

CITY OF RIVER FALLS

PURCHASING POLICY MANUAL



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Purpose, Authority, Scope, and Ethics

A. PURPOSE

This Purchasing Manual has been prepared to provide City Departments with a reference guide to the policies for purchasing materials, equipment, and services in accordance with sound business practice, City Ordinances, and Wisconsin Statutes. The controls and procedures set forth herein are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balance the need for flexibility and efficiency in City operations.

B. AUTHORITY

The Common Council of the City of River Falls 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 \$50,000 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.

C. 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 Administrator, and the administrative policies of the City of River Falls.

D. 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 putting people first, pursuing excellence, acting with integrity, embracing change, serving our community, and considering future generations. 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 River Falls. 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.

Summary of the General Procurement of Goods and Services

All purchases over \$10,000, including with a p-card, require a requisition/purchase order.

City Purchases subject to authorization and quote/bid requirements as follows:

	Written Specs	Quote	Competitive Quotes*	Sealed Bid	Notice Required	Manager Superintendent Coordinator Lead	Department Director	Finance Director	City Administrator	City Council
General Purchases Up to \$5,000	Use P-Card. Contact Bridget Hieb (715-426-3419) for more information.									
General Purchases \$5,001-\$10,000						X	X			
General Purchases \$10,001+	X	Written	Solicitation of 2-3 Required (new / non-recurring)			X	X	X	Over \$25,000	Over \$50,000
Public Construction** \$5,000-\$25,000	X	Written	<i>See Notice Required</i>		Class 1	X	X	X		
Public Construction** \$25,001+	X	Written	<i>See Notice Required</i>	X	Class 2	X	X	X	X	Over \$50,000
Intergovernmental Purchases****						X	Over \$5,000	Over \$10,000	Over \$25,000	Over \$50,000
Professional Services*** Up to \$49,999						X	X	X	X	
Professional Services*** \$50,000+	X	Written	Solicitation of 2-3 Required (new / non-recurring)			X	X	X	X	X
Software-as-a-Service and Information Technology Up to \$49,999	X	Written	Specs should be developed w/ LT., no minimum solicitations			X	X	X	X	
Software-as-a-Service and Information Technology \$50,000+	X	Written	Specs should be developed w/ LT., no minimum solicitations			X	X	X	X	X
<p>* Quotes are not required when purchasing through the WI/MN State Contracts, WPPL, Sourcewell or similar contracts, as determined by the City Administrator.</p> <p>** Public Construction is discussed in Wisc. Stat. § 62.15, but generally involves the combination of labor and materials that exceed \$25,000.</p> <p>*** Professional services is defined as customized services including but not limited to consulting, design, engineering, bid services, or assessing, which involve a contract between the City and the vendor.</p> <p>**** Intergovernmental purchases are joint purchases with other organizations such as WPPL, State of WI or State of MN.</p> <p>Any level of approver may provide written authorization for a designee to provide approval in the event of an absence of the listed approver.</p>										

Summary of the Utility Procurement of Goods and Services

All purchases over \$10,000, including with a p-card, require a requisition/purchase order.

City Purchases subject to authorization and quote/bid requirements as follows:

	Written Specs	Quote	Competitive Quotes*	Notice Required	Manager Superintendent Coordinator Lead	Department Director	Utility Advisory Board	Finance Director	City Administrator	City Council
Inventory Purchases \$50,000 and Over	X	Written	2-3 Required		X	X		X	X	
All other purchases must follow General Procurement Chart										
<p>* Quotes are not required when purchasing through the WI/MN State contracts, WPPI, Sourcewell or similar, as determined by the City Administrator, contracts.</p> <p style="padding-left: 40px;">Intergovernmental purchases are joint purchases with other organizations such as WPPI, State of WI or State of MN.</p> <p>Professional services is defined as customized services including but not limited to consulting, design, engineering, bid services, or assessing, which involve a contract between the City and the vendor.</p> <p style="padding-left: 40px;">Any level of approver may provide written authorization for a designee to provide approval in the event of an absence of the listed approver.</p>										

