

METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY

FINANCE COMMITTEE AGENDA

Members: Hugh Rice, Chair
 Nancy Anthony
 Scott Duncan
 Greg Womack

Wednesday, June 9, 2004

at **3:00 pm**

Belle Isle Library

5501 N. Villa

Oklahoma City, OK 73112

Telephone: (405) 843-9601

NOTE: Comments from the general public will be limited to 15 minutes with time prorated among speakers. Preference will be given to residents of Oklahoma County. Persons signing up to address the committee must list their residential address and personally sign a speaker form.

- I. Call to Order and Establishment of Quorum – Hugh Rice, Chair
- II. Long-Range Planning Committee discussion update ~ Millicent Gillogly, Chair
- III. Report and Recommendations from A & P Committee meeting May 25, 2004 ~ David Greenwell, Chair
- IV. Report and Recommendations from Administration
 - MLC FY 2004-2005 Preliminary Budget
 - Adoption of Section VII – Fiscal Budgeting and Purchasing; Item F: Inventory Control
 - Revision to Section VII – Fiscal Budgeting and Purchasing; Item B: Purchasing

Cc: Metropolitan Library Commission
 MLS Administrative Team
 MLS Managers and Supervisors
 President, MLS Staff Association

REPORT AND RECOMMENDATIONS **FROM THE ADMINISTRATIVE & PERSONNEL COMMITTEE**

The Administrative & Personnel Committee met May 25, 2004 for:

(Please reference the A & P Committee Packet mailed to entire Commission on May 18, 2004 for detailed reports)

- I. Annual Review of Human Resources – Salaries and Benefits
Reports and Recommendations from Administration:
Compensation
Benefit Plans

During its meeting, the Committee:

Reviewed and discussed all items.

Included with this report are two supplemental supporting documents and the A & P Committee minutes.

- *Page 2 of 7 ~ Compensation Report supporting document*
- *Page 3 of 7 ~ Benefits Plan Report supporting document*
- *Pages 4 through 7 ~ Minutes of the May 25, 2004 A & P Committee meeting.*

The following recommendations are the results of the discussions.

FINANCE COMMITTEE ACTION:

To accept or approve the following recommendations from the Administrative & Personnel Committee and recommend the Commission approve incorporation into the FY 2004-05 Preliminary Budget.

1. Approve the incorporation into the FY 2004-05 Annual Budget the recommended merit increase schedule of from 0% to 3% for FY 2004-05. Funds have been included in the Preliminary FY 2004-05 Budget.
2. Approve the incorporation into the FY 2004-05 Annual Budget the recommended market adjustment of 2% to 3%, effective the last pay period in December 2004 that includes January 1, 2005. Funds have been included in the Preliminary FY 2004-05 Budget.
3. Approve the incorporation into the FY 2004-05 Annual Budget the recommended Medical/Dental Insurance Plan premiums and to accept the recommended changes to the Medical/Dental Insurance Plan provisions. Funds have been included in the Preliminary FY 2004-05 Budget.

COMPENSATION REPORT SUPPORTING DOCUMENT

The A & P Committee recommended that the Finance Committee consider a market adjustment of from 2% to 3%. It requested that the Administration provide the cost range for the Finance Committee's consideration.

A Market adjustment is to be effective the last pay period of December 2004 that includes January 1, 2005. The change of market adjustment from 2% to 3% increased the preliminary budget payroll accounts by \$48,000.

Market Adjustment Increase %	Cost to FY 2004-05 Budget
2%	\$ 96,000
3%	\$144,000**
**Amount proposed in the FY 2004-05 Preliminary Budget for accounts 101 and 102	

BENEFITS PLAN REPORT SUPPORTING DOCUMENT

FY 2004-05 PREMIUM RATE QUOTES AND PROPOSED PLAN PROVISIONS CHANGES.

The Library System received quotes from nine different carriers for the stop-loss coverage and service fee quotes from two third-party administrators. The impact on the Library System's budget is 5.11% over last year's for the self-funded medical/dental plan. Included in the quoted rates are minor plan changes which the carriers have not considered sufficient enough to effect their quoted rates.

