



# LAKELAND LIBRARY COOPERATIVE

LEADING • LEARNING • LENDING

## PROCUREMENT POLICY AND PROCEDURES

2025

Approved by the LLC Board on 7/10/25

### Purpose

This policy provides standards for buying goods and services in a manner that promotes the prudent use of funds, quality control, accurate recordkeeping and reporting, sound business practices, and efficiency. This policy is also designed to reduce opportunities for unauthorized spending, waste, fraud, and conflicts of interest.

### Applicability

LLC staff, Board members, council and committee officers must abide by this policy when involved in LLC purchase decisions. Violators are subject to disciplinary action as defined by LLC policies on discipline and dismissal and the LLC Plan of Service and Bylaws.

### General Standards

- a) All purchases made on behalf of LLC shall be both necessary and reasonable, and purchase decisions should be made both conservatively and with prudence.
- b) Proposals will be evaluated by LLC staff. Proposals will be evaluated based on technical specifications, vendor reliability and cost. The respondent selected will be chosen on the basis of the greatest benefit to LLC and its members, not necessarily on the basis of the lowest price. Any or all bids may be rejected due to failure to respond adequately to the RFI, RFP or inquiries. LLC reserves the right to contact parties who have used the respondent's previous services and use any other information that would assist in the evaluation. LLC reserves the right to interview respondents to clarify proposals.
- c) Non-Discrimination Clause. The accepted respondent agrees not to discriminate against any employee or applicant for employment, with respect

to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment because of race, color, religion, national origin, ancestry, age, sex, *sexual orientation, veterans status*, genetic information, citizenship, height, weight, marital status or physical or mental disability.

All procurement transactions shall be documented in writing either on forms designed for that purpose or by memo or e-mail, and saved as mandated by state law and LLC's retention policy.

### **Ethical Conduct**

- a)** No LLC staff, Board member, council and committee officer may participate in the selection of a vendor or the administration of a lease agreement with a vendor when:
  - o That individual, a close relative, or member of their household, has a financial or owning interest in the prospective vendor;
  - o A prospective vendor is owned or managed by a close relative or member of the household;
  - o The prospective vendor employs or is about to employ the individual, a close relative, or member of their household.
- b)** No vendor shall be given advance notice of upcoming price comparisons, facts concerning other vendors' prices, or any other information that may limit or which may appear to limit open and free competition.
- c)** No LLC staff, Board member, council or committee officer may accept a gift, gratuity or favor, including meals, greater than \$20, and there can be no accumulation of more than \$50.00 in one year, from a vendor who has responded to or may respond to a request for bids. If an individual knowingly and willingly accepts such a gift, gratuity, or favor, the vendor shall be barred from future bidding for a period of three years or until the Board lifts the prohibition. The offending LLC staff, Board member or council or committee officer shall be considered in breach of LLC ethics and shall be subject to disciplinary action under the appropriate LLC policies.

### **Contract Monitoring and Close-Out**

- a) LLC, for each contract entered into, will appoint an internal contract manager.
- b) The contract manager shall work with the contractor to achieve satisfactory results, and should recommend termination of the agreement any time the contractor becomes unable or unwilling to meet appropriate standards of quality, timeliness or cost.
- c) Requests for early contract termination from the contractor or the staff contract manager shall be submitted in writing and reviewed by the Board, with advice from legal counsel. The Board's decision is final and shall be documented in writing and placed in the contract file.
- d) The contract manager shall prepare a close-out letter to each contractor when the contract has either expired or been terminated as needed. At a minimum, the letter shall state the contract end date, the status of any outstanding payments, whether deliverables have been received and approved or are pending, and any contingencies that must be resolved before the contract can be formally closed out. A copy of the letter shall be maintained in the contract files.

## **Controls**

### **Board Approval**

Prior Board approval is required for the purchase of any single item or service with a cost equal to or greater than \$20,000. Such purchases also must follow all other applicable provisions required by this policy.

In the case of purchases, contracts, or agreements valued over \$20,000, deemed by the Lakeland Library Cooperative Director to be of an emergency nature, and normally requiring Lakeland Library Cooperative Board approval, the Lakeland Library Cooperative Board shall be polled (telephone, email, etc.) prior to action being taken, with formal Lakeland Library Cooperative Board approval at the next regular or special Lakeland Library Cooperative Board meeting.

