

**City of Portage
Procurement Policy**
(Effective 2/25/2021)

Objectives:

1. To obtain goods and services at the lowest possible price consistent with quality and performance.
2. To ensure that materials, services and equipment are available to operating units on a timely basis.
3. To provide an internal control process over city expenditures.
4. To provide a standardized system for purchases by all departments.
5. To ensure the City of Portage purchases are in compliance with federal and state laws and local ordinances regarding non-discrimination, equal opportunity and conflict of interest.
6. To maximize the value of public expenditures.
7. To encourage local vendors to compete for city purchases.

Scope:

All departments and utilities of the city are required to comply with the procurement policy.

Section I: Purchasing Thresholds

The following procedure pertains to all city purchases using budgeted funds, except for Public Construction Projects which shall comply with Section II D. If funds are not appropriated, then no purchase shall be completed until the City Council appropriates the necessary funding upon recommendation by Finance/Administration Committee. All purchases of \$5,000 or greater must be proceeded by a Purchase Request Form submitted to the City Treasurer.

Budgeted purchases by employees up to \$4,999 in any department are authorized. Invoices for such purchases shall be submitted to the City Treasurer or his/her designee by the end of the following work day after receipt. Department Heads may authorize budgeted purchases of \$500 to \$2,500 made by a subordinate.

Budgeted purchases between \$1,000 and \$4,999 in any department are approved by the appropriate Department Head. Invoices are then submitted to the City Treasurer or his/her designee by the end of the following work day after receipt.

Budgeted purchases of \$5,000 or more may occur upon approval by the Department Head and the City Administrator after confirmation of compliance with this Policy and completion of a Purchase Request form. Invoices are then submitted to the City Treasurer or his/her designee as soon as practical referencing the Purchase Order.

- A. Finance/Administration Committee shall review budgeted purchases only if one or more of the following circumstances are present:

1. Upon review of the bids or quotes received pursuant Section II it is determined that such bids exceed the appropriated funding or do not comply with bid specifications.
2. In the opinion of a Department Head, City Administrator or Mayor, any questionable or irregular practices, communication(s) or event(s) occurred during the advertising, solicitation or receipt of bids, quotes or proposals that tainted or perceived to have tainted the competitive bid process.
3. The budgeted project, equipment or service purchase or the circumstances, or urgency pertaining to the proposed project, equipment or service have changed, altered or are no longer available since funding was appropriated.
4. The recommended award is not the lowest, eligible bid.

Vehicle purchases that have been budgeted and are purchased under a competitive purchasing agreement such as through the State of Wisconsin are exempt from the dollar threshold and additional bidding procedures.

Section II: Purchasing Procedures

- A. Competitive sealed bids are required for an individual purchase or purchases in the aggregate that exceed \$15,000. Sealed bidding requires specifications with sufficient detail and information so as to ensure fair competition. If the existing staff does not possess the expertise to create specifications or if the estimated cost to create specifications exceed 20% of the estimated project costs and the project can be successfully completed using only general specifications than the sealed bid requirement may be waived. Per a request of the Department Head the City Treasurer and City Administrator must approve waiving the sealed bid requirement. Less than three bids for all competitive sealed expenditures must be documented with a written explanation.
- B. Competitive written quotes are required for an individual purchase or purchases in the aggregate that exceed \$5,000. Every effort will be made to receive three quotes from qualified vendors. All quotes must be documented on the Purchase Request form.
- C. Competitive oral quotes are required and must be recorded for all individual purchases between \$1,000 and \$4,999.
- D. Public Construction Contracts. The City shall follow the bidding procedures for construction contracts as defined in Wisconsin State Statutes 66.0901. The appropriate standing Committee shall review required bids and make a recommendation to Council. However, Finance/Administration Committee shall

also review the recommendation prior to Council action if one or more of the circumstances listed under Section 1 A occur.

