



PROCUREMENT POLICY

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City of Mauston Procurement Policy

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 Mauston 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.

Definitions (as used herein the following apply):

Budgeted Purchases: Annual or recurring operation costs applied to specific line item accounts during the budget review and approval process, or a new project that is introduced, reviewed, and approved during the budget process. New project costs can become annual operational costs should it be recurring rather than a one-time purchase.

Capital Improvements: Services rendered that improve, not just maintain or repair, facilities, streets, parks, water, or sewer infrastructure.

Commodities & Bulk Materials: The payment and acquisition of larger orders of supplies necessary for primary operations of a department (ie chemicals, fuel, gravel, and salt).

Conflict of Interest: An official or employee 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. 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 Mauston involving the receipts or disbursements of more than that permitted by statutes in any given year.

Emergency Purchase: The payment and acquisition of equipment, services, or supplies in the event of a natural disaster, calamity, terrorist act, etc. when time is of the essence.

Equipment Purchase: The payment and acquisition of equipment.

Equipment Replacement Program: The acquisition of second or subsequent generations of equipment. Equipment has been reviewed and scheduled for replacement in this program because it is critical to the operations of a department, the collective cost is over \$5,000, and the City has annualized the total cost of the piece of equipment and set aside money each year accordingly.

Extraordinary/Timely Purchase: The payment and acquisition of equipment, services, or supplies that were not vetted through the budget process, but timing or circumstance give merit to the purchase.

Financial Interest: An officer, agent, City Administrator, his or her partner, employee, or their immediate family, is considered as having a financial interest in a company if: they receive more than \$10,000 in consulting income, salaries, or equity in the company; they have more than 5 percent equity in the company; they have intellectual property rights in or receive royalties from the company; or they serve as a director, officer, partner, trustee, manager or employee of the company.

General Purchase: The payment and acquisition of miscellaneous, single item, typically disposable and of nominal value.

Immediate Family: Immediate family includes an employee's spouse, grandparent, parent, brother, sister, child or grandchild, his or her partner.

Local Vendor: Any business selling goods or services with a physical location within 15 miles of the City of Mauston limits. (3/28/17)

Maintenance Service Contracts: Agreements the City has with service providers to maintain buildings, grounds, or services (i.e. construction contracts, information technology, utilities, etc.)

Professional Service Contracts: Agreements the City has with service providers to provide consulting services (i.e. engineering, legal, planning financial advising, etc.)

Section I: Budgetary Controls

Each year the Finance and Purchasing Committee will establish budget development guidelines and calendar.

A. Budget Calendar: The basic outline of that calendar will provide deadlines for:

- Departments to analyze their line item budgets and any new project requests with their Supervising Committees.
- Departments then submit their proposed budgets and request to the City Administrator for review and compilation.
- The City Administrator to present proposed budgets and new requests to the Finance and Purchasing Committee, and
- Finance and Purchasing Committee to recommend to the Common Council the City Budget.

B. Supervising Committees: Each Department Head reports to a supervising Committee to review expenditures, bids, and contracts. The following is the list of departments/programs and the corresponding Supervising Committee:

- | | |
|---------------------------------------|----------------------------------|
| • Administrative Department | Finance and Purchasing Committee |
| • Public Works & Utilities Department | Public Works Committee |
| • Police & Fire Departments | Police and Fire Commission |
| • Library Department | Library Board |
| • Summer Recreation & Parks Program | Parks Board |

Each Supervising Committee reviews operational expenditures on a monthly basis. Department Heads are expected to keep their operational costs within their annual department operational baseline budget.

