CITY OF RICHLAND CENTER

Purchasing and Procurement Policy

DRAFT — for internal review

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How to Use This Policy

This Policy is organized as a reference document. The sections below are designed to help you find an answer quickly:

- The Quick-Reference Authority Matrix shows, at a glance, who approves a purchase and what's required, based on dollar amount and purchase type.
- The Quick-Start Purchasing Flow walks through the basic steps of a typical purchase, with links to the full detailed section for each step.
- The Glossary defines the acronyms and terms used throughout (RFB, RFQ, RFP, and others).
- Every section in the body of this Policy is numbered (e.g., § 5.1), and cross-references are clickable links — in Word, hold Ctrl and click a blue link to jump straight to that section.

The detailed rules always govern. The quick-reference tools below are summaries only — if anything here conflicts with the full text of a section, the full section controls.

Quick-Reference Authority Matrix

Purchase Type	Amount	Required Approval	Competition Required
Budgeted Purchase	≤ $5,000	Department Head	Not required; compare prices
Budgeted Purchase	$5,001 – $10,000	Department Head + City Administrator	Bids/quotes obtained; copies sent to City Administrator
Budgeted Purchase	> $10,000	Applicable committee	Formal solicitation (RFB or RFP)
Professional Services	> $15,000	City Administrator / applicable committee	RFP required unless exempt
Non-Budgeted Purchase	Any amount	Common Council, on recommendation of applicable committee & Budget Committee	As applicable to purchase type and amount
Emergency Purchase	Any amount	Mayor, w/ notice to City Administrator & report to Council	Waived when emergency criteria are met
General Public Construction Per Wis. Stat. § 62.15	≥ $50,000	Council (lowest bidder)	Per Wis. Stat. § 62.15, bidding and notice thresholds apply
Street, Road, or Bridge Construction	≥ $25,000	Council (lowest bidder)	Per Wis. Stat. § 62.15, bidding and notice thresholds apply
Surplus Property Sale	≤ $5,000	City Administrator	N/A
Surplus Property Sale	> $5,000	General Government	N/A

This table is a summary only. See the linked sections in the Quick-Start Purchasing Flow, below, or the full Policy text for complete requirements.

Quick-Start Purchasing Flow

For a typical purchase, follow these steps. Click a linked section for the full requirements.

1. Confirm the purchase is budgeted. If not, see § 5.2 (Non-Budgeted Expenditures).
2. Determine if competitive bidding is required. See § 7.2 (When Competitive Bidding Is Required) and § 7.3 (Obtaining Bids).
3. Get the right approval for the dollar amount. See § 5.1 (Routine Budgeted Purchases) and the Quick-Reference Authority Matrix, above.
4. Determine if a contract is required. If so, see § 10.1 (Contracts Defined), § 10.2 (Signatories), and § 10.3 (Contract Review).
5. If using a purchasing card, see § 11 (Purchasing Cards). If the purchase is an emergency, see § 12 (Emergency Purchases) instead of this everyday flow.

The full step-by-step version of this flow, including contract routing and invoice submission, appears in § 16 (Purchasing Workflow for City Departments) at the end of this Policy.

Glossary of Acronyms and Terms

Term	Meaning
RFB	Request for Bid — formal solicitation for commodities with clear specifications, awarded primarily on price.
RFQ	Request for Quotation — an informal solicited price quote for commodities with clear specifications, used for comparison rather than a formal bid.
RFI	Request for Information — used to identify qualified vendors or gather market information before choosing a formal solicitation method.
RFP	Request for Proposal — used when deliverables are not well-defined or when criteria beyond price (experience, approach, qualifications) matter.
MOU	Memorandum of Understanding — treated as a contract under this Policy.
FTA	Federal Transit Administration, U.S. Department of Transportation.
2 CFR Part 200	The federal Uniform Guidance governing cost principles and administrative requirements for federal awards.
F&A Cost	Facilities and Administrative cost — an indirect cost of a federal award.
Class 1 Notice	A public notice published once, under Wis. Stat. ch. 985, before certain contracts are executed.
Lowest Responsible Bidder	The lowest bidder who also meets the responsibility factors in § 7.9 (ability, experience, compliance history, financial capacity, etc.) — not simply the lowest price.
Sole-Source Purchase	A purchase where only one supplier is available, or the pool of qualified suppliers is restricted by technical, certification, or warranty requirements.
Good Faith Effort	The minimum standard of price comparison and documentation required for purchases not otherwise subject to formal competitive bidding. See § 3.3.

