

# CITY OF WAUWATOSA

## ADMINISTRATIVE POLICY AND PROCEDURE MANUAL

Subject: Consolidated Purchasing Practices

Date: July 1993

Revised: May 28, 2024

Purpose : To provide uniform direction regarding the expenditure of public funds for the purchase of goods and services within the provisions of current ordinances

Background: The legal structure for the purchase of goods and services are included in Chapter 3.20 of the Wauwatosa City Code.

Contracts may include escalator clauses or additional charges for labor and materials if as a result of general inflation and shall not exceed 15% of the amount of the bid. The purpose of this policy is to outline the requirements for the expenditure of public funds within those two legal standards.

Policy : The expenditure of public funds for the purchase of goods and services shall be consistent with the underlying principles of economy and efficiency. Economy calls for obtaining the quality good or service at the best price. Efficiency calls for developing a process that allows departments to complete their duties in a timely manner. The following procedures address the need for economy and efficiency. Thresholds detailed below may be adjusted if required by applicable laws or regulations.

The City encourages the use of Disadvantaged Business Enterprises (DBE) when soliciting quotes. A separate policy provides additional procedures for utilizing these vendors. Please refer to the Procurement Equity Policy (forth coming) for additional information.

Conflict of Interest: The City of Wauwatosa is committed to a fair, equitable and fully transparent procurement process to assure appropriate use of the public funds with which we are entrusted, and to doing it in a manner that treats employees fairly and protects them from accusations of bias or improper dealings.

Conflicts of Interest occur when a person has a real or perceived financial interest or opportunity to obtain anything of value for the private benefit of herself or himself or her or his immediate family or an organization with which the person is associated.

No individual with a real or apparent conflict of interest may participate in the selection, award or administration of contracts.

1. Purchases of \$10,000 or less, except for Capital Outlay. Purchase the item or service and enter the invoice into Tyler Munis and submit for appropriate approvals through workflow. Please note that while competitive quotes are not required, employees are expected to make the best purchase possible. Departments should strive to use the PCard whenever possible for these purchases in order for the City of maximize rebate revenue and improve processing efficiency. The PCard should not be used for any sized transaction if the transaction will incur a processing fee greater than 2% from the vendor. (Please refer to PCard Administrative Policy)

2. Capital Outlay Purchases. A Capital Outlay is any single item that exceeds \$10,000 in cost and is a long-lived tangible asset. Capital Outlay items should be ordered using the Requisition to Purchase Order module in Tyler Munis unless the purchase is being made using the City's Pcard and there is no transaction fee imposed by the vendor. All transactions require appropriate approvals through workflow. An object in the 7000 series of the Chart of Accounts should be used so the item is properly capitalized.
3. Purchases over \$10,000 to \$25,000. Purchases made for items falling within this range require three (3) quotes. Departments must contact the purchasing manager if there are unique circumstances that prevent three (3) quotes from being obtained. Those circumstances must be documented regardless of the manner in which the item or service is being made. Purchases can be made utilizing the City's procurement card, or by using the Requisition to Purchase Order module whenever possible. Prior to submitting a Requisition Form, the using department shall attempt to obtain three written price quotations under Section 3.20.060 and shall include scanned copies of the quotations they obtained to the Requisition for review and approval. Quotes and other documentation relevant to the purchase must also be attached to the receipt when utilizing the Procurement Card. The Purchasing Manager may obtain additional quotations consistent with the principles of economy and efficiency. Departments are encouraged to use the Bid Management module to electronically solicit bids.
4. Purchases for Non-Professional Services over \$25,000. The using department shall prepare draft specifications and submit them to the Purchasing Department for the purchase of a good or service in excess of \$25,000. The Purchasing Department shall review the draft specifications for completeness and to ensure that they invite open competition. The Requesting Department shall issue the specifications and invite sealed bids in accordance with Chapter 3.20.050 of the Wauwatosa City Code. Departments are encouraged to use the Bid Management module to electronically solicit bids.
5. Co-Operative Agreements/State Contracts - Using departments may make purchases from another unit of government, including the state or federal government or public cooperative buying group, provided the price of the purchase was set by open, competitive bids. Utilizing one of these agreements will waive the requirement of obtaining three written quotes. Cooperative agreements must be reviewed prior to use to determine that the following conditions are met:
  - a. The contract must be open for the use of other states/agencies and the contract term has not expired.
  - b. Prices must be the same or better than those the City could expect to obtain if a bid or RFP was conducted.
  - c. Terms and conditions are acceptable to the City and consistent with the City's standard terms and conditions.
6. Public Construction Purchases over \$25,000. The Public Works Department shall prepare and submit to the Board of Public Works specifications for public construction projects, the cost of which is estimated to exceed \$25,000. The City shall advertise the project and shall open sealed bids in accordance with Section 62.15 of the Wisconsin statutes. Awarded bids should be entered as contracts into Tyler MUNIS.

