



South Milwaukee Library

1907 10th Avenue
South Milwaukee, WI 53172
P (414)768-8195
W smlibrary.org

Purchasing Policy

Approved by the Library Board of Trustees, 3/28/2024

The Library Board has exclusive control over the expenditure of all moneys collected, donated or appropriated for the library. The intent of this policy is to provide guidelines to ensure that the expenditure of these funds is consistent with policies set by the Library Board of Directors. This agreement is aligned with the City of South Milwaukee's Purchase Policy (Policy No. 93-03, Adopted March 2, 1993, Revised December 17, 2013).

This policy consists of:

- General Guidelines
- Purchasing Procedures
- Special Requirements
- Specifications

General Guidelines

The Library Board reserves the right to accept the bid or quote most beneficial to the Library, as well as the right to reject bids or quotes. The determination of the most beneficial purchase shall be recommended to the Library Board of Directors, which shall make the final determination when required. No award on purchases more than \$2,500 is final until formally approved by the Library Board. Purchase orders under \$2,500 are final upon written approval of the purchase order pursuant to the provisions of this policy.

Planning

Both short and long term planning for purchases will minimize the amount of clerical and supervisory time spent documenting purchases. The Library strives to purchase its goods and services in quantities which maximize possible discounts based on yearly demand. The overall plan for purchasing begins with the preparation of the Annual Budget.

Overdrafts

All expenditures that are unbudgeted shall be approved by the Library Board.



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Quality

Quality and services are as important as price. It is the duty of the Library Director to secure the best quality for the purpose intended. Quality buying is the buying of goods and services that will meet, but not exceed the requirements for which they are intended. In some instances, the primary consideration may be durability. In other instances, it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is the responsibility of the Library Director to become familiar with available equipment to determine the appropriate quality required.

Sales Tax

The Library is exempt from paying local and state sales taxes or federal excise taxes. The Library will provide exemption documents to vendors.

Open Records

All specifications, bid documents, purchase orders, and supporting documents are public records and made available upon request.

Endorsements

Library Trustees and employees are prohibited from endorsing a product or vendor as a representative from the Library or the City.

Ethics Laws

Library Trustees and Library employees shall comply with all federal and state ethics laws regarding conflict of interest as well as ethics regarding purchase decisions.

Auctioneering

The practice of "auctioneering" (disclosing to a vendor the price quoted by competitors) is prohibited.

Vendors

It shall be the responsibility of the Library to document a vendor as an actual and viable company. This includes Internet purchases. The Library shall obtain a W-9 form, completed in full with required federal tax information for verification. The W-9 shall be kept on file at the Library and must be received before payments may be made to the vendor.



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Credit Cards

Credit cards may be issued to authorized users by the Library Director. The Cardholder shall be issued a copy of this policy and shall be required to sign the City of South Milwaukee Credit Card Employee Agreement. The Library Director is responsible for the appropriate use and security of the cards. Library-authorized credit cards are to be used solely for Library-related purchases. Personal use is prohibited. The Library Director shall maintain all records of credit card requests, limits, cardholder transfers, and lost/stolen destroyed card information. All purchases made with the Library's credit cards must follow all of the procedures and terms outlined in this purchasing policy. The authorized user is to report a lost, stolen, or misplaced card immediately. Any card-use incentives that result from purchases made with the Library's credit cards are Library property. Redemption and use of incentives shall be approved by the Library Board.

All charges on the monthly statement shall be verified and reconciled before the bill is paid. A receipt for each charge needs to be submitted to the Library Office by the purchaser.

Issuance of a credit card is a privilege; periodic audits will be done to verify compliance to the stated policies and procedures.

Purchasing Procedures

The following procedures are established to regulate the degree of formality to be followed in the purchase of goods and services, depending on the cost of the items to be purchased with funds provided to the Library by the City of South Milwaukee. Good documentation to ensure that all vendors are treated fairly is in the Library's best interest.

