



Policy 5.5 Purchasing Policy

Adopted by Library Board of Trustees
9/22/2011; 8/27/14

This Policy sets forth the requirements and restrictions that govern purchases of goods and services for the North Olympic Library System. The intent of this Policy is to maximize the use of the Library's funds by employing prudent, time efficient, and professional acquisition and procurement practices to achieve the best possible value in meeting the Library's needs for goods and services. This Policy is designed to provide sound safeguards, yet allow appropriate decision-making flexibility for the Library staff to function effectively in the public's interest. It is the Library's goal to extend honest, courteous and impartial treatment to all vendors. NOLS recognizes its responsibility for prudent stewardship of public funds, and therefore is committed to following fair and transparent purchasing procedures. Every effort will be made to purchase goods and services locally, in order to support local economies and strengthen NOLS' relationships with local merchants. Additionally, every effort will be made to secure the highest quality goods or services at the most cost-effective price.

Prior to making a purchase for the acquisition of goods or services, NOLS staff must:

- a) Ensure that the purchase of goods or services is in accordance with this policy and any applicable grant or donor requirements; and
- b) Determine that funding is available in the appropriate budget category.

Definition of terms

Call for Bids. A call for bids is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in capital projects or the sale of goods. In a Call for Bids, the qualified bidder who bids the lowest price receives the award.

Request for Proposals (RFP). A Request for Proposals is an invitation for suppliers to participate in a bidding process to submit proposals on a specific service or array of services. In an RFP process, several additional criteria, such as professional qualifications, relevant experience, and responsiveness to the Library's needs, are taken into consideration in determining the selected bidder.

Request for Quotations or Quotes (RFQ). A Request for Quotations is an invitation to vendors or service provider to submit price quotations for specified goods or services.

Written Contracts

A written contract may be initiated by NOLS or by the other party to the agreement. It must be signed by at least one authorized representative from each party. A written contract is always required for the following types of purchases:

- a) All lease or rental agreements for real property;
- b) All grants to NOLS;

- c) All performers, entertainers and speakers receiving a fee, payment or honorarium from NOLS;
- d) All major construction or capital improvement projects;
- e) All services with the exception of minor services such as repairs and service where academic credentials or professional expertise are not required;
- f) Cooperative or consortial purchasing agreements;
- g) Maintenance and licensing agreements (except licenses and/or maintenance agreements for standardized, non-customized, software or hardware);
- h) Other contracts/agreements deemed necessary by the Board or Library Director or his/her designee;
- i) The transaction for the purchase of goods from a single vendor exceeding \$10,000 per year; and
- j) Library materials purchased under a bulk agreement with a jobber or distributor, such as Baker & Taylor.

Contracts must be completely executed prior to the start of any activity covered under the contract. Retroactive contracting is not permitted unless prior approval is received from the Library Director or his/her designee.

Sub-dividing purchases that otherwise would require either a bidding process and/or a written contract, in order to avoid those processes, is not allowed.

Contracts valued at more than \$25,000 should be approved as to form by an attorney and reviewed by NOLS' insurance carrier's Risk Management Department, at the discretion of the Library Director or his/her designee.

Approval of the Library Board of Trustees is required for:

- a) All contracts valued at \$25,000 or more in a single calendar year;
- b) All contracts that span more than one calendar year and require budgeted expenditures in excess of \$25,000 in any one year;
- c) All real property transactions (acquisitions and disposals); and
- d) Any other contract or agreement which by statute must be approved by the governing body of the District.

Contracts not required to be approved by the Library Board may be awarded and approved by the Library Director. Contracts with a value of \$1,500 and less, including performer contracts, may be signed by the Branch Manager or Department Head, providing prior approval has been received from the Director or his/her designee.

Formal bids

A formal bid process is required for purchases of goods in excess of \$25,000. In addition, certain purchases require formal bidding in accordance with RCW. NOLS Branch Managers and Department Heads are responsible for understanding bid requirements, and receiving approval from the Library Director or his/her designee prior to initiating any purchase requiring a formal or informal bid process.

NOLS must maintain records of solicitations, responses, contracts, and other documents related to any purchase made through a formal bid process and must make them available for public inspection and disclosure. The file will be retained according to the Washington State Archives' Local Government Common Records Retention Schedule.

A formal bid process will include detailed specifications, the Call for Bids, the Bid Response Form and any other associated documents. The call for bids will be published at least once in the County's legal newspaper of record. Information for bidders will be posted on the NOLS website.

The bid award will be made to the lowest qualified bidder.

Informal Bids/Quotes

An informal bid/quote process is required for the purchase of goods valued between \$3,000 and \$25,000. Solicitation of Informal Bids/Quotes may be made in person or by mail, telephone, fax, or e-mail. Responses must be in writing and may be faxed, e-mailed, or may be represented by pages from published catalogs, published advertisements, or other written documents. Reasonable effort must be made to solicit bids/quotes from at least three vendors, and solicitation of local vendors is encouraged.

