CITY OF WATERLOO	TITLE: **PURCHASING POLICY**	
TARGET AUDIENCE: City Departments; City Employees; Utilities and other component units funded by City taxpayers or ratepayers, either in whole or in part; Community Development Authority; Vendors	POLICY SOURCE: Finance Comm. mark-ups	DEPARTMENT HEAD REVIEW:
DATE APPROVED BY	DATE AMENDED BY COUNCIL:	ATTORNEY REVIEW:

SECTION I
POLICY OBJECTIVES

1.1 Objectives. The objectives of the City's Purchasing 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 City expenditures and financial commitments with proper documentation.
3. To obtain quality goods required by City departments and to ensure that these goods are at the place needed at the time needed.
4. To provide a standardized system of purchasing for use by all City departments.

SECTION II
COMPETITIVE BIDDING AND PURCHASING REQUIREMENTS

2.1 Policy. It is the policy of the City of Waterloo to procure needed materials, equipment and services at the lowest cost consistent with quality and performance. Therefore, City purchases will be made only after price quotations have been obtained or attempted to have been obtained from different suppliers through either formal or informal means, if required pursuant to this Policy.

~~2.2 Obtaining Bids. Unless required by State Statute, it shall be the Department Heads discretion on the method of obtaining bids and proposals. Options include invitations to bid and proposals by US mail, email, and publication in the official newspaper, telephone contacts or verbal requests. Purchases shall attempt to obtain bids or proposals from at least three (3) vendors to ensure that comparison pricing is demonstrated.~~

2.2 Purchasing Requirements. [DRAFTING NOTES: from Sun Prairie] The process of making purchases varies depending on the total cost of the purchases.

Budgeted Cost	Authority Required	Purchasing Process	Competitive Requirement
Less than $2,500	Department Director or designee	Submit Invoice ~~Purchase Order~~ / Procurement Card	Documented periodic quotes or 2 informal quotes received verbally or by examining published prices
Over $2,500 and less than $25,000	Finance ~~Department~~ Committee	Submit Invoice ~~Purchase Order~~ / ~~Procurement Card~~	Three formal written quotes received by letter, fax or email.
Over $25,000	Mayor	Submit Invoice ~~Purchase Order / Procurement Card~~	Sealed bid opened publicly in response to city provided specs.

The staggering of purchases or dividing purchase to intentionally evade this policy is strictly prohibited.

Purchases under $2,500. (1) Department Head, or designee, approval. (2) At least two informal (verbal) price quotations obtained prior to purchase; and (3) for items regularly purchases or by multiple departments, departments are encouraged to explore cooperative purchasing or purchasing in bulk.

Purchases of at least $2,500 and under $25,000. (1) Finance Committee approval. (2) Three written quotes. (3) Items greater than $10,000 must be part of the approved Capital Improvement Plan.

Purchases greater than $25,000. (1) Finance Committee approval. (2) Department Head or designee responsible for conducting public bid or RFP process with at least three bids. (3) Public construction projects with an estimated cost greater than $25,000 must be let by contract to the lowest responsible bidder as required by Wisconsin State Statues 62.15(1). Also, per statute 62.15 the City Council may by three-fourths vote provide an ordinance that any class of public construction project may be done directly by the city without submitting the project for bids.

~~Obtaining Bids. Unless required by State Statute, it shall be the Department Heads discretion on the method of obtaining bids and proposals. Options include invitations to bid and proposals by US mail, email, and publication in the official newspaper, telephone contacts or verbal requests. Purchases shall attempt to obtain bids or proposals from at least three (3) vendors to ensure that comparison pricing is demonstrated.~~

2.3 Exceptions. The only exceptions to this Policy are:

1. Sole-source purchases (i.e., when only one known supplier is available): includes diagnostic vehicle repairs and warranty work that needs to be done by service providers equipped and trained for repairs on the make and model of equipment being repaired.
2. Emergency purchases and repairs covered by insurance proceeds.
3. Items purchased by State contract.
4. Purchases paid with grant funds which require specific purchasing procedures.
5. Professional services where the Mayor has waived bidding requirements.
6. Other justifications as identified by a Department Head and approved by the Mayor.
7. For purchases below $1,000, the bidding/proposal process is waived although the purchaser is expected to compare prices for routine purchases and supplies. The intent is to look for quality and price over convenience, wherever practical.

2.4 Competitive Bidding Process. To assist Department Heads in the bidding process, templates are available from the Clerk/Treasurer for soliciting bids. Templates are also available for RFIs, RFPs and RFQs:

- *Request for Bid* (RFB): Commonly used when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor.
- *Request for Information* (RFI): Commonly used to develop lists of qualified sellers and gain more input for resource availability.
- *Request for Proposal* (RFP): Commonly used when deliverables are not well-defined or when other selection criteria will be used in addition to price.
- *Request for Quotation* (RFQ): Commonly used when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor. Unlike an RFB, this solicited price quote is used for comparison purposes and is not a formal bid for work.