7. Purchases for Professional Consulting Services - Professional Consulting Services are defined as services of a unique nature for which price is typically not the major differentiating factor between firms and work product represents intellectual property and is deliverable based, such as engineering services, legal, land use planning and financial analysis.

Professional Consulting Services Not Exceeding \$50,000. For the procurement of professional consulting services greater than \$10,000 but not more than \$50,000, the Purchasing Department is authorized to utilize informal methods and procedures for acquisition of such services. Generally, procurement of such services will be obtained through quotation or informal written solicitation. Request for proposal (RFP) remains the preferred process, however, recognizing there are unique situations and circumstances, the Finance Director can waive the RFP process. Contracts will be reviewed and approved by both the Financial Director and the City Attorney.

Professional Consulting Services equal to or greater than \$50,000 but less than \$100,000

1. Develop a scope of services and determine necessary qualifications.
2. Select a firm from a prequalified list developed by either the requesting department, firms certified by the Department of Transportation (DOT) or registered Disadvantaged Business Enterprise (DBE) for the services required and solicit a proposal from such firm, which proposal will serve as the basis for negotiation of a contract.
3. If an acceptable agreement cannot be negotiated with the selected prequalified firm, negotiations will cease and the requesting Department Director may select another firm from the list and follow the same procedures.
4. Once an acceptable agreement is negotiated with a prequalified firm, as defined in 7.2 above, the contract can be awarded with approval from the Finance Director and the City Attorney so long as budgeted funds are available.
5. If the professional service is over \$50,000 and no prequalified list exists for the service requested, the Department Director will develop and issue a Request for Proposal.
6. Upon the successful evaluation of the responses and completion of the negotiations, the City will issue a contract award with Common Council approval.

Professional Consulting Services Equal to or greater than \$100,000

1. A request for proposals must be utilized unless there are special circumstance for which Council approval is then required to waive this provision.
2. Responses will be evaluated by City staff against the criteria set for in the request for proposals.
3. Upon the successful evaluation of the responses and completion of the negotiations, the City will issue a contract award with Common Council approval.

Annual Report

An annual report will be provided to the Financial Affairs Committee listing all professional services contracts, method of award and their dollar value.

8. CONTRACT

1. City Departments procuring any type of consulting or professional service are required to utilize and include the City's **Standard General Terms and Conditions Document** for **each** project . (See attached Exhibit "1"). The Standard contract is subject to

modification for individual circumstances and shall include hourly rates.

2. Terms and Conditions Documents require review and approval by the City Attorney. If the terms and conditions are being amended, the Agreement to Amendment form must be used (see attached Exhibit 3) and requires review and approval by the City Attorney. The Amendment form is to be attached as the cover page to the Terms and Conditions document and will become the signature page.
3. Multi-year contracts must be entered into Tyler MUNIS as unencumbered contracts.
4. All contract documents including terms and conditions must be attached. Annual purchase orders, or direct pay invoices, must be issued against the contract.

## 9. PREQUALIFICATION PROCESS FOR SKILLED TRADES

The Director of Finance is authorized to determine that a process for mandatory prequalification is appropriate for the procurement for a particular skill or professional discipline (Examples: Roofing, HVAC, Electrical, Plumbing, etc.) subject to these requirements:

- a. Criteria for prequalification shall be reasonably related to the project or the service, which criteria for prequalification shall be available to any prospective offeror requesting such information. The Purchasing Department will request the prequalification information and establish a list of vendors with current hourly rates to perform minor or emergency services not to exceed \$25,000, unless the selected vendor is a certified DBE which limit shall be \$30,000.
- b. The Director of Finance is authorized to establish a standing list of firms prequalified for a type of service whose professional services are sought on a regular and standardized basis.
- c. Final lists of Prequalified Consultants must be approved by Council. Prequalified lists will be retained for a period of three (3) years, subject to Council Approval.

## 10. DEBARMENT –

Prior to committing to any purchase or contract \$25,000 or more, the purchasing department will check the online Federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions. (Note: Particular attention should be made when making multiple smaller purchases with the same companies or firms so as not to exceed the threshold limit without proper documentation.)