1 Purpose

The purpose of this Policy is to set uniform guidelines for purchases and procurement processes, and to allow the City to acquire, on a competitive basis, all goods and services at the best value possible, in a manner that maximizes the effectiveness, efficiency, and transparency of City operations.

This Policy applies to all expenditures by a public agent of the City, irrespective of the source of funds. It is administered by the Clerk, Treasurer, or Financial Officer and the City Administrator, under the oversight of the General Government Committee. This Policy applies to all agencies, departments, and offices of the City, and, unless otherwise provided by statute, to any committee, board, or commission that manages or operates City property, installations, or activities.

Any mandatory applicable state or federal law or regulation supersedes this Policy. Procurement of goods or services using federal grant funds shall comply with 2 CFR Part 200 and any applicable grant requirements, including the Cost Allowability procedures described in § 2 (Cost Allowability for Charges Against Federal Awards).

2 Cost Allowability for Charges Against Federal Awards *(Required under 2 CFR 200.302(b)(7).)*

All costs incurred by the City under a grant award from the U.S. Department of Transportation, Federal Transit Administration (FTA), are subject to the cost allowability standards set out in the applicable OMB Uniform Guidance (2 CFR Part 200) — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

This same procedure applies to any other federal award received by the City, regardless of the awarding agency or pass-through entity, to the extent required by 2 CFR Part 200 or the terms of the applicable award.

Prior to entry into the general ledger, the Financial Officer shall review each expense charged to a federal award and determine that it meets the following:

2.1 Allowability

The expense meets the general requirements of 2 CFR § 200.403(a)–(g). The City maintains a system of internal controls over federal expenditures to provide reasonable assurance that federal awards are used only for allowable activities, and that costs charged to federal awards:

- Are necessary and reasonable for the performance of the award and allocable to it;
- Conform to any limitations or exclusions in the cost principles or the award itself;
- Are treated consistently with the City's policies for both federally funded and other activities;
- Receive consistent treatment;
- Are determined in accordance with generally accepted accounting principles;
- Are not also used to meet cost-sharing or matching requirements of any other federally funded program, in the current or a prior period; and
- Are adequately documented.

2.2 Selected Items of Cost

The expense is consistent with the applicable cost-allowability factors in 2 CFR §§ 200.420–200.475.

2.3 Grant Budget

The expense is consistent with the allowable costs set out in the grant agreement.

This review applies regardless of whether the City classifies the expense as a direct or indirect (F&A) cost.

If the expense is allowable, the Financial Officer shall code it to the account established for the applicable federal award and record it in the general ledger. If the Financial Officer cannot determine allowability, the City Administrator shall be consulted before the cost is entered in the general ledger. If the question cannot be resolved at the City level, the City shall seek clarification from the federal awarding agency or pass-through agency.

If an expense is determined ineligible for reimbursement under the federal award, the Financial Officer shall record it in Account [account number to be established], "Ineligible Costs."

3 General Information and Objectives

The City of Richland Center strives to maintain efficient business practices and good cost control. A well-managed purchasing policy assists in accomplishing this goal.

The primary objectives of this Policy are:

1. To ensure that materials, equipment, and services are purchased at the lowest prices consistent with quality and performance;
2. To provide adequate controls over expenditures and financial commitments, with proper documentation;
3. To obtain quality goods required by departments and ensure they are available at the place and time needed;
4. To provide a standardized system of purchasing for use by all departments; and
5. To promote competition and ensure fair opportunity and equitable treatment for all vendors in the procurement process.

3.1 Department Head Responsibility

Department Heads are responsible for properly managing their department's purchases and budget, regardless of the payment method used. Failure to do so is subject to the City's disciplinary procedures, up to and including removal from the position.

Department Heads shall make purchases within state and federal regulations, consistent with the provisions of this Policy, and shall make all reasonable efforts to secure maximum value for the City in every expenditure.

