

Kennebec Estuary Land Trust Policy 220

Original Approved by the Board 04/23/2024

Procurement Policy

1. Introduction

1.1 Purpose:

This policy establishes the fundamental principles and practices that the Kennebec Estuary Land Trust (KELT) will follow for all purchases of equipment, materials, and services. Adherence to policies and procedures will ensure that KELT purchases and contracts are open, fair, ethical, and provide KELT with the best quality for the best value. Portions of this policy will be implemented through compliance with the requirements of KELT procedures noted in reference 7.1.

1.2 Responsible Committee:

The responsible committee is the Governance Committee, which operates under a responsibilities and functions description, reference 7.2, approved by the Committee. In summary, its duties are oversight of the Board, general administration, accreditation, by-laws, personnel, business conduct, and organization development.

2. Finances

Documentation of financial agreements, expenditures, and receipts shall be carried out using the methods identified in KELT's Recordkeeping Policy (7.3), KELT's Policy for Financial and Asset Management (7.4), and KELT's Internal Controls Procedure (7.8). KELT will budget for staff time as well as contract time to complete required financial documentation.

3. Reports

3.1 Board minutes shall reflect discussions and any actions taken as a result of the discussion.

3.2 Financial and contracting information related to purchases will be compiled and stored in accordance with Generally Accepted Accounting Principles (GAAP) for nonprofit organizations and KELT's Recordkeeping Policy (7.3), as required for use in the annual audit report outlined in KELT's Policy for Financial and Asset Management (7.4).

4. Procurement Principles and Practices

The Kennebec Estuary Land Trust (KELT) will acquire equipment, materials, and services in a manner that results in the most efficient delivery of quality services considering fair competition, cost, and value received. Goods and services will be obtained in compliance with state and federal law, including law and IRS regulations prohibiting non-profit organizations from providing an impermissible private benefit, and the terms associated with funding sources.

Vendor selection will be based on objective criteria, such as quality, price, ability, capacity, skill, sustainability, integrity, past performance, fiscal viability, available resources, timeframe, technical compliance with specifications, Vendor's acceptance of terms and conditions, and compliance with relevant laws and regulations.

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All vendors will be treated fairly and without discrimination based on race, gender, nationality, religion, or any other protected characteristic. Whenever possible, we will strive to engage diverse suppliers and promote equal opportunities.

4.1 Ethics and Conflict of Interest:

All procurement decisions will follow KELT's Conflict of Interest Policy (7.5) and Code of Ethics (7.6) in order to adhere to high ethical standards and avoid any actual or potential conflict of interest. All Board, staff members, and volunteers who make purchases on behalf of the organization must follow established policies and procedures. Purchases will comply with section 4.3 of KELT's Governance Policy (7.7), which states "No Director, Staff Member, Volunteer, Contractor nor Consultant shall knowingly participate in transactions that are potentially fraudulent or abusive."

4.2 Purchase Authorization:

Purchases will be made within budget limits and to meet goals and objectives approved in KELT's budget and/or in project budgets funded with restricted funds. As noted in the Internal Controls Procedure (7.8), authorization by the Executive Director is required prior to all purchases, and invoices for expenditures over \$2,000 that are not specified in the budget require authorization of the President or the Treasurer. As noted in the Policy for Financial and Asset Management (7.4), for projects and programs initiated during the year, financial plans shall be prepared and reviewed by the Board before any funds are expended or committed.

4.3 Acceptance/Rejection:

KELT reserves the right to accept any bid or proposal and the right to reject any or all bids or proposals.

5. Procurement Methods for Purchases Using Non-Federal Funds:

5.1 KELT Purchase Categories:

KELT will divide purchases into six categories, and shall determine the method for soliciting quotations and bids based on the category that the purchase qualifies for. Definitions of the six purchase categories are included below in sections 5.1.1 through 5.1.6.

5.1.1 Micro Purchases:

Purchases under \$3,500 may be made without soliciting competitive quotations if KELT considers the price to be reasonable.

5.1.2 Small Purchases:

Purchases costing more than \$3,500 and less than \$50,000 may be made without soliciting competitive quotations if KELT considers the price to be reasonable. Purchases made in this category require written documentation of the reason that the purchase was made without soliciting competitive quotations and written approval by the Executive Director for following Small Purchase Procedures. These methods will be followed unless the item(s) qualify for category 5.1.5 Sole Source Purchases, in which case the methods outlined under 5.1.5 would be followed. KELT may also choose to use the procedures for Medium Purchases (5.1.3) and Large Purchases (5.1.4).