Library's Share of Monthly Premiums

(approximately 90% of single coverage &
 70% of additional cost for dependents)

FY 04 - 05

Single Coverage	\$428.37
Additional Cost for Dependents	276.70
Total Cost for Both	\$705.07

Employee's Share of Monthly Premiums

(approximately 10% of single coverage &
 30% of additional cost for dependents)

FY 04 - 05

Single Coverage	\$ 47.60
Additional Cost for Dependents	118.59
Total Cost for Both	\$166.19

Total Monthly Premiums

(approximately 10% of single coverage &
 30% of additional cost for dependents)

FY 04 - 05

Single Coverage	\$475.97
Additional Cost for Dependents	395.29
Total Cost for Both	\$871.26

PROPOSED PLAN PROVISION CHANGES:

- Increase lifetime maximum for drug and alcohol treatment to \$15,000 (from \$5,000), and the separation of this provision from the mental health maximum lifetime benefit
- Increase the lifetime maximum for mental health care to \$25,000 (from \$20,000)
- Revision of the Plan document language in the **Eligibility Requirements and Termination of Coverage section** to read:

Termination of Coverage section to read:

- "Eligible Dependent shall not be interpreted to mean a mother, father, legally separated or divorced former spouse of the Employee, grandchild or any other person claimed as a dependent for income tax purposes unless such person is a spouse or child as defined above or a child who is eligible for coverage in accordance with QMCSO, a divorce decree, a court order or other applicable law."
- "The Plan Participant's legal spouse who has met all requirements of a valid marriage contract in the state of marriage and such contract is consistent with the laws of the State of Oklahoma."

COSTS OF BENEFITS COMPARISONS.

The A & P Committee requested that the Administration complete a comparison of the cost of benefits as a percentage of salary among the big four in-state library employers. Tulsa City-County Library (TCCL) was unable to provide the data. The Pioneer Multi-County Library System (PMC) and Oklahoma Department of Libraries (ODL) calculates their percentage differently than MLS, as does the U.S. Chamber of Commerce, also listed for comparison.

COST OF BENEFITS AS A % OF AVERAGE SALARY				
COMPARISON YEAR	2001	2002	2003	
	Using other formula		Using MLS formula	Using other formula
MLS	39.16%	39.12%	46.50%	36.76%
PMC			± 1% (of MLS's average)	
ODL				38.74%
TCCL			No data available	
U.S. Chamber of Commerce	39%	42%		not available until 12/04

METROPOLITAN LIBRARY COMMISSION
OF OKLAHOMA COUNTY

ADMINISTRATIVE & PERSONNEL COMMITTEE

MINUTES

DATE: Tuesday, May 25, 2004 TIME: 3:30 PM
MEETING PLACE: Belle Isle Library
5501 N. Villa
Oklahoma City, OK 73112
(405) 843 - 9601

Written public notice of the time, date and place of this meeting was given to the County Clerk of Oklahoma County, May 14, 2004. Notice of the time, date, place, and agenda for this meeting was posted by the Secretary of the Commission in prominent public view at the Belle Isle Library, 5501 N. Villa, and the Downtown Library, 131 Dean A. McGee Avenue, Oklahoma City, on May 21, 2004, in conformity with the Oklahoma Open Meeting Act

COMMITTEE MEMBERS PRESENT:

David Greenwell, Chair
Dr. Ann Caine
Carolyn Cornelius
Shirley Pritchett
Marguerite Ross

COMMITTEE MEMBERS EXCUSED:

COMMISSION MEMBERS PRESENT:

Penny McCaleb, Metropolitan Library Commission of Oklahoma County, Chair
Donna Morris, Executive Director

ESTIMATE OF OTHERS PRESENT: 11

I. The meeting was called to order at 3:35 p.m. by Mr. David Greenwell, Chair.

Roll was called to establish a quorum. Present: Caine, Cornelius, Pritchett, Ross, Greenwell.

II. Mr. Greenwell called on Mr. Ric Rea, Director of Human Resources, to present the Annual Review of Human Resources.

Mr. Rea reviewed the report, summarizing that the Metropolitan Library System's (MLS) starting salary for a librarian is 8.29% **below** the average starting salary for the "mid-west" region librarian employers. And that when compared with the in-state big four librarian employers' (Oklahoma Department of Libraries {ODL}, Pioneer Library System {PMC}, Tulsa City-County Library System {TCCL}, and Metropolitan Library System) starting salaries; it shows that MLS's minimum starting salary for a librarian is above the average by 3.81%, but below PMC.