Certification of Debarment Status language is incorporated in the City's Standard General Terms and Conditions Contract which is required for all professional consulting service purchases.

If the Standard General Terms and Conditions contract is not utilized, the requesting Department will include a signed Debarment Certification Form (See attached Exhibit 2) from the vendor.

## 11. APPROVAL THRESHOLDS

Department Directors may designate an employee(s) as a "Business Manager". Designated employees have the ability to approve purchasing transactions up to \$10,000. Purchases

up to \$25,000 require the Department Directors approval. Purchases greater than \$25,000 require approval from the Finance Department. Approvals are completed electronically within Tyler MUNIS.

## 12. CHANGE ORDERS

- a. All Change Orders require Department Director approval through workflow in Tyler Munis
- b. Council Approval is required for change orders that:
  - i. Result in a new TOTAL purchase order amount that is greater than \$25,000 (this limit is \$50,000 for professional consulting services.)
  - ii. ~~Change order exceeds \$25,000 and in the case of Professional Consulting services, the total value of the Purchase Order will be greater than \$50,000~~
  - iii. Cumulative total of change orders exceeds 15% of the original Purchase Order/Contract and the total new value of the Purchase Order or Contract is greater than \$25,000 (this limit is \$50,000 for professional consulting services)

## 13. MISCELLANEOUS

1. Employees may make purchases on behalf of the City, when necessary, using personal cash. Reimbursement for such purchases shall be documented by use of the City's Employee Reimbursement procedure. The employee will use Tyler Munis to enter the request and attach the receipt for the purchase. As in item 1. above, the employee should strive to use the PCard whenever possible for these purchases in order for the City of maximize rebate revenue and improve processing efficiency. The procedure above may also be used to request a check in advance of making a purchase such as a subscription, registration at a conference, etc.
2. Projects may not be subdivided or aggregated in order to meet the dollar thresholds described above.
3. In an emergency, in which essential utilities or services have been interrupted which city employees are unable to perform and the timing of the repairs is critical, Department Directors are authorized to a utilize a pre-qualified vendor, or, if a prequalified vendor list does not exist, then to engage a qualified vendor to make the repairs. If possible, the Purchasing Manager should be consulted. Once the emergency has been alleviated, the department director shall document the nature of the emergency, calculate the final cost of the emergency repair and report the expenditure to the Financial Affairs Committee and Common Council as soon as possible.
4. Wauwatosa Housing Repair and Rehabilitation Program – Services purchased by private property owners and funded in part or whole by the City of Wauwatosa's Housing and Repair and Rehabilitation Program shall be governed by the most current "Housing and Rehabilitation Policy and Procedures Manual" as approved by the Community Development Authority.



## **Exhibit 1. City of Wauwatosa – Standard General Terms and Conditions Contract**

City of Wauwatosa

GENERAL TERMS AND CONDITIONS for attachment to Purchase Order (# to be assigned) for:

Project Name: \_\_\_\_\_ (“Services”)

Provided by: \_\_\_\_\_ (“Contractor/Consultant”)

(Name of Firm)

Address: \_\_\_\_\_

These GENERAL TERMS AND CONDITIONS are intended to apply as an appendix to the Purchase Order for Services to be provided by the Contractor/Consultant and to which these GENERAL TERMS AND CONDITIONS are attached, and shall apply to said transaction as though fully set forth therein.