The bid award will be made to the lowest qualified bidder.

NOLS will use an informal proposal process to solicit written bids/quote for services under \$3,000 whenever it is believed the process will result in a broader response and/or better price.

Requests for Proposals/Qualifications

Except as exempted below, acquisition of services anticipated to be in an amount exceeding \$25,000 requires a formal request for proposals or qualifications (RFP/RFQ). In addition, certain services may require an RFP/RFQ by statute, grant, or other requirements. NOLS Branch Managers and Department Heads are responsible for understanding bid requirements, and receiving approval from the Library Director or his/her designee prior to securing any service requiring a formal or informal RFP/RFQ process.

Services expected to cost between \$3,000 and \$25,000 require an informal proposal process to be followed. Reasonable effort must be made to solicit bids/quotes from at least three vendors, and solicitation of local vendors is encouraged. Service is awarded based on criteria including but not limited to, the proposal that best meets the District's needs, qualifications, and price.

NOLS will use an informal proposal process to solicit proposals for services under \$3,000 whenever it is believed the process will result in a broader response and/or better quality proposal.

Attorney and insurance services, including bonding, are exempt from the bidding or RFP/RFQ procedures required under this policy unless they are otherwise required by statute.

NOLS will maintain solicitations, responses, contacts, and other documents related to any services acquired through the RFP/RFQ process, and make them available for public inspection and disclosure. The file will be retained according to the Washington State Archives' Local Government Common Records Retention Schedule.

An RFP/RFQ will include instructions to proposers, specifications, scope of work, and other requirements. A sample contract may be included. The RFP/RFQ will be published at least once in the County's legal newspaper of record. Information for proposers will be posted on the NOLS website.

Credit cards

Credit cards are issued to certain staff members who have responsibility for making purchases on a regular basis. Credit card use is governed by Policy 5.6.

Purchasing Library Materials

The purchase of library materials is complex, involving not only negotiated discounts on purchase prices for different types of materials, but also the vendor's inventory, ability to satisfy orders in a timely manner, ability to accommodate NOLS' electronic ordering and database needs, etc. NOLS recognizes that it is not cost-effective, nor is it conducive to developing effective working relationships with vendors, to go through an annual RFP process. However, to assure the prudent expenditure of NOLS' materials budget, an RFP process, as described above, will be conducted at least every three years.

Sole source purchases

Solicitation of formal bids, informal bids/quotes, and/or an RFP/RFQ for goods or services may be dispensed with in cases where the purchases are clearly and legitimately limited to a single source of supply, or when special facilities or market conditions are involved. Terms may be established by direct negotiation. Sole source is not intended to limit a purchase to a particular brand or vendor unless no other brand/vendor is able to supply goods or services that meet specifications of a business nature required by NOLS. In the case of purchase of goods or services that otherwise would require a formal bid or request for proposals, the purchase must receive prior approval by the Library Director or his/her designee. The approval of a purchase of goods or services as sole source does not alter contract requirements.

Government Contracts

To obtain the benefits of volume purchases or reduce administrative expenses when procuring similar goods or services, the Library may utilize a process commonly known as "piggybacking". When "piggybacking" off of another government's contract (King County Directors Association (KCDA), for example), NOLS forgoes its normal quote process and instead adopts the prices in another governmental entity's contract with a vendor. The Library may also use the selection process of another local government to negotiate a contract with the vendor selected by that

government. The term of the Library's contract with a vendor selected in this way becomes independent of the other government's contract term.

Cooperative purchasing

NOLS is committed to joining with other libraries and units of local, state, or federal government in cooperative or consortial purchasing plans pursuant to RCW 39.34 or any other authorizing statute to the extent permitted by state law. Cooperative purchasing agreements shall provide that each of the participating entities shall be separately invoiced by the vendors or service providers for purchases made under such plans and that NOLS shall not be obligated for any purchases other than those required for its own use and supplied pursuant to its request.

Emergency Purchases

When there is evidence of imminent or existing danger to persons or property, emergency purchases that do not comply with the terms of this policy may be authorized by the Library Director or his/her designee. The Director shall document the reason for the emergency purchases in writing and inform the Library Board of Trustees at their next regularly scheduled Board meeting.

Exclusions

This Policy does not apply to the following:

- a) Insurance;
- b) Dues and memberships in trade or professional organizations;
- c) Advertisements;
- d) Postage;
- e) Petty cash purchases;
- f) Utility services;
- g) Copyrighted materials, patented materials, art and artistic services;
- h) Employee benefits;
- i) Legal Services;
- j) Fees and costs of job-related travel, seminars, registration and training; and
- k) Procurement, transfer, sale or exchange of goods or services between NOLS and other governmental entities or nonprofit organizations.