Employees and officials shall comply with Wis. Stat. § 946.13 and all applicable City ethics provisions regarding conflicts of interest and financial interests in City contracts.

3.2 Mayor's Power to Make Expenditures

Where it is not feasible to obtain Common Council approval for a budgeted expenditure due to time constraints — but the situation does not rise to the level of an emergency as defined in § 12 (Emergency Purchases) — the Mayor may authorize the expenditure of City funds in an aggregate amount of not more than $10,000, provided the expenditure is made from budgeted funds. The Mayor shall inform the Common Council of any such authorized expenditure at its next meeting.

This authority is distinct from the Mayor's authority to approve Emergency Purchases (§ 12 (Emergency Purchases)), which applies only when the specific emergency criteria in that section are met and is not subject to a dollar limit.

3.3 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 City operations.

For purchases not otherwise subject to the formal competitive bidding requirements described in § 7 (Competitive Bidding) (generally, purchases of $5,000 or less), a good faith effort includes, at a minimum:

- Comparing prices among at least two vendors when practical;
- Considering total cost of ownership (e.g., maintenance, delivery, warranty), not just purchase price;
- Retaining documentation of the comparison or the basis for selecting a vendor; and
- Avoiding the practice of splitting a single purchase into smaller transactions in order to fall under a bidding or approval threshold. See § 7.5 (Prohibited Conduct).

4 Purchasing

4.1 Central Purchasing

Many items purchased by the City are commonly used by several departments or other units of government. By consolidating departmental needs, the City can take advantage of price discounts on large-quantity orders. Annual orders are encouraged. Department Heads and other purchasers are strongly encouraged to coordinate purchases of common items across departments.

4.2 Cooperative Purchasing

Cooperative purchasing between the City and the State of Wisconsin, or between the City and other local governments, can result in significant savings. The Financial Officer/Treasurer has the authority to analyze the desirability of cooperative purchasing arrangements and make recommendations to the City Administrator. The Common Council encourages cooperative purchasing but retains the right to reject any or all such agreements.

It is the policy of the City to enter into cooperative purchasing agreements when:

1. Substantial savings will result;
2. Quality, availability, or service will not be sacrificed;
3. The City will be separately billed for its purchases; and
4. Ordered items will be delivered directly to the City, unless otherwise agreed.

Purchases made through State of Wisconsin contracts, Sourcewell, OMNIA Partners, HGACBuy, or other competitively procured cooperative purchasing programs are deemed to satisfy the competitive quotation requirements of this Policy.

5 Purchasing Parameters

5.1 Routine Budgeted Purchases

Routine budgeted purchases are grouped into the following categories:

1. Purchases of $5,000 or less are authorized by the Department Head without further approval, provided the item is included in the current budget. Competitive bidding is not required at this level;

Department Heads should compare prices where practical, consistent with the Requirement of Good Faith Effort (§ 3.3).

2. Purchases of more than $5,000 but not more than $10,000 shall be approved by the City Administrator prior to ordering, after the Department Head complies with the competitive bidding requirements of this Policy, forwards copies of bids or quotes received to the City Administrator, and confirms the item is included in the current budget.
3. Purchases of more than $10,000 shall be approved by the committee responsible for the department, prior to ordering.

Construction and Public Works Contracts follow separate thresholds under Wis. Stat. § 62.15. See § 9 (Public Construction).

5.2 Non-Budgeted Expenditures

All expenditures not specifically included in the current year's budget require approval of the Common Council, upon recommendation of the committee responsible for the department and the Budget Committee.

6 Purchase-Related Charges and Allowances

6.1 Shipping and Freight

It is the policy of the City to avoid paying shipping charges whenever possible. If the City is to pay shipping charges, they must be billed at the time of invoicing. Purchasers should inquire about applicable freight charges when obtaining price quotes. Any charges to be paid by the City are considered part of the price quotation when selecting the successful bidder and shall be noted on the purchase requisition. Unless otherwise stated in the RFB, RFQ, or RFP, all formal bids and proposals shall include freight and delivery charges, if any.