1. **INDEPENDENT CONTRACTOR.** Subject to the terms and conditions of this Agreement, the City hereby engages the Contractor/Consultant as an independent contractor to perform the services set forth in the City’s Request dated \_\_\_\_\_ and the Contractor/Consultant hereby accepts such engagement.
2. **DUTIES, TERM, and COMPENSATION.** The Contractor/Consultant’s duties, term of engagement, compensation and provisions for payment thereof shall be as set forth in the Proposal previously provided to the City by the Contractor/Consultant and which is attached to and included with this Purchase Order, which may be amended in writing from time to time, or supplemented with subsequent estimates for additional services to be rendered by the Contractor/Consultant and agreed to by the City, and which collectively are hereby incorporated by reference.
3. **EXPENSES.** During the term of this Agreement, the Contractor/Consultant shall bill and the City shall reimburse the Contractor/Consultant for all reasonable and approved out of pocket expenses which are incurred in connection with the performance of the duties hereunder. Notwithstanding the foregoing, unless otherwise stated in the City’s Request, expenses for the time spent by the Contractor/Consultant in traveling to and from the facilities shall not be reimbursable.
4. **DELIVERABLES PER THE RFP.** The Contractor will perform all services (and provide reports if required) as detailed in City’s Request as stated above, **and your response dated :** \_\_\_\_\_.
5. **CONFLICTS OF INTEREST.** The Contractor/Consultant represents that they are free to enter into this Agreement, and that this engagement does not violate the terms of any agreement between the Contractor/Consultant and any third party. Further, the Contractor/Consultant, in rendering their duties shall not utilize any discovery, development, improvement, innovation, or trade secret in which they do not have a proprietary interest. During the term of this Agreement, the Contractor/Consultant shall devote as much of their productive time, energy and abilities to the performance of Contractor/Consultant’s duties here under as is necessary to perform the required duties in a timely and productive manner. The Contractor/Consultant is expressly free to perform services for other parties while performing services for the City.
6. **TERMINATION.** Unless otherwise stated in the City’s Request, the City may terminate this Agreement at any time by providing thirty (30) days written notice to the Contractor/Consultant. In addition, if the Contractor/Consultant is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directive of the City, is guilty of serious misconduct in connection with performance hereunder, or materially breaches provisions of this Agreement, the City at any time may terminate the engagement of the Contractor/Consultant immediately and without prior written notice to the Contractor/Consultant.

7. **INTELLECTUAL PROPERTY.** Any and all intellectual property created or invented by Contractor/Consultant in performance of this contract shall become the property of the City, along with any associated rights appertaining thereto.
8. **PUBLIC RECORDS.** Contractor/Consultant understands that, as this is a contract for services provided to a public agency in the State of Wisconsin, all records and documents associated with or created as part of the performance of this contract are subject to compliance with the Wisconsin Public Records Law, which requires that records be maintained in an accessible format, and in appropriate circumstances, such documents may be required to be released upon request by a member of the public. Contractor/Consultant agrees that any records it maintains on behalf of the City shall be maintained and shall be made available upon request as required by the Wisconsin Public Records Law.
9. **INSURANCE.** Unless otherwise specified in this Agreement, the Contractor/Consultant shall, at its sole expense, maintain in effect at all time during the performance of the Work, adequate Liability, Property Damage and Worker's Compensation Insurance. Certificates verifying this coverage, any required endorsements (including errors and omissions), and the amounts indicated shall be furnished to the City before work commences on this project.

All policies for insurance must be endorsed to contain a provision giving the City at least ten (10) days prior written notice of any cancellation of the policy or material change in coverage.

(a) Worker's Compensation Insurance: Statutory coverage as required by Chapter 102 of the Statutes of the State of Wisconsin, as revised, and all acts amendatory thereof and supplementary thereto, and for all employees of the Contractor/Consultant and his subcontractors.

(b) Comprehensive General Liability and Property Damage Insurance: Coverage to include premises and operations subject to the following limits:

Bodily Injury.....	\$1,000,000 per occurrence
	\$1,000,000 aggregate
Property Damage...	\$ 500,000 per occurrence
	\$ 500,000 aggregate

(c) Comprehensive Automobile Liability and Property Damage:  
Operators of owner, hired and non-owned motor vehicles.

Bodily Injury .....	\$ 500,000 per person
	\$ 1,000,000 per occurrence
Property Damage....	\$ 500,000 per occurrence
Umbrella.....	\$ 5,000,000 each occurrence

(d) Professional Liability

A. Limits

- (1) \$2,000,000 each claim
- (2) \$2,000,000 annual aggregate

B. Must continue coverage for two (2) years after final acceptance of service/job/work.

NOTE: The required limits of liability may be obtained with primary liability policies or in combination with an umbrella excess third party liability policy.



## INDEMNIFICATION.

To the fullest extent allowable by law, the Contractor/Consultant hereby indemnifies and shall defend and hold harmless the City, its elected and appointed officials, officers, employees, or authorized representatives or volunteers and each of them from and against any and all suits, actions, legal or administrative proceedings, claims demands, damages, liabilities, interest, attorneys' fees, costs, and expenses of whatsoever kind or nature whether arising before, during or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned, or contributed to in whole or in part or claimed to be caused, occasioned, or contributed to in whole or in part, by reason of an act, omission, fault, or negligence, whether active or passive, of the Contractor/Consultant or of anyone acting under its direction or control or on its behalf in connection with or incident to the performance of this Agreement regardless if liability without fault is sought to be imposed on the City. The Contractor/Consultant's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the sole fault, sole negligence, or willful misconduct of the City or of the City's representatives. This indemnity provision shall survive the termination or expiration of this Agreement. In any and all claims against the City, or any of its directors, officers, employees, or authorized representatives or volunteers by an employee of the Contractor/Consultant, and subcontractor, or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Firm or any subcontractor under Worker's Compensation Acts, Disability Benefit Acts, or other employee benefit acts.