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5.1.3 Medium Purchases:

Purchases costing more than \$50,000 and less than \$250,000 require at least three written solicitations for qualified vendors, unless the item(s) qualify for category 5.1.5, Sole Source Purchases, in which case the methods outlined under 5.1.5 would be followed. For purchases in this category, KELT may also choose to use the procedures outlined in 5.1.4 below.

5.1.4 Large Purchases:

Purchases costing \$250,000 or more require written solicitations for a minimum of three vendors unless the item(s) qualify for category 5.1.5, Sole Source Purchases, in which case the methods outlined under 5.1.5 would be followed. The reasoning for selection of the vendor shall be documented in writing.

5.1.5 Non-Competitive Purchases:

Under certain conditions, it will be permitted to purchase goods or services from a directed or sole source without complying with the bid and documentation requirements outlined in sections 5.1.2 through 5.1.4. For directed and sole source purchases, KELT is responsible for evaluating sources of supply through a good faith review of available resources and documenting whether there is only one source of the required materials, supplies, equipment, or professional services or, where there are multiple sources available, documenting the reasons that the purchase will be directed to a particular supplier or service provider when alternative sources are available. KELT is responsible for verifying that prices paid for directed and sole source purchases are fair and reasonable. The Executive Director will approve a directed or sole source purchase in writing on a case-by-case basis. For approval of Sole Source Purchases costing greater than \$50,000, the Executive Director will provide a notice of the purchase approval to the Board President and Treasurer.

5.1.5.1 Directed Source

Directed source is a term used to designate that a product or service, for specific and justifiable reasons, will be purchased from one specified supplier. The following are examples of acceptable directed source purchases:

- The requested product is an integral part or accessory to existing equipment.
- The service requested is for existing equipment which can only be completed by the original manufacturer or manufacturer's designated service provider.
- The requested product or service has unique design, performance, and/or a quality specification that is essential to a particular protocol or need that is not available in comparable products.
- The requested product or service is essential in maintaining continuity of service.
- The requested service or system requires a supplier with unique skills or experience.
- After solicitation of a number of vendors or firms, competition is determined inadequate.

5.1.5.2 Sole Source

Sole source is a term used to designate that only one supplier exists that is capable of providing a particular product or service. Guest speakers, honoraria, subscriptions, dues, memberships and other similar items will be treated as sole source, and do not require sole source justification documentation.

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5.1.6 Special Market Condition Purchases:

The Executive Director may waive established bidding requirements if an opportunity arises to purchase favorably priced equipment or supplies, previously authorized through procedures outlined in section 4.2, at an auction or used goods that will be sold before KELT can conduct the bid process. Purchases made under this paragraph over \$50,000 shall be reported to the Board President and Treasurer.

5.1.7 Emergency Purchases:

In case of an emergency, the Executive Director can choose to waive bid requirements to purchase goods, materials, or services to stabilize the emergency condition. Written documentation of this decision is required. Purchases must be authorized through procedures outlined in section 4.2. Purchases made under this paragraph over \$50,000 shall be reported to the Board President and Treasurer.

5.2 Documentation:

Purchases at or above the small purchase value shall:

- 5.2.1 Be documented on KELT's vendor decision form (7.10), which will record purchase category and selection considerations.
- 5.2.2 When the purchase is a service, require a written agreement between KELT and the Vendor that documents terms and roles.

6. Procurement Methods for Purchases Using Federal Funds:

For purchases made using federal funds, KELT will adhere to federal procurement and contracting guidelines, as outlined in the Procedures for Procurement of Goods and Services Using Federal Funds (7.1).

7. References:

- 7.1 KELT Procedure 221: Procedures for Procurement of Goods and Services Using Federal Funds
- 7.2 KELT Function 228: Governance Committee Responsibilities and Functions
- 7.3 KELT Policy 210: Recordkeeping Policy
- 7.4 KELT Policy 119: Policy for Financial and Asset Management
- 7.5 KELT Policy 201: Conflict of Interest Policy
- 7.6 KELT Resolution 203: Code of Ethics
- 7.7 KELT Policy 215: Governance Policy
- 7.8 KELT Procedure 108: Internal Controls Procedure
- 7.9 Uniform Guidance
- 7.10 KELT Vendor Decision Form

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8. Revisions:

8.1 History:

Rev #	Date	Section and Paragraph Number	Description of revision
0	04/23/2024	All	Initial Issue

8.2 Approval Authority:

Rev #	Meeting Date	Committee	Meeting Secretary	Comment
0	04/23/2024	Board of Directors	John Swenson	Approved by the Board

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