6.2 Sales Tax Exemption

The City is exempt from city, county, and state sales tax. Purchasers are responsible for informing vendors of the City's tax-exempt status. Tax-exempt forms are available from the Clerk's Office. Invoices received by the City that include sales tax will be corrected to remove the tax prior to payment.

6.3 Vendor Discounts

It is the policy of the City to take advantage of all available vendor discounts. The following should be kept in mind:

1. Cash discounts are often offered for prompt payment, typically within ten (10) days of the invoice date. Department Heads assist the City by forwarding approved invoices promptly to the Financial Officer/Treasurer's Office for payment.
2. Trade discounts are sometimes offered to municipalities to attract business, but in most cases will not be offered unless the purchaser asks. Purchasers should always ask whether a trade discount is available when obtaining price quotations.
3. The accounts payable vendor file is maintained with individual vendor payment terms so that the software system can schedule invoices for the proper payment date and ensure available discounts are taken.
4. Payments are created, grouped, and sorted within the system based on fund and due date.

7 Competitive Bidding

7.1 Policy

It is the policy of the City of Richland Center to procure needed materials, equipment, and services at the lowest cost consistent with quality and performance. Purchases will be made only after price quotations have been obtained, or attempted to be obtained, from different suppliers through formal or informal means, as required under this Policy.

7.2 When Competitive Bidding Is Required

Competitive bidding under this Policy applies to purchases of materials, equipment, and services that are not subject to the construction and public works bidding requirements described in § 9 (Public Construction).

- **Purchases of $5,000 or less:** Competitive bidding is not required. The Department Head is expected to compare prices where practical, consistent with the § 3.3 (Requirement of Good Faith Effort).
- **Purchases of more than $5,000:** The Department Head shall obtain bids or proposals in accordance with this Policy, as described in § 7.3 (Obtaining Bids).

7.3 Obtaining Bids

Unless otherwise required by State Statute, Department Heads have discretion in determining the appropriate method for obtaining bids or proposals. This includes two decisions:

7.3.1 The Type of Solicitation

- **Request for Bid (RFB):** Use when deliverables are commodities with clear specifications and price will be the primary determining factor.
- **Request for Quotation (RFQ):** Use when deliverables are commodities with clear specifications and price will be the primary determining factor. Unlike an RFB, this is an informal solicited price quote used for comparison purposes rather than a formal bid.
- **Request for Information (RFI):** Use to develop a list of qualified sellers or gather information on resource availability, typically before deciding on a formal solicitation method.
- **Request for Proposal (RFP):** Use when deliverables are not well-defined, or when factors beyond price — such as experience, approach, or qualifications — will be part of the selection.

A template is available from the City Administrator for RFBs and RFQs. Department Heads may release an RFB or RFQ using these templates without prior City Administrator approval, provided the solicitation is consistent with this Policy.

Because RFIs and RFPs vary significantly based on the scope and nature of each purchase, these are developed on a case-by-case basis, and each must be reviewed and approved by the City Administrator prior to publication or distribution to vendors.

Department Heads are encouraged to seek assistance from the City Administrator or Financial Officer/Treasurer when developing any of these solicitations, particularly for purchases that are complex, high-value, or unfamiliar to the department.

7.3.2 The Method Used to Solicit Vendors

Department Heads may solicit vendors by U.S. mail, e-mail, publication in the official newspaper, telephone contact, or verbal request.

Regardless of the method chosen, Department Heads shall attempt to obtain bids or proposals from at least three (3) vendors to ensure comparison pricing is demonstrated.

7.4 Exceptions

The only exceptions to this Policy are:

1. Sole-source or vendor-restricted purchases — purchases where only one supplier is available, or where the pool of qualified suppliers is limited by technical requirements, certifications, or warranty conditions. This includes diagnostic vehicle repairs and warranty work that must be performed by a service provider equipped, trained, or certified to work on the specific make and model of the equipment being repaired.
2. Emergency purchases and repairs covered by insurance proceeds.
3. Items purchased under a State of Wisconsin contract.
4. Purchases made with grant funds that require specified purchase procedures.
5. Professional services where the City Administrator determines that competitive bidding is not practical or beneficial to the City, based on factors such as the vendor's specialized expertise, past satisfactory performance for the City, the complexity or urgency of the engagement, or the limited pool of qualified providers for the service required.
6. Other circumstances, not otherwise addressed by this Policy, where the Department Head documents in writing the specific reason competitive bidding is impractical or not in the City's best interest, and the City Administrator approves the justification in writing prior to the purchase.

