

STOUGHTON PUBLIC LIBRARY

PURCHASING POLICY ~ Approved 8-29-12

I. PURPOSE

The purpose of this Policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by the Stoughton Public Library, to provide guidance and procedures to be followed for the procurement of goods and services for the Library, and to provide safeguards for maintaining a procurement system of quality and integrity which is deserved by City taxpayers.

II. OBJECTIVES

The objectives of the Library's purchasing policy are:

1. To ensure that materials, equipment, and services are purchased at the lowest prices consistent with quality and performance;
2. To provide adequate controls over Library expenditures and financial commitments with proper documentation;
3. To obtain quality goods required by the Library and;
4. To provide a standardized system of purchasing for use by the Library which mirrors all other City departments.

III. APPLICATION

This policy applies to all procurements of supplies, services, and construction, entered into by the Stoughton Public Library after the effective date of this Policy. It shall apply to all expenditures of public funds by a Library employee for Library purchasing irrespective of the source of funds. When the procurement involves the expenditure of federal assistance or contract funds, the procurement shall be conducted in accordance with any mandatory applicable federal law and regulations. Nothing in this Policy shall prevent any Library employee from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.

IV. VENDOR DISCOUNTS

It is the policy of the Library to take advantage of available vendor/trade discounts and government pricing when the available discount provides the lowest cost for the same quality.

V. NON-BUDGETED ITEMS

All requested expenditures should be provided for in the current budget. However, purchases that have not been provided for in the current budget will require Library Board approval. If non-budgeted expenditures will require a budget adjustment from the City of Stoughton, purchases will require City Council approval and Council action will be taken to provide corresponding budget transfers. The Library Director should notify the Library Board President and provide written documentation regarding the expenditure. The Library Board will then make a recommendation and provide the information to the City of Stoughton Finance Committee at their next meeting to review the request and recommend necessary transfers.

VI. EMERGENCY PURCHASES OF NON-BUDGETED ITEMS

Emergency purchases shall only be made to:

1. Prevent delays in construction or delivery of essential services
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2. To stay an immediate threat to the health or safety of the public and employees.

For emergency purchases of non-budgeted items or services, the Library Director shall make every effort to obtain three quotes for the item. The purchase shall be approved by the City Finance Director and Library Board President prior to ordering the item. In the absence of the City Finance Director and Library Board President, the purchase shall be approved by the Library Board Vice President prior to ordering the item.

VII. LOCAL MERCHANTS: For purchases up to \$15,000:

Taking price, quality, performance and service into account, the Library will first give reasonable consideration to local merchants whose price quotes are within 5% of outside merchants.

VIII. EMPLOYEE CONFLICT OF INTEREST

It shall be unethical for any Library employee to participate directly or indirectly in procurement contract if the Library employee knows that:

1. The Library employee or any member of the Library employee's immediate family has a financial interest pertaining to the procurement contract; or
2. Any other person, business, or organization with whom the Library employee or any member of the Library employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.

IX. POLICY

The Library is a unique City Department in that it is governed per State Statute, Chapter 43, by an autonomous Board appointed by the Mayor. The provisions of Wis. State Statute 43.58 take precedence over any portion of this policy that may conflict.

The provisions of Wis. Statute 62.15 take precedence over any portion of this policy that may conflict. Public construction over \$15,000 shall be publicly bid.

X. RESPONSIBILITY OF THE LIBRARY DIRECTOR

1. Ensure funds are available for purchases pursuant to the budget.
2. Ensure the account is accurate in amount and a proper charge against the treasury.
3. Ensure the goods or services were duly authorized by the designated responsible party.
4. Provide a report of all expenditures to the Library Board monthly.
5. Review Purchase Orders for accuracy and completeness before approval.