2.5.1 Tie Bids. If two or more bids are in the same amount or unit price, quality, service and other factors deemed relevant being equal, the contract shall be awarded to a bidder whose principal place of business is located within the City limits, if any. If there is not a City of Waterloo bidder, the Department Head should award the contract to one of the tie bidders by cutting a deck of playing cards, with the highest card being awarded the bid.

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

2.5.3 Bidders in Default to the City. A Department Head should 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 the City.

2.5.4 Selecting Bid. In addition to price, Department Heads may consider the following factors in selecting the acceptable bid:

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 ordinance relating to the contract or service.
6. The sufficiency of the financial resources and ability of the bidder 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 for the use of the subject of the contract.
9. The number and scope of conditions attached to the bid.

SECTION III
CENTRAL PURCHASING

3.1 Policy. Many of the items purchased by the City are commonly used by all or several departments. By consolidating the needs of all departments, the City can take advantage of price discounts for large quantity orders of these items. Annual orders are encouraged. Department Heads and all purchasers are strongly encouraged to work together to coordinate purchases of common items between departments.

SECTION IV
PURCHASE RELATED CHARGES AND ALLOWANCES

4.1 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, it must be billed at the time of invoicing.

Purchasers, when obtaining price quotations, should inquire into applicable freight charges. Any charges to be paid by the City will be regarded as part of the price quotation when selecting the successful bidder and noted on the purchase requisition. Unless otherwise stated in the RFP/RFQ, all formal bids and proposals shall include freight and delivery charges, if any.

4.2 Sales Tax Exemption. The City is exempt from paying city, county and state sales tax. Purchasers have the responsibility to inform vendors of tax exempt status. Tax exempt forms are available in the City Clerk/Treasurer's office. Invoices received by the City that include sales tax will be amended by reducing the amount of sales tax prior to payment.

4.3 Vendor Discounts. It is the policy of the City to take advantage of all available vendor discounts where possible. ~~The following considerations should be kept in mind:~~

1. ~~Cash discounts are offered for prompt payment, usually within ten days of the date of the invoice. Department Heads can aid the City by ensuring that their copy of the purchase order is signed and forwarding invoices to the Clerk/Treasurer's office promptly for inclusion in accounts payable batches. The Clerk/Treasurer will notate, "Redeemed Prior to Council" for items released prior to Council.~~
2. ~~Trade discounts are sometimes offered to municipalities for the purpose of attracting business. In most cases, the City will not be offered a trade discount unless the purchaser asks if one is available. Therefore, it is essential that Purchasers ask if trade discounts are available when obtaining price quotations.~~

SECTION V
COOPERATIVE PURCHASING

5.1 Policy. Cooperative purchasing between the City and the State of Wisconsin or between the City and other local governments can result in significant savings on the purchase price of many items. The Clerk/Treasurer shall have the authority to analyze the desirability of cooperative purchasing arrangements and to make recommendations to the Mayor. The City Council encourages cooperative purchasing but maintains 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.
4. Ordered items will be delivered directly to the City (unless otherwise agreed to).

SECTION VI
CHARGE CARDS

6.1 Department Use of Card. The following departments have employees that have been selected to receive credit charge cards in their name on behalf of the City: (1) Public Works Department; (2) Police Department; (3) Fire Department; (4) Parks Department and (5) Clerk/Treasurer's office.

6.2 Cardholder Responsibilities. [DRAFTING NOTE: from Reed City]

- Ensure that credit card is used in compliance with City Purchasing Policies.
- Only authorized municipal employees may use a municipal credit card.
- A municipal card may be used only for the purchase of goods and services for official business of the City of Waterloo.

- The employee using the credit card must submit receipts and documentation detailing the goods and services purchased, cost, purchase date and the official business explanation thereof.
- Above said receipts and documentation must be submitted to the Clerk/Treasurer's Office in a timely manner to reconcile against the monthly credit card statement.
- The employee issued a card is responsible for its protection and custody and shall immediately notify the Clerk/Treasurer's office if the card is lost or stolen.
- Card users must notify vendors and merchants that the card transaction should be exempt from state Sales Tax (IRS Tax Identification #39-6006400).
- The card may not be used for cash advances, personal use or any other type of purchase not permitted under the City Purchasing Policy.
- Employees must immediately surrender the card upon termination of employment. The City reserves the right to withhold final payroll checks and payouts of accrued leave time until the card is surrendered.

6.1 ~~Policy. During the course of everyday business, situations arise that call for the use of a charge card. Some examples of these situations might be making flight reservations, booking a hotel in connection with a conference, purchasing government publications on-line, etc. A charge card is not meant to interfere with any of the other policies and/or procedures currently in place in terms of purchasing needed items and/or services for the City. Its use is meant to enhance or augment the City's ability to make purchases in the most efficient manner possible. Purchase orders and competitive pricing practices are still required for items purchased on a charge card if above $1,000 dollars.~~

~~6.2 Use of Card. The charge card shall be used where necessary purchases: (1) cannot be billed or invoiced tothe City and (2) can only be made by a charge card by policy of the vendor. For example: on-line booking of air travel or seminar registration. It is suggested to routinely ask if the company would bill the City as this would be the preferred method of payment.~~