7.5 Prohibited Conduct

Purchases shall not be artificially divided or staggered for the purpose of avoiding quotation, bidding, or approval requirements.

7.6 Tie Bids

If two or more bids are in the same amount or unit price, with quality, service, and other relevant factors being equal, the contract shall be awarded to a bidder whose principal place of business is located within the City limits, if any such bidder exists among the tied bids.

If two or more of the tied bidders have a principal place of business within the City limits, or if none of the tied bidders is located within the City limits, the Department Head shall use “determination by lot” (coin toss or blind draw), conducted in the presence of a witness, to award the contract to one of the tied bidders.

7.7 Rejection of Bids

Department Heads have the authority to reject bids or parts of bids, or all bids, where doing so serves the public interest. In all cases, the Department Head has the authority to re-advertise and re-bid a proposed purchase, or to reject all bids and negotiate a purchase directly with any supplier, if this procedure is deemed most advantageous to the City.

7.8 Bidders in Default to the City

A Department Head shall not accept the bid of any supplier who is in default or delinquent in the payment of taxes, licenses, forfeitures, or any other moneys whatsoever due to the City.

7.9 Selecting a Bid — Determining Bidder Responsibility

The contract shall be awarded to the lowest responsible bidder. In determining whether a bidder is responsible, the Department Head shall consider the totality of the circumstances, which may include the following factors. No single factor is determinative on its own.

1. The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
2. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
4. The quality of performance of previous contracts or services by the bidder.
5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
6. The sufficiency of the bidder's financial resources and ability to perform the contract or provide the service.
7. The quality, availability, and adaptability of the supplies or contractual services to the particular use required.
8. The ability of the bidder to provide future maintenance and service related to the subject of the contract.
9. The number and scope of conditions attached to the bid.

If the contract is awarded to a bidder other than the lowest bidder, the Department Head shall document in writing the specific factors, from those listed above or otherwise relevant, that formed the basis for the decision. This documentation shall be retained with the procurement file and provided to the City Administrator prior to execution of the contract.

8 Professional Services

Professional services include legal, financial, engineering, consulting, or other services that are complex or technical in nature.

A Request for Proposal (RFP) is required for any professional services expected to cost more than $15,000. The purpose of the RFP is to gather sufficient information from potential service providers to make an informed selection. At a minimum, the evaluation shall consider price, ability to perform, experience, technical expertise, availability, and the provider's past service to the City.

Exception: An RFP is not required for ongoing or continuous services already in place, such as legal services provided by the City Attorney or engineering services for an ongoing project. However, the applicable committee or the Common Council may require an RFP for any such service if it chooses to do so.

9 Public Construction

Public construction and public works contracts must be bid and advertised in accordance with Wis. Stat. § 62.15, as follows:

9.1 General Public Construction

Buildings, facilities, parks, utilities, and other public works not involving streets, roads, or bridges:

- Projects estimated to cost $10,000 or less may be let as the Council directs, without formal bidding.

- Projects estimated to cost more than $10,000 but not more than $50,000 require a Class 1 notice under Wis. Stat. ch. 985 before the contract is executed.
- Projects estimated to cost more than $50,000 must be let by contract to the lowest responsible bidder, following the **sealed bid** and advertisement procedures of Wis. Stat. § 66.0901.

9.2 Street, Road, and Bridge Construction

Construction, improvement, repair, or maintenance of any City street, road, or bridge, regardless of whether it is a state, federal, or locally funded project:

- Projects estimated to cost $5,000 or less may be let as the Council directs.
- Projects estimated to cost more than $5,000 but not more than $25,000 require a Class 1 notice.
- Projects estimated to cost more than $25,000 must be let by contract to the lowest responsible bidder.

A project may not be divided into smaller components in order to avoid these thresholds.

Emergency repairs necessary to protect public health or welfare are exempt from these requirements, consistent with Wis. Stat. § 62.15(1b).

