HOMETOWN CHARM. NATURAL BEAUTY.

Purchasing and Procurement Policy

Effective September 1, 2026

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How to Use This Policy

This section provides shortcuts into the Policy. Use them to find an answer quickly, then read the governing section in full.

- **Quick-Reference Authority Matrix –** who approves a purchase and what's required, by dollar amount and purchase type.
- **Quick-Start Purchasing Flow –** the basic steps of a typical purchase.
- **Glossary –** 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 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 / Requirements	See §
BUDGETED PURCHASES				
Goods, services, equipment	$5,000 or less	Department Head	No quotations required; compare prices where practical	5.1, 3.3
Goods, services, equipment	$5,001 – $10,000	Department Head & City Administrator	Quotations — attempt at least 3 vendors; copies to City Administrator	5.1, 7.2, 7.3
Goods, services, equipment	Over $10,000	Applicable committee	Bid (RFB) or Proposal (RFP)	5.1, 7.2, 7.3
Time-sensitive purchase	Any amount, if budgeted	Mayor, Council President & General Government Committee Chair (unanimous)	Subject to the requirements of the amount category above	3.2
Professional services	Over $15,000	Per § 5.1 by amount	RFP required unless exempt under § 7.4	8, 7.4
NON-BUDGETED PURCHASES				
Any purchase	Any amount	Common Council, on recommendation of the applicable committee and the Budget Committee	As applicable to the purchase type and amount above	5.2
EXEMPT EXPENDITURES				
Utilities, payroll, benefits, insurance premiums, debt service, dues, fees, and similar	Any amount	No pre-purchase approval; budget authority still required	No quotations or bidding required; internal controls still apply	5.3, 16.1
PUBLIC CONSTRUCTION — buildings, facilities, parks, utilities (non-highway)				
General public construction	$10,000 or less	As the Common Council directs	No formal bidding required	9.1
General public construction	$10,001 – $50,000	Common Council, on Public Works Committee recommendation	Class 1 notice before the contract is executed	9.1, 9.3

Purchase Type	Amount	Required Approval	Competition / Requirements	See §
General public construction	Over $50,000	Common Council, on Public Works Committee recommendation — lowest responsible bidder	Sealed bids, published notice, bid security and bonds, retainage	9.1, 9.3–9.6
PUBLIC CONSTRUCTION — street, road, and bridge				
Street, road, bridge	$5,000 or less	As the Common Council directs	No formal bidding required	9.2
Street, road, bridge	$5,001 – $25,000	Common Council, on Public Works Committee recommendation	Class 1 notice before the contract is executed	9.2, 9.3
Street, road, bridge	Over $25,000	Common Council, on Public Works Committee recommendation — lowest responsible bidder	Sealed bids, published notice, bid security and bonds, retainage	9.2, 9.3–9.6
EMERGENCIES				
Emergency purchase (goods or services)	Any amount	Mayor, with notice to City Administrator and report to Common Council	Bidding waived when the § 12.1 criteria are met	12.1, 12.2
Emergency public construction	Any amount	Mayor may authorize immediate work; Public Works Committee resolution required; Council later declares the emergency ended	Statutory exception under Wis. Stat. § 62.15(1b) — narrower than the general emergency authority	12.3, 9.3
CONTRACTS				
Any City contract	Per amount categories above	Signed by the Mayor, City Administrator, City Clerk, or City Treasurer as applicable	City Administrator review no later than 2 business weeks before execution	10.2, 10.3
Contract extending beyond the current budget year	Any amount	Applicable committee, regardless of amount	Renewal and cancellation deadlines recorded with the Financial Officer/Treasurer	10.7
Service Agreement	Any amount	Per amount categories above	Insurance certificates, indemnification, waiver of subrogation, termination provisions	10.4–10.7
SURPLUS PROPERTY				
Tangible property	Estimated value under $5,000	City Administrator	—	13.1
Tangible property	Estimated value $5,000 or more	General Government Committee	—	13.1
Real estate	Any value	Common Council, after City Administrator report and Plan Commission referral	—	13.2
FEDERALLY FUNDED PURCHASES				

