

## RESOLUTION 2017 – 1

### RESOLUTION SETTING PURCHASING POLICY FOR THE CITY OF RICHLAND CENTER:

**WHEREAS**, the Common Council of the City of Richland Center has the responsibility of approving and establishing the expenditure levels for the City and each department through their approval of the annual budget.

**AND WHEREAS**, the Common Council has determined that it is appropriate to establish guidelines for the purchase of goods and services by City Departments; now, therefore,

**BE IT RESOLVED**, by the Common Council of the City of Richland Center, Richland County, Wisconsin, as follows:

- 1. Department Head Responsibility.** All City department heads have the responsibility to make and keep purchases and expenditures of City funds within budgeted amounts, make the purchases within state and federal regulations, make purchases consistent with the provisions of this resolution, and to make all reasonable efforts to secure for the City maximum value for the expenditure of City funds. The department head has the responsibility to charge purchases to the City's account. In the event problems arise with the charge account, the purchases will be made by the clerk/treasurer's office and the department will be removed as authorized to charge on the account. This responsibility is in addition to the other responsibilities as set forth in the department head's job description.
- 2. Requirement of Good Faith Effort.** All City department heads and employees shall demonstrate a reasonable and good faith effort to obtain goods and services for the City at the lowest possible cost consistent with the quality and service needed to maintain efficient operations of the City. Within these parameters, efforts will be made to purchase materials and services locally when possible.
- 3. Expenditure of Funds for Budgeted Items Costing Less than \$2,500.00.** If an item has been specifically budgeted for, it will not be necessary to obtain approval in advance from the Finance Committee or Common Council prior to the purchase if the purchase price is under \$2500.00. This pertains to leased items and leases with a purchase option, as well.
- 4. Expenditure of Funds for Budgeted Items Costing \$2,500.00 or More.** Any expenditure that has been specifically budgeted for in the current year's budget, the purchase price of which is \$2,500.00 or more, shall require advance approval of the purchase by the Finance Committee or the Common Council. This pertains to leased items and leases with a purchase option, as well.

**5. Non-budgeted Expenditures.** All expenditures which have not been specifically budgeted for in the current year's budget shall require City Council approval with a recommendation from the Finance Committee.

**6. Negotiations with Vendors Where Finance Committee or City Council Approval is Required.** All negotiations for agreements with vendors for proposed expenditures which by the terms of this Resolution require Finance Committee or City Council approval shall be carried on subject to the condition that such approval is required before the agreement becomes final. Department Heads or other City employees' negotiation such agreements shall make it clear to the Vendor that the purchase is so conditioned.

**7. Competitive Bidding Requirements.**

a. Expenditures of \$2500.00 or less for any one purchase or contract shall not require competitive bidding, but competitive bidding is encouraged for any significant expenditure for and item with a useful life expectancy of 5 years or more.

b. All expenditures in excess of \$2,500.00 shall require sealed bids with notice to prospective bidders published as a class 1 notice in the designated official newspaper.

c. Exceptions to the requirement of obtaining competitive bids may be made for the following reasons:

1. Participation in an intergovernmental cooperative purchasing program.
2. The vendor is the sole source from whom it is feasible to obtain the purchase, due to location or the ability to provide maintenance after purchase or other considerations as determined by the City Council.
3. Emergency circumstances necessitate immediate purchase, not allowing time to seek bids. The Mayor, Council President and the City Clerk shall be notified of any such emergency prior to the purchase and no purchase shall be made without their prior approval. Council Members shall be advised of the circumstances of such authorized emergency purchases via email as soon as possible.

**8. Local vendors.** Local vendors will be given a chance to bid on any goods or services the City is seeking.

**9. Award.** Purchases shall be awarded to the low bidder unless there is a valid reason for doing otherwise. The City Council reserves the right to determine what is a valid reason. Valid reasons may include but are not limited to:

- a. The low bidder has proven, from past experience, to provide goods or services that are inferior in quality.

