

METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY

FINANCE COMMITTEE AGENDA

Members: Allen Coffey, Chair
 Fran Cory
 Dennis Shockley
 Jim Shonts
 Judy Smith
 Beth Toland

Wednesday, October 12, 2016
 at 3:30 pm
 Downtown Library
 300 Park Avenue
 Oklahoma City, OK 73102
 Telephone: (405) 231-8650

- I. Call to Order and Establishment of Quorum – Allen Coffey, Chair
- II. Discussion, Consideration, and Possible Action: Acceptance of Annual Audit – Finley & Cook
- III. Discussion, Consideration, and Possible Action: Revisions to Metropolitan Library System Policy and Procedure Manual
 - SF 500 Personal Services (Contractual)
 - SF 210 Purchasing Officers
 - AM 321 Purchases
 - SF 200 Purchasing

REPORT AND RECOMMENDATION FROM ADMINISTRATION

REVISIONS TO THE METROPOLITAN LIBRARY SYSTEM POLICY AND PROCEDURE MANUAL

Metropolitan Library System policies contained in the Policy and Procedure Manual periodically require updating as a result of decisions or recommendations from the Library Commission, changes in federal and state laws and regulations, and the necessity to operate the library system in a more efficient, effective manner.

The Library's administration recommends for your consideration revisions to SF 500 Personal Services (Contractual), SF 210 Purchasing Officers, AM 321 Purchases, and SF 200 Purchasing Policy.

SF 500 Personal Services (Contractual) – Revisions Recap: Administration proposes repealing this policy as it repeats much of what is covered in other policies (Purchasing, Budget and hiring policies) and creates redundancy.

SF 210 Purchasing Officers– Revisions Recap: Administration proposes the repeal of Purchasing Officers as they are no longer accurate or referenced in the Purchasing Policy.

AM 321 Purchases – Revisions Recap: Administration proposes the repeal of this policy because the most significant part is covered in SF 200 and the remainder is procedural.

SF 200 Purchasing Policy– Revisions Recap: Removed the \$25,000 cap on contracts that can be signed by the executive director as it was intended as a placeholder and should not have been included. The cap would will lengthen commission agendas with contract approvals and limit the speed of which time sensitive contracts can be signed.

RECOMMENDATION FOR COMMITTEE ACTION

To approve the recommendations from Administration for adoption to the Metropolitan Library System Policy & Procedure Manual revisions to SF 500 Personal Services (Contractual), SF 210 Purchasing Officers, AM 321 Purchases, and SF 200 Purchasing Policy.

~~Stewardship of Financial Resources~~

~~SF 500 Personal Services (Contractual)~~

~~Adopted: 5/89, Revised: 8/00~~

~~I. Legal Background~~

~~Commission Bylaws, Section I, Item A, #3.D., "Duties of the Secretary," states:~~

~~... The Executive director shall be held responsible for ... the employment and direction of the staff ... and for the operation of the library system within the provisions of the annual budget. ...~~

~~The Commission's Purchasing Policy, Section VII, Item B, P.2, defines Personal Services as follows:~~

~~A category of the annual budget containing line items beginning with the number "1" or "2" including salaries, wages, payroll taxes, direct-cost benefits, janitorial services, security services, professional/consulting services, etc.~~

~~The Purchasing Policy also states, on P. 3, Par. 4:~~

~~Contracts within of this Personal Services category shall be governed by the Personal Services Policy.~~

~~II. Purpose~~

~~This policy guides the Executive Director and the Library staff in contracting for professional and non-professional services involving individuals or firms performing such services.~~

~~III. Policies~~

- ~~1. The annual budget, containing administrative requests approved by the Commission, serves as the principal authority for the administration to encumber funds and hire personnel, including contractual individuals and firms, as scheduled during the fiscal year. This authority may be withdrawn by majority vote of the Commission at any time unless a legally binding agreement has already been signed between the Library and the contractor.~~
- ~~2. The administration will follow established personnel policies to recruit and select individuals to fill approved staff position.~~
- ~~3. The administration will follow established purchasing policies to recruit and select individuals or firms to perform work normally done by such vendors; e.g., janitorial companies.~~

~~SF 200 Purchasing~~ ~~SF 210 Purchasing Officers~~

~~Adopted: 10/90; Revised: 7/08, 4/11~~

~~Library employees holding the following job titles are designated official purchasing officers:~~