10 Contracted Services and Other Contracted Purchases

10.1 Contracts Defined

For purposes of this Policy, "contracts" are defined as any document:

1. Requiring signature of statutory officers of the City;
2. Expressly waiving liability of the vendor;
3. Expressing a scope of service to be performed by the vendor;
4. Placing conditions, other than payment, upon the City; or
5. A lease agreement or memorandum of understanding (MOU).

10.2 Signatories

The Mayor, City Administrator, City Clerk, and City Treasurer are the City's signature authorities. The City Administrator may be authorized by the Common Council to execute contracts within the limits of this Policy. Contracts requiring Council approval shall be executed by the Mayor and City Clerk after Council authorization. Department Heads do not have legal standing to contract on behalf of the City unless expressly authorized to do so by the Council.

The City Administrator has the authority to sign contracts to purchase vehicles or equipment without an additional signatory, provided the purchase is included in the annual budget and meets the requirements of this Policy.

10.3 Contract Review

Department Heads are responsible for conducting a comprehensive review of any contract, as defined in § 10.1 (Contracts Defined), before it is submitted for execution. This includes understanding the scope of work, obligations, liability terms, and any conditions placed on the City, and confirming the contract is consistent with this Policy and the approved budget.

All contracts must be submitted to the City Administrator for review with sufficient time before the anticipated execution date — no later than two business weeks prior. Contracts submitted after this window may not be reviewed or executed in time to meet the Department Head's anticipated timeline, and any resulting delay is the responsibility of the Department Head.

The City Administrator shall review each submitted contract as to form and shall determine whether review by the City Attorney is also required.

All questions about whether a document constitutes a contract under this Policy should be directed to the City Administrator prior to execution.

11 Purchasing Cards

11.1 Purpose

Purchasing cards help the City make routine purchases quickly and efficiently. They are a supplement to existing purchasing procedures, not a replacement for them — all purchases made with a City purchasing card must still meet the competitive pricing requirements of this Policy.

11.2 When to Use a Purchasing Card

Use a purchasing card when:

- The vendor cannot bill or invoice the City directly; or
- The vendor requires payment by card as a matter of vendor policy; or
- Using the card provides a better discount or rebate than the City would receive through a standard charge account.

11.3 Card Access

Department Heads decide which employees under their supervision may hold a purchasing card. Employees may not make purchases on a City card without their Department Head's prior knowledge and approval.

Before receiving a card, an employee must sign an agreement confirming that they:

1. Understand the purpose and appropriate use of a City purchasing card;
2. Have read and understand this Policy;
3. Understand that improper use of the card may result in disciplinary action, up to and including termination; and
4. Will return the card to the Department Head when requested, including for reasons such as:
    a. A change in job duties,
    b. Retirement or resignation,
    c. Termination of employment,
    d. Improper use of the card, or
    e. Any other reason determined appropriate by the Department Head or City Administrator.

11.4 Sales Tax Exemption

Purchases made on a City purchasing card remain exempt from city, county, and state sales tax. Cardholders are provided the City's tax-exemption number. Tax-exempt forms are available from the

Clerk's Office. The cardholder is responsible for providing the vendor proof of tax-exempt status at the time of purchase.

11.5 Automatic Payroll Deduction

If a meal (plus tip) purchase exceeds the amount allowed under the Mileage and Expense Reimbursement Policy in the Employee Handbook, the employee must immediately (within five (5) days) reimburse the City for the difference between the allowable amount and the amount charged.

If an unauthorized purchase occurs, or if the Department Head determines that a good faith attempt to obtain the City's tax exemption was not made, the employee must immediately (within five (5) days) reimburse the City for the full amount of the unauthorized charge or the tax improperly paid, as applicable.

If the employee does not submit the required reimbursement to the Financial Officer/Treasurer's Office within this period, the employee's inaction constitutes authorization for an automatic payroll deduction in the amount owed.

11.6 Documentation and Payment

As with any City purchase, purchasing card transactions must be properly documented to ensure timely, accurate payment.