Purchase Type	Amount	Required Approval	Competition / Requirements	See §
Any purchase charged to a federal award	Any amount	Per the categories above, plus consultation with the Financial Officer/Treasurer before initiating	Appendix A applies in addition to this Policy; the more restrictive requirement controls	2, App. A

This table is a summary only. If anything here conflicts with the full text of a section, the full section controls. See the Quick-Start Purchasing Flow below, or the linked sections, 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 it is not, see 5.2 Non-Budgeted Expenditures.
2. Check whether the expenditure is exempt. See 5.3 Exempt Expenditures. If it is, no quotations or pre-purchase approval are required, but budget authority and internal controls in 16.1 Internal Controls still apply.
3. Determine whether the project is Public Construction. If it is, stop and follow9. Public Construction — the thresholds, approvals, and bidding requirements are different, and the Public Works Committee makes the recommendation to Council.
4. Determine what competition is required for the dollar amount. See7.2 When Competitive Bidding Is Required, then choose the solicitation type under7.3.1 The Type of Solicitation — a Quotation (RFQ), a Bid (RFB), or a Proposal (RFP).
5. Get the right approval for the dollar amount. See5.1 Routine Budgeted Purchases.
6. Determine whether a contract is required. If so, see10.1 Contracts Defined, 10.2 Signatories, 10.3 Contract Review and 10.4 Categories of Contracts through 10.7 Term, Renewal, and Termination.
7. If any part of the purchase will be charged to a federal award, see 2. Federal Awards and Appendix A — Requirements for Federally Funded Procurements before you begin.
8. If using a purchasing card, see11. Purchasing Cards If the purchase is an emergency, see 12. Emergency Purchases instead of this everyday flow.

Glossary of Acronyms and Terms

Term	Meaning
RFB	Request for Bid — a formal solicitation, used when specifications are clearly defined, price is the primary factor, and the purchase is large enough or is required by statute to be advertised. Sealed bids are mandatory for Public Construction.
RFQ	Request for Quotation — an informal request for pricing, used when specifications are clearly defined and price is the primary factor. Quotations may be obtained in writing, by e-mail, or by telephone, and are recorded in writing.
RFI	Request for Information — used to identify qualified vendors or gather information before choosing a solicitation type. An RFI is not a solicitation and no award may be made from one.
RFP	Request for Proposal — used when the deliverables are not well defined, or when factors beyond price, such as experience, approach, or qualifications, will be part of the selection. Evaluation factors and their relative importance are stated in the solicitation.
MOU	Memorandum of Understanding — treated as a contract under this Policy.

Term	Meaning
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 (Selecting a Bid — Determining Bidder Responsibility) — 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 Requirement of Good Faith Effort.

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, which are set out in Appendix A (Requirements for Federally Funded Procurements).

2. Federal Awards

Procurement of goods or services using federal grant funds is subject to additional requirements, including the cost allowability standards required under 2 CFR 200.302(b)(7). Those requirements are set out in Appendix A (Requirements for Federally Funded Procurements) and apply in addition to this Policy. Where Appendix A is more restrictive than this Policy, Appendix A controls.

Department Heads shall consult the Financial Officer/Treasurer before initiating any purchase to be charged in whole or in part to a federal award.

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 Approval of Time-Sensitive Budgeted Expenditures

Where it is not feasible to obtain committee 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, Council President, and General Government Committee Chair may unanimously authorize the expenditure of City funds in any amount, provided the expenditure is made from funds included in the current budget.

Approval requires the unanimous agreement of all three; if any one of them does not approve, the expenditure is not authorized under this section. If, after reasonable efforts, one of the three cannot be reached after two attempts within a 24-hour period — no more than one of which may be by email, with the remainder by phone – the unanimous approval of the remaining two shall be sufficient to authorize the expenditure under this section.

The requesting department head shall provide notice in writing of the authorized expenditure to the City Administrator and Financial Officer/Treasurer. The written notice shall identify which of the three could not be reached and describe the attempts made to contact them. The department head shall also report the expenditure to the applicable committee 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.