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. **PURCHASE ORDER REQUISITIONS.** No purchase order may be issued without a fully completed purchase order requisition. Requisitions are to be completed by each department. Separating or splitting purchases to remain within a specific purchasing category is strictly prohibited.
2. **APPROVALS.** Vendor invoices shall be approved for payment by department manager, superintendent, coordinator, or lead. 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 that sales tax is not included. Reimbursements payable to City employees shall be signed for approval as follows:
 - **COUNCIL:** Approved by the Mayor, Comptroller, or designee.
 - **MAYOR:** Approved by the Council.
 - **CITY ADMINISTRATOR:** Approved by the Mayor or designee.
 - **DIVISION HEAD:** Approved by the City Administrator or designee.
 - **OTHER EMPLOYEES:** Approved by their direct supervisor, Department Director, or designee.

Employees may not approve their own reimbursement.

3. **BUDGET ADJUSTMENTS WITHIN A DEPARTMENT.** The City Council establishes the budgetary vision for the City through the adopted budget ordinance. Circumstances may require that budgeted expenditures be modified during the fiscal year across fund or function within a department. Department Directors, with the approval of the City Administrator, may reallocate budgeted expenditures within a department, excluding personnel. However, Department Directors will need approval from the City Administrator and the City Council for budget adjustments across fund or function.
4. **ACCOUNTS PAYABLE.** Invoices that require payment should be submitted to the Finance Department. Prior to submission, department manager, superintendent, coordinator, or lead will verify that the invoiced goods or services have been received or provided in satisfactory form and that the invoiced amount is correct.

Payment should be withheld in instances where goods or services are rendered in less than satisfactory form, unless the City is otherwise contractually obligated. City staff are encouraged to request corrective action from vendors when their work is not satisfactory. In such an event, invoices should be promptly submitted for payment to the Finance Department when corrective action is completed by vendors.

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

5. PAYMENT PROCESSING:

- a. *CHECKS AND ELECTRONIC PAYMENTS*. Payments are processed the Friday before the Common Council meeting and disbursed the Friday after the meeting. Special requests outside this time period should be submitted to the Finance Director. See Exhibit C for a payment processing schedule.
 - b. *PURCHASE CARDS*. Purchase cards may be issued to employees that are authorized to make purchases. See Purchase Card Policies and Procedures for more information.
 - c. *TRAVEL EXPENSES*. All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of River Falls' Personnel Policy which establishes policy and procedure to obtain travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of City business practices.
6. **INFORMATION**. City personnel shall not divulge any information concerning bids or purchases with persons outside the City, unless required by the State public records laws.

7. SIGNING OF CONTRACTS AND CLOSING DOCUMENTS

- All contracts shall be signed by the City Administrator or the Mayor's designee.
- All real estate closing documents must be signed by the City Administrator or the Mayor's designee.
- All vehicle purchase closing documents must be signed by one of the following:
City Administrator, Mayor's designee, or Finance Director.

B. INSURANCE CERTIFICATES

Contracts may require contractors to list the City as an additional insured party and sign indemnification agreements that indemnify and hold harmless the City. Standard language that is approved by the City Attorney is attached to this policy (Exhibit A and Exhibit B) for incorporation into future contracts. For questions regarding insurance and indemnity requirements, please contact the City Clerk.

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

Approval Requirements

- Department manager, superintendent, coordinator, or lead and Department Director approval is required prior to purchase.

Standard Process

- Department manager, superintendent, coordinator, or lead and Department Director approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.

- Payment may be made with a purchase card or by submitting an invoice to the Finance Department.

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

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, and Finance Director approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- Buyers should attempt to solicit no fewer than two written quotes for new or non-recurring purchases. These quotes must be written. Documentation of an attempt to solicit multiple quotes may suffice when only one written quote is obtained. The buyer is responsible for maintaining this documentation.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, and Finance Director approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made with a purchase card or by submitting an invoice to the Finance Department.

