

Financial Policy F-6.0

Purchasing and Bidding

- 6.1 Purpose.** The purpose of this Policy is to ensure that all purchases made by the City of Waukesha are done in the most efficient manner possible, to insure that public funds are safeguarded, public trust is preserved, and the best interests of taxpayers are protected. These guidelines shall be observed at all times in the application and interpretation of this Policy.
- 6.2 Applicability, Exemptions.** All City purchases shall be made in accordance with all Federal, State, and ~~Local~~ local Laws, ~~Codes~~ codes and ~~Ordinances~~ ordinances. Except where more restrictive by City ~~Ordinance~~ ordinance, departments, boards, commissions, and officials shall follow this Policy when making purchases of either goods or services for, or on behalf of, the City.
- 6.3 General Rule.** Whenever and however possible, all purchases of goods and services for any purpose shall be done with the purpose of obtaining the most economical terms and best value for the City. This does not require the lowest price in every case, but does require that when all relevant factors are considered, the City will receive the best value for the money spent.
- 6.4 Definitions.** In this Policy, terms are defined as follows:
- 6.4.1 Designated Purchasing Official** means a department director, a staff member designated by a department director, the Mayor, or the City Administrator.
- 6.4.2 Fleet Purchase** means the procurement of any motor vehicle or any outdoor motorized rolling stock and related attachments used to provide public service.
- 6.4.3 Public Construction** means any construction that combines materials and labor to create, maintain, repair, expand or remove improvements to City real estate, and includes, but is not limited to, streets, sidewalks, bridges, storm sewers, sanitary sewers, water utility facilities, buildings, lighting, cabling, telecommunications facilities, and all other structures that are permanently fixed to real estate.
- 6.4.4 Purchase Order** means a purchase order issued by the Finance Department in response to a formal requisition submitted by a Designated Purchasing Official. It does not include purchase order forms provided by vendors or other third parties.
- 6.4.5 Qualified Bidder** means an entity that has completed and submitted the City's Proof of Responsibility form and all required attachments, and has been found to be qualified for the performance of Public Construction by the Public Works Director. The Public Works Director will report this to the Board of Public Works when bringing a contract for approval.
- 6.4.6 Sole Source** means a provider of goods or services that is the one and only provider of such goods or services, and is qualified by the Board of Public Works or the Finance Committee to provide those goods or services to the City. A

purchasing consortium or buying group is not a Sole Source unless that consortium or group is the one and only provider of the specific, required goods or services.

6.4.7 Technology Services means services related to the planning, procurement, implementation, support, security, and maintenance of information technology systems. This includes, but is not limited to, software development, system integration, cloud computing, cybersecurity services, data hosting, and network management.

6.4.8 Determination of Total Cost. Total cost of a project includes all materials and labor to complete the project, and the project may not be broken into component parts to reduce costs below the thresholds stated herein. For leases and installment contracts, the total lifetime cost of the contract shall be used.

6.5 Roles and Responsibilities. The general roles and responsibilities regarding procurement are as follows:

- **6.5.1 City Attorney's Office**
 - Primary contact is City Attorney
 - Contract drafting and review as to form, content, and sufficiency
 - Provide procurement support to City staff.
- **6.5.2 Department Director**
 - Identify the needs of the Department, develop specifications, scope of work, etc.
 - Conduct formal competitive solicitations such as proposals, quotes, etc.
 - Conduct negotiations for goods and services.
 - Approve Department purchases for goods and services within budget authority.
 - Seek approval from and report purchases to the City Council when appropriate.
 - Create written justifications for sole source/single source purchases or written requests to waive the competitive solicitation process for approval by the Council or City Administrator.
- **6.5.3 Department of Public Works (DPW) Engineering Division**
 - Primary contact is City Engineer
 - At a minimum, assists in the development of specifications for any Public Construction greater than \$25,000
 - Provides project management services for any Public Construction project.
- **6.5.4 Department of Public Works (DPW) Fleet Streets Division**
 - Primary contact is Fleet Manager
 - At a minimum, assists in the development of specifications for any equipment or motor vehicles greater than \$10,000.