Since the A & P Committee meeting of May 5, 1994, the Library System has stated, as a goal, that it was desirable to be the leader in-state among the four major public library employers. For the last three years, this goal has not been met and MLS is actually falling farther behind. Mr. Rea asked for questions, discussion followed.

Mr. Rea continued his summary, stating that according to the most recent figures from the U.S. Chamber of Commerce, typical benefit costs represent 42% of salaries for 2002. The Library System's cost of benefits for the average employee in December 2003 was \$16,119.30. Mr. Greenwell asked what the percentage of benefits is for an average MLS employee salary. Mr. Rea stated he did not have those figures but would include this information in the presentation for the Finance Committee.

He continued by stating that after receiving quotes on the self-funded medical/dental plan from nine different carriers on the stop-loss coverage and from two third-party administrators on the service fee, the increase to the Library System's budget is 5.11% over last year's contribution.

Included in the quoted rate are minor plan changes in the drug treatment lifetime maximum and the mental health care lifetime maximum, but neither plan change has affected the rate increase.

The Life and Accidental Death and Dismemberment Insurance, Vision Insurance, and Employee Assistance Program rates will not increase for FY 2004-05.

The Long-Term Disability Insurance annual plan year begins September 1, 2004 and a 5% contingency is included in the FY 2004-05 preliminary budget to cover the possibility of a rate increase. Mr. Rea called for questions; discussion followed.

Mr. Rea continued by stating that the insurance premium rates remain split between the Library System and the employee on a 90/10 ratio for employees and 70/30 for dependents.

The recommended monthly premiums for FY 2004-05 are:

	Library's Share	Employee's Share	Total
Employee only	\$428.37	\$ 47.60	\$475.97
Dependents	\$276.70	118.59	\$395.29
Both	\$705.07	\$166.19	\$871.26

Mr. Rea noted that there is a need to amend the Plan Document and Summary Plan Description to redefine "eligible dependents". He stated that recently a problem developed because of the residency requirement listed under the definition of eligible dependents; to avoid such problems in the future the definition should meet Cobra's "qualifying event" requirement. To that end, Mr. Rea asked to make an additional Administrative recommendation: that the definition of "eligible dependents" be redefined and that the residency requirement in the current definition be deleted.

Mr. Rea restated the recommendations and called for questions. Discussion followed.

Mr. Greenwell called for a motion.

Ms. Marguerite Ross moved to accept the Administration's recommendations and recommend that the Finance Committee incorporate the funds for the Administration's recommendations into the FY 2004-05 Budget. Dr. Ann Caine seconded. Mr. Greenwell called for discussion.

Mr. Greenwell recommended that a comparison of benefit costs in relation to percentage of salary among the "big four" library employers would be valuable information to include with this report.

Mr. Greenwell stated that with the economy heading into an inflationary period, it would be reasonable to offer the Finance Committee a choice of from 2% to 3% for the market adjustment increase. He asked Mr. Rea to prepare the actual dollar amounts of the ranges for presentation to the Finance Committee. Discussion continued.

After the discussion, Ms. Ross moved to amend the original motion to:

- 1. a merit increase schedule, from 0% to 3%, effective July 1, 2004**
- 2. a market adjustment increase from 2% to 3% for all employees, effective with the beginning of the pay period in December 2004 that includes January 1, 2005**
- 3. acceptance of the rate increase for the self-funded medical/dental plan of 5.11%**
- 4. acceptance of a rate increase in the Long-Term Disability Insurance up to 5% upon the renewal date of September 1, 2004**
- 5. amending the medical/dental plan in the areas of the lifetime maximum for drug and alcohol treatment from \$5,000 to \$15,000 and the separation of this provision from the mental health maximum lifetime benefit;**

- and for the lifetime maximum for mental health care from \$20,000 to \$25,000;
- and to revise the definition of eligible dependent to read "Eligible Dependent shall not be interpreted to mean a mother, father, legally separated or divorced former spouse of the Employee, grandchild or any other person claimed as a dependent for income tax purposes unless such person is a spouse or child as defined above or a child who is eligible for coverage in accordance with QMCSO, a divorce decree, a court order or other applicable law.";
- and to read "The Plan Participant's legal spouse who has met all requirements of a valid marriage contract in the state of marriage and such contract is consistent with the laws of the State of Oklahoma."

