



POLICY NO. 127

SUBJECT: Transparency in the Procurement of Goods and Services

I. PURPOSE

To provide transparency in the procurement of goods and services in order to ensure value and savings to the Members of the Cooperative while enhancing economic participation in the community.

II. POLICY CONTENT

The Cooperative will maintain vendor lists, use competitive bidding procedures and otherwise follow the procurement procedures set forth below. The Board will follow the procurement and acquisition standards set forth in this policy.

III. PROVISIONS

A. Vendor List:

1. The Cooperative will maintain a list of vendors desiring to conduct business with the Cooperative. The list shall be for internal purposes only and does not guarantee notification or publication of requests for proposals (RFPs) or quotes (RFQs). Interested vendors are encouraged to follow the Cooperative's website for acquisition requests.
2. Vendors desiring to inclusion on the list shall submit the following information:
 - a. Registered business name;
 - b. Contact information (name, direct phone and fax, e-mail address, physical address, billing address, website address);
 - c. Description of types of products or services;
 - d. Years in business; and
 - e. Description of past business dealings with the Cooperative.
3. Vendors will be removed from the list if the Cooperative has not conducted purchase transactions with the Vendor during the preceding two (2) year period.



B. Competitive Bidding:

1. The Cooperative will use competitive bidding for goods and services in the following circumstances:
 - a. Single purchases for goods costing \$2,500 or more;
 - b. Bulk purchases of the same good costing \$10,000.00 or more; and
 - c. Service orders costs \$10,000.00 or more.
2. Dollar amounts set forth in this policy shall be automatically adjusted for inflation at the start of each calendar year based on reports of the Bureau of Labor Statistics.
3. By majority vote on the record, the Board may waive competitive bidding in certain circumstances.

C. Vendor Requirements:

1. Vendors shall be required to submit the following information prior to delivering any goods or providing any services to the Cooperative:
 - a. Vendor Data Form;
 - b. Completed IRS W9 Form; and
 - c. Proof of Liability Insurance (for services).

2. Safety:

Vendors failing to abide by applicable safety standards, including the appropriate use of Personal Protective Equipment (PPE), compliance with any applicable DOT regulations, and any other applicable federal, state and OSHA safety standards, may be subject to loss of their contract and consideration as a qualified bidder for future contracts, at the Cooperative's sole discretion.

D. Purchase Orders and Documentation:

1. The Cooperative will issue Purchase Orders for purchases meeting the thresholds for competitive bidding, or in its discretion, smaller purchases.
2. Invoice, packing slip, and service receipts shall mirror the Purchase Order.
3. Goods and services shall not be delivered or provided prior to receipt of the Purchase Order and unless they are listed on the Purchase Order.



4. Any changes to scope, quantity or pricing will require the Cooperative's advanced written approval.
5. Packing slips, identifying the Purchase Order number or the name of the Cooperative employee placing the verbal order for smaller purchases, will be required for each shipment of goods. Vendors are required to ensure that their third-party carriers are apprised of these requirements. Vendors are responsible for ensuring that deliveries are made to the location specified on the Purchase Order.

E. Invoicing:

1. Vendors shall present all invoices to Accounts Payable, as follows:

2. Invoices must contain the Purchase Order number or the name of the employee that placed the verbal order.
3. Vendors shall ensure that invoices mirror the Purchase Order in cost, quantity, description, terms, etc.
4. Sales/Use tax: Invoices shall not include any sales or use tax since the Cooperative is tax exempt. In its discretion, the Cooperative may pay non-conforming invoices after subtracting line items for improper taxes.
5. Invoices must contain the word "Invoice" or they will be rejected.
6. All payment terms will be Net 30.
7. Separate invoices shall be issued for each Purchase Order. Vendors shall apply all payments to the referenced invoice/Purchase Order.
8. Vendors are prohibited from submitting invoices until after goods have been delivered or services have been satisfactorily performed.

F. Vendor Suspension:

Vendors will be suspended from providing services to the Cooperative for any of the following reasons:

1. Failure to perform or deliver according to contract specifications.
2. Collusion in the bidding process.



3. Soliciting Cooperative business from Trustees or otherwise addressing purchase matters with individual Trustees.
4. Providing false or misleading information in bid proposals, including failure to keep offers open for the specified length of time.
5. Failing to accept orders based on bids.
6. Failing to replace damaged goods or correct services deemed unacceptable by the Cooperative.
7. Failing to honor warranties.
8. Bankruptcies or insolvency.
9. Failure to adhere to the requirements of this policy after notice of Cooperative's acquisition procedures.

G. RUS Bid Requirements:

Where applicable, bid requirements established in applicable RUS regulations shall supersede any provision of this policy.

IV. RESPONSIBILITY

The Board of Trustees is responsible for ensuring the Cooperative's adherence to this policy. The General Manager shall be responsible for day-to-day compliance efforts.

APPROVED BY THE BOARD OF TRUSTEES

PRESIDENT

EFFECTIVE DATE: _____

REVISED DATE: _____