

 City of WHITewater		Policy 501.04.10 Procurement			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	13
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Notes:	Addendum added to include procurement protest procedures				

I. PURPOSE

The purpose of this policy is to provide guidance and procedures to be followed for procurement of goods and services for all City departments. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility in department operations.

II. AUTHORITY

The Common Council of the City of Whitewater provides that the Department Heads shall have the authority to purchase materials, supplies, equipment, and contractual services budgeted for their respective departments. This authority is subject to Council approval for any purchase of materials, service or supplies over \$25,000 and not of a routine or recurring nature. The Finance Department services the procurement program by processing purchase order requests, audits, and payments.

This procurement program extends from the departmental determination of requirements for materials or services, through their requisitioning, bidding, purchasing, receiving, audit and payment, to their final consumption or disposal. The technical services of the Finance Department are available throughout the entire program.

III. SCOPE AND RESPONSIBILITY

In servicing the entire scope of procurement, the Department Head or designee has the following responsibilities:

1. To purchase, in ethical practice, at economical cost consistent with quality, requirements and delivery.
2. To ensure procurement in compliance with the statutory requirements of the State of Wisconsin, the administrative directives of the Common Council, the City Manager, and the administrative policies of the City of Whitewater.

3. The City Manager is responsible for supervising the procurement process.
4. The Finance Department is responsible to monitor compliance with City procurement policies and procedures.

IV. ETHICS

All City employees acting as an agent for the City are expected to conduct themselves with integrity and in an ethical manner when making purchases. Staff are expected to act with stewardship when making purchases with public funds. Likewise, staff should act in accordance with the City Values of prioritizing people, acting with integrity and transparency, serving our community, and embracing change. As such:

1. The splitting of purchases to stay within a purchasing band is strictly prohibited and may lead to disciplinary action.
2. A reasonable effort should be made by all employees to bring all rebates to a member of the Finance Department so they may be submitted. **All rebates, gift cards, and other discounts that result from official City purchases are the property of the City of Whitewater.** Personal use of any of these items is strictly prohibited and may lead to disciplinary action, including termination.
3. Employees, elected officials, board and commission members are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.
4. Employees, elected officials, board and commission members must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them advantage over other potential contractors.

V. STANDARDS, POLICIES, AND PROCEDURES

A. GENERAL POLICIES

This section sets forth the basic procedure for the purchasing program from the pre-requisition period through inventory and disposal.

1. **APPROVALS.** Vendor invoices shall be approved for payment by the Department Head or designee. Official City purchases made by City employees from personal funds should be limited. Receipts are required for any purchase made from personal funds. It is the responsibility of the employee making the purchase to ensure the sales tax is not included. Reimbursements payable to City employees shall be signed for approval as follows:
 - **COUNCIL:** Approved by the City Manager, Comptroller, or designee.
 - **CITY MANAGER:** Approved by the Council.

- **DEPARTMENT HEAD:** Approved by the City Manager or designee.
- **OTHER EMPLOYEES:** Approved by their direct supervisor, Department Head, or designee.

Employees may NOT approve their own reimbursement.

2. **BUDGET ADJUSTMENTS WITHIN A DEPARTMENT.** The City Manager establishes the budgetary vision for the City with the support of the Common Council through the budget adoption process. Circumstances may require that budgeted expenditures be modified during the fiscal year across fund or function within a department. Department Heads, with the approval of the City Manager, may reallocate budgeted expenditures within a department, with the exception of personnel. The Budget Amendment Policy should be referenced when adjustments need to be made.
3. **ACCOUNTS PAYABLE.** Invoices that are received by accounts payable will be processed by the Finance Department. For all invoices, Department Heads or designees will verify that the invoiced items have been received and that the invoiced amount is correct.

Tax-exempt forms are available from the Finance Department. All employees are responsible for ensuring that tax is not paid on items purchased for official City business.