5.3 Exempt Expenditures

The following expenditures are exempt from the quotation, competitive bidding, and pre-purchase approval requirements of this Policy, because they are fixed, recurring, or already authorized:

(1) utility service, including electricity, natural gas, water, sewer, telephone, and internet;

(2) payroll, payroll taxes, and related withholdings and employer contributions;

(3) employee benefit premiums and retirement contributions;

(4) insurance premiums;

(5) debt service, including principal, interest, and related fees;

(6) payments due under a contract already approved under this Policy;

(7) taxes, assessments, fees, dues, and payments to other units of government;

(8) postage, permit fees, and recording fees;

(9) memberships, subscriptions, registration, tuition, and training fees; and

(10) emergency purchases authorized under § 12 (Emergency Purchases).

Exempt expenditures remain subject to budget authority, to the documentation and payment requirements of this Policy, and to the internal controls in § 16.1 (Internal Controls). Where an expenditure does not clearly fall within one of the categories above but is consistent with the intent of this section, the City Administrator may treat it as exempt and shall note the reason.

This section does not exempt any purchase from a requirement imposed by Wisconsin law, City ordinance, or a grant or funding agreement.

6. Purchase-Related Charges and Payment

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.

6.4 Prompt Payment

It is the policy of the City to pay properly completed invoices promptly, and to make every reasonable effort to avoid interest, late fees, or penalties arising from late payment. Department Heads shall review and approve invoices and forward them to the Financial Officer/Treasurer as soon as possible after the goods or services are received, so that the City can pay within the time allowed by Wis. Stat. § 66.0135 and by the terms of the purchase.

6.5 Approval and Payment of Claims

The City has adopted an alternative system of approving claims under Wis. Stat. § 66.0609. Under that system, certain claims may be paid before the Common Council authorizes payment, provided the conditions of that statute and the City's implementing ordinance are met and the Financial Officer/Treasurer files the list of approved claims with the Common Council as that statute requires.

This authority is intended for routine, recurring obligations — utility bills, payroll and related withholdings, debt service, insurance premiums, purchasing card statements as described in § 11.5 (Documentation, Payment, and Reimbursement), and similar regularly occurring charges — and for payments that would otherwise incur interest, a late fee, or a penalty because the billing cycle does not align with the Common Council’s meeting schedule.

This authority shall be used judiciously. Payment before Council authorization shall not be used for a claim that is neither routine and recurring nor subject to an interest charge, late fee, or penalty for payment after the next regular Council meeting. Any question about whether a claim qualifies shall be directed to the City Administrator or the Financial Officer/Treasurer before payment is made.

Payment under this section does not substitute for any approval required elsewhere in this Policy. A purchase must still be authorized under § 5.1 (Routine Budgeted Purchases), § 5.2 (Non-Budgeted Expenditures), or the other applicable provisions of this Policy before the claim is paid.

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:** 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 quotes, bids, or proposals in accordance with this Policy, as described in § 7.3 (Obtaining Bids).
- **Purchases of more than $10,000:** 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

The City uses three types of solicitation. The Department Head selects the type appropriate to the purchase.

Quotation (RFQ). An informal request for pricing, used when the specifications are clearly defined and price is the primary factor. Quotations may be obtained in writing, by e-mail, or by telephone, and shall be recorded in writing. This is the ordinary method for purchases above the quotation threshold that are not required to be formally bid.

Bid (RFB). A formal solicitation, used when the specifications are clearly defined, price is the primary factor, and the purchase is large enough or is required by statute to be advertised. Bids are submitted in the form and by the deadline stated in the solicitation.

A sealed bid is mandatory, not discretionary, for any project meeting the statutory definition of Public Construction. Bids shall remain sealed until opened in accordance with § 9.4 (Bid Opening). See § 9 (Public Construction).

Proposal (RFP). Used when the deliverables are not well defined, or when factors beyond price — such as experience, approach, qualifications, or methodology — will be part of the selection. The solicitation shall identify the evaluation factors and their relative importance.