Mrs. Shirley Pritchett seconded. No further discussion; motion passed unanimously.

Mr. Greenwell called for the vote on the original motion with the approved amendments. Motion passed unanimously.

III. Mr. Greenwell called for a motion to adjourn. Ms. Ross moved for adjournment, Mrs. Pritchett seconded. By Committee consensus meeting adjourned at 4:35p.m.



Donna Morris, Executive Director
(Secretary)

Finance Committee
Agenda Item # IV
MLC FY 2003-04
June 9, 2004

Document # 99
MLC FY 2003-04
June 17, 2004

REPORT AND RECOMMENDATION FROM ADMINISTRATION

METROPOLITAN LIBRARY SYSTEM PRELIMINARY BUDGET FY 2004 - 2005 (July 1, 2004 ~ June 30, 2005)

PLEASE REMEMBER TO BRING THIS DOCUMENT # 99
TO THE JUNE 17, 2004
METROPOLITAN LIBRARY COMMISSION MEETING
AT THE SOUTHERN OAKS LIBRARY

ADMINISTRATIVE RECOMMENDATION AND COMMITTEE ACTION:

To approve the Metropolitan Library System Preliminary Budget FY 2004-05

REPORT AND RECOMMENDATION FROM ADMINISTRATION

Revision to Section VII ~ Fiscal Budgeting and Purchasing
Item F: Inventory Control

RECOMMENDATIONS:

The Administration recommends the establishment of a policy that formally sets the requirements of annually counting and continually monitoring all inventory of furniture and equipment with an initial cost greater than \$250.

(Draft Policy is attached)

COMMITTEE ACTION:

That the Finance Committee approve the recommendations from Administration to adopt Section VII ~ Fiscal Budgeting and Purchasing, Item F: Inventory Control, and recommend the Commission adopt the policy for the monitoring and annual verification of all furniture and equipment with values in excess of \$250.

PROPOSAL FOR ESTABLISHING AN INVENTORY CONTROL POLICY

BACKGROUND

The Library System's procedures stipulate that all furniture and equipment in excess of \$100 in cost be monitored, tracked, bar-coded, and identified in an annual physical count.

This dollar amount was established in 1997 and needs to be updated to \$250, in line with the limit that other, similar organizations use.

Currently the Library System tracks, by location, over 7,000 items in its physical inventory. Raising the limit to \$250 would reduce that number by 2700 items.

COMPARISON TO OTHER LOCAL GOVERNMENT POLICIES

<u>Agency</u>	<u>Inventory Minimum</u>
Tulsa City-County Libraries	\$100
City of Oklahoma City	\$7,500
Oklahoma County	\$250
Oklahoma State University	\$5,000
State of Oklahoma	\$2,500
Austin Public Library	\$1,000

The Administration recommends the establishment of a policy that formally sets the requirements of annually counting and continually monitoring all inventory of furniture and equipment with an initial cost greater than \$250.

Section VII ~ Fiscal Budgeting and Purchasing

Item F: Inventory Control

Adopted:
Draft to Finance Committee 06/09/04

Policy Statement

In order to safeguard the Library System's assets, the Business Office will monitor and administer an inventory of all furniture and equipment that exceeds \$250 in value.

Regulations

The Business Office will:

- 1) Annually conduct a physical inventory of all furniture and equipment.
- 2) Annually provide the Commission with an updated inventory report.
- 3) Create a list of surplus items for Commission consideration for sale or disposal.

Procedures

1) Physical Inventory:

- a) The Business Office will develop procedures to conduct and maintain an accurate inventory of library furniture and equipment.
- b) The Agency or Office Managers will assist in the search for missing items.

2) Record Maintenance:

- a) As the library receives new furniture or equipment, the Business Office will:
 - i) Tag the item with a unique bar code and number.
 - ii) Enter the bar code number and other necessary data into our inventory database.
- b) When furniture or equipment is transferred from one agency or office to another:
 - i) The agency or office will complete form #470 *Inventory Transfer Form*.
 - ii) The Business Office will update the inventory database using copy 3 of form #470 *Inventory Transfer Form*.
- c) When items are no longer needed or are unserviceable:
 - i) The transferring agency will complete #470 *Inventory Transfer Form* and send the item(s) to a library storage area for surplus.