4. PAYMENT PROCESSING:

- **CHECKS AND ELECTRONIC PAYMENTS.** Payments are processed on Friday's. Special requests outside this time period should be made to the Finance Director.
 - **PURCHASE CARDS.** Purchase cards may be issued to employees that are authorized to make purchases. See Purchase Card Policies and Procedures for more information.
 - **PETTY CASH.** Employees may be reimbursed from petty cash funds for authorized purchases that cover minor purchases that do not exceed the established petty cash limit (\$150). However, it is preferred that employees use purchase cards rather than petty cash.
 - **TRAVEL EXPENSES.** All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of Whitewater's Personnel Policy which establishes policy and procedure to obtain travel authorization and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of City business practices.
5. **INFORMATION.** Department personnel are not to divulge any information concerning bids or purchases with persons outside the City, unless required by State public records laws.

6. SIGNING OF CONTRACTS AND CLOSING DOCUMENTS

By law (Wisc. Stat. §62.15 (12)), the City Manager and City Clerk sign contracts on behalf of the City. However, the Council hereby delegates the authority to approve and sign contracts to the City Manager and City Clerk or designee in accordance with the thresholds set forth below in the “General Purchases” section. When Council approval is required the City Manager and Clerk shall sign such contracts.

- The City Attorney should be consulted for a legal review of all contracts.
- All contracts shall be signed by the City Manager and City Clerk or designee.
- All contracts over \$25,000 must be approved by the Common Council.

B. INSURANCE CERTIFICATES

Contracts may require Insurance Certificates that indemnify and hold harmless the City. For requirements and questions regarding Insurance Certificates, please contact the Finance Department.

C. GENERAL PURCHASES \$1,000 - \$5,000

Approval Requirements

- Department Head approval is required prior to purchase.

Competitive Quote Requirements

- A competitive bidding process is not required for purchases less than \$5,000.
- For new and nonrecurring purchases, it is required that two quotes be obtained. The purchaser is responsible for maintaining the quotes.

Standard Process

- Department Head approves purchase of goods or services based on cost, departmental needs, prior experience, and qualifications of the vendor.
- Once approval is obtained, the contract may be signed, or goods/services requested. Payment may be made with a purchase card or via invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

D. GENERAL PURCHASES \$5,001 - \$10,000

Approval Requirements

- Department Head and City Manager approval is required.

Competitive Quote Requirements

- For new and nonrecurring purchases, at least two quotes must be obtained. The purchaser is responsible for maintaining the quotes.

Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.

- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via purchase card or an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

E. GENERAL PURCHASES \$10,001 - \$25,000

Approval Requirements (Budgeted Expenses Only)

- Department Head and City Manager approval required.

Competitive Quote Requirements

- For new and nonrecurring purchases, at least two quotes must be obtained. Quotes must be submitted to the City Manager. The purchaser is responsible for maintaining the quotes.

Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via purchase card or an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

F. GENERAL AND INVENTORY PURCHASES \$25,001 - \$50,000

Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

Competitive Quote Requirements

- For new and nonrecurring purchases, at least three quotes must be obtained. Quotes must be submitted to the Common Council. The purchaser is responsible for maintaining the quotes.

Standard Process

- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

G. GENERAL AND INVENTORY PURCHASES \$50,001+

Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

Competitive Quote Requirements

- A Class 1 Notice and a sealed bidding process is required.

Standard Process

- Common Council approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 1 Notice is issued, and sealed bidding process takes place.
- The department making the purchase brings it before Council.
- Once approval from Common Council is obtained a contract may be signed or goods/services may be purchased. Payment may be made via invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

H. PUBLIC CONSTRUCTION \$5,000 - \$25,000

Approval Requirements

- Department Head and City Manager approval is required prior to purchase or contract extension.

Competitive Quote Requirements

- A Class 1 Notice is required, and a sealed bidding process is required.

Standard Process

- Department Head and City Manager approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 1 Notice is issued, and sealed bidding process takes place.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

I. PUBLIC CONSTRUCTION \$50,001+

Approval Requirements

- Department Head, City Manager, and Common Council approval is required prior to purchase or contract extension.

Competitive Quote Requirements

- A Class 2 Notice is required, and a sealed bidding process is required.

Standard Process

- Department Head, City Manager, and Common Council approves the purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 2 Notice is issued and sealed bidding takes place.
- The department making the purchase bring it before Council.
- Once the purchase is approved, the contract may be signed or goods/services may be obtained. Payment may be made via an invoice to Accounts Payable.
- The City Clerk must be given a copy of any signed contract(s).