A Department Head may issue a Request for Information (RFI) at any time, without prior approval, to identify qualified vendors or gather information before choosing a solicitation type. An RFI is not a solicitation and no award may be made from one.

Templates for quotations and bids are available from the City Administrator. A Department Head may issue a quotation or bid using these templates without prior City Administrator approval, provided the solicitation is consistent with this Policy. Because proposals vary significantly with the scope and nature of each purchase, each RFP shall be reviewed and approved by the City Administrator before publication or distribution to vendors.

Department Heads are encouraged to seek assistance from the City Administrator or Financial Officer/Treasurer when developing any solicitation, 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, publication on the City's website, 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.

Projects meeting the statutory definition of Public Construction *must* be solicited by published notice in the official newspaper in the form and within the time frame the statute requires. Informal methods — telephone contact, verbal request, or direct e-mail alone — do not satisfy that requirement. The three-vendor guideline does not apply to these projects, because the published notice opens the solicitation to all qualified bidders rather than to a list the Department Head selects.

Department Heads shall use due diligence to identify local vendors who provide the goods or services being sought, and shall include those vendors among those from whom quotations, bids, or proposals are solicited. This section governs whom the City invites to compete; it does not create a preference in the award of a contract.

7.4 Competitive Bidding Exceptions

The only exceptions to bidding requirements 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 Department Head shall award the contract by lot, conducted in the presence of a witness and documented in the procurement file.

7.7 Rejection of Bids

Apart from Public Construction that must be bid under Wis. Stat. § 62.15, 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 procedures of Wis. Stat. § 66.0901 and the class 2 notice required by Wis. Stat. § 62.15(3).

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.

The statutory emergency exception in Wis. Stat. § 62.15(1b) is narrow. It applies only to the repair and reconstruction of existing public facilities where damage or threatened damage endangers the public health or welfare, it requires a resolution determining that an emergency exists, and it waives only the bidding and notice requirements of Wis. Stat. § 62.15(1). See § 12.3 (Emergency Public Construction).

9.3 Authority and Procedure for Public Construction

The Public Works Committee exercises the powers and duties assigned to the board of public works under Wis. Stat. §§ 62.14 and 62.15.

For any project meeting the statutory definition of public construction, the Department Head is responsible for preparing or obtaining the plans and specifications, the form of contract and bond, and the bid documents; for filing them with the City Clerk; and for arranging the notice or advertisement the statute requires. The Department Head shall consult the City Administrator, and the City Attorney where appropriate, before the notice is published.

Following the bid opening, the Department Head shall present the project, the bid tabulation, and a recommendation to the Public Works Committee. The Public Works Committee shall review the bids and make a recommendation to the Common Council. The Common Council awards the contract.

9.4 Bid Opening

Bids shall remain sealed until the time and place stated in the notice. Bids shall be opened by at least two City employees present together, ordinarily two of the following: the Department Head responsible for the project, Clerk, Financial Officer/Treasurer, or City Administrator.

The employees conducting the opening shall record the name of each bidder and the amount of each bid and shall sign the tabulation. The tabulation shall be retained in the procurement file and provided to the Public Works Committee with the Department Head's recommendation.

A bid received after the time stated in the notice shall not be opened or considered, and shall be returned to the bidder unopened.

9.5 Bid Security & Bonds

Every bid on a public construction project required to be let to the lowest responsible bidder shall be accompanied by the bid security required under Wis. Stat. § 62.15(3). The City requires bid security in the amount of five percent (5%) of the bid, unless the Public Works Committee sets a different amount within the range the statute allows for a particular project and states that amount in the notice and bid documents.

The successful bidder shall furnish the contract and sureties required under Wis. Stat. § 62.15(2), (3), and (4), in the form and amount stated in the bid documents.

Payment and performance bonds shall be furnished as required by Wis. Stat. § 779.14. Where that statute leaves the bond requirement to the City's written standards, the City requires a payment and performance bond in the full amount of the contract. The Public Works Committee may waive that requirement for a specific contract, on the recommendation of the Department Head and after consultation with the City Attorney, by stating the waiver and the reason for it in the Committee's minutes.