Purchases Under \$2,500

Requisition for goods or services having a value of less than \$2,500 may be approved by the Library Director. The Library Director need not secure preapproval of the Library Board to make purchases in this price range if funds have been budgeted. It is the responsibility of the Library Director to manage this segment of the purchasing process. Competitive shopping will take place to ensure that the Library is purchasing the best quality product for the best price. The Library Director may designate employees who will be allowed to make purchases. Internal controls will be in place to ensure that all purchases are for a legitimate purpose, that monthly statements from vendors are reconciled, and that all purchases are accounted for. The Library



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Director may authorize open purchase orders in cases where the Library makes routine or frequent purchases under \$2,500.

Purchases from \$2,500 to \$25,000

Requisitions for goods or services having a value of \$2,500 to \$25,000 must be submitted for approval to the Library Board prior to purchase. The Library Director must obtain three or more written quotations for the goods or services required. The Request for Quotation (RFQ) form will be used for this purpose. If the Library Director is unable to secure three written quotations, a memorandum explaining why less than three qualified vendors were available shall be submitted to the Library Board.

Purchases in Excess of \$25,000

Requisitions for goods or services having a value in excess of \$25,000 need specifications prepared based upon standards appropriate to meet the Library's needs. Specifications shall be prepared by the Library Board Committee and the Library Director. Specifications shall be forwarded to the Library Board for review, comment and final approval. Upon Library Board approval, the Library Director will then prepare the necessary bid package, including public notices and advertisements if necessary, to meet the Library's purchasing policy and will also send invitations to bid to qualified vendors. A bid packet containing an invitation to bid, specifications, and general bid documents will be sent to those that respond to the legal notice. A copy of the bid package, public notices, and advertisements will be forwarded to the Library Board.

Formal bids that require public notice and advertisement will be advertised at least 10 business days prior to the bid opening date. Bids are to be returned to the Library Director. Late bids will not be accepted. All submitted bids will be opened during a special session of the assigned Library Board Committee. The assigned Library Board Committee and Library Director will prepare a Bid Tabulation Report and draft a signed memorandum to the Library Board, which shall include the Committee's recommendation for the bid award and acknowledgement that funds are available. All purchases of more than \$25,000 are awarded by the Library Board at a public meeting.

The award will normally be made to the lowest bidder meeting specifications. There may be instances where the lowest bid is not in the best interest of the Library. In these cases it is incumbent upon the Library Board Committee and Library Director to thoroughly document the reasons why the lowest bid cannot be accepted.



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The Library Board reserves the right to select a vendor based on past service or experience with the vendor.

The award for construction contracts in excess of \$25,000 will be made to the lowest responsible bidder meeting specifications, per Wisconsin State Statutes. Questions regarding the Statute(s) and which projects apply need to be directed to the City Attorney.

Special Requirements

The Library may need to purchase goods or services under circumstances which do not clearly fit the patterns of normal public procurement and for which normal competitive shopping procedures do not apply.

Sole Source

If there is only one vendor capable of providing a particular good or service, the competitive shopping procedure outlined in this policy may be waived. When the Library Director and/or Library Board Committee determines that goods or services must be purchased from a "sole source vendor", a memorandum shall document why only one company or individual is capable of providing the goods or services required. The RFQ and memo shall be submitted to the Library Board for approval.

Special Exceptions

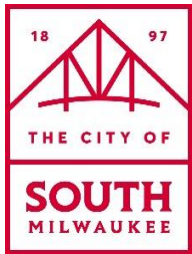
Exceptions to the purchasing procedures are hereby granted for payments which include a deadline prior to the regularly scheduled Library Board Meeting. Examples of such payments include wages, utility, and credit card bills. All payments must be preauthorized by the Library Director. The Library Board shall audit and approve these payments at its next regular meeting.

Cooperative Purchasing Programs

The Library is encouraged to use cooperative purchasing programs sponsored by the State or other jurisdictions. The requirements for quotations or bids are considered to be met if a cooperative purchasing program is used (i.e., VALUE, State Bid, etc.).

Professional and Contract Services

Normal competitive procedures cannot be utilized by securing professional services from attorneys, engineers, accountants, planners, and other professionals who, in keeping with the standards of their discipline, will not enter into a competitive bidding process.