6.2.1 Examples of when the charge card MAY be used:

1. Lodging *(registering in advance and paying upon departure)*.
2. Some transportation: Flights, car rentals, trains, inter-city buses *(see below for exceptions when card cannot be used in this category).*
3. Registration fees for conferences and seminars.
4. Costs associated with business-related training.
5. Online purchases for items such as government or business-related literature.
6. Meal costs *(including the standard 15% tip).*
    a. ~~Costs must follow the standards established in the City's Travel Guidelines/ Expense Reimbursement Policy.~~
    b. Group meetings where the City is paying (must receive prior approval of the Mayor whose approval means that it is appropriate for the City to pay the expense).
    c. The City will allow tips up to 15% of the bill to be applied to the charge card. If a tip is made that is in excess of 15%, the overage should be left by the employee in cash and will not be recoverable from the City as a valid expense.
    d. Employees do not need to obtain tax exemption for individual meals or groups up to three (3) people. Groups over three should try to obtain the tax exempt status. (See Tax Exemption section of this policy below.)

6.2.2 Examples of when the charge card MAY NOT be used:

1. Taxi fares, intra-city bus lines.
2. Tips, except when it is part of an approved meal cost.

3. Personal purchases of any kind.
4. Cash advances.

6.3 Employee Access to Credit Card. Department Heads are responsible for determining the individual(s) in their organization who will have a charge card. Employees may not make purchases without the prior knowledge of the Department Head. Approved employees will be required to sign an agreement that:

1. Acknowledges that they understand the purpose of the use of credit cards. Certifies that they have read and understand the City's Purchasing Policy,
2. Confirms that improper use of the card may result in disciplinary action up to and including termination of employment; and
3. Guarantees return of the card to the Department Head for reasons such as, but not limited to:
   a. Change in duties,
   b. Retirement,
   c. Termination of employment,
   d. Improper use, or
   e. Any other sound reason determined by the Department Head or Mayor.

6.4 Tax Exemption. Purchases made on credit cards are still eligible for tax exemption. The City, as a government office, is exempt from paying tax on purchases. Those who will be issued cards will be given the tax exemption number. Certificates are available by contacting the Clerk/Treasurer's Office ~~Finance Department~~. The Purchaser is responsible to provide the vendor proof of the City's tax exempt status at the time the charge is incurred.

6.5 Automatic Payroll Deduction. If a meal (plus tip) purchase exceeds that which is allowed by the City's Travel Guidelines/Expense Reimbursement Policy, located in the Employee Handbook,, or if an unauthorized charge occurs, or if a good faith attempt to receive a tax exemption is not made, the employee must immediately reimburse the difference between what is allowed and the dollar amount being charged to the Finance Department. If the employee does not submit the difference to the Clerk/Treasurer's Office ~~Finance Department~~, that lack of action acts as the employee's permission for an automatic payroll deduction for the unauthorized charges or the amount in excess of what is allowed to be taken from the employees next payroll check.

6.6 Documentation. ~~As with any purchases made for the City, paperwork is required~~. ~~To ensure that our Finance Department can make payment of the charge card debt in a timely manner,~~ It will be necessary for the following rules to be followed:

1. Employees who use a City charge card shall, as soon as possible after making a purchase, submit supporting documentation to the Department Head. Supporting documentation may include:
   a. The vendor's detailed sales receipt,
   b. Itineraries,
   c. Rental agreements,
   d. Completed registration flyers,
   e. Renewal notification letters,
   f. Order confirmations.
2. Documentation must include the name of the vendor providing the goods or services, the date (and time for meal reimbursements), the employee(s) involved, the goods and services received, the amount, and the business purpose.

3. All sales documentation needs to be clearly marked as a charge card purchase with the department/card number indicated and the name of the employee who made the purchase.
4. Department Heads will approve the purchase that was made by placing an account code and signing the submitted documentation as they would with any other request for payment. Include the purchase order number on the invoice (if applicable).

~~5. Department Heads or designee must enter the documentation information into the City's financial software.~~

5. The charge card statement will be mailed directly to the Clerk/Treasurer's office ~~Finance Department~~. All sales slips should be in the Accounts Payable Department by the time the statement gets here. Accounts Payable will match up the slips to the statement. Statements will only be distributed when information is missing.

~~We are required by the charge card vendor to make an electronic payment within 14 days of the statement date so we do not have time to search for information.~~

~~6 Charge card purchases will have to be paid before Council can approve them. We will include the vouchers in the Council batch following the end of the month when we process our batch of all electronic payments made for the month. Based on the vendor's statement date of the 25th, it will miss the cycle at the end of the current month and would have to wait another month. These vouchers would then be 7 to 11 days past the purchase date by the time the Council sees them.~~

6 Upon leaving employment, or when an employee no longer needs to have the charge card, the Department Head will be responsible for retrieving it. The Clerk/Treasurer or his/her designee will maintain a list of employees to whom cards have been issued. Department Heads therefore must inform the Clerk/Treasurer's ~~Finance~~ office when it is necessary to either reassign a card or to remove the employee's name from the list of those who are holding a City charge card.