Bid security and bond requirements shall be stated in the notice and bid documents. The Department Head shall confirm that required bonds have been furnished before the contract is executed.

9.6 Progress Payments and Retainage

Progress payments and retainage on City construction contracts shall be made in accordance with Wis. Stat. § 66.0901(9). The retainage terms applicable to a project shall be stated in the bid documents.

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.

10.4 Categories of Contracts

For purposes of §§ 10.5 through 10.9, City contracts fall into two categories:

a. **Routine Vendor Agreements** — agreements to purchase goods, supplies, materials, or equipment; equipment leases; maintenance, software, and subscription agreements; utility and telecommunications service; and similar commercial agreements entered into on the vendor's standard form.

b. **Service Agreements** — agreements under which a person or firm performs services for the City, including services performed on City property or using City equipment, professional services, public construction, and services involving access to City systems or protected information.

Where an agreement includes both elements and the service component is incidental to the purchase or lease of goods, the agreement is a Routine Vendor Agreement. Questions about which category applies shall be directed to the City Administrator.

10.5 Required Contract Terms

Every City contract shall be in writing and shall state the scope of the goods or services, the term, the price or rate, and the payment terms. **Service Agreements** shall additionally state:

1. Applicable performance standards and the basis on which the City will determine that performance is satisfactory;
2. Insurance requirements consistent with § 10.6 (Insurance);
3. A mutual indemnification provision;
4. A waiver of subrogation in favor of the City, under which the contractor agrees that its insurer shall have no right to seek recovery from the City, its officers, agents, employees, or insurers for any loss or damage arising from performance of the agreement to the extent that loss or damage is covered by the contractor's insurance; and
5. Termination provisions consistent with § 10.7 (Term, Renewal, and Termination).

Every City contract shall require the contractor to comply with all applicable federal, state, and local laws, including non-discrimination and tax reporting requirements.

10.6 Insurance

Before beginning work, a party to a **Service Agreement** shall furnish certificates of insurance evidencing at least the following, and shall provide any license or certification required for the work:

1. **Commercial General Liability** — $1,000,000 per occurrence and $2,000,000 aggregate, covering bodily injury, property damage, and personal injury;

2. **Worker's Compensation** — statutory limits as required by Wisconsin law, with Employer's Liability coverage of at least $500,000 per accident for bodily injury or disease; and
3. **Commercial Automobile Liability** — where the contractor will operate a vehicle in performing the work, in an amount the City Administrator determines is appropriate.

Certificates shall name the City of Richland Center as an additional insured and shall evidence the waiver of subrogation required by § 10.5. Where a contractor will not provide an additional insured or waiver of subrogation endorsement, the City Administrator may accept the contractor's standard certificate without those endorsements for a low-risk engagement.

Certificates of insurance are not required for Routine Vendor Agreements.

The City Administrator may require higher limits or additional coverage — including professional liability, pollution liability, or excess or umbrella coverage — where the nature, value, or risk of the work warrants it, and may reduce or waive a requirement in writing for a low-risk or short-duration engagement.

A Department Head may require a background check for a contractor or contractor personnel who will work in a sensitive or public-facing role, or who will have unaccompanied access to City facilities, systems, or protected information.

10.7 Term, Renewal, and Termination

Every City contract shall state its term. The City shall not enter into a contract of indefinite duration.

Where a contract renews automatically unless the City acts to cancel it, the Department Head shall confirm the cancellation deadline and notice required, shall report both to the Financial Officer/Treasurer, and shall include that information when the contract is submitted for review under § 10.3 (Contract Review). The Financial Officer/Treasurer shall maintain a record of renewal and cancellation deadlines for City contracts.

Service Agreements shall provide that:

1. The City may terminate the agreement **for convenience**, without cause, upon written notice, with payment for work satisfactorily performed through the termination date;
2. Either party may terminate the agreement **for cause** upon written notice if the other party breaches a material term, becomes insolvent, or engages in unlawful, unethical, or damaging conduct; and
3. The agreement terminates upon **satisfactory completion** of the services described in the scope of work, unless extended by mutual written agreement.