1. Contract Change Orders (CCO). CCO's shall require Council approval upon recommendation of original committee that recommended approval of the bids, except as follows:
 - a. For construction contracts, City Engineer or Department Head has the authority to approve CCO's that increase original contract award by a maximum aggregate amount of 15% or the budgeted amount, whichever is less, with subsequent report to the original committee that recommended approval of the bids. CCO increases that result in project exceeding original budget shall require Finance/Administration Committee recommendation in addition to original committee recommendation and Council approval. CCO's that modify the project scope or increase completion deadline, regardless of dollar amount shall require Council approval upon recommendation of the original committee that recommended approval of the bids.
 - b. Emergency CCO. City Engineer or Department Head has the authority to approve CCO's under emergency circumstances (defined as those requiring immediate action to avoid a serious work stoppage, delay and/or extra costs or those having the ability to cause damage to public/private properties or adversely impact public safety) with subsequent report to the original committee that recommended approval of the bids and Council.
 - c. CCO's that result in a decrease in the contract award (without modifying the project scope) may also be approved by the City Engineer or Department Head with a subsequent report to original committee that recommended approval of the bids and Council.

- E. Emergency Purchases. Under emergency conditions, purchases may be made by the Department Head or his designee. A purchase requisition shall be submitted to the City Administrator based on the purchase threshold, as soon as practical. Emergency conditions are defined as purchases necessary to protect and ensure public safety and to protect against excessive damage.

- F. Professional Services. Where the cost of service is estimated to exceed \$15,000 a Request for Proposal shall be prepared. Solicitation of proposals may be by general advertising, placing a notice in a publication likely to be viewed by the profession, posting on the City website along with other websites commonly used for sale and/or purchase of goods and services by municipalities and businesses, solicited by direct mail or phone, or any combination or method that will be received or viewed by the profession or service provider for which the proposal is intended.

Professional services that are estimated to cost between \$5,000 and \$15,000 may be purchased by competitive negotiation with oral quotes recorded.

Professional services estimated to cost less than \$5,000 may be purchased from a sole source provider by a Department Head with approval of the City Administrator.

- G. For proposals and contracts issued by the City for the Shared-Ride Taxi Program with funding assistance awarded through Federal Section 5311 and Wis. Stats. Chap. 85.20 Urban Mass Transit Programs, the City shall comply with this Procurement Policy except where such grant assistance program requirements differ. Accordingly, such contracts awarded with funding from the aforementioned grant programs may be contested per Protest Procedures as provided in Appendix A of this policy.

Section III: Budgetary Controls

A Purchase Request Form for planning purposes for all purchases of individual items and purchases for items that in the aggregate are estimated to exceed \$5,000 in the budget year is required to be completed and submitted to the City Treasurer at the same time as budget requests for the succeeding year are made. A proposed schedule projecting dates or purchase(s) must be included.

A Purchase Request Form must be submitted requesting authorization for purchases that exceed \$5,000. No purchase can be made without sufficient appropriated funds being available, unless for emergency purchases per Section II E.

If the category of expenditures is exceeded, the Department shall provide a report to the Finance/Administration Committee with recommendations for re-allocation for the total projected expenditure, if necessary. In no case shall personnel expenditures be used for any non-personnel expenditures and in no case shall non-personnel expenditures in the operating budget be allocated to personnel expenditures. Expenditures shall not be allocated between departments or between functions in the same department without Council authorization via a budget amendment resolution.

Section IV: Local Purchasing Sources

The City shall make efforts to solicit purchases from qualified vendors located in the City of Portage. Through the city's web site prospective bidders shall be invited to submit information regarding services and products offered. Prior to soliciting proposals Department Head shall identify potential local providers and insure they receive notification of the solicitation. Recognizing the City of Portage is custodian of taxpayer's funds and to fulfill its fiduciary responsibilities all purchases will attempt to maximize the best value of expenditures. No purchases shall be made from local suppliers solely for the reason they are located in the City of Portage. The cost, quality and the ability to satisfy the city's purchasing requirements shall be the primary determinates of purchasing decisions. Public Construction bids must be awarded to the lowest responsible bidder per Chap. 66.0901(1m), regardless of their geographical location.

Section V: Cooperative Purchasing

Whenever possible, using State of Wisconsin or the specifications of another jurisdiction is permitted.