- C. Department Budget Classifications: Departmental budgets shall be broken into several cost centers including Salaries, Benefits, Contractual Services, Repairs & Maintenance, and Supplies. Within each of these cost centers department heads with guidance from the City Treasurer will be responsible for establishing specific line items to classify expenses.
- D. First Time Services & Program Purchases: Whenever a new program or service is added to a department operation, the new program or service shall be evaluated by the Supervising Committee. Typically, new services and programs will be vetted through the budget process, but may be introduced mid-year when budget savings can cover new costs.
- E. Fixed & Variable Costs: Each line item budget will be set based on a fixed cost or the historic average of variable costs. Independent of whether the cost is fixed or variable, Staff are authorized to spend according to set thresholds and as long as the line item is projected to remain in budget. Because of the nature of variable costs, Department Heads are expected to monitor those line items and distribute those costs as evenly as possible across months and years.
- F. Insufficient Funds: All purchases shall be attributed toward the appropriate classification or line item within the department's budget. When insufficient funds are budgeted and available within a specific line item for a purchase, Department Heads are authorized to spend over the line item budget as long as there are excess budgeted funds within the department's total operating budget, excluding salary and benefit budgets. Department Head's should provide notice and/or justification to the City Administrator or the Supervising Committee when they anticipate a specific purchase or projected costs within a line item will exceed budget. Salary or benefit savings shall not to be applied to operational purchases without Council approval.
- G. Unplanned & Contingency Spending: In the event of a declared emergency, because time is of the essence, the contingency line item will be used before fund balance. Department Heads and the City Administrator are authorized higher thresholds in order to address timeliness. Department Heads will notify the City Administrator, who will notify Council of all purchases that fall within their threshold. If a purchase exceeds thresholds, Department Heads would seek City Administrator approval. In the event the purchase exceeds the City Administrator's threshold, at minimum the City Administrator would seek Mayoral approval and notify the Council.

In the event of extraordinary or timely purchase and insufficient funds are found within the department's total operating budget to cover that purchase, the contingency line item may be used. Council will at minimum be notified of the use of the contingency line item. Purchases that exceed thresholds will require Council approval to use Contingency. The alternative is a line item budget amendment, which also requires Council approval.

Section II: Purchasing Thresholds

With exception of annual or recurring purchases for commodities and materials, the thresholds outlined below will be based on the aggregate purchases of a single vendor or service provider for the duration of the project.

- A. Staff: In general, employees are pre-authorized to make annual or recurring budgeted general purchases or commodity & bulk material purchases up to \$500. In the instance of an emergency response, employees are also pre-authorized to make general purchases up to \$500. A Department Head may authorize and delegate the purchase of a specific item to a subordinate, but limited to the Department Head's Threshold.
- B. Department Head: For budgeted annual or recurring general purchases, Department Heads are preauthorized to spend up to \$2,000. Department Heads are preauthorized to spend up to \$5,000 for budgeted annual or recurring maintenance or professional service contracts, and up to \$10,000 for budgeted annual or recurring capital improvements, commodities & bulk materials, and equipment purchases. For non-budgeted purchases, Department Heads are pre-authorized to spend \$15,000 in the event of a declared emergency. In the event of an emergency expense the Department Head will notify the City Administrator, and the Administrator will notify Mayor and the Council. The threshold for any extraordinary or timely purchase that is non-budgeted is \$2,000. The City Administrator may authorize and delegate the purchase of a specific item to a Department Head, but limited to the City Administrator's Threshold.
- C. City Administrator: For budgeted annual or recurring general purchases, the City Administrator is preauthorized to spend up to \$5,000. The City Administrator is preauthorized to spend up to \$10,000 for budgeted annual or recurring maintenance or professional service contracts, and up to \$25,000 for budgeted annual or recurring capital improvements, commodities & bulk materials, and equipment purchases. For non-budgeted purchases, the City Administrator is pre-authorized to spend \$25,000 in the event of a declared emergency. In the event of an emergency expense, the City Administrator will notify Mayor and the Council. The threshold for any extraordinary or timely purchase that is non-budgeted is \$5,000.

Any purchase that exceeds the thresholds outlined above is to be reviewed by the Supervising Committee. The Library Board and Police and Fire Commission are preauthorized to approve any purchase upon their review, as long as the department has sufficient appropriated funds. In the event there are insufficient funds, the Library Board and Police and Fire Commission would be required to receive appropriations and approval through the Council. All other Supervising Committees review and recommend purchases to the City Council for approval.

Section III: Purchasing Process

- A. Competitive sealed bids are required for capital improvement purchases that exceed \$25,000 and conducted in accordance with Wisconsin Statute Section 62.15 and Wisconsin Statutes Chapter 985, of the proposed construction before the contract is executed.
- B. Formal written quotes require submittals from at least three providers or vendors which include a price as well as a scope of services or specs of the product. All first-time or one-time project purchases or equipment replacement that require Committee/Council approval, require formal written quotes.