A Routine Vendor Agreement need not permit termination for convenience. Where the vendor's standard form does not, the Department Head shall confirm the cancellation terms, the notice required, and any early termination charge, and shall include that information when the contract is submitted for approval.

10.8 Performance, Payment, and Disputes

Payment for contracted goods or services shall be made only after the Department Head, or a designee, verifies that the goods were received or the work was performed in conformity with the contract, and approves the invoice.

The Department Head shall report any significant issue regarding a contractor's performance, safety, or compliance to the City Administrator promptly.

Where a dispute arises under a City contract, the Department Head shall notify the City Administrator and together, they shall attempt to resolve it informally and shall consult the City Attorney where the matter is not readily resolved. Service Agreements may provide for mediation before either party commences legal action, with the costs of mediation shared equally unless the parties agree otherwise; the City Administrator, in consultation with the City Attorney, shall determine whether such a provision is appropriate for a particular contract. Nothing in this section limits any remedy available to the City.

10.9 Confidentiality and Data Security

A contractor with access to City records, systems, or protected information shall comply with the City's confidentiality and data security policies and shall protect the personal information of residents, employees, and others. Any suspected or actual breach of data security shall be reported to the City Administrator immediately. Contracts involving access to protected information shall include confidentiality and data security provisions appropriate to the information involved.

10.10 Electronic Signatures and Records

The City may execute contracts and related procurement documents by electronic signature, and may maintain procurement records in electronic form.

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.

If sales tax is charged, the cardholder is responsible for the amount of the tax. Reimbursement is governed by § 11.5.

11.5 Documentation, Payment, and Reimbursement

Submitting documentation. Employees shall submit supporting documentation to their Department Head as soon as possible after making a purchase. Acceptable documentation includes the original itemized sales receipt, which is required, and, where applicable, itineraries, rental agreements, completed registration forms, renewal notices, and order confirmations.

Each piece of documentation must clearly show the vendor’s name; the date of purchase, and the time for meal reimbursements; the employee or employees involved; a description of the goods or services received; the amount; and the business purpose. Documentation must be marked as a purchasing card transaction.

Approval and submission. The Department Head reviews the documentation, assigns the appropriate account code, and signs off — the same process used for any other request for payment. The Department Head, or a designee, then submits the approved documentation to the Financial Officer/Treasurer.

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, as permitted under § 6.5 (Approval and Payment of Claims). The related vouchers are presented to the Common Council at its next meeting.

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, and Department Heads shall notify the Financial Officer/Treasurer whenever a card needs to be issued, returned, or reassigned.

Reimbursement of excess, personal, or unauthorized charges. A cardholder shall reimburse the City for:

(a) the amount by which a meal purchase, including tip, exceeds the amount allowed under the Mileage and Expense Reimbursement Policy in the Employee Handbook;

(b) the full amount of any unauthorized or personal purchase; and

(c) sales tax charged on a purchase for which tax-exempt status was not established under § 11.4 (Sales Tax Exemption).

Within ten (10) calendar days of the purchase date or of written notice from the Financial Officer/Treasurer’s Office, whichever is later, the cardholder shall obtain a credit or refund from the vendor and provide documentation, reimburse the City directly, or sign a written authorization directing the City to deduct the amount from a designated paycheck.

An amount that is neither credited, paid, nor authorized for deduction within the time allowed is a debt owed to the City and may be collected by any lawful means. The Financial Officer or Department Head may also suspend or revoke the cardholder’s purchasing card privileges.

The Department Head may waive reimbursement of sales tax under (c) above upon determining that the vendor refused or was unable to honor the City’s exemption despite the cardholder’s reasonable effort.

11.6 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 (Approval of Time-Sensitive Budgeted Expenditures)](#)*, which applies to budgeted purchases where time constraints — not necessarily emergency conditions — make Council approval impractical, and which applies only to expenditures from budgeted funds. 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, subject to § 12.3 (Emergency Public Construction). 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.