The City Administrator shall have authority to join with other units of government or with 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 in 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.

Materials, supplies, machinery and equipment offered for sale by the federal or state government or by any municipality may be purchased without bids at prices to be agreed upon approval of the City Administrator and the respective department head for which the item is to be acquired. A report of such purchase shall be made to the Finance/Administration Committee.

Section VI: Sole Source Purchasing

Annual budgeted purchase of goods or services in the aggregate of \$15,000 or less may be made without competition when the following procedures are followed:

1. For sole source purchases over \$500 but less than \$5,000, the Department Head shall obtain verbal quotes, document quotes and the reason(s) for selecting the sole provider and enter into a written agreement with the provider. Copy of agreement shall be forwarded to the City Treasurer.
2. For sole source purchases over \$5,000 but less than \$15,000, written quotes shall be obtained by the Department Head and a recommended provider approved by the City Administrator. A written contract shall be executed by the City Administrator with a copy to the City Treasurer.
3. Any sole source purchase over \$15,000 shall follow the same process as (2) but must be approved by the Common Council upon recommendation by the Finance/Administrative Committee.
4. The use of the sole source exception to the competitive bidding process shall be reviewed for re-bid after the 2nd renewal of current agreements by the City Administrator and pertinent Department Head with a recommendation to renew or re-advertise to the Finance Committee.

Section VII: Service Contracts

Where continuity and familiarity are important factors, multiple year contracts are permitted. Every three years the contracts will be reviewed by the City Administrator, City Treasurer, the City Clerk and the appropriate Department Head for the purposes of making a recommendation to the Finance/Administration Committee as to whether the

contracts shall be renewed or re-bid. Service contracts may be bid more frequently and/or terminated with cause.

Section VIII: Petty Cash/Cash Drawer Funds

Petty Cash/Cash Drawer Funds are established for the purpose of expediting miscellaneous purchases and payment of small bills which need not be processed through formal purchasing procedures as well as maintaining a set amount of funds on hand available for customer cash transactions. These funds are not to be utilized for the purpose of avoiding or circumventing the city's centralized procurement policies.

The following departments shall have established a working Petty Cash Fund/Cash Drawer Fund in amounts as follows:

1.	Water Department	\$300.00
2.	Public Works	\$ 50.00
3.	Administrative Services	\$500.00
4.	Police Department	\$ 50.00
5.	Fire Department	\$200.00
6.	Sewer Department	\$ 50.00
7.	Library	\$ 67.00
8.	Park and Recreation	\$150.00
9.	Swimming Pool	\$230.00

Use of Petty Cash

All departments having Petty Cash shall be required to follow the policies and procedures outlined in this section.

Policies

- a) Items purchased with Petty Cash shall be those not ordinarily stocked or purchased by the City.
- b) No individual purchase shall exceed \$25.00.
- c) The following shall be prohibited from Petty Cash payment:
 - a. Items regularly purchased by the City of Portage
 - b. Payment for personal services
 - c. Loan to employees
 - d. Cashing of personal or payroll checks

Procedures

- a) Reimbursement from Petty Cash shall be subject to the filling out of a Petty Cash Voucher containing the following information:
 1. Amount of reimbursement requested
 - a) Purpose for which cash was utilized
 - b) Account to be charged
 - c) Department Head approval

All vouchers must be accompanied by a receipted bill bearing the name of the vendor and submitted to the Finance Director for processing.

Section IX: City Website

The City Website will be used for advertising all purchases for which solicitation is required.

Section X: Specifications

Specifications developed for bidding purposes shall contain sufficient information so as to promote competitive bidding, be capable of objective review and clearly indicate the City's requirements as appropriate which may include quantity, performance, brand, trade name, purpose, industry standards, composition or other criteria which will best meet the City of Portage requirements. Before bidding, specifications will be reviewed by a committee consisting of the head of the department in which the expenditures are to be made and the City Administrator.

Section XI: Bid Opening

All sealed bids shall be opened and recorded in the presence of not less than two City of Portage employees one of whom shall be the City Clerk or the Clerk's designee.