No provision of this Indemnification clause shall give rise to any duties not otherwise provided for by this Agreement or by operation of law. No provision of this Indemnity clause shall be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that would otherwise exist as to the City under this or any other contract. This clause is to be read in conjunction with all other indemnity provisions contained in this Agreement. Any conflict or ambiguity arising between any indemnity provisions in the Agreement shall be construed in favor of indemnified parties except when such interpretation would violate the laws of the state in which the job site is located.

The Contractor/Consultant shall reimburse the City, or any of its directors, officers, employees, or authorized representative 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. The Contractor/Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, or any of its directors, officers, employees, or authorized representative or volunteers.

10. CHOICE OF LAW AND VENUE. The laws of the State of Wisconsin shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties thereto, and venue for resolution of any disputes or actions regarding this Agreement shall be in a tribunal having physical jurisdiction over the City of Wauwatosa, Milwaukee County, Wisconsin.
11. WAIVER. Waiver by one party hereto of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.
12. ASSIGNMENT. The Contractor/Consultant shall not assign any of their rights under this Agreement, or delegate the performance of any of Contractor/Consultant's duties hereunder, without the prior written consent of the City.
13. MODIFICATION OR AMENDMENT. No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties hereto.

14. ENTIRE UNDERSTANDING. This document and any Exhibit attached constitute the entire understanding and agreement of the parties, any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.
15. UNENFORCEABILITY of PROVISIONS. If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.
16. DEBARMENT. Your signature below certifies that neither you nor your principal is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.

If you are "Actively" registered with SAMS (Service for Award Management), please provide the UEI (Unique Entity ID) number that has been assigned to you:

\_\_\_\_\_

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above. The parties hereto agree that facsimile signatures shall be as effective as if originals.

City of Wauwatosa

BY: \_\_\_\_\_

\_\_\_\_\_  
Name/ Title

Contractor Name: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
Name/ Title

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Reviewed as to form by:

Wauwatosa City Attorney

By: \_\_\_\_\_

Alan Kesner

Dated: \_\_\_\_\_

**NOTE: All modifications to this document must be submitted as an Amendment requiring both City Attorney and Contractor Approval.**

## **Exhibit 2. City of Wauwatosa – DEBARMENT CERTIFICATION FORM**

The Contractor certifies that, neither the Contractor firm nor any owner, partner, director, officer, or principal of the Contractor, nor any person in a position with management responsibility or responsibility for the administration of federal funds:

(a) Is presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any federal or state department/agency;

(b) Has within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above; or

(d) Has within a three-year period preceding this certification had one or more public transactions or contracts (federal, state, or local) terminated for cause or default.

(e) If the contractor is "Actively" registered with SAMS (Service for Award Management), the following UEI (Unique Entity ID) number has been assigned: \_\_\_\_\_

The Contractor further certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

By \_\_\_\_\_  
Authorized Signature for Contractor

\_\_\_\_\_  
Printed Name and Title

**EXHIBIT 3.** AGREEMENT TO AMENDMENT(S)

CITY OF WAUWATOSA  
AGREEMENT TO AMENDMENT(S)  
TO CITY OF WAUWATOSA GENERAL TERMS AND CONDITIONS

Project Name: \_\_\_\_\_

Date: \_\_\_\_\_

This Amendment ("Amendment") is made by \_\_\_\_\_  
(Contractor/Consultant) and The City of Wauwatosa (the "Agreement").

The parties hereby agree to the attached Wauwatosa General Terms and Conditions with the following amendment(s):

Except as set forth in this Amendment, Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this amendment and the Agreement or any earlier amendment, the terms of this amendment will prevail.

City of Wauwatosa

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
(Name of Contractor/Consultant)  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title \_\_\_\_\_  
Dated: \_\_\_\_\_

Agreed as to Form:  
City of Wauwatosa

By: \_\_\_\_\_  
City Attorney  
Dated: \_\_\_\_\_