Formatted: Font: 12 pt

Formatted: Normal, Indent: Left: 0.75", No bullets or numbering

- Completes the procurement of any ~~motor vehicle or any outdoor motor-ized rolling stock for all departments~~ motor vehicle or any outdoor motor-ized rolling stock, and related attachments, used to provide public service.
- 6.5.5 Finance Department
 - Provide oversight and leadership for procurement related policies and procedures.
 - Process requisitions, purchase orders, and P-Card statements via ERP system for purchases in compliance with procurement requirements defined in this Policy.
 - Provide procurement support to City staff.
 - Annually facilitates review with City Departments of goods or services purchased that can be combined City-wide to achieve the greatest possible economy of scale.
- 6.5.6 Information Technology Department
 - Primary contact is the Information Technology Director.
 - Assists in the development of specifications for any Technology Services.
 - Completes the procurement of any Technology Services.
- 6.5.7 Mayor/City Administrator
 - Approves purchases, as outlined in this Policy.
 - Delegates procurement authority to Departments when appropriate.
 - Approve requests to waive the competitive solicitation process when appropriate with written justification from ~~Departments~~ Designated Purchasing Officials.
- 6.5.8 Designated Purchasing Official
 - ~~An individual making purchases may be the Mayor, City Administrator, a department director, or City staff member designated by a department director.~~
 - Identify the needs of the Department, develop specifications, scope of work, etc.
 - Conduct competitive solicitations such as quotes, bids, information, etc.
 - Conduct negotiations for goods and services.
 - Seek approval from department director/manager when appropriate.
 - Review bids for compliance with specifications as needed.
 - Verify delivery of goods and services and if they meet the specifications and/or scope of work.

6.5 — Definitions. In this Policy, terms are defined as follows:

6.5.1 — Designated Purchasing Official means ~~a department director, a staff member designated by a department director, the Mayor, or the City Administrator.~~

6.5.x — Public Construction means ~~any construction that combines materials and labor to create, maintain, repair, expand or remove improvements to City real estate, and includes, but is not limited to, streets, sidewalks, bridges, storm sewers,~~

sanitary sewers, water utility facilities, buildings, lighting, cabling, telecommunications facilities, and all other structures that are permanently fixed to real estate.

Public Construction does not include services, equipment, supplies, materials, vehicles, or fuel.

~~6.5.2 **Purchase Order** means a purchase order issued by the Finance Department in response to a formal requisition submitted by a Designated Purchasing Official. It does not include purchase order forms provided by vendors or other third parties.~~

~~6.5.3 **Qualified Bidder** means an entity that has completed and submitted the City's Proof of Responsibility form and all required attachments, and has been found to be qualified for the performance of Public Construction by the Public Works Director. The Public Works Director will report this to the Board of Public Works when bringing a contract for approval.~~

~~6.5.x **Sole Source** means a provider of goods or services that is the one and only provider of such goods or services, and is qualified by the Board of Public Works or the Finance Committee to provide those goods or services to the City. A purchasing consortium or buying group is not a Sole Source does not mean a purchasing consortium or buying group, unless that consortium or group is the one and only provider of the specific, required goods or services.~~

~~6.5.3 **Qualified Bidder** means an entity that has completed and submitted the City's Proof of Responsibility form and all required attachments, and has been found to be qualified for the performance of Public Construction by the Public Works Director. The Public Works Director will report this to the Board of Public Works when bringing a contract for approval.~~

~~6.5.4 **Technology Services** means services related to the planning, procurement, implementation, support, security, and maintenance of information technology systems. This includes, but is not limited to, software development, system integration, cloud computing, cybersecurity services, data hosting, and network management.~~

~~6.5.5 **Fleet Purchase** means the procurement of any motor vehicle or any outdoor motorized rolling stock and related attachments used to provide public service.~~

~~6.x **Determination of Total Cost.** Total cost of a project includes all materials and labor to complete the project, and the project may not be broken into component parts to reduce costs below the thresholds stated herein. For leases and installment contracts, the total lifetime cost of the contract shall be used.~~

6.6 Public Construction.

6.6.1 Greater than \$25,000 Cost Threshold ~~(or the limit as defined in Wis. Stats. §62.15 or any successor revision)~~. All purchases of goods and services in connection with Public Construction, the total estimated cost of which is greater than \$25,000 (or the current limit as defined stated in Wis. Stats. §62.15 or any successor revision provision), shall be done by solicitation of bids through a Request for Proposal process, and contracts shall be awarded to the Qualified Bidder

submitting the lowest, responsible bid, in compliance with Wis. Stat. §62.15 and §66.0901 and successor provisions. Contracts must ~~then~~ be authorized for execution by the Common Council and executed by the Mayor.

- 6.6.2 Less Than or Equal to ~~\$25,000~~ Cost Threshold.** All purchases of goods and services in connection with Public Construction, the total estimated cost of which is less than or equal to \$25,000, or the current limit stated in Wis. Stat. §62.15 or any successor provision, shall be done with the solicitation of at least three quotes through a Request for Quotes process. If the purchase is authorized in the City's adopted budget and the total cost of the purchase does not exceed the line-item amount, then no further authorization for execution is required by the Common Council, and the contract may be executed on behalf of the City by the Mayor or City Administrator. If the purchase is not authorized in the City's adopted budget or the total cost of the purchase exceeds the line-item amount, then the contract must be authorized by the Common Council and executed on behalf of the City by the Mayor. A Class 1 notice, complying with Wis. Stats. Ch. 985, shall be given before any contract is executed for Public Construction, as required by Wis. Stat. §62.15 or any successor provision ~~having an estimated total cost greater than \$5,000 but not greater than \$25,000 (or the limits as defined in Wis. Stats. §62.15 or any successor provision)~~.