6.7. Loss of Privilege. If an employee exhibits non-compliance with these procedures, discipline for non-compliance may occur, up to an including the loss of privilege to use the charge card or termination. A Department Head has the right to establish additional restrictions on City charge card use within his/her respective department

SECTION VII
FLEET FUEL CHARGE CARDS

7.1. Department Use of Fleet Fuel Charge Cards. All fuel for City owned vehicles and equipment will be purchased using a fleet Fuel card. The following departments ~~vehicles~~ have been issued a fleet card for ~~each~~ City owned vehicle or equipment: (1) Fire Department; (2) Police Department; (3) ~~Engineering (4) Department; (5) Building Inspector; (6) Administration; (7) Water Department;~~ (8) ~~Sewer Department;~~ (9) Public Works Department.

7.2 Department Head Responsibilities. The respective Department Head will be responsible for reporting and managing authorized users for their department to the Clerk/Treasurer.

7.3. Employee's Use of Fleet Charge Card. The Department Heads are responsible for determining the individual(s) in their organization who will have a fleet charge card. ~~All users will be issued a Personal Pin # and will be required to enter the pin at the pump (or at the cashier) to authorize the fuel purchase.~~ All purchases can and will be tracked by the department, vehicle and user.

The Department Head has the right to establish additional restrictions on City fleet charge card use within his/her respective department.

Fleet Charge Card using employees will be required to sign an agreement that:

1. Acknowledges that they understand the purpose of the program.
2. Certifies that they have read and understand this Fleet Charge Card Policy Section of the City's Purchasing Policy.
3. Confirms that improper use of the card may result in disciplinary action up to and including termination of employment; and
4. Guarantees return of the card to the Clerk/Treasurer for reasons such as, but not limited to:
    a. Change in duties,
    b. Retirement,
    c. Termination of employment,
    d. Improper use, or
    e. Any other sound reason determined by the Department Head or Mayor.

7.4 Automatic Payroll Deduction. If an unauthorized charge occurs, the employee must immediately reimburse the dollar amount being charged to the Clerk/Treasurer's office ~~Finance Department.~~ If the employee does not submit payment ~~to the Finance Department,~~ that lack of action acts as the employee's permission for an automatic payroll deduction for the unauthorized charges or the amount in excess of what is allowed to be taken from the employees next payroll check.

7.5 Documentation - ~~As with any purchases made for the City, paperwork is required. To ensure that our Finance Department can make payment of the charge card debt in a timely manner, it~~ It will be necessary for the following rules to be followed:

1. Employees who use a City fleet charge card shall, as soon as possible after making a purchase, submit
   supporting documentation to the Department Head. Supporting documentation may include:
    a. The vendor's detailed sales receipt.
    b. Documentation must include the name of the vendor providing the goods, the employee(s) involved, vehicle or equipment the fuel is for, the amount, and the date.
2. ~~All sales~~ Sales documentation needs to be clearly marked as a charge card purchase with the department/card number indicated and the name of the employee who made the purchase.
3. ~~Department Heads will receive the fleet card statement at the end of each billing cycle and approve the purchases made by writing the proper account code and signing the statement. The Department Head will be required to attach the supporting documentation to each statement.~~
4. ~~Department Heads or designee must enter the documentation information into the City's financial software.~~
5. Department Heads or designee will promptly place the approved charges in the Accounts Payable basket in the Clerk/Treasurer's office. ~~Finance Department.~~
6. Upon leaving employment or there is no longer a need for an individual to have a fleet charge card, the Department Head will be responsible for retrieving the card. The Clerk/Treasurer or designee will maintain a list of employees to whom cards have been issued. Department Heads therefore must inform the Finance Department when it is

necessary to either reassign a card or to remove the employee's name from the list of those who are holding a fleet charge card.

7.6 Loss of Privilege. If an employee exhibits non-compliance with these procedures, discipline for non-compliance may occur, up to and including the loss of privilege to use the charge card or termination. A Department Head has the right to establish additional restrictions on City charge card use within his/her respective department.

SECTION VIII
SALE OF SURPLUS PROPERTY

8.1. Tangible Property. City property is declared "surplus" when it is no longer necessary, practical or economical to be retained by the City. Department Heads are responsible for identifying surplus furniture, equipment, supplies, etc., in their departments. The Mayor or designee is responsible for the sale or disposal of all surplus property. The Mayor or designee shall determine the best method for sale or disposal of the surplus property. Such methods shall include internet postings on well-known sites such as eBay or Craigslist, public bid, public auction or private sale.

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

8.3 Real Estate. Whenever City owned property is proposed for sale, there should be an internal review conducted by the Mayor and Department Head to determine whether the City may need the parcel in the future and for what purpose. The Mayor will then prepare a report for Plan Commission for review. The Plan Commission will consider the land sale request, along with the Mayor's Report on the property, and then prepare a recommendation based on zoning or land use of the property. The Plan Commission recommendation will then be submitted to the Finance Committee who shall consider~~s~~ whether an appraisal is necessary, how the property may be disposed of, and then forward~~s~~ a recommendation on to the City Council for final action. The Mayor is responsible for carrying out the Council's actions for disposition of the property. Property may be disposed of by public auction, sealed bids, or by a mutual sales agreement.