J. PROFESSIONAL SERVICES

Professional services are usually highly customized and differentiated on factors other than price, such as knowledge and expertise. The specific form of the services will vary according to the need of the customer. Experiences gained from one project provide insight into other projects, but are not directly applicable. Professional services are often performed by licensed individuals.

1. A qualifications-based selection process shall be used in obtaining professional services. Selection for professional services should take into consideration the overall value of such contracts including; demonstrated competence, knowledge and qualifications in related services, continuity of the various phases of a project, operational efficiencies, scope of services, and reasonableness of proposed fee.
2. The normal purchasing policy thresholds outlined in the “General Purchases” section above shall be used for retaining consultants for specific projects.
3. Professionals are sometimes retained for their expertise on an as needed basis to serve in an advisory role to the City vs. being retained for a specific project. In the circumstance where the specific scope of service or length of engagement cannot be determined and the purchasing policy thresholds therefore cannot be used to determine level of approval, the approval process is as follows:
 - All legal, planning, and engineering services require Common Council approval prior to retaining the professional.
 - The City Attorney, upon approval of the City Manager, may retain outside legal counsel to serve in an advisory role to the City Attorney in an amount not to exceed \$5,000.
 - For all other services identified in the approved budget, the Department Head and/or City Manager is delegated the authority to retain the professional (e.g. title searches, physicals, water testing).
 - Some professional service industries do not customarily use contracts to formalize the relationship and scope of work between the consultant and their client. In such circumstances, the City encourages the use of scope of service proposals, memorandum of understandings or engagement letters where applicable.

K. EMERGENCY PURCHASES

When an emergency situation will not permit the use of the competitive processes outlined in this policy, the applicable Department Head and City Manager may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained.

L. CHANGE ORDERS AND CANCELLATIONS

1. Change orders are required for changes in project scope for construction or similar contracts.
2. Quantity changes are defined as increased quantities of bid items in a unit price contract.
3. Change orders can be approved by the Department Head and City Manager for an amount up to \$10,000. The Department Head shall notify the Council in writing of such changes.
4. Change orders in excess of the amount defined above require approval of the Common Council.
5. When project scope changes are necessary to prevent project delays the Department Head is delegated the authority to approve such change orders. The Department Head shall notify the City Manager and Council in writing of such change orders.
6. Quantity changes in unit price contracts can be approved for payment by the Department Head.
7. Any change order must be in compliance with the public bidding statutes and the applicable contract.

M. PUBLIC CONSTRUCTION PROJECTS

Wisc. Stat. §62.15 provides that all public works projects including material and contractual services, where the estimated cost exceeds \$25,000 shall be purchased from the lowest responsible bidder after sealed bids have been received. Written specifications must be prepared for all bids with a Class 2 Notice if the expected cost is over \$25,000. Sealed bids must be scheduled to be formally opened and read publicly by the City Clerk.

In addition to sealed bid procedures, the transactions require:

- a. The publication of a Class 1 Notice if the estimated cost of production is between \$5,000 and \$25,000 under Chapter 985 of Wisconsin Statutes. However, this does not apply to public construction in situations where materials are donated, or labor is volunteered.
- b. A longer scheduled lead time to prepare the bid.
- c. Careful planning, specifications writing, and special conditions of the bid.
- d. A letter of justification rejecting a low bid shall include a definitive statement by the lowest bidder. The Common Council will approve all sealed bid transactions above \$50,000 before a contract is signed.

Letters of justification rejecting a low bid shall include a definitive statement by the departmental position, advising specifically why the low bid is not acceptable. Such letters of rejection must contain objective reasons.

N. UTILITY INVENTORY

1. Inventory purchases are made for approved utility capital and maintenance infrastructure projects, developer capital projects, and stock items. Special consideration of these types of purchases is warranted for operational efficiency purposes.
2. Each utility Operations Manager is responsible for the oversight and coordination of utility inventory purchases.
3. Quotes shall be solicited as outlined above in the “General Purchases” section.
4. The City Manager is delegated the authority to approve all utility inventory purchases over \$5,000.