11.6.1 Submitting Receipts

Employees must submit supporting documentation to their Department Head as soon as possible after making a purchase. Acceptable documentation includes:

- The original, itemized sales receipt (required)
- Itineraries
- Rental agreements
- Completed registration forms
- Renewal notices
- Order confirmations

11.6.2 Required Information

Each piece of documentation must clearly show the vendor's name; the date of purchase (and time, for meal reimbursements); the employee(s) involved; a description of the goods or services received; the amount; and the business purpose. Documentation must also be marked as a purchasing card transaction and must indicate the department, card number, and the name of the employee who made the purchase.

11.6.3 Department Head Approval

The Department Head reviews the documentation, assigns the appropriate account code, and signs off — the same process used for any other request for payment.

11.6.4 Submission to the Finance Office

The Department Head, or a designee, submits the approved documentation to the Financial Officer/Treasurer.

11.6.5 Statement Reconciliation and Payment

Purchasing card statements are mailed directly to the Clerk's Office. Each receipt must be matched to the corresponding statement charge. Because the card vendor requires electronic payment within 14 days of the statement date, the City pays the statement before Council review. The related vouchers are included in the next Council review following payment.

11.6.6 Card Return and Reassignment

When an employee leaves City employment or no longer needs a purchasing card, the Department Head is responsible for retrieving the card. The Financial Officer/Treasurer maintains the official list of cardholders. Department Heads must notify the Financial Officer/Treasurer whenever a card needs to be reassigned, or an employee removed from the cardholder list.

11.7 Loss of Card Privileges

Non-compliance with this Policy — including but not limited to unauthorized purchases, missing or incomplete documentation, or use of the card for personal purchases — may result in suspension or permanent revocation of an employee's purchasing card privileges, in addition to any disciplinary action deemed appropriate, up to and including termination of employment.

The Department Head shall document any instance of non-compliance and the resulting action taken. A card revoked for non-compliance shall not be reissued to that employee without the approval of the City Administrator.

12 Emergency Purchases

12.1 Policy

Emergency purchasing procedures exist to allow the City to respond quickly when a genuine emergency makes normal purchasing channels — including competitive bidding and standard approval requirements — impractical. This authority is limited to genuine emergencies and shall not be used as a substitute for advance planning, or to avoid the standard purchasing process for reasons of convenience or scheduling preference.

This authority is separate from the Mayor's general expenditure authority described in § 3.2 (Mayor's Power to Make Expenditures)*, which applies to budgeted purchases where time constraints — not necessarily emergency conditions — make Council approval impractical, and which is limited to $10,000. Emergency Purchases under this section apply only when the criteria below are met and are not subject to a dollar limit.*

An emergency purchase may be made only when one or more of the following conditions exist:

1. There is an immediate threat to the health or safety of employees or the public;
2. Unforeseen damage or failure to City property, equipment, or infrastructure requires immediate repair or replacement to prevent further harm or loss;
3. A formal emergency has been declared by the City, County, State, or Federal government; or
4. Circumstances arising from a genuinely unforeseen event require an immediate purchase to avoid significant harm to the City, and there is insufficient time to follow normal purchasing procedures.

12.2 Approval and Documentation

The Mayor is authorized to approve emergency purchases of any amount made under this Policy. Prior to making an emergency purchase, the Department Head shall notify the Mayor and obtain approval, except where the emergency itself makes prior approval impossible — in which case notification shall occur as soon as practicable after the purchase. The Department Head shall also notify the City Administrator of the emergency purchase.

The Department Head shall document the nature of the emergency, the reason normal purchasing procedures could not be followed, and the basis for the purchase, and shall report the emergency purchase to the Common Council at its next meeting.

13 Sale of Surplus Property

13.1 Tangible Property

City property is declared “surplus” when it is no longer necessary, practical, or economical for the City to retain. Department Heads are responsible for identifying surplus furniture, equipment, supplies, and similar items in their departments.

Where the estimated value of the surplus property is believed to be less than $5,000, the City Administrator may authorize its sale. Where the estimated value is believed to be $5,000 or more, the sale shall require authorization by the General Government Committee prior to disposal.

Once authorized, the City Administrator or designee is responsible for the sale or disposal of surplus property and shall determine the best method for doing so. Such methods may include online postings on established government surplus platforms such as Wisconsin Surplus (wisconsinsurplus.com) or GovDeals (govdeals.com), public bid, public auction, or private sale.