Section XII: Bid Award

Bid award will be to the lowest responsible bidder that meets specifications. The City reserves the right to reject any and all bids, to waive any technicalities and to select the bid deemed to be in the best interest of the City based on criteria as set forth in the specifications or written justification of bid award selection. No bids will be awarded to a vendor that has outstanding fines, fees, assessments or invoices due to the City of Portage.

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.

Bids approvals shall be in accordance with the purchasing thresholds as defined in Section 1.

Section XIII. Conflict of Interest

Conflict of Interest in Contracting

An official or employees of a business in which an official or employee holds 10% or greater interest, may not enter into a contract with the City unless the official or employee has made a written disclosure of the nature and extent of such relationship or

interest to the City Clerk and reports such interest to the Common Council per Sec. 2-414 Code of Ordinances. Further, pursuant to Section 946.13, Wis. Stats., an official or employee is prohibited from participating in the formation of a contract or contracts with the City of Portage involving the receipts or disbursements of more than that permitted by statutes in any given year.

City employees or officials shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors, or anything having a monetary value in excess of zero dollars (\$0.00) from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract. As permitted by policy the City shall pursue appropriate legal, administrative or disciplinary action against an employee or official who is alleged to have committed, has been convicted of or pled no contest to a procurement related infraction. If said person has been convicted, disciplined or pled no contest to a procurement violation, said person shall be removed from any further responsibility or involvement with grants management, procurement actions or bids, consistent with State or Federal policy.

Approved by Council:

**City of Portage
Procurement Policy**

**Appendix A
PROCUREMENT PROTEST PROCEDURES**

The City of Portage has developed the following procedures to handle and resolve disputes relating to the procurement process:

Notification

- Any party registering a bid award protest, must do so in writing within 10 calendar days from the date of the bid award. Upon receiving a written bid protest, the City of Portage will provide the protester with a copy of the City of Portage Protest Procedures within 15 days of the receipt of the bid protest. No Verbal Protest Complaints will be addressed.

- Protests must be in written form and directed to the City of Portage City Administrator via the following:

U.S. Postal Service Address: 115 W. Pleasant Street, Portage, WI 53901

Fax: (608) 742-8623

Email: Shawn.murphy@portagewi.gov

The written protest should contain the following information:

- Name and Title of Complainant
- Name and Address of Business
- Phone Number, E-Mail Address, Fax Number
- Nature and extent of the protest
- Documentation of Claims
- Action requested

Response

- The City Administrator will review and respond in writing, to each substantive issue raised in the written protest within 15 working days.
- Appeals to the decision/response of the City Administrator may be made to the City of Portage Common Council. The complainant may request a review by the City of Portage Common Council via certified mail addressed to the City Clerk and copy sent to the City Administrator, no more than 5 days after the City Administrator's written decision. The Common Council at its discretion has the right to review the request or by inaction, let the City Administrator's decision stand. If there is no response from the Common Council within 5 business days, the City Administrator's decision is affirmed.
- If the Common Council schedules a of the complaint, the City Clerk shall provide the protester the time and place of the meeting.

- The City of Portage Common Council shall review:
 - The original complaint
 - City Administrator's written response & decision
 - All documentation and pertinent facts relating to the dispute
- After deliberating and reviewing the written protest information, the City of Portage Common Council will make a final determination on the Protest. The City of Portage Common Council, at its sole discretion may choose to render its decision without consulting the complainant based solely on the evidence and information before it.
- After the conclusion of the Common Council's deliberations and decision, the City Administrator shall provide the Common Council's record of decision to the complainant within 10 business days.
- All decisions rendered by the City of Portage Common Council are final.
- The complainant does have the option to request reconsideration only if data becomes available that was not previously known, or there has been an error of law or regulation.
- The Federal Transit Administration will only entertain a protest that alleges that the City of Portage has failed to follow their Protest Procedures. Any protest to the FTA must be filed in accordance with the FTA Guidance Circular 4220.1F or the most recently revised circular.