- C. Informal quotes require a price from at least two providers or vendors. Informal quotes are required for any first-time or one-time maintenance service contract that does not require Committee/Council approval or for annual or recurring maintenance contracts that do require Committee/Council approval. Annual or recurring General Purchases or Commodities and Materials that require Committee/Council approval also require informal quotes.
- D. Single or Sole Source Purchases are allowed when purchases are below the purchasing thresholds of the Department Head/Staff and are not a first-time or one-time maintenance or capital improvement project.

Professional and Maintenance Service Contractors require the establishment of long-term relationships, either because of specific equipment being pre-selected or information and data collected that is not easily transferrable. Once a contractor relationship has been established through a competitive bid or formal quote process, future contracts may continue to be sole-sourced to that contractor. Contractors that fall into this category shall be re-evaluated every three (3) years by the Supervising Committee and staff to ensure services are meeting standards.

When City operations require a product, equipment, or service with unique specifications that only has a single source, staff should properly document and may recommend to the Committee/Council a single source. Preferably staff should provide quotes from two alternative vendors with related products, equipment, and services and provide a scale or variance in the quality of service provision to affirm the value of the single source product.

- E. State or Cooperative Bid Purchases Whenever possible, using State of Wisconsin or Regional Cooperative competitive bids is recommended. When purchasing products, equipment, or services through the vendor and pricing is awarded by a State of Wisconsin or a regional cooperative competitive bid, no additional quotes are required.

Staff may inquire of local or preferred vendors if they are able to match state or regional cooperative bid pricing. In the event the vendor is able to match pricing, the contract may be awarded to the local or preferred vendors upon appropriate approvals.

Section IV: Cooperative Bidding

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 with the 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 Supervising Committee.

Section V: Competitive Sealed Bid Process

- A. Specifications developed for competitive 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 Mauston requirements. In general specifications will be drafted by professional engineers and reviewed by the Department Head.
- B. Bid Opening All sealed bids shall be opened and recorded in the presence of not less than the contracted engineer and one City employee.
- C. Bid Award will be to the lowest responsible, qualified bidder that meets specifications. The city reserves the right to reject any and all bids. No bids will be awarded to a vendor that has outstanding fines, fees, assessments or invoices past due to the City of Mauston.

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.

Bid approvals shall be in accordance with the purchasing thresholds.

Section VI: Evaluation Requirements: The following standards shall apply to all evaluations of bids or proposals conducted by City of Mauston.

- A. General: When evaluating bids or proposals received in response to a solicitation, City of Mauston shall consider all evaluation factors specified in the solicitation documents and shall evaluate the bids or offers proposals only on the evaluation factors included in those solicitation documents. City of Mauston may not modify its evaluation factors after bids or proposals have been received without re-opening the solicitation.
- B. Options: The following standards shall apply when awarding contracts that include options:
 - 1. Evaluation Required: In general, City of Mauston must evaluate bids or offers for any option quantities or periods contained in a solicitation if it intends to exercise those options after the contract is awarded.
 - 2. Evaluation Not Required: City of Mauston need not evaluate bids or offers for any option quantities when City of Mauston does not intend to exercise those options after the contract is awarded or if it determines that evaluation would not otherwise be in its best interests.

3. Evaluators: In addition to evaluators with experience in technical or public policy matters related to the procurement, other evaluators may also include auditors and financial experts to the extent that the City Administrator determines would be necessary or helpful. If City of Mauston lacks qualified personnel within its organization, it may solicit evaluators from other transit organizations or may contract for evaluation services. If it does so, the procurement procedures in this policy will apply to those contracts and to those contractors selected to perform evaluation functions on behalf of the recipient.

Section VII: Protest Procedures

- A. Statement of Policy: City of Mauston is responsible for resolving all contractual and administrative issues, including protests of evaluations and contract awards, arising out of its third party procurements using good administrative practices and sound business judgment.

In general, WISDOT will not substitute its judgment for that of City of Mauston unless the matter is primarily a Federal concern. Nevertheless, WISDOT and FTA can become involved in City of Mauston's administrative decisions when a City of Mauston protest decision is appealed to WISDOT.

City of Mauston shall give timely notification to WISDOT when it receives a third-party procurement protest and will keep FTA informed about the status of any such protest. City of Mauston shall disclose all information about any third party procurement protest to WISDOT upon request.

City of Mauston's procedure for addressing third party procurement protests is described in Paragraph B below. City of Mauston shall insert its protest procedure in all solicitation documents for products and services having an estimated value of \$100,000 or greater.