REPORT AND RECOMMENDATION FROM ADMINISTRATION

Revision to Section VII ~ Fiscal Budgeting and Purchasing
Item B: Purchasing

RECOMMENDATIONS:

The Administration recommends that the dollar limit requiring a formal bidding process be raised from the current \$5,000 to \$10,000 for all acquisitions, and that the Metropolitan Library System purchasing policy state that informal quotes are required for purchases costing between \$2,500 and \$10,000.

(Current policy with revisions highlighted is attached)

COMMITTEE ACTION:

That the Finance Committee approve the recommendations from Administration to revise Section VII ~ Fiscal Budgeting and Purchasing, Item B: Purchasing, and recommend to the Commission approve the revisions of an increase in the dollar amount for purchases requiring a formal bidding process from \$5,000 to \$10,000. And that informal quotes be required for purchases costing between \$2,500 and \$10,000.

PROPOSAL FOR RAISING LIMIT REQUIRING BIDDING PROCEDURE

BACKGROUND

The Library System's current purchasing policy requires that the purchase of operational items or service contracts expected to cost \$5,000 or more and not listed under State Contract shall be purchased via a competitive bidding procedure requiring the Commission's approval. The Commission last changed the bid limit on August 24, 2000, raising the limit from \$2,500 to the current \$5,000.

The competitive bidding procedure is very time-consuming and expensive. For the Library System, it includes preparing a Request for Proposal (RFP) with detailed specifications, publishing the RFP in the newspaper, mailing the RFP to potential vendors, conducting pre-bid and bid opening meetings, evaluating bids received, and finally recommending to the Commission for approval. For potential contractor's, the process many times does not prove cost-effective for the lesser dollar amounts, and consequently, contractor's have decided not to bid.

The formal bid leads to a final contract for performance, and once a contractor has met those requirements, the contractor is not interested in any changes or additional work that is not reimbursed, even though the final product may prove to be less than desirable from the Library's standpoint. A case-in-point is the lawn at the recently completed Choctaw Library. The lawn is covered in weeds, but the contractor claims to have met all the contract's requirements and assumes no further liability. The Library System is faced with the additional cost of the weed eradication, even though the Library believes that the contract implicitly called for a weed-free product. Furthermore, the Library is not able to exclude the contractor from future, formal bid procurements. Smaller contracts are more susceptible to problems such this because the smaller dollar amounts do not draw as much attention from either the contractor or the library staff.

Lastly, as inflation increases more procurements above the \$5,000 level, the Commission will be forced to review more and more bid proposals. Through May of 2004, the Commission considered bids for 39 items, nine of which were under \$10,000.

COMPARISON TO OTHER LOCAL GOVERNMENT POLICIES

News coverage of the new Oklahoma law raising the counties' bid requirements to \$10,000 prompted this request to raise the Library's limit as well. Some agencies have two separate limits, one for informal quotes and one for formal bids:

<u>Agency</u>	<u>Informal Quotes</u>	<u>Formal Bids</u>
Tulsa City-County Libraries	\$1,500	\$25,000
City of Oklahoma City	\$2,500	\$25,000
Oklahoma County	None	\$10,000
Oklahoma State University	\$5,000	\$20,000
State of Oklahoma	\$2,500	\$25,000
Austin Public Library	\$500	\$2,500

The Administration believes the cost savings of these actions will be realized in both dollars and time. The Administration recommends that the dollar limit requiring a formal bidding process be raised from the current \$5,000 to \$10,000 for all acquisitions, and that the purchasing policy state that informal quotes are required for purchases costing between \$2,500 and \$10,000.

Section VII Fiscal Budgeting and Purchasing

Item B - Purchasing

Adopted: 1/86, Revised: 5/86, 4/88, 10/94, 8/00
Draft Revisions to Finance Committee 06/09/04

I. Legal Background

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.