SECTION IX
PURCHASING PARAMETERS

9.1 ~~Routine Budgeted Purchases. Routine budgeted purchases made by the City of Waterloo may be grouped under the following categories:~~

1. ~~Purchases under $1,000 are authorized by a Department Head without further authorization except that purchases shall meet the competitive bidding requirements, as outlined in this Policy, and the item is included in the current budget.~~
2. ~~Purchases from $1,000 to $10,000 dollars shall be approved prior to ordering by the Clerk/Treasurer but only after the Department Head complies with competitive bidding requirements, forwards a completed purchase order with copies of bids or quotes received to the Clerk/Treasurer, and the item is included in the current budget.~~
3. ~~Purchases from $10,001 to $50,000 shall be approved prior to ordering by the Mayor, but only after the Department Head complies with competitive bidding requirements,~~

~~forwards a completed purchase order with copies of bids or quotes received to the Clerk/Treasurer, and the item is included in the current budget.~~

4. ~~Purchases over $50,000 shall be approved prior to ordering by the City Finance/Personnel Committee, but only after the Department Head complies with competitive bidding requirements, forwards a completed purchase order with copies of bids or quotes received to the City Clerk/Treasurer, and the item is included in the current budget.~~

9.2. ~~Construction and Public Works Contracts. Construction and public works contracts must be advertised and bid according to state law.~~

9.3 ~~Department Head Responsibilities. Except for labor, Department Heads shall request transfers of budgeted funds in the General Fund within each function code as part of their purchase order requisition in the "Notes" section. Department Heads are required to monitor total spending for each of their function budgets and not exceed the total budgeted amount for each function. The total budget for each function will be considered the spending parameter for legal notice purposes. These transfers are approved or denied as part of the purchase order processing according to the thresholds set in this policy for the Clerk/Treasurer and/or the Mayor.~~

9.1 Unbudgeted or Under-Budgeted Purchases. The Common Council, by way of a recommendation from the City's Finance/Personnel Committee, must approve all non-budgeted purchases prior to purchasing. The Department Head must still comply with competitive bidding requirements and forward a completed purchase order with copies of bids or quotes received to the City Clerk/Treasurer.

9.2 Purchase Orders.

1. A Purchase Order may be issued by a Department Head for internal departmental tracking. [DRAFTING NOTE: CT addition]
1. ~~A Purchase Order is required before a purchase is made to obtain goods and services for the following:~~
    a. ~~Operating supplies~~
    b. ~~Office supplies~~
    c. ~~Clothing acquisitions~~
    d. ~~Small tools and minor equipment~~
    e. ~~Maintenance and repair supplies~~
    f. ~~Equipment Rentals (requests shall state approximate hours and rental cost per hour)~~
    g. ~~Printing~~
    h. ~~Office furniture or equipment~~
    i. ~~Capital Outlay Items~~
    j. ~~Services not covered by a contract~~

~~2. A Purchase Order is not required for the following purchases:~~

a. ~~Professional contracted service such as legal, architectural, engineering, auditing, maintenance contracts and janitorial contracts, if the contract has been approved by the Council.~~
b. ~~Utility expenditures such as electricity, natural gas, cable TV and telephone service.~~

c. ~~Payroll and related expenses such as employee hospitalization, insurance payments, pension payments and mandatory state and federal employee withholding.~~

d. ~~Routine expenditures such as insurance premiums, and bond payments that have received prior Council approval and authorization.~~

e. ~~Reimbursement to citizens for a canceled recreation program.~~

f. ~~Employee reimbursement for miscellaneous out-of-pocket expenses.~~

9.3 ~~Purchasing Procedure. The following is the standard procedure to be used for all purchasing categories after proper authorization is secured. Also see Appendix C – General Purchasing Workflow for Departments.~~

1. ~~The Department Head or designee shall follow procedures listed in this policy and the Waterloo Municipal Code for all purchases.~~
2. ~~The Department Head or designee will complete a requisition using the Purchase Order module associated with the City's accounting software.~~
3. ~~Request must include required competitive bidding obtained, including quotes or bids received, and budget amendments or transfer requests to ensure that the purchase will not exceed the approved budget.~~
4. ~~The Clerk/Treasurer will return a response to the Department of purchase who shall include the PO number on the invoice and packing slip.~~
5. ~~When the material or service has been received and accepted, the Department Head will write the PO on applicable invoices and packing slips to the Finance department for processing. Invoices shall indicate approval for payment by the Department Head whose budget accounts will be affected by the payment. If partial shipments are received, the Department will submit applicable invoices marked in the same manner previously described to the Finance Department to make timely payments.~~The ~~Finance Department~~

6. Clerk/Treasurer's Office will review the invoices awaiting payment for accuracy, discounts available, erroneous sales tax charges and may make changes if errors are found.

7. All financial obligations, after administrative review, shall be submitted to the Council for approval at the regular meetings of the Council. The Mayor is authorized to deviate from this point when it is in the best interests of the City to take advantage of discounts offered by suppliers or contractors, which if not pursued, would result in additional costs to the municipality. Said payments shall be listed for Council approval also, but the checks may be released early if the in the best interest of the City.