XI. PURCHASING PROCEDURE

Purchases made by the Stoughton Public Library are grouped under the following categories:

1. Purchases up to \$1000.00
2. Purchases over \$1000.00 to \$5,000.00
3. Purchases over \$5,000 to \$15,000
4. Purchases of \$15,000 or more not covered by section 62.15 or Wis. Statutes.
5. Public Construction over \$25,000.00
6. Change orders in Public Construction Contracts

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7. Purchases that do not require a Purchase Order

1. **Purchases up to \$1,000.00.** If the estimated price of an item is \$1,000 or less and is budgeted, the Library Director is authorized to purchase said item. The Library Board shall audit and approve all expenditures monthly. The Library Director will attach a Purchase Voucher to the Library Board approved invoices and turn in to the City Finance Director. The City Finance Director will review the invoice for proper account coding and authorization before payment is made.

2. **Purchases over \$1,000 but less than \$5,000.** For the purchase of a budgeted item involving an estimated expenditure of more than \$1,000 and less than \$5,000, the Library Director must make every effort to solicit enough quotes in order to receive at least two oral or written. The Library Director is authorized to purchase said item. The Library Director must submit a report to the Library Board if the lowest price vendor is not chosen. The Library Board shall audit and approve all expenditures monthly. The Library Director will attach a Purchase Voucher to the Library Board approved invoices and turn in to the City Finance Director. The City Finance Director will review the invoice for proper account

coding and authorization before payment is made.

3. Purchases over \$5,000 but less than \$15,000. A Purchase Order is required. For the purchase of a budgeted item involving an estimated expenditure of more than \$5,000 and less than \$15,000, the Library Director must make every effort to solicit enough quotes in order to receive at least three. If the lowest quote is not recommended by the Library Director, a report must be submitted to the Library Board stating the reasons for the recommendation. The quotes shall be approved by the Library Board prior to ordering the item.

4. Purchases of \$15,000 or more not covered by section 62.15 or Wis. Statutes. Every effort must be made to send out enough bids or quotation requests in order to receive a minimum of three written quotes in order that the Library Board can make a decision. Bids and quotations shall be opened and examined and a report shall be made to the Library Board concerning the bids or quotations received. The report shall contain a recommendation concerning the bid to be accepted or rejected. If a bid other than the lowest bid or quotation is recommended, the report shall state the reasons for such a recommendation, which shall be forwarded to the Library Board. Any project receiving only one bid shall be rebid unless it is approved by a three-fourths (3/4) vote of the Library Board. The Stoughton Public Library has the right to reject any and all quotes and/or bids.

5. Public Construction over \$25,000. All public construction in which the estimated cost exceeds \$25,000 shall be let by contract to the lowest responsible bidders. The bidding process shall incorporate the requirements in Section 62.15 and 66.0901 Wisconsin Statutes. Any project receiving only one bid shall be rebid unless it is approved by a three-fourths vote of the Library Board. The Stoughton Public Library has the right to reject any and all quotes and/or bids.

6. Change orders on Public Construction Contracts. Whenever it is reasonably possible, a proposed increase in the cost of a public construction contract resulting

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from a change in the scope of the project shall be presented to the Library Board for recommendation to the Common Council for approval provided it will not result in a costly delay to the construction project. If the cost of delaying the project is prohibitive, the Library Director, the Library Board President, and the City Finance Director shall approve change orders that are a result of a change in the scope of the project. The Library Board prior to final payment on the contract must approve all change orders.

7. Purchases that do not require a Purchase Order. A Purchase order is NOT REQUIRED for the following purchases; however, the City Finance Director will provide a statement listing all expenditures to the Library Director monthly for Library Board audit and approval:

- Professional contracted service such as legal, architectural, engineering, auditing, maintenance contracts, and janitorial contracts. These expenditures are contracted and must have prior Library Board approval.
- On-going Utility expenditures such as electricity, natural gas, and telephone services.
- Payroll and related expenses such as employee insurance payments, pension payments and mandatory state and federal employee withholding. The City Finance Director will automatically charge the appropriate budget accounts.
- Routine expenditures, such as insurance premiums, health claims and bond payments, which received prior Council approval and authorization. The City Finance Director will automatically charge the appropriate

department budget account.

XII. EMPLOYEE REIMBURSEMENTS

An employee reimbursement form with the corresponding receipts attached and Library Director authorization will be presented to the Library Board for approval. The City Finance Director will verify the appropriate budget account numbers and amounts prior to payment being made.

Adopted: February 11, 2009

Reviewed: August 29, 2012