- B. City of Mauston Staff Responsibilities: The following staff responsibilities shall be assigned in all protests:

- City Administrator Responsibilities Include: ensuring that the City of Mauston Protest Procedure is included in all solicitation documents; and providing information to and assisting the Common Council and City Attorney with the resolution of protests.
- City Attorney Responsibilities Include: reviewing all procurement protests; and advising and assisting the City of Mauston as needed with the resolution of all procurement protests.

- C. Solicitation Provision: City of Mauston shall insert the following provision in all solicitation documents:

1. Pre-Proposal Protests: All protests concerning solicitation specifications, criteria and/or procedures shall be submitted in writing (defined as being sent or received via letter or facsimile on official firm/agency letterhead or by electronic mail) to the City Administrator as specified below not later than ten (10) business days prior to the deadline for submission of bids/proposals.

The City Administrator may, within his or her discretion, postpone the deadline for submission of bids/proposals, but in any case, shall provide a written response to all protests not later than five (5) business days prior to the deadline for submission of bids/proposals. If the deadline for submission of bids/proposals is postponed by the City Administrator as the result of a protest the postponement will be announced through an addendum to the solicitation.

The decision by the City Administrator shall be the final agency decision on the matter but shall be subject to judicial review as set forth by FTA below.

2. *Pre-Award Protests*: With respect to protests made after the deadline for submission of bids/proposals but before contract award by City of Mauston, protests shall be limited to those protests alleging a violation of Federal or State law, a challenge to the bids/proposals evaluation and award process, City of Mauston's failure to have or follow its protest procedures or its failure to review a complaint or protest. Such protests shall be submitted in writing (defined as being sent or received via letter or facsimile on official firm/agency letterhead or by electronic mail) to the City Administrator as specified below not later than five (5) business days after the Recommendation for Contract Award announcement by City of Mauston.

The City Administrator may, within his or her discretion, postpone the award of the contract, but in any case, shall provide a written response to all protests not later than three (3) business days prior to the date that City of Mauston shall announce the contract award.

The decision by the City Administrator shall be the final agency decision on the matter but shall be subject to judicial review as set forth or review by WISDOT as specified below.

- D. *Requirements for Protests*: All protests must be submitted to City of Mauston in writing (defined as being sent or received via letter or facsimile on official firm/agency letterhead or by electronic mail), with sufficient documentation, evidence and legal authority to demonstrate that the Protestor is entitled to the relief requested. The protest must be certified as being true and correct to the best knowledge and information of the Protestor, and be signed by the Protestor. The protest must also include a mailing address to which a response should be sent.

Protests received after the deadlines for receipt of protests specified above are subject to denial without any requirement for review or action by City of Mauston.

All protests must be directed in writing (defined as being sent or received via letter or facsimile on official firm/agency letterhead or by electronic mail) to the City Administrator at the address shown in the solicitation documents.

- E. *Protest Response*: The City Administrator shall issue written responses to all protests received by the required protest response dates. All protest responses shall be transmitted by first-class U.S. Postal Service to the address indicated in the protest letter.

For convenience, City of Mauston will also send a copy of the response to a protest to the Protester by facsimile and/or electronic mail if a facsimile number and/or electronic mail address are indicated in the protest letter. The protest response transmitted by U.S. Postal

Service shall be the official City of Mauston response to the protest and City Administrator will not be responsible for the failure of the Protester to receive the protest response by either facsimile or electronic mail.

- F. Review of Protests by WISDOT: All protests involving contracts financed with Federal assistance shall be disclosed to WISDOT. Protesters shall exhaust all administrative remedies with City of Mauston prior to pursuing protests with WISDOT. WISDOT limits its reviews of protests to: a grantee's failure to have or follow its protest procedures; a grantee's failure to review a complaint or protest when presented an opportunity to do so; or violations of Federal law or regulation. Appeals to WISDOT must be received within five (5) working days of the date the Protester has received actual or constructive notice of City of Mauston final decision or within five (5) working days of the date the Protester has identified other grounds for appeal to WISDOT.

Section VIII: Contract Change Orders

Contract Change Orders (CCO). CCO's shall require Council approval upon recommendation of the appropriate Supervising Committee except as follows:

- A. Thresholds: For construction contracts, City Public Works Director 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 Public Works Committee. CCO's that modify the project scope or increase completion deadline, regardless of dollar amount shall require Council approval upon recommendation of the Public Works Committee.