E. GENERAL PURCHASES \$25,001-\$49,999

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- Buyers should attempt to solicit no fewer than two written quotes for new or non-recurring purchases. These quotes must be written. Documentation of an attempt to solicit multiple quotes may suffice when only one written quote is obtained. The buyer is responsible for maintaining this documentation.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

F. GENERAL PURCHASES \$50,000+

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, City Administrator and City Council approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- The department making the purchase brings the purchase before Council.
- Once Council approves the purchase, department manager, superintendent, coordinator, or lead completes a purchase requisition in Munis, and once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

G. PUBLIC CONSTRUCTION \$5,000-\$24,999

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, and Finance Director approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

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

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, and Finance Director 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. Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

H. PUBLIC CONSTRUCTION \$25,000-\$49,999

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- A Class 2 Notice is required, and a sealed bidding process is required as referenced in Wis. Stat 62.15.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approves 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 process takes place.
Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

I. PUBLIC CONSTRUCTION \$50,000+

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, City Administrator, and City Council approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- A Class 2 Notice is required, and a sealed bidding process is required as referenced in Wis. Stat. 62.15.

Standard Process

- Department Head, Division Head, Finance Director and City Administrator approves purchase of good or service based on cost, department needs, prior experience, and qualifications of the vendor.
- A Class 2 notice is issued, and sealed bidding process takes place.
- The department making the purchase brings the purchase before Council.
- Once Council approves the purchase, Department manager, superintendent, coordinator, or lead completes a purchase requisition in Munis, and once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

J. PROFESSIONAL SERVICES UP TO \$49,999

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- There is no requirement for quotes or bids.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.

Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

K. PROFESSIONAL SERVICES \$50,000+

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, City Administrator, and City Council approval is required prior to purchase, issuance of a purchase order or contract extension is needed.

Competitive Quote Requirements

- There is no requirement for quotes or bids.

Standard Process

- Department Head, Division Head, Finance Director, City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- The department making the purchase brings the purchase before Council.
- Once Council approves the purchase, department manager, superintendent, coordinator, or lead completes a purchase requisition in Munis, and once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

L. SOFTWARE-AS-A-SERVICE AND INFORMATION TECHNOLOGY UP TO \$49,999

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approval is required prior to purchase. The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- There is no requirement for quotes or bids.

Standard Process

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, and City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

M. SOFTWARE-AS-A-SERVICE AND INFORMATION TECHNOLOGY \$50,000+

Approval Requirements

- Department manager, superintendent, coordinator, or lead, Department Director, Finance Director, City Administrator, and City Council approval is required prior to purchase, issuance of a purchase order or contract extension is needed.

Standard Process

- Department Head, Division Head, Finance Director, City Administrator approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- The department making the purchase brings the purchase before Council.
- Once Council approves the purchase, department manager, superintendent, coordinator, or lead completes a purchase requisition in Munis, and once approved, a purchase order will be issued by the Finance Department. After the issuance of a purchase order, a contract may be signed or goods or services requested. Payment may be made via submission of an invoice to the Finance Department.

N. INTERGOVERNMENTAL PURCHASES

Approval Requirements

- Department manager, superintendent, coordinator, or lead approval is required prior to purchase, (Department Director is required if over \$5,000, Finance Director if over \$10,000, City Administrator if over \$25,000, and City Council if over \$50,000). The issuance of a purchase order or contract change order is needed.

Competitive Quote Requirements

- A competitive bidding process is not required for intergovernmental purchases

Standard Process

- Department manager, superintendent, coordinator, or lead (and other approvers) approves purchase of goods or services based on cost, department needs, prior experience, and qualifications of the vendor.
- Department manager, superintendent, coordinator, or lead fills out a purchase requisition in Munis and, once approved, a purchase order will be issued by the Finance Department. After a purchase order is issued, a contract may be signed or goods or services requested. Payment may be made with a purchase card (if payment is under \$10,000) or by submitting an invoice to the Finance Department.

O. INVENTORY PURCHASES

Inventory purchases must follow the general purchasing requirements for that dollar value. However, purchase orders for budgeted inventory of a routine or recurring nature may exceed \$50,000 and be approved by the City Administrator and not go to the Common Council for approval.

Note: inventory on hand of noncritical items should generally not exceed an estimated six month need.

P. REBATE PROCEDURES

All rebate offers should be returned to the Finance Dept /Accounts Payable for processing along with relevant documentation.