SECTION X
PROCEDURES FOR 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.
5. Contracts also include lease agreements and memorandum of understandings (MOU's).

10.2 Competitive Bidding. Department Heads must follow all competitive bidding requirements for procuring contracted services or purchases. However, a purchase order is not needed in these instances.

10.3 Signatories. The signatories for the City are the City Clerk/Treasurer, Deputy Clerk/Treasurer and Mayor ~~and the Mayor~~, each of whom are authorized to execute the contracts without additional Council action; two of the three persons must sign each contract. Department Heads do not have legal standing to enter into contracts on behalf of the City unless expressly authorized to do so by the City Council.

The Mayor shall have authority to sign contracts to purchase vehicles or equipment without an additional signatory provided they are included in the annual budget and meet the guidelines of the purchasing policy.

10.4 Contract Review. All contracts must be reviewed by the City Attorney as to form prior to the execution of the contract. Department Heads should submit contracts to the City Attorney as soon as possible for timely review – ideally at least one business week prior to the execution date. All questions about whether a document is a contract should be directed to the City Attorney prior to execution of the document.

SECTION XI
EMERGENCY PURCHASES

11.1 Policy. Emergency purchasing procedures should only be used when normal purchasing channels are not feasible. Emergency purchases may be made:

1. When there is a need for immediate delivery of items.
2. To prevent delays in work or construction schedules.
3. When there is an immediate threat to employees, public health or safety, or
4. To meet emergencies rising from unforeseen causes.
5. When there is an emergency declaration.

11.2 Emergency Purchases over $1,000. For emergency purchases over $1,000, the Department Head shall take the following steps:

1. Notify the Mayor of the emergency and receive a waiver of the provisions of the purchasing policy.
2. Complete a purchase requisition after the fact and document emergency status in the "Notes" section.

SECTION XII
GRANTS AS A REVENUE SOURCE

12.1 Policy. Prior approval from the Finance/Personnel Committee is required when the grant requires a City matching contribution. Approval must be granted prior to the submission of the grant application. City matching contributions are defined to include any monetary contribution, change in service or staffing.

SECTION XIII
DONATION POLICY

13.1 Policy. The purpose of this policy is to establish a formal process for acceptance and documentation of donations made to the City and to ensure compliance with applicable laws and accounting procedures. This policy supersedes other departmental policies regarding these issues. This policy provides guidance when individuals, community groups, and businesses wish to make donations to the City. This policy also establishes the standards for City employees and City officials regarding the acceptance of gifts and fundraising activities during the performance of City business.

13.2 Types of Donations. Donations may be offered in the form of cash, real or personal property. Designated donations are those donations that the donor specifies for a City department, location, or purpose. Undesignated donations are those donations that are given to the City for an unspecified use. Designated donations may only be accepted when they have a purpose consistent with the City's goals and objectives and are in the best interest of the City of Waterloo.

13.3 Acceptance of Donations. Based on the value of the donation offered as outlined below, appropriate City staff shall review every donation and determine if the benefits to be derived warrant acceptance of the donation. The following points list the threshold amounts for donation acceptance.

1. Offers of donations of cash or items valued at $5,000 or below shall be considered for acceptance by the Department Head.
2. Offers of donations of cash or items valued more than $5,000 and up to $50,000 shall be considered for acceptance by the Mayor. All donations over $10,000 shall be reported to the City Council as informational.
3. Offers of donations of cash or items valued more than $50,000 shall be considered for acceptance by the City Council. Donations valued at more than $50,000 require acceptance through a written agreement consistent with these guidelines and approved by the City Council.

13.4 Acceptance of Designated Donations. Prior to acceptance of designated donations, appropriate City staff will review the conditions of any designated donation and determine if the benefits to be derived warrant acceptance of the donation. Criteria for the evaluation include but are not limited to:

1. Consideration of an immediate or initial expenditure required to accept the donation.
2. The potential and extent of the City's obligation to maintain, match, or supplement the donation; and
3. The need for the property, including where and what type of property it is.

13.5 Fundraising. Solicitation of voluntary contributions shall not violate the Code of Ethics for local officials under Wisconsin Statutes and City of Waterloo Code of Ordinances. In addition, no solicitation shall state or imply that a donation will influence or affect how the party is treated by City officer and employees.

1. All fundraising and solicitation efforts shall be consistent with the missions, goals, and mandates of the City. Solicitation for business, commercial, or personal reasons by City employees not directly related to City operations is prohibited. All donated funds or property become public property upon acceptance and shall be used or expended for public purposes.
2. All significant fundraising and solicitation efforts, as reasonably defined by the Mayor, which support City programs and projects shall be authorized by the City Council after prior review

and recommendation by the appropriate oversight Committee, Commission or Board. Council authorization may include continuing authorization or authorization for a one-time only project.

13.6 Accounting. Following donation acceptance, the Department shall obtain written approval of Clerk/Treasurer or delegate regarding procedures to account for the donation. Said approval shall include proper accounting protocols for fundraising revenues and expenditures to be coordinated through the office of the Clerk/Treasurer. No Department shall be allowed to maintain a checking or savings account for fundraising activities that is separate from the City accounting system. The Clerk/Treasurer shall also be responsible for ensuring donated property is properly insured upon acceptance of said property.