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A Request for Proposal (RFP) can be prepared in much the same way as specifications including requirements and minimum standards for the services to be provided. Such RFPs shall be submitted to the Library Board for review and approval prior to distribution. When an RFP for professional services has been approved, a limited number of qualified professionals known to the Library Director will be invited to submit a proposal setting cost for the services, their interest, qualifications and how they can meet the Library's needs. In securing professional services, it is the primary goal of the Library to obtain the services of a professional(s) who has a proven record of providing those services. Contract services should be reviewed at least every five years.

Open Purchase Orders

Open Purchase Orders may be used in situations where material or supplies are ordered frequently or routinely by the Library and for which the initiation of competitive shopping each time the good or service is required would be challenging and inefficient. Examples of Open Purchase Orders could include office supplies, cleaning supplies, library supplies and book vendors. The Library Director may authorize open purchase accounts in cases where the Library makes routine or frequent purchases under \$2,500. Open Purchase Orders should be reviewed at least every five years to ensure that the Library is receiving the best price and quality.

Emergency Purchases

The procedures in this policy may be waived under emergency conditions when a delay may threaten the basic mission of the Library. Occasionally equipment will require emergency repairs or other circumstances will necessitate an emergency purchase which cannot wait for compliance with this policy. In any emergency situation, the Library Director may approve the purchase and is then required to notify the Library Board at the next regular meeting.

Use of Gift and Donation Funds in the Custody of the Library Board of Directors

Expenditures from gift and donation funds require preapproval from the Library Board. Approval may be requested for a one-time purchase or for a monetary allotment to support an ongoing program or project. Once approval is granted, purchasing procedures outlined in this policy will be followed.



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Specifications

When goods or services are purchased consistent with the competitive processes outlined in this policy, specifications (specs) must be prepared that meet these goals:

- Identify minimum requirements
- Allow for a competitive bid or quote
- Be capable of objective review
- Provide for an equitable award at the lowest possible cost

General Guidelines

Specs need to be kept simple while maintaining the details required to keep bidders from utilizing loopholes to avoid providing the quality desired or to take advantage of their competitors. To promote competition, written specs must be clear, concise and free of interpretive ambiguities.

If specs include optional goods or services, these options must be separately identified so that the base cost can be clearly identified compared to the cost of the option(s). If options are included, the Bid Tabulation Report shall identify the different costs of the options.

Types of Specifications

Specifications need to be structured to protect the integrity of the purchasing system and to ensure that the needs of the Library are met. Methods of structuring specs include:

- **Qualified Products or Acceptable Brands List**
These lists are developed where it is not possible to write specs adequate to identify the quality and performance required, or when tests necessary to determine compliance with technical specs are lengthy, costly or require complex technical equipment.
- **Specification by Brand or Trade Name**
Brand or trade names shall be used where brand name products have been found to be superior to others for the purpose intended or when their composition is secret, unknown or patented. The use of brand names establishes a quality standard, but is not intended to eliminate or limit competition. When this method is used, the specs shall provide for bidding of competitive or equal grades. It is incumbent on a vendor who bids on goods of supposed and equal quality to document that the goods and services are, in fact, of equal quality.



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- **Specifications by Blueprint or Dimension Sheet**
Specs of construction projects shall be written to reference the blueprints or dimension sheets prepared by the engineer or architect.
- **Specifications by Performance, Purpose or Use**
Specs which include a set of performance criteria will provide flexibility for vendors to design products or programs specifically aimed at meeting the standards the Library has established. These types of specs usually generate a great deal of competition since they allow vendors to exercise some creativity in the process. Bottom line or minimum standards must be included in the specs to ensure that the Library's expectations are met.
- **Specifications by Industry Standards**
Specs will often refer to industry-wide standards or standards set by other public jurisdictions. Lumber grading, standards set by asphalt or concrete industries, or referencing standard specs of the State Department of Transportation or other State or Federal agencies are examples.
- **Specifications by Samples**
A sample is a good way to make requirements clear. Printing bids, where artwork or existing forms would be utilized, is an example. When utilizing samples, the Library Director shall ensure that adequate supplies of the samples are made available so that originals can be sent with all bid invitations.