

**CITY OF BOSCOBEL
PROCUREMENT POLICY
Adopted by Common Council: October 21, 2019**

I. PURPOSE

To allow the City to acquire, on a competitive basis, all goods and services at the best value possible and operate in a manner that maximizes the effectiveness and efficiency of services provided by the City.

II. POLICY

The purpose of the purchasing program is to enable City departments and personnel to acquire needed equipment, materials, supplies, and services of suitable quality for the purpose intended from the lowest priced responsible and responsive bidder while enhancing competition and providing fair opportunity and equitable treatment for all vendors. This will be accomplished by utilizing individual department's expertise in purchasing specialized items unique to their departments. When purchasing these specialized items, the individual department becomes responsible for ensuring that the provisions of this policy are followed.

The policy pertains to all agencies, departments, or offices of the City and, when applicable, unless otherwise provided by statute, those committees, boards, or commissions which manage or operate other City properties, installations, or activities.

III. PROCEDURES

A. PURCHASING AND CONTRACTING LEVELS

Other than for professional or administration services as approved by the Council, purchases of and contracts for supplies, materials, equipment, and contractual services shall be based on competitive bids/quotations whenever practical, subject to the following spending guidelines:

- 1. Purchases up to \$750* may be made based on the best judgment of the department making the purchase, except as section III.B (Standard Contracts) applies. However, it is recommended to seek competition for these purchases for the lowest prices within the parameters of quality and delivery.
- 2. Purchases of \$750 or more but less than \$1,500* require the solicitation of two quotes by the department head or designee and approved by the Director of Public Works, City Administrator, or Police Chief. Written quotes may include current catalog pricings. All pertinent details of the quotes should be documented in writing.
- 3. Purchases of \$1,500 or more but less than \$5,000* require that a minimum of two written quotes be solicited and approved by the Director of Public Works, Police Chief or City Administrator.

4. *Purchases of \$5,000 or more* (other than *Public Works Construction Projects*) require that a minimum of three written quotes be solicited. Additionally, any new contracts or agreements for services or equipment with an anticipated contract cost of \$5,000 or more require the approval of the appropriate Committee and/or the Common Council prior to execution. New contracts or agreements shall be defined as those which:

- a) are for services or equipment procured on a special or one-time basis;
- b) are *not* for the renewal or re-award of existing, previously approved and budgeted, ongoing operational requirements (e.g. existing maintenance agreements); or
- c) are not defined by either (a) or (b), but have an anticipated total contract cost in excess of \$5,000 (e.g. fuel, etc.).

Public Works Construction Projects. In accordance with Wisconsin Statute section 62.15, all such projects for which the cost is expected to be greater than \$25,000 must be competitively bid and all such projects of between \$5,000 and \$25,000 shall be subject to the statutory Class 1 notice publication requirement prior to entering into a contract. The Director of Public Works will determine the applicability of this statute to individual projects.

The bidding and awarding processes are detailed in Wisconsin Statute section 66.0901. All public works bids and staff recommendations will be submitted through the Infrastructure and Property Committee for Common Council approval.

B. STANDARD CONTRACTS

When the City has standardized the purchasing of a good or service and has issued standard purchase orders or contracts for these goods or services, such goods or services shall be purchased from the agreed upon vendor for the length of the agreement. The standard contracts will usually be let for a period of no less than a one-year basis. Exceptions will be made only when the requisition clearly states the reason for which the standard item is unacceptable.

C. COOPERATIVE PURCHASING

The City shall have authority to join with other units of government, with quasi-government agencies funded in whole or in part by the City, and with other purchasing associations in cooperative purchasing plans when the best interest of the City would be served. Competitively bid cooperative purchasing contracts onto which the City "piggybacks" are considered to have met competitive requirements, and no additional quotes are necessary.

Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.

D. REQUEST FOR PROPOSAL (RFP)

The request for proposal is a method of soliciting information and pricing from a vendor. The RFP procedure may be used when the City does not have exact specifications or procedures finalized. An RFP may be issued so that vendors can offer suggested processes or services or alternate proposals to be considered by the City. The RFP process can be used by the City for public works construction projects that do not exceed \$25,000 or when soliciting professional services or material quotes.

E. EMERGENCY PURCHASES

Any City department may purchase, in the open market, without filing a requisition or estimate or receiving competitive bids, any supplies, materials or equipment for immediate delivery to meet emergencies arising from unforeseen causes. The following situations constitute an emergency under this provision of the policy:

1. Any situation in which there exists immediate and substantial danger to the health, life, or property of any person or any situation in which there exists potential for increased damage to City property if the situation is not immediately remedied;
2. Any situation where the normal operation of any City department is seriously impaired or is in jeopardy of being seriously impaired; or
3. When the Mayor declares an emergency.

F. LOWEST RESPONSIBLE BIDDER AND BEST VALUE CONCEPT

All open market orders or contracts shall be awarded to the lowest priced responsible bidder, taking into consideration the following factors: the qualities of the articles to be supplied, conformity with specifications, product compatibility, maintenance costs, vendor support after the purchase, and delivery terms.

If two or more qualified bids are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder. Where this is not practical, the contract will be awarded to one of the bidders by drawing lots in public. Local merchants will be allowed a 5% variance in their bid price, compared to merchants that are not located within the City of Boscobel (with the exception of public works contracts).

The City, along with the City Attorney, shall have the authority to require a performance bond or other similar instrument of surety in such amount as is reasonably necessary to protect the best interest of the City before entering into a contract.

Contracts must be approved as to form and sufficiency by the City Attorney.

G. DISCOUNTS FOR EARLY PAYMENT

1. The City pays properly submitted invoices within 30 days. In some cases, vendors may apply discounts for early payment of invoices. In order for the City to receive discounts invoices shall be returned to the City Clerk's Office within 24 hours.
2. Minimum time period considered for a cash discount depends on the vendor's terms;
3. Minimum amount considered is 2% of the invoice, or \$20.00, whichever is higher; and
4. Original amount of the invoice may not exceed \$2,500.00 and approval from the Finance Committee must be obtained prior to payment.

H. SALES TAX EXEMPT STATUS

Regardless of the dollar amount, the City will not enter into any contract or order for the purchase of materials, supplies, equipment, or contractual services **with** vendors, or their affiliates, who are not registered, collecting, and remitting Wisconsin sales or use tax on sales of tangible personal property or taxable services in the State of Wisconsin.

I. CREDIT CARD PURCHASES

Any purchases with City authorized purchasing cards or merchant credit accounts shall conform to this policy.

J. FAILURE TO COMPLY WITH POLICY/PROCEDURES

Failure to comply with this policy, including inappropriate purchases, failure to solicit quotes as required or return invoices for early discounts, may result in disciplinary action in accordance with City policy, up to and including revocation of purchasing authority by the Finance Committee or termination.