendor or contractor.

11/21/2005 Approved by Board of Directors for legal review
02/20/2006 Final approval by the Board of Directors