6.7 Purchases Not Related to Public Construction.

- 6.7.1 Greater than \$75,000.** When any single or ~~related-related~~ group purchase of goods or services not related to Public Construction exceeds \$75,000 in total cost, purchasing shall be done by solicitation of bids through a Request for Proposal or Request for Quote process, as appropriate, except Professional Services, and contracts shall be awarded to the Qualified Bidders submitting the lowest, responsible bids. Non-Fleet Purchase contracts must then be authorized by the Common Council, and be executed on behalf of the City by the Mayor or City Administrator. If a Fleet Purchase is authorized in the City's adopted budget and the total cost of the purchase does not exceed the line-item amount, then no further authorization for execution is required by the Common Council, and the ~~Fleet Purchase~~ contract may be executed on behalf of the City by the Mayor or City Administrator. If the purchase is not authorized in the City's adopted budget or the total cost of the purchase exceeds the line-item amount, then the ~~Fleet Purchase~~ contracts must ~~then~~ be authorized by the Common Council, and ~~be~~ executed on behalf of the City by the Mayor or City Administrator.

- 6.7.2 Greater than \$10,000 and Less than or Equal to \$75,000.** When any single or ~~related-related~~ group purchase of goods or services not related to Public Construction is greater than \$10,000 and less than or equal to \$75,000 in total cost, purchasing shall be done with the solicitation of at least three quotes through a Request for Proposal or Request for Quote process, as appropriate, except Professional Services. If the purchase is authorized in the City's adopted budget and the total cost of the purchase does not exceed the line-item amount, then no further authorization for execution is required by the Common Council, and the contract may be executed on behalf of the City by the Mayor or City Administrator. If the purchase is not authorized in the City's adopted budget or the total cost of the

purchase exceeds the line-item amount, then the contract must be authorized by the Common Council and executed on behalf of the City by the Mayor or City Administrator.

6.7.3 Less Than or Equal to \$10,000. When any single or related group purchase of goods or services not related to Public Construction is less than or equal to \$10,000 in total cost, purchasing may be done at the discretion of the responsible ~~department director, or d~~ Designated purchasing Purchasing officialOfficial. If the purchase is authorized in the City's adopted budget and the total cost of the purchase does not exceed the line-item amount, then no further authorization for execution is required by the Common Council, and the contract may be executed on behalf of the City by the Mayor or City Administrator. If the purchase is not authorized in the City's adopted budget or the total cost of the purchase exceeds the line-item amount, then the contract must be authorized by the Common Council and executed on behalf of the City by the Mayor or City Administrator.

~~**6.7.4 Professional Services.** Examples of professional services include but are not limited to Banking, Financial, Consulting, Legal Counsel, Benefits, IT, Architecture and Engineering, and Real Estate services. Not all professional services require a solicitation process. However, any multi-year professional service agreements shall be competitively procured using processes noted in Section 6.8. The City Attorney's Office or Finance Department will assist with any further direction regarding professional service procurement.~~

6.8 Procurement Methods. The following methods are approved competitive processes to be used in the procurement process. Consultation with the City Attorney's Office should be done when necessary and with final contract documents.

6.8.1 Request for Proposal (RFP). A Request for Proposal is a formal solicitation conducted by the Designated Purchasing Official that is used for (i) goods and/or services that are able and are not able to be clearly defined the City may not be able to define fully and requires bidders to provide specifications or other defining parameters; (ii) outcome requirements that have multiple methods to accomplish; (iii) or for projects for which the skill or quality of the Contractor-vendor needs to be weighed with the cost; or (iv) other circumstances in which competing bidders may propose differing methods and specifications. RFP solicitations are typically weighted and scored by an evaluation team and awarded to the highest scoring proposer. RFPs are formal solicitations, and the entire process (below) including advertising, evaluation, and scoring can take up to ~~six (6)~~ weeks:

- a. The Department shall identify the need, and develop detailed specifications. The DPW Engineering Division, DPW Fleet Division, or Information Technology Department shall be contacted to assist with the specification development for project management, fleet, or technology services, respectively.
- b. The Department shall identify the response requirements, a scoring matrix for each requirement and a format for submitting costs.
- c. The Department shall work to schedule the RFP.
- d. The Department shall facilitate the RFP process, advertise, collect questions, work on answers/addenda, and collect the submittals.

- e. The Department will negotiate contract price and terms with the awarded proposer.
- f. The Department will work on creating a purchase order and/or with the City Attorney's Office to create the final contract document.