12.3 Emergency Public Construction

The emergency purchasing authority in this section applies to purchases of goods and services. It does not by itself excuse a public construction project from the bidding and notice requirements of Wis. Stat. § 62.15 and § 9 (Public Construction) of this Policy.

The statutory exception for emergency public construction is set out in Wis. Stat. § 62.15(1b) and is narrower than the general emergency authority in this section. It applies only to the repair and reconstruction of existing public facilities where damage or threatened damage endangers the public health or welfare of the City, and it requires a resolution determining that an emergency exists, adopted by the body exercising the powers of the board of public works. Under § 9.3 (Authority and Procedure for Public Construction), that body is the Public Works Committee.

Where the condition of a public facility requires immediate repair and there is not time to convene the Public Works Committee before work must begin, the Department Head shall notify the Mayor and the City Administrator and may proceed under § 12.2 (Approval and Documentation). The Department Head shall present the matter to the

Public Works Committee at the earliest opportunity so that the Committee may adopt the resolution required by Wis. Stat. § 62.15(1b), and shall report the work to the Common Council at its next meeting.

When the emergency condition has ended, the Common Council shall determine by majority vote at a regular or special meeting that the emergency no longer exists, as Wis. Stat. § 62.15(1b) requires.

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.

Lost, abandoned, and unclaimed property in the possession of the Police Department is not surplus property and is governed by the Police Department's own policy and by Wis. Stat. § 66.0139.

13.2 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.

To the extent referral is required by Wis. Stat. § 62.23(5), the proposed sale shall be referred to the Plan Commission for its consideration and report before the Common Council takes final action. The City Administrator shall obtain the City Attorney's determination as to whether a particular parcel is subject to that requirement. If the Plan Commission does not report within thirty (30) days, or within such longer period as the Common Council stipulates, the Council may take final action without the report. The Plan Commission's report is advisory and does not replace the recommendation of the General Government Committee or the final action of the Council.

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 may be closed. The employee responsible for the improper charge may be subject to disciplinary action, up to and including termination of employment, and will be personally liable for reimbursement to the City.

The Financial Officer may require future purchases from that vendor to be made through the standard purchasing process described elsewhere in this Policy, rather than through a charge account.

16. Internal Controls and Procurement Records

16.1 Internal Controls

The following controls apply to all City purchases, including exempt expenditures under § 5.3 (Exempt Expenditures):

(1) A purchase shall not be made or approved unless sufficient budget authority exists and funds are available.

(2) No department may charge a purchase against the budget account of another department without prior authorization.

(3) Before approving an invoice for payment, the Department Head or a designee shall verify that the goods were received or the services were performed, that the quantity and price are correct, and that the account coding is correct.

(4) All invoices shall have Department Head or designee approval before payment is processed.

(5) The City shall not pay for goods or services in advance of delivery unless the prepayment is disclosed in advance, noted on the quotation or invoice, and authorized by the City Administrator.

(6) Purchasers are responsible for ensuring that purchases are processed as tax-exempt, consistent with § 6.2 (Sales Tax Exemption).

(7) Every reasonable effort shall be made to take available vendor discounts and to avoid finance charges, late fees, and interest, consistent with § 6.3 (Vendor Discounts) and § 6.4 (Prompt Payment).

(8) To the extent practicable, the person who authorizes a purchase shall not be the same person who issues payment for it.

(9) Unused checks shall be kept secure, and no check shall be signed before it is completely filled out.

(10) The Financial Officer/Treasurer shall review processed payments before checks or electronic payments are released.

(11) Documentation supporting each purchase shall be retained in accordance with § 16.2 (Procurement Records and Retention).

Department Heads, in coordination with the City Administrator, are responsible for ensuring that the procedures in this Policy are followed within their departments. The City Administrator and Financial Officer/Treasurer are responsible for the City-wide operation of these controls, and shall report any significant control deficiency to the General Government Committee.