CCO's that result in a decrease in the contract award (without modifying the project scope) may also be approved by the Public Works Director with a subsequent report to the Public Works Committee and Council.

- B. Emergency CCO Public Works Director 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 Public Works Committee and Council.

Section IX: Local Purchasing Sources

The City shall make efforts to solicit purchases from qualified local vendors. Prior to soliciting proposals Department Head shall identify potential local providers and ensure they receive notification of the solicitation. Recognizing the City of Mauston is custodian of taxpayer's funds and to fulfill its fiduciary responsibilities, all purchases will attempt to maximize the best value of expenditures. (3/28/17)

No purchases shall be made from local vendors solely for the reason they are located in the City of Mauston. The cost, quality and the ability to satisfy the city's purchasing requirements are the primary determinates of purchasing decisions. However, because a local vendor provides convenience and access, provided the quality of the product or service satisfies the city's requirements and state or federal law do not prohibit, a local bid that is within 5% of the lowest bid may be awarded by the city with council approval.

Section X: 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.

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

- Administrative Office \$ 250.00
- Police Department \$ 50.00
- Library Department \$ 100.00

B. Uses/Purposes: Items purchased with Petty Cash shall be those not ordinarily stocked or purchased by the City. No individual purchase shall exceed \$50.00. The following shall be prohibited from Petty Cash payment:

- Items regularly purchased by the City of Mauston
- Payment for personal services
- Loan to employees
- Cashing of personal or payroll checks

C. Procedures: Reimbursement from Petty Cash shall be subject to the filling out of a Petty Cash Voucher containing the following information:

- Amount of reimbursement requested
- Purpose for which cash was utilized
- Account to be charged
- Department Head approval
- Date of Transaction

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

Section XI: Credit and/or Charge Card

Credit cards are meant to be used as a way to enhance the City's ability to make purchases in the most efficient manner possible. Purchases made with credit cards are subject to all of the guidelines and thresholds listed earlier in this Procurement Policy.

It is suggested to routinely ask if the company would bill the City, as this would be the preferred method of payment.

A. Uses/Purposes: Although direct billing to the City is preferred, a Credit Card may be used in the following instances:

- Item cannot be billed or invoiced to the City
- Item is too large for payment from Petty Cash

- Purchase can only be made by a charge card by policy of the vendor (i.e. booking travel or registrations)
- B. **Prohibited Uses:** City-issued Credit Cards may NOT be used for:
- Personal purchases of any kind
 - Cash advances
 - Purchases that exceed the thresholds listed in Section II of this policy
- C. **Tax Exemption:** Purchases made on Credit Cards are still eligible for Tax Exemption. The City, as a government entity, is exempt from paying tax on most purchases. Tax Exempt Certificates are issued by contacting the Deputy Treasurer. The Purchaser is responsible for providing the vendor proof of the City's tax-exempt status at the time the charge is incurred.
- D. **Cardholder approval:** It will be left up to the department head to determine the authorized users for their department. Changes need to be reported to the Deputy Treasurer within 24 hours. Additions and or deletions will be done by the City Administrator or Deputy Treasurer.
- E. **Opening New Charge Accounts:** No new accounts will be opened by anyone without prior approval from the City Administrator. (i.e. credit cards, department store cards, local charge accounts.)
- F. **Missing Receipts:** If a receipt was not turned in, the charge may be reimbursed to the City of Mauston out of the issuing charge card holder's pay check if attempts to prove the expense belongs to the City of Mauston fail. This will be left up to the department head's discretion.
- G. **Procedures:** Documentation (i.e. receipts, online order confirmations, etc.) must be provided to the Deputy Treasurer for all purchases made with Credit Cards. Information must include:
- Vendor's Name (and address where possible)
 - Total amount of purchase
 - Description of items purchased
 - If used for meals/lodging/travel, list employees attending
 - GL Account to be charged
 - Department Head approval (initials)

Section XII: Code of Ethics and Conflict of Interest Policy

- A. **Purpose:** Federal grant management rules (2 CFR § 200.318©(1)) require each recipient to maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. This policy must address:

- Personal conflicts of interest
- Gifts; and
- Violations.