Current Accounts Payable Clerk:

Bridget Hieb
(715) 426-3419
bhieb@rfcity.org

- Original rebate receipt/certificate to Accounts Payable. Write your name and GL account number on the rebate itself or a post-it note. Make a copy for your records if needed.
- Accounts Payable will log the information into a spreadsheet and the rebate will be mailed.
- When the rebate check arrives, Accounts Payable will log the information for the rebate check into the spreadsheet.
- Accounts Payable will notify the department head that a rebate check is available to be picked up from the Finance Department. The department head will sign a form when the check is picked up.
- The department head or designee will submit a copy of the receipt(s) to Accounts Payable showing when the rebate check is used. Accounts Payable will record this information in the spreadsheet.

Q. PURCHASE ORDERS

Purchase Orders, upon acceptance by a vendor, become a contract binding upon the City. Any change, cancellation, or return of goods must be made through the Finance Department. Such actions require the prior approval of the vendor.

Purchase orders may be issued for a two-year period as long as it follows the biennial budget cycle. For example, a purchase order may not be issued for 2024-2025 if the budget cycles are the 2023-2024 and 2025-2026 biennial budgets. The requisition from which the purchase order is generated may not exceed the total available budget of the line item of both fiscal years.

A copy of the purchase order will be provided to the requisitioning department. The purchase order should be checked immediately, reporting any apparent discrepancies to the Finance Department. The purchase order number should be used for future reference in place of the account number. Staff should request that the vendor reference the purchase order number on future invoices.

A purchase order issued by the Finance Department is the only commitment that may be made by the City for goods or services. Financial responsibility for unauthorized transactions may be assumed by the individual involved.

1. **EMERGENCY PURCHASES.** Purchases covering valid emergencies will be processed as soon as possible under the direction of the City Administrator, City Administrator's designee, Police Chief or Police Chief's designee, and no purchase order will be required.
2. **CHANGE ORDERS AND CANCELLATIONS.** Change orders and cancellations must be initiated by the department making the purchase to modify an existing order.

3. **PURCHASE ORDER EXCEPTIONS.** Purchase orders will be issued for all procurements as listed herein, except the following: (Within this list, issuance of a purchase order is optional by the Finance Dept.).
 - a. Purchases made with a P-card under \$10,000
 - b. Fees (subscriptions, witness, court filing, membership, registration, tuition, royalties)
 - c. Refunds of receipts collected
 - d. Travel reimbursement
 - e. Customer refunds
 - f. Loan Payments
 - g. Non-RFMU Utility Payments
 - h. Insurance Premiums

4. **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, these 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 placed in the bid file where an award is made to another besides the lowest bidder. The City Council will approve all sealed bid transactions above \$50,000 before a purchase order is issued.

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

5. **INTERGOVERNMENTAL PURCHASES.** Wisconsin State Statute 66.0131 (2) allows the City to make purchases from another unit of government, including the state or federal government, without the intervention of bids. For State Contract information please visit <http://vendornet.state.wi.us>.
Included in intergovernmental purchases are purchases made through state, federal, and other governmental mutual purchasing agreements such as Minnesota State Purchasing Contract, Wisconsin State Purchasing Contract, WPPI Purchasing Contract, SourceWell Purchasing Program and similar programs. These programs have negotiated advantageous costs and purchasing conditions for buyers, and thus soliciting bids would be inefficient and likely produce inferior alternatives.

R. CONTRACTS FOR SERVICES

The City of River Falls will require access to professional services on an intermittent or temporary basis.

Professional services are defined as customized services consisting of specialized intellectual or creative expertise based on personal skills or ideas of an individual(s) that are provided for a fee, which may be determined individually with each customer for each service contract.

- Examples are assessing services, auditing services, and consultants.
- Individuals and firms are likely to be providers of these services.
- Some reasons to purchase professional services are:
 - a) Limited or onetime use of specialized or creative skills.
 - b) Unique areas of expertise.
 - c) Rapid access to the latest technology and experience in its application.
 - d) Access to unique problem-solving alternatives.
- Include a complete statement of work including any deliverables

S. 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.** Wisconsin State Statute 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 costs 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.

Purchase Card Policies and Procedures

A. INTRODUCTION/ CONTACT INFO

The purpose of the Purchase Card Program is to streamline and simplify the requisitioning, purchasing and payment process for small dollar transactions. The program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as purchase orders, check requests, and expense reimbursements.