Consequences of non-compliance. Failure to follow this Policy may result in the loss of purchasing authority, purchasing card privileges, or charge account privileges. An employee who makes an unauthorized purchase may be required to reimburse the City, by direct payment or, with written authorization, by payroll deduction. Non-compliance may also result in disciplinary action under the City's personnel policies, up to and including termination, and the City may refer a matter for criminal prosecution where the circumstances warrant.

16.2 Procurement Records and Retention

The Department Head is responsible for maintaining a procurement file for each purchase subject to the requirements of this Policy. The file shall contain the solicitation, all bids, quotes, or proposals received, the bid tabulation, any written justification or documentation required by this Policy, the approval obtained, and the executed contract.

Procurement, bid, and contract records shall be retained and disposed of in accordance with Wis. Stat. § 19.21 and the records retention schedules approved under Wis. Stat. § 16.61(3)(e) and adopted by the City. No such record may be destroyed except as that schedule permits. Where a purchase is made with grant funds, the retention period required by the grant applies if it is longer than the period that would otherwise apply.

17. Effective Date

This Policy takes effect on the date of its adoption by the Common Council and remains in effect until amended or repealed. It supersedes and replaces all prior purchasing and procurement policies, resolutions, and administrative directives of the City to the extent they conflict with it.

Solicitations issued and contracts awarded before the effective date remain governed by the policy in effect at the time the solicitation was issued or the contract was awarded. Purchases initiated but not yet completed as of the effective date shall follow this Policy.

As provided in § 1 (Purpose), any mandatory applicable state or federal law or regulation supersedes this Policy, as do the terms of any grant or funding agreement to which the City is a party. If any provision of this Policy is held invalid or unenforceable, the remaining provisions remain in full force and effect.

18. Amendment

18.1 General Government Committee Authority

The General Government Committee may amend this Policy from time to time as it deems necessary, except as provided in § 18.2. An amendment adopted by the Committee takes effect upon adoption and shall be reported to the Common Council at its next regular meeting. The Common Council may modify or rescind any amendment adopted by the Committee.

The Financial Officer/Treasurer shall maintain the current version of this Policy, record the date of each amendment, and make the current version available to all Department Heads.

18.2 Amendments Reserved to the Common Council

The following provisions may be amended only by the Common Council:

1. Any dollar threshold in this Policy, including the approval thresholds in § 5.1 (Routine Budgeted Purchases), the competitive bidding thresholds in § 7.2 (When Competitive Bidding Is Required), and the professional services threshold in § 8 (Professional Services); and
2. Any provision governing who is authorized to sign contracts or otherwise bind the City, or delegating purchasing, contracting, or expenditure authority to any officer, employee, committee, board, or commission, including § 3.2 (Approval of Time-Sensitive Budgeted Expenditures), § 10.2 (Signatories), and § 12.2 (Approval and Documentation).

This section may itself be amended only by the Common Council.

18.3 Limitation on Amendments

No amendment adopted under this section may conflict with Wisconsin law, City ordinance, the City's adopted budget, or the requirements of any federal award or other grant or funding agreement, including 2 CFR Part 200. Where a threshold or procedure in this Policy is set by statute, an amendment may make the City's requirement more restrictive than the statute requires but may not make it less restrictive.

Appendix A — Requirements for Federally Funded Procurements

This Appendix applies in addition to the body of this Policy whenever goods or services are procured in whole or in part with federal grant funds. Where this Appendix is more restrictive than the body of this Policy, this Appendix controls.

A.1 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:

A.1.1 Allowability

The expense meets the general requirements of 2 CFR § 200.403(a)–(h). 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.

A.1.2 Selected Items of Cost

The expense is consistent with the applicable cost-allowability factors in 2 CFR §§ 200.420–200.476.

A.1.3 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.”

ADOPTED by the Common Council of the City of Richland Center on this 1st day of September, 2026 by the following vote: AYES _____ , NOS _____

CITY OF RICHLAND CENTER
RICHLAND COUNTY, WISCONSIN

Attest:

____________________________ ____________________________

Karin Tepley, Mayor Amanda Keller, City Clerk