13.2 Police Unclaimed Property

In accordance with Wisconsin State Law, the Richland Center Police Department sells at public auction all lost, abandoned, unclaimed, forfeited, or stolen property remaining in its possession for a period of six months without a lawful claimant, except that unclaimed bicycles may be auctioned after a three-month waiting period. The Police Department uses the services of a public internet auction site.

13.3 Real Estate

Whenever City-owned real property is proposed for sale, the City Administrator shall conduct an internal review to determine whether the City may need the parcel in the future, and for what purpose. The City Administrator shall prepare a report for the General Government Committee outlining the land sale request. The General Government Committee shall consider whether an appraisal is necessary and how the property may be disposed of. If the Committee recommends disposal, it shall forward that recommendation to the Common Council for final action. If the Committee does not recommend disposal, the request is denied and no further action is required. The City Administrator is responsible for carrying out the Council's decision regarding disposition of the property. Property may be disposed of by public auction, sealed bids, or a mutual sales agreement.

14 Petty Cash

The Clerk/Treasurer's Office may hold one petty cash box for the Clerk/Treasurer's Office, Parks & Recreation, Zoning, and the Public Works Department. The following facilities may also hold a petty cash box:

1. Community/Senior Center
2. Aquatic Center
3. Police Department

Department Heads may submit a signed receipt for reimbursement stating what the items were purchased for. Purchases from petty cash ($10 and under) are to be kept to a minimum. At no time shall there be more than $50 in each box.

All other reimbursable expenses will be reimbursed on the employee's paycheck as non-taxable reimbursement.

15 Charge Accounts at Various Businesses

The Clerk/Treasurer's Office is responsible for establishing charge accounts with vendors and informing each vendor which employees are authorized to charge purchases to the account.

Charges may only be made for official City business. An employee shall not use a charge account for any personal purchase or any purchase that is not directly for official City business.

15.1 Consequences of Misuse

If a charge account is used for a personal or non-City purchase, the account will be closed. The employee responsible for the improper charge may be subject to disciplinary action, up to and including termination of employment, and may be personally liable for reimbursement to the City.

Any future purchases from that vendor must be made through the standard purchasing process described elsewhere in this Policy, rather than through a charge account.

16 Purchasing Workflow for City Departments

City departments may use this as a general guide for purchases, but this is a summary only and does not supersede the requirements set out elsewhere in this Policy.

16.1 Purchasing Flow

1. Confirm the purchase is budgeted. If the purchase is not included in the current year's budget, it must instead follow the Non-Budgeted Expenditures process (§ 5.2 (Non-Budgeted Expenditures)), requiring recommendation from the committee responsible for the department and the Budget Committee, and final approval by the Common Council.

2. Determine if competitive bidding is required. Purchases of $5,000 or less do not require competitive bidding, though prices should still be compared where practical. Purchases of more than $5,000 must follow the applicable bidding process described in § 7 (Competitive Bidding).

3. Obtain approval based on the purchase amount, per § 5.1 (Routine Budgeted Purchases):

- **$5,000 or less:** Department Head approval only.
- **More than $5,000 but not more than $10,000:** City Administrator approval, after competitive bidding requirements are met and copies of bids or quotes are provided to the City Administrator.
- **More than $10,000:** Approval by the committee, board, or commission responsible for the department, prior to ordering.

4. Determine if a contract is required, as defined in § 10.1 (Contracts Defined).

If yes:

- Submit the vendor's contract to the City Administrator for review or contact the City Administrator for contract drafting assistance.

- The contract is signed by the appropriate signatory or signatories identified in § 10.2 (Signatories).
- The original signed contract is provided to the City Clerk for filing in accordance with the City's records retention policy.

If no:

- The Department places the order.
- The invoice is submitted to the Financial Officer/Treasurer and entered into the City's accounting software for payment.

[End of Policy]

Adopted this XX day of MONTH, 2026 by the Common Council of the City of Richland Center

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Karin Tepley, Mayor

Attest:

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Misty D. Molzof, Clerk/Treasurer