If you have any questions, please contact your supervisor or program administrator:

Bridget Hieb or Russ Swanson
715-426-3419 or 715-426-3418
bhieb@rfcity.org and rswanson@rfcity.org

B. GENERAL GUIDELINES

1. CARD ISSUANCE

As a cardholder, you will be asked to complete a cardholder acknowledgement of receipt form. By signing the application form, you have agreed to adhere to the guidelines established in this manual. Most importantly, you are the only person authorized to use the card and the card is not to be used for personal use. As each card is linked to a specific cost center and individual employee, the card cannot be transferred from one employee to another.

Upon receipt of your Purchase Card, you will need to activate the account by following the instructions that will be provided to you. Although the card will be issued in your name, your personal credit history will not affect your ability to obtain a card. The City is responsible for payment of all purchases.

2. CARD USAGE

The Purchase Card may be used for official City business in-store purchases, online purchases, phone purchases, and mail orders that do not exceed purchase card limits

The City is exempt from sales tax in the State of Wisconsin. Each user is responsible to make a reasonable effort to inform vendors of this exemption and provide the City's Sales Tax Exemption Certificate if needed.

Note: The City is only tax exempt in the State of Wisconsin and not in other states.

The City recognizes that inadvertent City purchases may occur on staff's personal credit cards. If this occurs, please contact the program administrator and the City will make every effort to make the employee whole, including sales tax.

3. LIMITATIONS AND RESTRICTIONS

Your supervisor has assigned a credit limit to your card. There may also be a single transaction limit placed on your card, which means your card will be declined if you attempt to purchase more than the limit at one time. Do not split a purchase to avoid the single transaction limit. If

you believe the single transaction limit will inhibit optimum usage of the program, please discuss this with your supervisor.

In addition to the single transaction limit, every cardholder has a total monthly dollar limit assigned to his/her account. As limitations vary by cardholder, please discuss the limit with your supervisor. If you believe your monthly limit to be insufficient for your requirements, and your supervisor agrees, your supervisor must contact the Program Administrator to have your limit(s) increased.

4. LOST OR STOLEN CARDS

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, immediately report this information to US Bank at 1-800-932-0036. US Bank is available 24 hours day, 7 days a week. Immediately after reporting to US Bank, you must inform your Program Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid City liability for fraudulent transactions.

As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to US Bank.

C. AUTHORIZED PURCHASES

Departments should use their P-cards for all purchases under \$5,000 and are recommended for purchases up to \$10,000 with Department Head approval. Please see sections C and D on pages 6 and 7 for approvals and processes related to these purchases.

Note: All merchandise returns shall be credited back to the credit card used for the purchase.

D. UNAUTHORIZED PURCHASES

- Items for personal use
- Stock items available through our warehouses or through approved ordering systems or programs

As with any City purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for City funds.

The city recognizes that inadvertent personal purchases may occur on the City P-card. If a charge of this nature occurs, please contact the program administrator and repayment will be set up. The current administrator is:

Bridget Hieb and Russ Swanson
715-426-3419 and 715-426-3418
bhieb@rfcity.org and rswanson@rfcity.org

Failure to comply with guidelines for authorized purchases under the Purchase Card program may result in disciplinary action, cancellation of your card privileges, and possible termination of employment.

E. TRAVEL AND TIPPING

The Purchase Card is intended to assist you with payment for airfare, hotels, and gas during business travel. For meals, please contact Accounts Payable for a per diem payment per the travel policy. The Purchase Card, when used for travel, must be used in accordance with the travel and expense policy already established.

The City encourages tipping to thank service staff for their work when dining out on business travel. Tips should be no more than 20 percent of the total bill.

F. RECORD KEEPING AND RECONCILING

Card users shall obtain a receipt documenting the details of each purchase. Documentation should include details for the entire purchase such as item purchased, shipping and tip amount.

At the end of a statement period, you will be notified via email that it is time to review your card statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase.

You are responsible for the following:

- Retaining and scanning detailed receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made by you on behalf of the City.
- Entering a description and general ledger account for each line item on your statement.
- Releasing your statement in a timely manner

Once your statement has been marked as released, it will be reviewed by a member of the Finance Department and submitted for further approvals by Department Heads.

