City of Stoughton

CAPITAL IMPROVEMENTS PLAN (CIP)
EXPENDITURE MANUAL

This manual has been designed to ensure that all City departments meet the policies set by the appropriate governing body with regard to the expenditure of public funds for CIP purposes. It will be the responsibility of the departments to initiate purchases, with the Finance Department having oversight of the guidelines set forth by this manual.

SECTION I – STANDARD CIP PURCHASING PROCEDURES

A. Purchases Up to $50,000: Purchases of goods and services not addressed separately in the sections below and having a value up to $50,000 will require a Purchase Order signed by the Finance Director.

- If the purchase amount is under the approved budgeted CIP amount, no further approval is required.
- If the purchase amount is over the approved budgeted CIP amount, approval from the Mayor and City of Stoughton Finance Committee is required.
- If the requested goods and/or services are not included in the approved CIP budget, approval from the Mayor, City of Stoughton Finance Committee and Common Council is required.

B. Purchases Over $50,000: Purchases of goods and services not addressed separately in the sections below and having a value in excess of $50,000 will require a Purchase Order signed by both the Finance Director and the Mayor. Every effort must be made by the Department Head to send out enough quotation requests in order to receive a minimum of (3) three written quotations. If extenuating circumstances exist that limit the number of written quotations, the Department Head must attach documentation to the Purchase Order outlining why a minimum of three quotations could not be obtained.

- If the purchase amount is under the approved budgeted CIP amount, no further approval is required.
- If the purchase amount is over the approved budgeted CIP amount, approval from the City of Stoughton Finance Committee is required.
- If the requested goods and/or services are not included in the approved CIP budget, approval from the both the City of Stoughton Finance Committee and Common Council is required.

C. Public Construction over $25,000: All public construction in which the estimated cost exceeds $25,000 must be approved in the CIP budget and the contract(s) shall be awarded to the lowest responsible bidder(s). The bidding process shall incorporate the requirements in Section 62.15 and 66.0901 Wisconsin Statutes. Any project receiving only one bid shall be rebid unless it is approved by a three-fourths vote of the City Council. The City has the right to reject any and all quotes and/or bids.

Change Orders on Public Construction Contracts: Whenever it is reasonably possible, a proposed increase in the cost of a public construction contract resulting from a change in the scope of the project shall be presented to the Finance Committee for recommendation to the City Council for approval provided it will not result in a costly delay to the construction project. If the cost of delaying the project is prohibitive, the appropriate Department Head, the Director of Finance, and the Mayor shall approve

change orders that are a result of a change in the scope of the project. The City Council, prior to final payment on the contract, must approve all change orders.

D. Land and Buildings: Whenever any purchase or lease of land or buildings is contemplated, the requesting Department Head will notify the Mayor of the intent. The Mayor will evaluate the requests and forward to the Planning Department or another designated department for further processing. Such acquisitions require appropriate attorney review and prior approval by the City Council and shall follow all State and local guidelines and requirements.

SECTION II - SPECIAL PROCUREMENT PROCEDURES

The City may need to purchase goods or services under circumstances that do not clearly fit the patterns of normal public procurement and for which normal competitive shopping procedures do not apply. The following guidelines are provided with regard to making such purchases.

A. Master Service Agreement: A Master Service Agreement (MSA) is a contract reached between parties, in which the parties agree to most of the terms that will govern future transactions or future agreements. This type of agreement allows the involved parties to more quickly negotiate future transactions or agreements, because they can rely on the strong foundation of the master agreement for future business, so that the same terms need not be repetitively negotiated, and you only need to negotiate terms specific to the latest deal.

Examples of MSAs:
- Financial Audit and Consulting Services
- Engineering Services
- Municipal Advisory Services

B. Sole Source Purchases: A sole source purchase means that only one supplier (source), to the best of the requester's knowledge and belief, based upon thorough research, is capable of delivering the required product or service. Similar types of goods and services may exist, but only one supplier, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

Sole Source Purchasing Guidelines:
- Department Heads must follow the same Purchase Order procedures as identified in Section I of this document and document the applicability of sole source purchases therein.
- A sole source purchase is a method of acquisition. It is not to be used to avoid competition.
- Price cannot be used as a factor in determining if a sole source exists because it indicates the existence of a competitive marketplace

Sole Source Purchasing Justification Criteria:

- Only one manufacturer makes the item meeting salient specifications; that manufacturer only sells direct/exclusively through one regional/national representative.
- Item required must be identical to equipment already in use by the end user, to insure compatibility of equipment, and that item is only available from one source (system continuity).
- Maintenance or repair calls by the original equipment manufacturer (OEM) are required for a piece of equipment, and the manufacturer does not have multiple agents to perform these services.
- Replacement or spare parts are required from the OEM, and the OEM does not have distributors for those parts.

