

Purchasing and Procurement

- (1) The purpose of the KLC procurement policy is to ensure that KLC is receiving the best value possible in the purchase of products and services at the most reasonable cost. In determining the best value, KLC will consider the cost, quality, reliability, delivery, and support associated with the product or service.
- (2) KLC employees shall follow these guidelines in making purchases of goods or products on behalf of KLC:
 - (a) Small purchases: Purchases of goods with a total cost less than \$5000 shall be subject to comparison among competitive suppliers. A KLC employee shall make a reasonable effort to compare products and suppliers when making a purchase to ensure that KLC is receiving the best value and document the efforts to do so. Current inventories shall be reviewed in order to avoid duplicative purchases.
 - (b) Purchases of goods with a total value of \$5000 or more or involving a contractual term of one (1) year or more shall be based on the lowest and best quote of at least 3 suppliers which shall be obtained on an open and competitive basis in order to obtain the maximum value for each expenditure.
 1. Unless an employee is otherwise approved by the Executive Director/CEO to obtain quotes and make a selection, the employee shall notify the Executive Projects Administrator of the need to make a purchase of an item or items exceeding \$5000 in cost. The Executive Projects Administrator shall ensure that funds have been approved in the KLC budget for the purchase and shall obtain quotes. The employee and the Executive Projects Administrator shall examine the cost, quality, reliability, delivery terms, and support associated with the product in selecting the lowest and best quote.
 2. There may be some instances where obtaining quotes is not practicable. Some examples include emergency situations, uniqueness of the item to be purchased, there is a single provider, or the item is a replacement part. In these situations, the Executive Projects Administrator shall make the determination that obtaining quotes is not practicable and will not otherwise serve the best interest of KLC. In this event, the Executive Projects Administrator and the employee shall enter into negotiations with a provider to obtain the best value for KLC and purchase the item without obtaining quotes.
 3. Once a product has been purchased using bids or quotes, additional purchases of the item for substantially the same price may be purchased from the same vendor for a period of two (2) years without obtaining additional quotes.
- (3) KLC employees shall follow these requirements in entering into contracts for services, including professional services:

- (a) Service contracts with a total cost less than \$5000 shall be subject to comparison among competitive service providers. A KLC employee shall make a reasonable effort to compare services when entering into an agreement to ensure that KLC is receiving the best service at a reasonable cost.
 - (b) Service Contracts that exceed \$5000 in value are subject to the review of the KLC Contract Committee. The contract committee shall be composed of the Executive Director/CEO, the Chief Financial Officer, the General Counsel, and an employee selected by the Executive Director/CEO within the department with the primary interest in the service contract. The KLC Contract Committee shall review the requested services and make a determination whether competitive solicitation or quotes would serve the best interest of KLC. The Committee shall consider the nature of the services, the total costs, reliability and reputation of the providers, the abilities of the provider, time constraints, and any other reasonable factors in selecting the service provider that best fits the needs of KLC. Service contracts that exceed \$100,000 in value shall be forwarded to the KLC Finance Committee for final approval.
- (3) If the purchase involves a contractual arrangement that exceeds \$1000 in value or is for a term greater than six (6) months, the contract shall be reviewed by the KLC Legal Department in accordance with the Contract Review Policy. All contracts must be executed by the Executive Director/CEO.
- (4) Unauthorized Purchases: Any employee who violates these policies may incur a personal obligation to the vendor of the expense incurred in addition to appropriate disciplinary action, up to and including dismissal.