- ~~▪ Executive Director~~
- ~~▪ Deputy Executive Director/ Library Operations~~
- ~~▪ Deputy Executive Director/ Technology~~
- ~~▪ Deputy Executive Director/ Finance & Support~~
- ~~▪ Accountant~~

~~AM 320 Materials Acquisition~~

~~AM 321 Purchases~~

~~Revised: 10/94, 7/08~~

Policy

~~The Materials Acquisition Purchases Policy ensures that the Metropolitan Library System meets the needs of the community as expeditiously and economically as possible by purchasing books and other materials from a primary book vendor and a variety of secondary vendors.~~

Regulations

- ~~1. In order to reduce the overall cost, a majority of book orders are placed with a primary library vendor who supplies titles from a wide variety of publishers, provides combined billing written to the library's specifications, and gives substantial discounts due to the total volume of orders.~~
- ~~2. The library system negotiates primary vendor contracts for library materials as specified in SF 200 Purchasing, VI. 2. In addition to discounts offered, the library considers the overall quality of service provided by the vendor including timely delivery and accommodation of purchasing and invoicing requirements.~~
- ~~3. The library purchases materials from a secondary vendor when they are not available from the primary vendor or when discounts, speed of receipt or other factors make it advantageous to the library to do so.~~
- ~~4. Secondary vendors may include but are not limited to major library vendors not selected as the primary vendor, individual publishers, local bookstores and overstock vendors.~~

Stewardship of Financial Resources

SF 200 Purchasing

Adopted: 1/86; Revised: 5/86, 4/88, 10/94, 8/00, 6/04, 9/07, 6/11, 8/11, 3/12, 10/15, 09/16, 10/16

- (A) The Metropolitan Library Act (62 O.S. 1971, Section 551 et seq.) empowers the Metropolitan Library Commission to administer the expenditure of funds derived from the library tax levy and from fines, fees, sales of personal property and other miscellaneous income. The purpose of these policies is to ensure that purchases are made in a transparent and competitive manner that is in the best interest of the Library and the taxpayers.

(B) Purchasing and Contracting Authority

- (1) The Commission shall approve or reject all formal bids. The executive director is authorized to execute contracts for bids approved by the Commission, for contracts below the bid threshold, and for contracts included in the approved budget for which the underlying purchase is exempt by policy from competitive bidding ~~up to \$25,000.~~
- (2) The Library's Business Office shall be the central purchasing agency through which purchase or payment requests are routed and accounted for.
- (3) Monthly Commission Review of Claims: The list of claims for which checks have been issued during a given month is attached to the financial statement presented at the Commission's monthly meetings. The list serves as final documentation for audit purposes.

(C) Purchasing Guidelines & Bid Policy

- (1) Purchases of goods or services, excluding construction contracts, expected to exceed \$10,000 (or increase) should be purchased through competitive bidding. Purchases of similar items or groups of items should not generally be subdivided into multiple purchases of less than \$10,000.
- (1) Notice inviting bids will be published in an Oklahoma County newspaper.
- (2) Not less than 14 days will be allowed for the receipt of bids.
- (3) Bidders shall submit a Non-Collusion Affidavit with their bids.
- (4) Administration will analyze the bids received and recommend the vendor who has submitted the lowest and best bid to the Commission for approval. The Commission retains the right to reject all bids and to waive any technicalities, irregularities or omissions.
- (5) The Commission gives preferential consideration when purchasing supplies or services through competitive bidding, to Oklahoma County residents and businesses whose property taxes directly support the Library. Preferential consideration is given only when all other factors used in determining lowest and best bidder are equal, and when the difference between the local and non-local vendor's bid price does not exceed five percent (5%) or \$1000, whichever is less.
- (6) Bidding for construction contracts and building improvements shall be administered in accordance with the Public Competitive Bidding Act of 1974.
- (7) The Commission shall be advised if exceptions are made to bid policy.

(D) Exemptions from Competitive Bidding Requirements

- (1) Utilities and other similar services for which fees or rates are regulated by federal, state, or local government.
- (2) Sole source contracts defined as a purchase of goods or services which can only be purchased from one supplier, usually because of its technological, specialized, or unique character.