G. DISPUTED OR FRAUDULENT CHARGES

If there is a discrepancy between your receipts and your statement, it is imperative that the issue is addressed immediately. Depending on the type of discrepancy, you will need to contact the merchant or US Bank.

If you believe the merchant has charged you incorrectly or there is an outstanding quality or service issue, you must first contact the merchant and try to resolve the error or problem. If you are able to resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on your next statement. Note: the item should be highlighted on your record log as a reminder to verify that correct credit has been received.

If the merchant disagrees that an adjustment is necessary, you shall call US Bank to dispute the charges.

US Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, US Bank will credit the City's account for the amount of the disputed transaction. Although US Bank acts as the arbitrator in any dispute, you should never assume that a dispute will be resolved in your favor.

If the dispute is not resolved to your satisfaction, and you believe the merchant has unfairly treated you, please notify your supervisor with the relevant details. Further action may be taken if the merchant is one of our preferred vendors.

Any fraudulent charge (i.e., a charge appearing that you did not authorize) must be reported immediately to your Program Administrator. Prompt reporting will help to prevent the City from being held responsible.

Exhibit A – Insurance Requirements

For proposal purposes, submittals must include copies of certificates of insurance for general liability and worker's compensation. The successful contractor must provide original certificates prior to commencing services.

Insurance

No contractor shall commence work under this contract until they have obtained all insurance required under this paragraph:

Worker's Compensation and Employer's Liability

- A. \$100,000.00 Each Accident
- B. \$500,000.00 Disease-Policy Limit
- C. \$100,000.00 Disease-Employee

General Liability

- A. \$2,000,000.00 General Aggregate
- B. \$2,000,000.00 Products
- C. \$2,000,000.00 Personal and Advertising
- D. \$1,000,000.00 Each Occurrence

Automobile Liability

\$1,000,000.00 Combined Single Limit

Umbrella Liability

Coverage must be at least as broad as the policies listed above.

- A. \$2,000,000.00 Each Occurrence
- B. \$2,000,000.00 General Aggregate

Exhibit B – Indemnity Agreement

_____ hereby agrees to indemnify, defend and hold harmless the City of River Falls, its elected and appointed officials, officers, employees, agents, representatives and volunteers, and each of them, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, defense costs, attorneys' fees, costs, and expenses of whatsoever kind or nature in any manner directly or indirectly caused, occasioned, or contributed to in whole or in part or claimed or alleged to be caused, occasioned, or contributed to in whole or in part, by reason of any act, omission, fault, or negligence, whether active or passive, of _____ or its agents or anyone acting under its direction or control or on its behalf arising out of, in connection with, or relating to this Agreement. This indemnification, defense and hold harmless obligation shall exist for _____ even if liability is also sought to be imposed or is alleged against the City of River Falls, its elected and appointed officials, officers, employees, agents, representatives and volunteers for their own acts, omissions, fault or negligence arising out of or in connection with or relating to this Agreement.

_____ shall reimburse the City of River Falls, its elected and appointed officials, officers, employees, agent or authorized representatives or volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

In the event that _____ employs other persons, firms, corporations or entities (sub-contractors) as part of the work that is the subject of this Agreement, it shall be _____'s responsibility to require and confirm that each sub-contractor enters into an Indemnity Agreement in favor of the City of River Falls, its elected and appointed officials, officers, employees, agents, representatives and volunteers, which contains identical indemnity, defense and hold harmless provisions and obligations as this Indemnity Agreement.

This indemnity provision shall survive the termination or expiration of this Agreement.

Exhibit C – Payment Processing Schedule

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Week 1					Invoice Submission (12pm)	Munis Approval (10am)	
Week 2			City Council			Payments Disbursed	
Week 3					Invoice Submission (12pm)	Munis Approval (10am)	
Week 4			City Council			Payments Disbursed	

Exhibit D – Procurement Protest Procedures (for Federally awarded or sub-awarded funds)

The City of River Falls has developed the following procedures to handle and resolve disputes relating to procurement processes using Federally awarded or sub-awarded funds:

Notification

- Any party registering a bid award protest must do so in writing within 10 business days from the date of the issuance of the bid award. Upon receiving a written bid protest, the City will provide the protester with a copy of the City's protest procedures, via e-mail or by certified mail within 15 business days of the protest filing. Verbal protest complaints will not be considered by the City.