This section does not apply to public construction projects subject to SS 62.15.

C. Cooperative Procurement Programs: Department Heads are encouraged to use cooperative purchasing programs sponsored by the State of Wisconsin, WPPI or other jurisdictions and entities. This process can eliminate paperwork and reduce costs for a product or service due to the large quantity purchases made by these entities. Department Heads must follow the same Purchase Order procedures as identified in Section I of this document and document the Cooperative Procurement Program being utilitized for the proposed purchase.

D Emergency Purchases: Emergency purchases shall only be made to:

1. Prevent delays in construction or delivery of essential services
2. To stay an immediate threat to the health or safety of the public and employees.

For emergency purchases of non-budgeted items or services, the appropriate Department Head shall make every effort to obtain (3) three bids/quotations for the item. The purchase shall be approved by the Director of Finance and the Mayor prior to ordering the item. In the absence of the Director of Finance or the Mayor, the purchase shall also be approved by the Council President prior to ordering the item.

A report shall be submitted to the City Council at its next meeting following the purchase documenting the reasons for and fiscal impact of the emergency purchase.

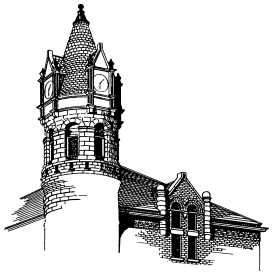
PURCHASE ORDER

Required for All CIP Related Items Over $50,000

PROJECT # _____

DATE _____

VENDOR # _____



BILL TO :
CITY OF STOUGHTON
207 S. FORREST STREET
STOUGHTON, WI 53589
608-873-6677

FEDERAL ID # 39-6005622

VENDOR: _____

SHIP TO: _____
(If different from Above)

G/L ACCOUNT #	QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			TOTAL	$ -

CHECK ALL THAT APPLY:

☐ UNDER APPROVED BUDGETED AMOUNT

☐ OVER APPROVED BUDGETED AMOUNT - MEMO ATTACHED JUSTIFYING OVERAGE

☐ NOT BUDGETED - MEMO ATTACHED JUSTIFYING WHY PURCHASE IS NEEDED

☐ SOLE SOURCE PURCHASE - MEMO ATTACHED DOCUMENTING SOLE SOURCE JUSTIFICATION CRITERIA

☐ COOPERATIVE PROCUREMENT PROGRAM - LIST PROGRAM IN THE SECTION PROVIDED BELOW

☐ MINIMUM OF 3 BIDS/QUOTATIONS NOT RECEIVED - MEMO ATTACHED DOCUMENTING REASON

DEPARTMENT HEAD _____ Date _____

FINANCE DIRECTOR _____ Date _____

MAYOR _____ Date _____

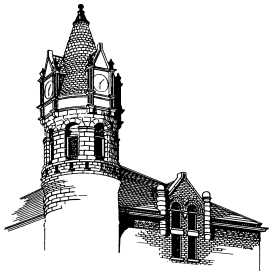
PURCHASE ORDER

Required for All CIP Related Items $0 - $50,000

PROJECT # _____

DATE _____

VENDOR # _____



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			$ -	$ -
			$ -	$ -
			$ -	$ -
			TOTAL	$ -

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☐ NOT BUDGETED - MEMO ATTACHED JUSTIFYING WHY PURCHASE IS NEEDED

☐ SOLE SOURCE PURCHASE - MEMO ATTACHED DOCUMENTING SOLE SOURCE JUSTIFICATION CRITERIA

☐ COOPERATIVE PROCUREMENT PROGRAM - LIST PROGRAM IN THE SECTION PROVIDED BELOW

DEPARTMENT HEAD _____ Date _____

FINANCE DIRECTOR _____ Date _____

MAYOR _____ Date _____ ** ONLY REQUIRED IF OVER BUDGET/NOT BUDGETED*