II. Annual Budget's Role in Purchasing Authority

Commission approval of the annual budget serves as the principal authority for the Library to encumber and expend the funds necessary to operate. This authority begins with approval of the preliminary budget (estimate of needs), normally adopted in June. Recognition of the preliminary budget as an operating budget is necessary because the new fiscal year begins on July 1. Expenditures such as personal services, materials, utilities, insurance coverage, maintenance, repairs and supplies must be in place with "first day" funding and reasonable assurance of adequate funding throughout the year. The final budget, incorporating necessary changes to the preliminary budget, is normally adopted in August.

III. Budget Documentation of Commission-Approved Purchases

The annual budget overview/summary, along with the line item budget submitted to the Commission, documents details of routine and non-routine proposed expenditures.

Some line items, such as office supplies, technical processing supplies, etc., are normally routine or self-descriptive and require little or no explanation in the budget overview/summary. Other categories, such as salaries and related personnel expenditures, require and receive more detailed explanations in the budget document. Proposals for purchases of furniture, fixtures, equipment, vehicles, automation hardware, capital improvements and other major, tangible items are listed individually in the proper accounts of the line item budget.

Except for items removed from the list or designated as "tentative" by a majority of the Commission during the budget adoption process, approved items may be purchased by the Library at the appropriate time without further Commission review. The purchase price shall not be greater than the budgeted amount plus the lesser of ten percent (10%) or \$500. When the competitive bidding procedure is required, the Commission reviews and approves or rejects a contract or purchase award at the time bids are submitted for review. The Commission may also choose at any time, by a majority vote, to reverse its approval given during the budget process to any item not yet purchased.

To ensure adequate funding for the approved preliminary budget, capital improvement projects, unless approved by the Commission in a prior year and funded within the Library's cash reserve plan, should not be implemented until the final budget is approved by the Commission.

IV. 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.

V. Definitions

Library Materials: All books and non-book items such as periodicals, films, records, prints, videos, CDs, cassette tapes, electronic databases and other products to which the public has direct access.

Capital Improvement Projects: Construction, remodeling and renovation, or major repairs or improvements to library facilities.

Personal Services: 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.

VI. Policies

1. The library administration shall establish and maintain a purchasing procedure to:
 - A. Assure that each encumbrance is a legal and just claim and is within the authorized available balance of the appropriate budget categories
 - B. Certify that purchased items are satisfactorily received
 - C. Provide accurate records for audit and keep such records on file for not less than three years
2. Major jobber contracts for purchases of library materials shall be awarded following the competitive bidding procedure at least every five years unless such procedure is waived by the Commission.
3. Acquisitions including capital items and construction contracts expected to cost ~~\$5,000~~ **\$10,000** or more each and not listed under State Contract shall be purchased via a competitive bidding procedure as described in Item 14 below. Items listed under State Contract may be purchased directly from the vendor, regardless of cost, with no further bidding procedure required. Purchases of similar items or groups of items should not generally be subdivided into multiple purchases of less than ~~\$5,000~~ **\$10,000**. The Commission shall be advised if exceptions are made.
4. Contracts within the Personal Services category shall be governed by the Personal Services policy.
5. The following acquisitions and contracts shall not be subject to competitive bidding procedures:
 - A. Utilities and other services for which fees or rates are regulated by federal, state or local government
 - B. Sole source contract. Any department requesting products or services by sole source contract shall attach to the requisition an affidavit signed by the chief administrative officer of that department to indicate it is indeed a sole source contract
 - C. Professional services contract, such as architectural, engineering, actuarial, training, consulting, performing and etc. For these types of contracts, requests for a professional service bid shall be sent to qualified providers. Bids shall be

evaluated by the Executive Director and staff involved in the requisition. Both cost and technical expertise shall be considered in determining the best bidder. A documented evaluation report shall be completed prior to awarding a professional service contract