O. MISCELLANEOUS

1. **BID AWARDS.** Bid awards do not need to be made to the lowest cost bidder. However, when the low bid is rejected, written objective justification must be placed in the bid file. The requesting department must evaluate alternative bids to determine the lowest responsible bidder, providing objective justification to accept or reject a low bid.
2. **LIFE CYCLE COST ESTIMATES.** Wisc. Stat. §66.0131 (5) provides that the City shall award orders and contracts for materials, supplies, or equipment on the basis of life cycle cost estimates whenever appropriate. The life cycle cost formula may include, but is not limited to, the applicable cost of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance, and disposition or resale.

The statute above requires that when making purchasing decisions, staff must consider the life expectancy costs of the product and not just the initial or quoted price of the product.

P. PROTEST PROCEDURES

Protest Procedure: Any individual, agency, or business whose direct economic interest has been affected by the City of Whitewater’s procurement procedures shall have the right to have their protest heard in an economical and expeditious manner. Protests shall be handled and resolved in the following manner:

1. Written Submission: An interested party wishing to protest a matter involving a proposed procurement or contract award shall file, with the Procurement Administrator, a written submission addressing, at a minimum, the following:

- a. The name and address of the interested party and its relationship to the procurement sufficient to establish its interest;
 - b. Solicitation or contract number;
 - c. Statement of the grounds of the protest, including the federal or state law/regulation or the City of Whitewater's procedure upon which the protest is based;
 - d. Statement of the specific relief requested; and
 - e. Any documents relevant to the protest that the protesting party desires the City of Whitewater to consider should be attached.
2. Procedure for Protests Regarding Solicitation: Any protest regarding a solicitation by the City of Whitewater must be filed no later than five (5) business days before the opening of bids. Any protest filed after that date which raises issues regarding the solicitation will not be considered. Upon receipt of a timely filed protest regarding the solicitation, The City of Whitewater may postpone the opening of Bids until resolution of the protest; no additional bids will be accepted during the period of postponement.
3. Procedure for Protests Regarding Bid Evaluation: Any protest regarding the evaluation of bids by the City of Whitewater must be filed no later than twenty (20) business days after the opening of bids. Any protest filed after that date which raises issues regarding the bid evaluation will not be considered, unless the issue arose after the initial twenty (20) business day period and before contract execution. Upon receipt of a timely filed protest regarding the evaluation of bids, the City of Whitewater will determine if the protestor has established that there is substantial evidence regarding the non-responsiveness of a bid or the non-responsibility of a bidder or doubt regarding the City of Whitewater's compliance with Federal or State law or these procedures. If the protestor submits sufficient evidence supporting its protest to show that the protest is not vexatious or frivolous, the City of Whitewater may suspend its evaluation of all bids submitted until resolution of the protest.
4. D. Procedure for Protests Regarding Award of Contract: Any protest regarding the award of a contract must be filed no later than ten (10) business days after the date of the award. Any protest regarding the award of the contract filed after that date will not be considered. Upon receipt of a timely filed protest regarding the award of a contract, the City of Whitewater will issue a stop work order, if necessary, until the resolution of the protest.

VI. JOB AIDS

Summary of the General Procurement of Goods and Services							
City purchases are subject to authorization and quote/bid requirements as follows:							
	Quote	Competitive Quote	Sealed Bid Required	Notice Required	Department Head Approval	City Manager Approval	Common Council Approval
General Purchases <\$1,000	Department Head authorization only; solicitation of quotes is not needed						
General Purchases \$1,000-\$5,000	X	At least 2			X		
General Purchases \$5,001-\$10,000	X	At least 2			X	X	
General Purchases \$10,001-\$25,000	X	At least 3			X	X	
General Purchases \$25,001-\$50,000	X	At least 3			X	X	X
General Purchases >\$50,001	X		X	Class 1	X	X	X
Public Construction Project \$5,000-\$25,000	X			Class 1	X	X	
Public Construction Project \$25,001 - \$50,000	X		X	Class 2	X	X	X
Public Construction Project \$50,000+	X		X	Class 2	X	X	X
Utility Inventory \$5,000+	X	At least 2			X	X	

Professional Services is defined as customized services such as consulting, engineering or assessing, which involves a contract between the City and the vendor. Approvals follow the general purchases

*This template can be used when the project or purchase involves complex requirements or a high degree of customization and you need detailed proposals outlining how each bidder plans to meet those requirements. This information should be posted on the City's website in addition to the requirements for a Class 1 or 2 Notice.