- b. The low bidder has, from past experience, had problems with late delivery, failure to meet specifications and/or not providing the necessary maintenance or service on a timely basis.
- c. An award may be made to a local vendor that is not the low bidder if the ability to provide timely and convenient service or maintenance for an item is a significant concern, and the local vendor's ability to provide the timely service or maintenance significantly exceeds that of the low bidder; and
- d. In all bidding situations, the City reserves the right to reject any or all bids.

**10. Professional Services.** As to legal, financial, engineering and consulting services, or any other service that may be considered complex or technical in nature: A request for proposals shall be used when the cost is expected to exceed \$15,000.00 in order to gain information from potential service providers. Evaluation criteria shall include but not be limited to price, ability to perform, experience, technical expertise, availability, and past services to the City. Exception: A request for proposals shall not be required for ongoing and continuous services, such as legal services provided by the City Attorney or engineering services for an ongoing projects, unless requested by Council; and

**11. Public Construction.**

- a. All public construction, the estimated cost of which exceeds \$25,000.00 shall be let by contract to the lowest responsible bidder under the procedures set forth in sec. 62.15 Wisconsin Statutes.
- b. If the estimated cost of any public construction exceeds \$5,000.00 but is not greater than \$15,000.00, the Public Works Committee shall give a class 1 notice of the proposed construction before the contract for the construction is executed.
- c. All other public construction shall be let as the Council may direct.

**12. Personal Gain Prohibited.** No City employee shall derive a financial gain from any purchase or contract issued by the City, nor shall any City employee or officer accept any gratuities in exchange for preferential treatment relating to any purchase or agreement with the City.

**13. Mayor's Power to Make Expenditures.** In circumstances where it is not feasible to secure Common Council approval for the expenditure of such funds due to time constraints, the Mayor is hereby granted the power to authorize the expenditure of City funds in an aggregate amount of not more than \$3,000.00, provided such expenditures are made out of budgeted funds. The City Council shall be informed of all such authorized expenditures at the next meeting of the Council.

**14. Petty Cash:** The City Clerk/Treasurer's Office shall hold one petty cash box for the Clerk/Treasurer's Office, Parks & Grounds Department and Public Works Department, as well as a separate petty cash box for the Brewer Library. The Police Department will have a petty cash box in the Police Department. Department Heads may turn in a signed receipt for reimbursement stating what the items were purchased for. Such purchases for petty amounts (\$10.00 and under) are to be kept to a minimum. At no time will there be more than \$50.00 in each box.

**15. Charge accounts at various businesses:** The City Clerk/Treasurer's Office shall be responsible to create charge accounts and inform vendors which employees are authorized to charge to the account. At no time may any charges for purchases be made that are not directly for official City business. Any account used to charge any purchase for personal or other than official City business will result in account closure and the Clerk/Treasurer's Office will make any future purchases through that vendor. In the event purchases are misrepresented to the Clerk/Treasurer's Office and are not for City business, future purchases must be approved by the City Council prior to ordering.

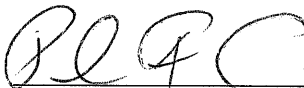
**16. Credit Cards:** The Chief of the Police Department will hold a credit card that may be used in urgent situations for Police business only. The City Clerk/Treasurer's Office will hold the City's Credit Card and is the only department authorized to make charges for the remaining city departments. The maximum credit limit permitted is \$2500.00 per card. At no time may a credit card be used if the purchase is not in compliance with this purchasing policy.

No invoice will be paid unless turned in to the City Clerk/Treasurer's Office signed by the employee who made the purchase and authorized by the department head.

All contracts must be authorized by the City Council.

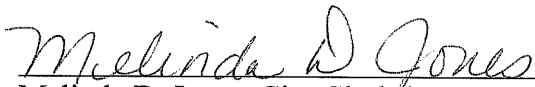
Repeal of Prior Resolutions: Resolution 2005-11, 2008-1, and 2013-8

Adopted this 3rd Day of January, 2017



Paul F. Corcoran, Mayor

Attest:



Melinda D. Jones, City Clerk/ Treasurer