### **LLC Director Approval**

LLC Director shall be authorized to purchase an item or service which costs less than \$20,000, without specific authorization from the Board, provided that all the following conditions are met:

- o The expenditure is clearly allowed by the current Board-approved budget
- o Funds are currently available to make the purchase
- o The LLC Director can document both the need for and the prudence of the

- purchase
- o No other provision of the bylaws, organizational policy, or other laws or regulations prohibit the purchase, and
- o All procurement procedures that apply are followed during the purchase.

### **Manager Approval**

LLC Managers shall be authorized to purchase an item or service which costs \$5,000 or less, without specific authorization from the LLC Director, provided that all the following conditions are met:

- o The director is not available and the purchase is urgent, then the Board President and Treasurer should be contacted for permission.
- o The expenditure is clearly allowed by the current Board-approved budget
- o Funds are currently available to make the purchase
- o The Manager can document both the need for and the prudence of the purchase
- o All procurement procedures that apply are followed during the purchase.

### **Regular Purchase Review**

Each year, the finance staff member shall review all LLC purchases to ensure the following:

- o That each purchase was properly authorized
- o That each purchase fell within budget limits
- o That there was no abuse or misuse of purchase authority, and
- o That the staff followed procurement policy procedures.

### **Types of Procurement:**

- o **Supplies**
- o **Equipment and Furnishings**
- o **Professional Services**
- o **Software/Technology**

### **Definitions**

**SUPPLIES** The term “supplies” refers to consumable products that are necessary for routine LLC administration and communications. Individual supply items are usually modestly priced, and shall be purchased by the methods described below.

**EQUIPMENT** For the purpose of this policy, “equipment” refers to non-consumable tools needed to carry out routine LLC administration and

communications.

**PROFESSIONAL SERVICES** For the purpose of this policy, the term “professional services” refers to those services that require specialized training and skill, experience or knowledge, and often licensing, certification, and/or bonding. These services may be provided by individuals or firms. Examples of professional services include accounting, technology consulting, legal, plumbing and insurance services.

**SOFTWARE/TECHNOLOGY** For the purpose of this policy, the term “software” refers to a generic term for organized collections of computer data and instructions, often broken into two major categories: system software that provides the basic non-task-specific functions of the computer, and application software which is used by users to accomplish specific tasks. “Technology” refers to other electronic or digital products or systems.

### **Procedures for Purchases Costing less than \$20,000**

#### **Step 1: Purchase Request**

Any staff member may request items by completing a purchase order form or approved e-mail request and submitting it to the Manager or LLC Director for approval. The request must identify the specific item(s) requested, the cost of each item, and the appropriate general ledger account.

#### **Step 2: Simple Price Comparison**

Price quotes for purchases over \$1,000.00 must be obtained from two or more vendors prior to purchase unless it is from an established vendor. The following rules apply:

- a) The staff must give each vendor complete specifications and request prices based on those specifications.

Staff may obtain verbal, electronic or written price quotes, so long as there is maximum opportunity for open and free competition. Each verbal quote shall be documented in writing and filed, and shall include the following:

- o date and time of the conversation
- o name and telephone number of the company
- o title of the person who provided pricing information
- o name of the staff person making the inquiry
- o specifications given to the vendor, and

- o vendor's exact price quote.
- b) Each vendor should be told when and in what form pricing information must be submitted to be eligible for consideration.

### **Step 3: Purchase Approval/Denial**

- a) The LLC Director shall review each purchase request, with related price comparisons, and approve or deny the purchase based on the following:
  - o Need for the requested item(s)
  - o Prudence of making the purchase at the time of the request
  - o Whether the purchase falls within budget limits
  - o Evidence of waste or misuse of items
  - o Availability of cash to fulfill the request, and
  - o Restrictions imposed by grant or loan agreements or federal, state, or local regulations.
- b) The LLC Director shall complete and sign the authorization section of the purchase order or e-mail, indicating approval or denial and briefly noting any reason for denial in the space provided.

### **Step 4: The Purchase**

- a) The LLC Director shall assign the task of placing purchase orders, receiving and examining those orders to the finance staff member.
- b) The designated staff member who places the order shall use the approved Purchase Order to place the order with the vendor. If required by the vendor, the staff member may also attach the vendor's order form. The shipment shall be addressed to a staff member designated to receive such shipments.

### **Step 5: Record Keeping**

The finance staff member shall maintain a file containing the following items related to each item purchased under this section:

- o proof of purchase authorization
- o a description of the comparison process-including the specifications used
- o price quotes, along with the dates they were requested and received
- o the basis for the final purchase decision
- o the original invoice or bill of lading, and
- o a check voucher used to pay for the order.