Request for Proposal (RFP) Template

[Project Title]

1. Introduction

[Provide a brief introduction to the project, the organization issuing the RFP, and the purpose of the RFP.]

2. Background

[Give background information about the organization and the project. Explain why the project is necessary and what problems it aims to solve.]

3. Project Goals and Scope of Services

Goals: [List the specific goals of the project.]

Scope of Services: [Detail the services and deliverables required. Be as specific as possible to provide clear guidance to potential vendors.]

4. Proposal Requirements

Proposal Format: [Specify the required format for the proposals, including sections such as executive summary, company background, project approach, timeline, pricing, and references.]

Content Requirements:

- **Executive Summary:** [Brief overview of the proposal.]
- **Company Information:** [Company history, qualifications, and experience.]
- **Project Approach:** [Detailed description of how the vendor intends to achieve the project goals.]
- **Project Timeline:** [Estimated timeline for project completion, including milestones.]
- **Pricing:** [Detailed cost breakdown, including any potential additional costs.]

- **References:** [Contact information for references and examples of similar projects.]

5. Evaluation Criteria

[Describe the criteria that will be used to evaluate proposals, such as experience, project approach, timeline, cost, and references.]

6. Submission Guidelines

Submission Deadline: [Specify the deadline for proposal submission.]

Submission Method: [Provide details on how and where to submit proposals, including email addresses or physical addresses.]

Contact Information: [Provide contact information for questions and clarifications.]

7. Timeline

[Include a timeline for the RFP process, such as the date of issue, submission deadline, evaluation period, and anticipated award date.]

8. Terms and Conditions

[Outline any terms and conditions, including confidentiality requirements, rights to accept or reject any proposal, and any other legal or procedural requirements.]

*This template should be used when the specifications for a project are known. This should be posted on the City's website in addition to the requirements for the Class 1 or 2 Notice.

Invitation for Bid (IFB) Template

Bid Title:

Start Date:

End Date:

Description:

Addendum Date:

Pre-Bidding Date:

Fee:

Contact:

Business Hours:

ADDENDUM

Professional Services

Monitoring

To ensure continued value, accountability, and alignment with the municipality's goals, all professional service providers under ongoing contracts—including municipal financial advisors, engineering, consultants and assessors—shall be subject to routine monitoring and evaluation. The following best practices shall guide the oversight of these engagements:

1. Performance Review and Benchmarking

- Providers shall be evaluated annually against established performance benchmarks, including:
 - Accuracy and timeliness of projects, reports and/or analysis
 - Responsiveness to municipal needs and requests
 - Proactive communication and strategic guidance
 - Compliance with regulatory standards and responsibilities
 - Ability to stay within the approved project or service budget and demonstrate sound cost control practices
 - Limiting the frequency and scope of provider-initiated change orders, ensuring they are used only when justified and properly authorized (**% could be used here**)
- The municipality may compare the provider's fees and performance with other similarly sized communities or industry benchmarks to ensure competitiveness.

2. Documentation and Reporting

- Providers shall provide regular reports summarizing services rendered, deliverables, and strategic recommendations.
- Meeting attendance, project updates, and key advice shall be documented for transparency and historical reference.

3. Staff Feedback and Internal Assessment

- Municipal staff who directly engage with the provider shall conduct informal assessments at least annually, reviewing:
 - Quality of support and communication
 - Alignment with municipal financial goals
 - Ability to anticipate and address issues proactively

4. Scheduled Check-ins

- At a minimum, a formal check-in meeting shall be scheduled annually with the provider to review:

- Past-year performance
- Emerging financial trends or risks
- Anticipated service needs for the coming year

5. RFP Requirement

- As a matter of policy, all professional service providers, including municipal advisors, engineering, consultants and assessors shall be subject to a competitive Request for Proposal (RFP) process at least once every **7 years**, regardless of vendor performance or renewal interest. This ensures transparency, encourages innovation, and reinforces the municipality's commitment to fair and competitive procurement practices.