- Protests must be in written form and addressed to the City Administrator, 222 Lewis Street, River Falls, WI 54022. The written protest must contain the following information and should be limited to a maximum of three pages, excluding any attachments:
 - Name and Title of Complainant
 - Name and Address of Business
 - Phone Number, e-mail address, and mailing address
 - Nature and extent of the protest
 - Documentation of Claims
 - Action requested

Response

- The City of River Falls City Administrator, or designee, will review and respond in writing, via e-mail or by certified mail, to each substantive issue raised in the written protest within 15 business days. Depending on the nature of the complaint or protest, the City Administrator, or designee, may refer the complaint or protest to the City of River Falls City Council. In either case, a response must be rendered within 15 business days.
- The final step in the local protest procedure process rests with the City Council. If the complainant is not satisfied with the response made by the City Administrator, the complainant may request a review by the City Council via certified mail addressed to the City Council and copy sent to the City Administrator, no more than five business days after the City Administrator's written decision. The City Council, at its discretion, has the right to review the request or by inaction, let the City Administrator's decision stand. If there is no response from the City Council within five business days, the City Administrator's decision is affirmed.
- If the City Council chooses to review the complaint, the City Council will invite the protester to provide the following written information and details:
 - Original written complaint
 - City Administrator's written response
 - Additional information submitted to or requested by the City Council
 - All documentation and pertinent facts relating to the dispute

- After reviewing the written protest information, the City Council will make a final decision and provide a written response to the complainant's protest. If the City Council so chooses, it may invite the complainant to address the protest issue at a City Council meeting before the Council makes its final decision. However, the City Council, at its sole discretion, may choose to render its decision without consulting the complainant based solely on the evidence and information before it.
- After the conclusion of the City Council's deliberations and decision, the City Administrator, or designee, shall provide the City Council's record of decision to the complainant within 10 business days.
- All decisions rendered by the City Council are final. This completes the local portion of the protest procedure process.
- The complainant does have the option to request reconsideration only if data becomes available that was not previously known, or there has been an error of law or regulation.
- The Federal Transit Administration will only entertain a protest that alleges that the City of River Falls failed to follow their protest procedures. Any protest to the FTA must be filed in accordance with the FTA Guidance Circular 4220.1F or the most recently revised circular.

FREQUENTLY ASKED QUESTIONS

1. How will I know if I have exceeded my monthly limit?

A member of the finance team can check you balance and expenditures online at any time. You may also call the toll-free US Bank Customer Service number on the back of your card. If you need your balance checked please contact Bridget Hieb, 715-426-3419, or Russ Swanson, 715-426-3418.

2. Who in the City may I talk to if I have questions going forward?

Please contact Bridget Hieb, 715-426-3419, or Russ Swanson, 715-426-3418, with any questions.

What should I do if I have a problem associated with something I bought with my Purchase Card?

Please refer to the “Disputed or Fraudulent Charges” section of this guide for complete details. It is extremely important that you address these items immediately.

3. What should I do if my card is lost or stolen?

It is extremely important to call US Bank’s Customer Service toll-free number (1-800-344-5696) immediately in the event your card is lost or stolen. You must also notify your Program Administrator.

4. Can another employee utilize my card for purchases?

Each Purchase Card will be embossed with the individual employee’s name. The employee is responsible for the proper use of his/her card. *At no time should another individual utilize your card.*

5. What should I do if I need to change my monthly or single purchase limits?

Please contact Bridget Hieb, 715-426-3419, or Russ Swanson, 715-426-3418.

6. What is considered public construction?

The term “public construction” is not defined in the state bidding statutes. One commentator has stated that public construction consists of the following:

(A)ctivities concerned with the erection of buildings and bridges, the construction of streets and highways, and other similar public improvements which require the combining of materials, supplies and labor. Mere maintenance and other public works which do not involve the actual combining of materials and labor with a definable end result would unlikely constitute public construction.

Natkins, Smith & Van Swearingen, *Public Construction in Wisconsin*, p. 50 (1985).

If you have additional questions, please contact Josh Solinger, 715-426-3449.