6.8.2 Request for Quote (RFQ). A Request for Quote is a competitive solicitation process for goods or services that the City is able to define and for which price is the main input sought from bidders, or in which the Designated Purchasing Authority utilizes procurement resources to reach a broad pool of potential suppliers. The RFQ process (below) is meant to be an agile tool for competitive solicitation of quotes and depending upon complexity, will generally take up to three (3) weeks to complete:

- a. The Department shall identify the need and develop detailed specifications. The DPW Engineering Division, DPW Fleet Division, or Information Technology Department shall be contacted to assist with the specification development for project management, fleet, or technology services, respectively.
- b. The Department shall determine a schedule.
- c. The Department shall conduct the RFQ process and open the quotes received.
- d. The Department will review quote responses and make recommendations for award.
- e. The Department will work on creating a purchase order and/or with the City Attorney's Office to create the final contract document.

6.8.3 Request for Information (RFI). A Request for Information is a type of request used when information and pricing is not readily available for goods, professional services, specialized services or specific construction projects that require a higher degree of skill than usual. The Request for Information may be used to create a short list of vendors for either direct negotiation or bid requests.

6.8.4 Sole Source Purchasing. When necessary goods or services are available only from a Sole Source, there are no alternatives, and competitive bidding is therefore not possible, then procurement may be completed by the responsible ~~department director, designee or official~~ Designated Purchasing Official ~~with the related vendor~~. The determination of whether a provider is a Sole Source ~~or not~~ shall be done by the Board of Public Works or Finance Committee.

6.8.5 State Contract Pricing ~~& Purchasing Consortia~~. When necessary goods or services, not associated with Public Construction, can be provided through State of Wisconsin contract pricing (i.e. piggy-back contracting) ~~or a purchasing consortium or group (previously approved by Council)~~, then procurement may be completed by the responsible ~~department director, designee or official~~ Designated Purchasing Official through those means if the purchase is authorized in the City's adopted budget and the total cost of the purchase does not exceed the line-item amount.

6.9 Exceptions to Policy Requirements. In emergencies when the provisions of this Policy cannot be followed due to exigent need, or in circumstances where satisfactory cause is

demonstrated by the Designated Purchasing Official, the Mayor or City Administrator may waive the provisions of this Policy, except those required by State law, provided the general rule of section 6.3 is followed to the greatest extent possible. A report of the circumstances and the purchases shall be provided promptly to the Comon Council.

76.10 Miscellaneous Provisions.

~~6.9~~**76.10.1** **Optional Bid Bond.** For all purchases pursuant to section 6.6.2, 6.7.1, and 6.7.2, if bids are solicited, then bid bonds may be required in form and amount as determined by the responsible ~~department head, board, commission or official~~Designated Purchasing Official. For all purchases pursuant to section 6.~~46~~46.1, the provisions of Wis. Stats. §62.15 and Wis. Stats. §66.0901 shall be followed.

~~6.9~~**76.10.2** **Discretion to Reject Bids.** Any and all bids may be rejected, with or without cause, by the City.

~~6.9~~**76.10.3** **Statutory Requirements.** All contracts for Public Construction shall be solicited and executed in accordance with Wis. Stats. §62.15 and Wis. Stats. §66.0901, which shall supersede this Policy in case of conflict.

~~6.9.4~~ **Emergencies.** When emergencies necessitate purchases without the opportunity to follow this Policy ~~F 6.0~~, such purchases may be made with the authorization of the Mayor or City Administrator. A report of the emergency circumstances and the purchases will be promptly provided to the Common Council.

Purchase Type	<u>Cost Threshold</u>	Purchasing Authority	Purchasing Process	Public Notice
Public Construction	Greater than \$25,000	Common Council	RFP	Yes; Class 2
	Less than or equal to \$25,000	Mayor or City Administrator	RFQ	Yes, if greater than \$5,000; Class 1
Goods and Services	Greater than \$75,000	<ul style="list-style-type: none"> Fleet: Mayor or City Administrator Other: Common Council 	RFP/ <u>RFQ</u>	No insertion required
	Greater than \$10,000 and less than or equal to \$75,000	Mayor or City Administrator	<u>RFP</u> /RFQ	No insertion required
	Less than or equal to \$10,000	<u>Designated</u> Purchasing Authority	No requirement	No insertion required
<u>Professional Services</u>	<u>Greater than \$75,000</u>	<u>Common Council</u>	<u>No requirement</u>	<u>No insertion required</u>
	<u>Greater than \$10,000 and less than or equal to \$75,000</u>	<u>Mayor or City Administrator</u>	<u>No requirement</u>	<u>No insertion required</u>
	<u>Less than or equal to \$10,000</u>	<u>Purchasing Authority</u>	<u>No requirement</u>	<u>No insertion required</u>