Stewardship of Financial Resources

SF 200 Purchasing

Adopted: 1/86; Revised: 5/86, 4/88, 10/94, 8/00, 6/04, 9/07, 6/11, 8/11, 3/12, 10/15, 09/16, 10/16

- (3) Professional services which require specialized or technical skills, expertise or knowledge, or the exercise of professional judgment. These include but are not limited to architects, engineers, attorneys, accountants, real estate appraisers, insurance brokers, and professional consultants.
- (4) Library materials including books, magazines, audiovisual materials, online databases, and other materials intended for customer use.
- (5) Contracts for performers or artistic services.
- (6) Speakers, training and seminars.
- (7) Advertising services.
- (8) Purchase made under a State Contract or from another governmental agency or body.
- (9) Purchases that provide for prices that are equal to or lower than GSA pricing.
- (10) Purchases made utilizing competitively bid contracts of national purchasing cooperative programs.
- (11) Contracts for the maintenance or servicing of equipment which are made with the manufacturer or authorized service agent of that equipment where the maintenance or servicing can best be performed by the manufacturer or authorized service agent.
- (12) Contracts for software support and maintenance provided by the software company.
- (13) Emergencies involving public buildings, public property or the life, health, safety, or property of the Library, its customers or staff where immediate expenditure is necessary to protect against financial loss, loss of or damage to library property, to prevent or minimize serious disruption in Library services or to ensure the integrity of Library records. Any exception to bidding by reason of emergency will be disclosed to the Commission at the next scheduled Commission meeting.

(E) Contract Renewals

- (1) The administration shall review all contracts that exceed the bid threshold at least annually and, depending on vendor performance, shall submit a recommendation regarding extension, renewal, cancellation or rebidding to the Commission. All contracts in force for three consecutive years, which exceed the bid threshold in any one year, shall be subject to rebidding at the end of the third year unless this requirement is waived by the Commission.
- (2) Contracts with the financial auditors may extend for up to five years. The auditing firm may be retained for subsequent five-year periods if the firm agrees to rotate its audit partner or audit manager for the following 5-year period.
- (3) Bids for the Library's insurance, including its Package policy, Auto, Umbrella, Fiduciary, Directors' and Officers', Employment Practices, Workers Compensation and Flood Insurance, may be extended for five years total before re-bidding.

(F) Purchases Less Than Bidding Threshold

- (1) For acquisitions between \$2,500 and \$9,999 the Library will solicit informal quotes from available qualified vendors and award to the vendors with the best and lowest quotes. This procedure may be waived by the executive director in an emergency

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situation requiring immediate action when the procedure is not practical under the circumstances.

- (2) The records of quotes will be maintained and included in the purchase documents.

(G) Prohibited Vendors

The Library will not knowingly purchase nor accept bids to purchase any item from:

- (1) Commission members
- (2) Library employees
- (3) Children, parents, grandparents, grandchildren, brothers and sisters of the above individuals and their spouses
- (4) Firms or enterprises in which any of the above individuals have a vested interest involving ownership, partnership, sales commission or other direct and immediate gain resulting from such purchase
- (5) This policy does not prohibit the purchase of items from any firm or enterprise in which an individual defined in 3 above is employed or owns stock but who does not have a vested interest as defined in 4 above.
- (6) Exceptions: The Library may contract with employees or other associated individuals, who might otherwise be prohibited from performing special services, to perform as musicians, actors, authors, or in other artistic capacities for the benefit of customers or employees at special functions of the Library. Examples of these special situations would be employees hired to perform musically at a Library grand opening, when such employee regularly contracts with other entities to perform similar services; employees hired to act in special performances hosted by the Outreach Department; employees who have authored books and are hired to perform a reading of their book for the general public; and, children of employees who are members of a band that is hired to entertain at a Library function. In these special situations, it does not matter if the contract is directly with the individual or with a group in which the individual is a member. Books or other materials written or produced by employees or other associated individuals may be purchased for the library's collection if they meet the requirements of the Materials Selection Policy (AM 310).
- (7) The executive director will make a disclosure to the Commission at its regular monthly meeting whenever one of these specific situations occurs. Employees are not authorized to approve purchases to family members or to themselves.

(H) Disbursement

- (1) Library payments less than \$5000 may be approved by any of the following: Chair, Vice-Chair, Disbursing Agent, Secretary (executive director) of the Commission, Chief Operating Officer, Chief Organizational Development Officer, and the Chief Library Officer. Library payments in excess of \$4,999.99 shall require two authorized approvals. The Secretary (executive director), Chief Operating Officer, Chief Organizational Development Officer, and the Chief Library Officer may not approve payments in which they are the payees of payments in payment of goods and services.
- (I) The Metropolitan Library Commission authorizes the executive director to establish procedures to administer this policy