13.7 Status of Donated Property. All donated property given to the City of Waterloo becomes the property of the City to oversee, maintain, and manage and may be used in the complete discretion of the City, unless the parameters of the donation specifically require otherwise. The City will decide when changes shall be made to any facility or materials, with no guarantee of donated items being retained. If personal property becomes obsolete, the City will attempt, if possible, to find another use for the property. The City is not required to maintain the property beyond its useful life. The City does not guarantee future funding for repair, maintenance, use or replacement of donated items.

13.8 Library Donations. All donations to the library are governed by the Library Board and its adopted policies. ~~by its Gift Policy adopted November 19, 2013, and as amended.~~

~~SECTION XIV~~
~~MISCELLANEOUS CONSIDERATIONS~~

~~14.1 Encumbrances and Financial Recordkeeping. Encumbrances are commitments related to purchase orders or contracts that have been issued, but for which no goods or services have yet been received. Encumbrances are recorded as they occur for budgetary control purposes.~~

~~The issuance of a purchase order or the signing of a contract creates an encumbrance of the amount required to be paid during the current year. This amount is no longer available for obligation or expenditure, unless the purchase order or contract is canceled. Encumbrance records shall be maintained by the City Clerk/Treasurer.~~

~~14.2 Non-Budgeted Items. Purchases that have not been provided for in the current budget will require Council approval through budget transfers or amendments. The Department Head shall notify the City Clerk/Treasurer and provide written documentation regarding the expenditure. This information will be provided to the Finance Committee for a recommendation to Council concerning purchase approval and necessary budgetary transfers or amendments.~~

~~14.3 Insurance Claim and Settlement Proceeds. Purchases resulting from an accident or loss covered by the City's insurance policy or legal settlement will be treated as non-budgeted items. Although money will be received from the claim or settlement, this is deposited into an "Insurance Proceeds" revenue account. Purchases will be expended from the appropriate capital outlay or maintenance account, hence necessitating a budget amendment.~~

~~14.4 Property Room Surplus. Police Department property room surplus items shall be disposed of at the discretion of the Police Chief or designee and pursuant to State Statute. Any proceeds from the sale of said items shall be entered into the Police Property Surplus budget.~~

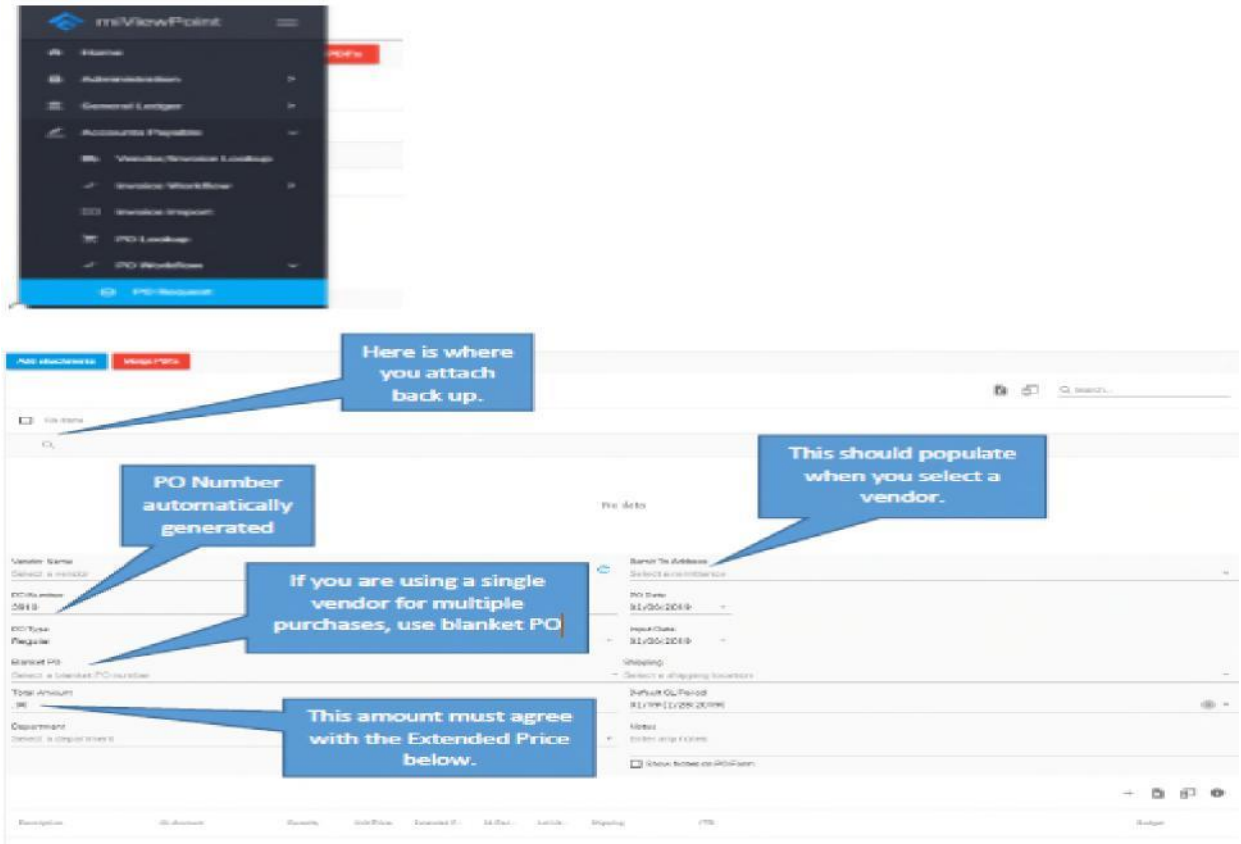
~~14.5 Local Merchants. The City will give utmost consideration to local merchants taking price and service into account.~~