- B. *Applicability:* No employee, elected official, agent, or other individual under an employment contract with City of Mauston, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing may participate in the selection, award, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when any of those previously listed individuals has a financial or other interest in the firm selected for award.

- C. *Gifts:* Any contractor, subcontractor, or supplier who has a contract with the City of Mauston; has performed under such a contract within the past year; or anticipates bidding on such a contract in the future shall be prohibited from making gifts or to providing favors to any individual defined in Section b. Definition of Key Terms, who is charged with the duty of:

- Preparing plans, specifications, or estimates for public contract; or
- Awarding or administering public contracts; or
- Inspecting or supervising construction.

City of Mauston also prohibits all covered individuals defined in Section b, Definition of Key terms, who perform the functions listed above from receiving or accepting any such gift or favor.

- D. *Employee Conflicts of Interest:* It shall be a breach of ethical standards for any City of Mauston employee to participate directly or indirectly in a procurement when the employee knows:

- The employee or any member of the employee's immediate family, Council Member, officer, agent, his or her partner, has a financial interest pertaining to the procurement;
- A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- Any other person, business or organization with whom the employee or any member of employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

Discovery of Actual or Potential Conflict of Interest (Disqualification and Waiver):

Upon discovery of an actual or potential conflict of interest, an employee participating directly or indirectly in a procurement shall:

- Promptly file a written statement of disqualification with the City of Mauston; and
- Withdraw from further participation in the procurement.

The employee may, at the same time, request from the City Administrator, an advisory opinion as to what further participation, if any, the employee may have in the procurement. It shall be at the sole discretion of the City Administrator to determine if the employee may have any further participation in the procurement and, if so, the extent to which the employee may participate. Any employee who fails to comply with the provisions of this paragraph may be subject to disciplinary action.

Employee Disclosure Requirements: A City of Mauston employee, who has reason to believe that he/she or his/her immediate family have an interest that may be affected by his/her official acts or actions as a City of Mauston employee or by the official acts or actions of City of Mauston, shall disclose the precise nature and value of such interest in a written disclosure statement to the City Administrator. The employee's disclosure statement will be reviewed by the City Administrator and the City Administrator will respond to the employee in writing with an opinion as to the propriety of said interest.

In the event that the City Administrator has reason to believe that he/she or his/her immediate family has an interest that may be affected by his/her official acts or actions as a City of Mauston employee or by the official acts or actions of City of Mauston, he/she shall disclose the precise nature and value of such interest in a written disclosure statement to the City Administrator.

Confidential Information: A City of Mauston employee may not directly or indirectly make use of, or permit others to make use of, for the purpose of furthering a private interest, confidential information acquired by virtue of their position or employment with City of Mauston.

Solicitation Provision: City of Mauston shall insert the following provisions in all formal competitive solicitation documents for products and services:

These policies shall apply to City of Mauston employees involved in procurement. It is a breach of ethical standards for any City of Mauston employee to participate directly or indirectly in a procurement when the employee knows:

- The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;
- A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- Any other person, business or organization with whom the employee or any member of employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

In addition, any persons acting as members of an evaluation committee for any procurement shall, for the purposes of the procurement, be bound by conditions of this Section. Throughout the bid/proposal evaluation process and subsequent contract negotiations, offerors shall not discuss or seek specific information about this procurement, including but not limited to, the contents of submissions, the evaluation process or the contract negotiations, with members of any evaluation committee, the Common Council, or other City of Mauston employees other than the designated procurement officer."

- E. **Organizational Conflicts of Interest:** The procurement officer and technical personnel are encouraged to work closely with the City Attorney to review all situations that appear to have the potential for an organizational conflict of interest.

Organizational conflicts of interest may result in bias and potentially provide an unfair competitive advantage to a potential offeror. An organizational conflict of interest occurs due to

the type of work to be performed under a third-party contract, or because of other activities or relationships such as:

- A contractor is unable, or potentially unable, to render impartial assistance or advice to the City of Mauston;
- A contractor's objectivity in performing contract work is or might otherwise be impaired; or
- A contractor has an unfair competitive advantage.

Bias arises when a contractor is placed in a situation where there may be an incentive to distort advice or decisions. Whenever a contract is awarded that involves the rendering of advice, the question must always be asked as to whether the potential for a conflict of interest exists for the contractor rendering the advice. City of Mauston will utilize a "Conflict of Interest Disclosure Statement," in its solicitation when contracting for services of this nature.