6. In an emergency situation requiring swift action when no regular or emergency Commission meeting is scheduled or practical under the circumstances, the administration may contract to handle the emergency. A report of the emergency acquisition will be presented to the Commission at the next scheduled Commission meeting.
7. Library employees holding job titles designated as "Purchasing Officers" by the Metropolitan Library Commission may act in that capacity. Attachment A is a list of Purchasing Officers. This list may be amended by the Commission as needed. All Purchasing Officers shall be bonded in the amount of not less than \$25,000.
8. The Library's Business Office shall be the central purchasing agency through which requests for the purchase of all library materials and operational items are routed and accounted for; the Director of Finance shall be the system's designated Encumbering Officer. The Executive Director, Deputy Director of Information Technology and Deputy Director of Public Services are also authorized to sign purchase orders as Encumbering Officers.
9. Library checks (warrants) may be signed by any two of the following: Chair, Vice-Chair, Disbursing Agent, Secretary (Executive Director) of the Commission, Deputy Director of Information Technology, Deputy Director of Public Services and Director of Materials Services. The Secretary (Executive Director), Deputy Director of Information Technology, Deputy Director of Public Services and Director of Materials Services may not sign checks or warrants in which they are the payees of checks in payment of goods and services or when they have signed the respective purchase order as "Purchasing Officer".
10. The "Request for Reimbursement of Out-of-Pocket Expenditures"(Form #417) shall be used for cash reimbursements under \$50.
11. Request for Purchase (form #410) must be completed by the requesting agency/department as the authorization to issue a purchase order and procure the requested item or service. Exceptions to this requirement are:
 - A. Cash reimbursement for out-of-pocket expenditures under \$50, supported by form #417
 - B. Utilities and other services for which the fees or rates are regulated by federal, state or local government
 - C. Service or maintenance contracts awarded by the Commission, of which the fees or rates have been specified in the bid and subsequent contract award.
12. The Library will not knowingly purchase nor accept bids to purchase any item from:
 - A. Commission members
 - B. Library employees
 - C. Children, parents, grandparents, grandchildren, brothers and sisters of the above individuals and their spouses

D. 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

This policy does not prohibit the purchase of items from any firm or enterprise in which an individual defined in C above is employed or owns stock but who does not have a vested interest as defined in D above.

13. The Commission gives preferential consideration when purchasing supplies or services through the competitive bidding procedure, 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.

14. For acquisitions or contracts expected to cost ~~\$5,000~~ **\$10,000** or more and not listed under State Contract, and in each situation involving a competitive bidding arrangement, the following procedures shall be followed:

- A. The Library will seek current, qualified vendors to whom specifications will be sent inviting bids
- B. A notice inviting bids will be published not less than two times in an Oklahoma County newspaper
- C. The library will allow not less than 14 days for bids to be received
- D. The bid proposal shall specify that the Commission retains the right to reject all bids and to waive any formalities and technicalities
- E. Each bidder shall submit an "Affidavit for Filing With A Competitive Bid" to ensure a true competitive bidding process
- F. Contractors engaged in service for the Library shall provide and maintain Workers' Compensation and employers' liability insurance coverage for the contractor and all employees of the contractor or the subcontractors engaged in any service contracts awarded by the Commission
- G. The bidding and contract award procedures for construction contracts and building improvements shall be administered in accordance with the Public Competitive Bidding Act of 1974, unless the Commission procedures described in this section are more stringent than those provided for in the Act
- H. When required by law, all contractors engaged in library construction projects shall pay prevailing wages to their employees I. The administration shall analyze acceptable bids received from vendors and recommend the vendor who has submitted the lowest and best bid to the Commission for approval
- J. The Commission shall review the bids and accept the lowest and best bid, retaining the right to reject all bids
- K. The administration shall then purchase the item via the established purchase order procedure
- L. Each contractor who is awarded a contract by the Commission shall execute an "Affidavit for Contract or Claim". This affidavit shall be for the entire contracted amount and/or for the entire fiscal year in which the contract is awarded

15. The administration shall review all contracts 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 \$5,000 **\$10,000** in any one year, shall be subject to rebidding at the end of the third year unless this requirement is waived by the Commission.

16. For items or services expected to cost less than \$5,000 **\$10,000** and not listed under State Contract, the following procedures shall be followed:

A. For acquisitions between \$1,000 and \$4,999 **\$2,500 and \$9,999** the Library will solicit informal written 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 situation requiring immediate action when the procedure is not practical under the circumstances

B. The records of written quotes will support the award to the lowest and best bidder, and will be attached to the Request for Purchase

C. The requirement of proper and adequate insurance coverage (see paragraph 14 F & G) for construction and service contracts will also apply to the successful bidder under this procedure.