## **Procedures for Purchases Equal to or Greater Than \$20,000**

### **Lease versus Purchase**

For items equal to or greater than \$20,000 each, the staff shall analyze the financial and practical considerations of leasing and purchasing and shall recommend the best option.

### **Competitive Bids: Purchasing**

Competitive bids are required prior to the purchase of any item equal to or greater than \$20,000. The following steps, apply to such a purchase:

#### **Step 1: Purchase Request**

Any staff member may request items equal to or greater than \$20,000 by completing a purchase order form and submitting it to the LLC Director for approval. The purchase order must identify the specific item(s) requested, the cost of each item, and the appropriate general ledger account.

#### **Step 2: LLC Director's Review**

Follow step 3 of "Procedures for Purchases Costing Less Than \$20,000."

#### **Step 3: Request for Quote or Request for Proposal**

- a) The designated staff person shall prepare a request for quote, ensure that it is posted on the LLC website, and send to vendors as deemed appropriate.
- b) Each request for bids shall include, at a minimum, the following information and shall not contain language that unduly restricts competition:
  - o Clear and accurate description of each item sought
  - o When practicable, description of the functions to be performed or performance required, and the range of acceptable characteristics or minimum standards
  - o Desired date and manner of delivery
  - o Quantity desired
  - o Any other requirements that the successful bidder must fulfill
  - o Terms of the sale (*cash or credit*)
  - o Bid format and acceptable submission methods (mail, fax, etc.)
  - o Deadline for receipt of bids
  - o Description of the bid review process
  - o Time and manner in which the successful bidder will be notified

#### **Step 4: Receiving the Bids**

- a) For each published request for bids, the designated staff member shall create

a log of all bids received. The log shall include the following data:

- o a copy of the request for bids
- o date and time each bid is received
- o delivery method of each bid
- o indication of whether the bid meets the published criteria.

### **Step 5: Bid Review and Selection**

The LLC Director or appointed review committee shall review only those bids which were received by the published deadline, submitted in an acceptable format, and delivered by one of the methods prescribed in the request for bids.

- a) The respondent selected will be chosen on the basis of the greatest benefit to LLC and its members, not necessarily on the basis of the lowest price. Any or all bids may be rejected due to failure to respond adequately to the RFP. LLC reserves the right to contact parties that have used the respondent's previous services and use any other information that would assist in the evaluation. LLC reserves the right to interview respondents to clarify proposals.
- b) If the amount of the purchase is less than \$20,000, the LLC Director shall review the bids, select the bid which most closely matches the bid criteria and follow the procedures and guidelines detailed below.
- c) If the amount of the purchase is equal to or greater than \$20,000, the LLC Director shall review the bids as above, select the best bid, and submit a brief written recommendation along with the bids named in Step 5 above to the Board. The Board will evaluate the bids based on bid specifications, vendor reliability and cost. Once a decision is made, the LLC Director will follow the procedures and guidelines detailed below.
- d) The LLC Director and the Board may reject any and all bids when doing so serves the best interest of LLC. The LLC Director and the Board shall record their respective reasons for each rejection and shall be kept in the office files for at least three years from the date of the Request for Bids, along with a copy of the originally published Request for Bids.
- e) The LLC Director shall sign the purchase order form, completing the "Vendor Selection Rationale" section, and shall return the approved packet to the staff person authorized to make the purchase.

### **Step 6: The Purchase**

Orders for items shall be placed and reviewed according to all applicable steps contained in Step 4 of “Procedures for Purchases Costing Less Than \$20,000.” The receiving staff person shall compare the invoice to the amount(s) bid by the vendor and follow the steps above for resolving any discrepancies.

### **Step 7: Record Keeping**

Follow step 5 of “Procedures for Purchases Costing Less Than \$20,000.”

### **Competitive Bids: Leasing**

Competitive bids are required prior to the lease of any item equal to or greater than \$20,000 in total lease payments. The steps outlined in the section above apply to leasing, along with the following:

- a) Leasing Terms:** The request for bids shall include the length of time the item will be leased and shall request information on delivery, set-up, maintenance, repair, and other leasing costs and benefits.
  
- b) Lease Agreement:** When a supplier has been chosen, and legal review is deemed necessary, the lease agreement shall be reviewed by LLC’s legal counsel or another attorney authorized by the Board prior to execution.

**Approved by the LLC Board on July 10<sup>th</sup>, 2025. This policy supercedes all previous procurement or purchasing policies.**