~~14.6 Conflict Of Interest. Employees of the municipality are regulated by §946.13, Wis. Stat., and §1.77, City Code, concerning conflicts of interest. The statutory amount that an employee can earn directly or indirectly per 12-month period from the City for doing contracted work for the City is $15,000.00. For lesser amounts, it shall be unethical for any City employee to participate directly or indirectly in a purchase or contract when the City employee or any member of the employee's immediate family has a financial interest pertaining to the contract or purchase unless the contract has been competitively bid or the service is highly specialized and only one supplier is available, and the employee has followed the procedure set forth in §1.77, City Code,.~~

~~14.7 New Vendors. New vendors must be approved and created by the Finance Department prior to the purchase being initiated to satisfy internal control procedures. The Purchase Order Software will not complete the requisition process until the vendor has been created. To facilitate approval, complete the New Vendor Request Form and submit it to the Finance Department.~~

[DRAFTING NOTE: Strike This Page]

Utilizing miViewPoint



~~PURCHASING WORKFLOW FOR CITY DEPARTMENTS~~

~~City departments may use this as a general guide for purchases, but this is intended to be a summary only and does not supersede the material contained in the Purchasing Policy.~~

~~PURCHASE UNDER $1,000~~

1. ~~Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.~~
2. ~~Department should competitively bid, but not required.~~
3. ~~Department determines if purchase will require a contract. If YES:~~
    a. ~~Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.~~
    b. ~~Contract is signed by Clerk/Treasurer, Mayor or Mayor (2 of 3) AFTER the vendor has signed.~~
    c. ~~Original copy of contract goes to City Clerk for filing in the Vault. If NO:~~
    a. ~~Department places order.~~
    b. ~~Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.~~

~~PURCHASE BETWEEN $1,000 - $10,000~~

1. ~~Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.~~
2. ~~Department competitively bids for the purchase pursuant to Purchasing Policy.~~
3. ~~Department completes purchase order requisition and submits copies of bids/quotes to Finance Department *(done in MiViewPoint)*.~~
4. ~~Clerk/Treasurer approves purchase order requisition.~~
4. ~~Department determines if purchase will require a contract. If YES:~~
    a. ~~Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.~~
    b. ~~Contract is signed by Clerk/Treasurer, Mayor or Mayor (2 of 3) AFTER the vendor has signed.~~
    c. ~~Original copy of contract goes to City Clerk for filing in the Vault. If NO:~~
    a. ~~Department places order.~~
    b. ~~Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.~~

~~PURCHASE BETWEEN $10,001 - $50,000~~

1. ~~Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.~~
2. ~~Department competitively bids for the purchase pursuant to Purchasing Policy.~~
3. ~~Department completes purchase order requisition and submits copies of bids/quotes to Finance Department *(done in MiViewPoint)*.~~
4. ~~Clerk/Treasurer approves purchase order requisition.~~

~~5. Mayor approves purchase order requisition.~~

~~6.. Department determines if purchase will require a contract.~~

~~If YES:~~

a. ~~Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.~~
b. ~~Contract is signed by Clerk/Treasurer, Mayor or Mayor (2 of 3) AFTER the vendor has signed.~~
c. ~~Original copy of contract goes to City Clerk for filing in the~~

~~Vault. If NO:~~

a. ~~Department places order.~~
b. ~~When Department receives bill/invoice, this must entered into *MiViewPoint*~~

~~PURCHASE $50,001+~~

1. ~~Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.~~
2. ~~Department competitively bids for the purchase pursuant to Purchasing Policy.~~
3. ~~Department completes purchase order requisition and submits copies of bids/quotes to Finance Department *(done in MiViewPoint).*~~
4. ~~Clerk/Treasurer approves purchase order requisition.~~
5. ~~Mayor approves purchase order requisition.~~
6. ~~Purchase Order requisition requires approval from Common Council ONLY IF the item was not previously approved by Council.~~
7. ~~Department determines if purchase will require a~~

~~contract. If YES:~~

a. ~~Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.~~
b. ~~Contract is signed by Clerk/Treasurer, Mayor or Mayor (2 of 3) AFTER the vendor has signed.~~
c. ~~Original copy of contract goes to City Clerk for filing in the~~

~~Vault. If NO:~~

a. ~~Department places order.~~
b. ~~Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.~~