



## VILLAGE OF HOWARDS GROVE PURCHASING POLICY

### **PURPOSE**

It is the goal of Village of Howards Grove to develop a comprehensive purchasing policy for the purpose of obtaining greater cost-effectiveness and public accountability in the purchasing process. The Village's goal is to receive maximum value for the public dollar and to purchase services, materials, equipment and supplies needed for the delivery of governmental services that are in the best interest of the Village.

All elected and appointed officials of the Village who participate in the negotiation and approval of purchases and contracts are personally responsible for becoming familiar with and abiding by all applicable Wisconsin State Statutes, Village policies and procedures, and Code of Ordinances governing such activities.

The procedures outlined in this policy shall apply to all departments involved with any procurement of goods and services for the Village of Howards Grove.

### **POLICY OVERRIDE**

The provisions of Wis. Stats. 62.15 shall take precedence over any portion of this policy that may conflict. Public Construction over \$25,000 shall be publicly bid.

### **GENERAL PURCHASING OBJECTIVES**

It is the intent of the Village to buy only from suppliers who have adequate financial strength, high ethical standards and a record of adhering to specifications, maintaining shipping promises and giving maximum service. The Village shall strive to maintain strong and enduring relationships with vendors of proven ability and with those who have a desire to meet the needs of the Village.

Elected officials and employees engaged in purchasing shall promote constructive competition by constantly seeking new suppliers, obtaining several quotes on almost everything purchased and developing more than one active source of supply for various products and services. New sources of supply will be given due consideration, as multiple sources are necessary to ensure availability of goods and services. All qualified suppliers shall be afforded equal opportunities to quote and will compete on equal terms. Vendors shall be selected based on providing the best value to the Village, taking into consideration the vendor's skill, business judgment, experience, facilities to carry out the contract and previous work and pecuniary ability. Taking all of these things into consideration, the Village will give reasonable consideration to local merchants.

The Village reserves the right to waive irregularities, reject and/or accept any and all proposals, in whole or in part, or take such other action as serves the best interests of the Village.

### **CONFLICT OF INTEREST**

Per Wis. Stats. 946.13, elected officials shall not have a private interest in any public contract in excess of \$15,000 per year. To avoid the appearance of self-dealing or conflict of interest, it shall be the policy of the Village of Howards Grove that elected

officials shall not have a direct private interest in any Village purchase. An exception may be made if the product or service is only available at a competitive price in the local area from a vendor associated with an elected official, however, that official shall publicly identify their relationship to the vendor, and shall recuse themselves from the decision-making process regarding that purchase.

In addition, acceptance of personal gifts, other than items of nominal value such as advertising novelties, is prohibited unless approved by the Village Board. Elected officials and employees may participate in networking opportunities provided by vendors to groups of clients or customers, but shall not become obligated to any vendor through individual treatment at such events. Employees should refer to the Employee Handbook for additional guidance on participating in such events.

### **PURCHASING PROCEDURES**

All purchases should be made following the accounting procedures established by the Clerk-Treasurer's office, including the submission of Purchase Orders or receipts as required. No item or service is to be purchased, nor will it be paid for, without following procedures and submitting appropriate paperwork to the Clerk-Treasurer's office for processing.

It is the policy of the Village to take advantage of available vendor discounts, therefore, the prompt submission of paperwork is expected to help facilitate payments. Purchases of budgeted items that become due prior to the next Board meeting, and have complied with this purchasing policy as appropriate, may be paid between meetings, with checks signed by any two authorized account signers and reported to the Board at its next meeting.

The Clerk-Treasurer's office shall not make payment on any purchase which causes expenditures, in total, to exceed the adopted budget amount in the following general budget categories: General Government; Public Safety; Public Works; Culture, Recreation & Civic Events (Parks); Conservation & Development; or Debt Service, without a budget amendment approved by the Board.

There shall be various procedures followed in purchasing goods and services for the Village, depending on the value of the purchase.

#### PURCHASES UP TO \$1,000.00

Purchases in this category, which do not exceed the budgeted amount for the particular type of purchase, shall be made by Purchase Order, on account with the vendor, or by a Department Head with the Village credit card. The Department Head shall approve all such purchases and should verify budget compliance prior to authorizing the purchase. The Purchase Order, billing or packing slip, or credit card receipt shall be submitted to the Clerk-Treasurer's office promptly. If the purchase will cause the adopted general budget category to be exceeded, a budget amendment for that category must be approved by the Board prior to purchase.

#### PURCHASES OF \$1,000.01 TO \$5,000.00

Purchases in this category, which do not exceed the budgeted amounts for the particular type of purchase, require a Purchase Order. A purchasing worksheet shall be

attached to the Purchase Order, demonstrating that at least two, preferably three, vendors provided pricing for the purchase, and noting the factors by which the utilized vendor was selected. The Department Head may approve such purchases and should verify budget compliance prior to authorizing the purchase. The Purchase Order shall be submitted to the Clerk-Treasurer's office promptly. If the purchase will cause the adopted general budget category to be exceeded, a budget amendment for that category must be approved by the Board prior to purchase.

#### PURCHASES OVER \$5,000.00 (not covered by Wis. Stats. 62.15)

Purchases in this category require a Purchase Order or signed contract with the vendor. The Village Board must approve all such purchases, after review of at least three price quotes and Department Head recommendations (submission of a Purchasing Worksheet is recommended). The Purchase Order or signed contract shall be submitted to the Clerk-Treasurer's office promptly. Except in Emergency situations (see below), all purchases in this category should have been included in the adopted budget.

#### PUBLIC CONSTRUCTION OVER \$25,000.00

All public construction in which the estimated cost exceeds \$25,000 shall be let by contract to the lowest responsible bidder. The bidding process shall follow all requirements in Wis. Stats. 62.15 and other pertinent Wisconsin Statutes.

#### ONGOING OR CONTRACTED PURCHASES

Purchases in this category shall follow the appropriate price level procedures based on the expected total annual value of the contract or ongoing purchases. Subsequent purchases made under the terms of the approved contract shall be presumed authorized, or shall follow approval procedures identified in the contract, regardless of the individual value. Contracted services should be reviewed on a regular basis for cost, service, and value to the Village.

#### EMERGENCY PURCHASES

An "Emergency" is defined as a situation brought about by a sudden unexpected turn of events i.e. act of God, riots, fires, floods, accidents, or any circumstance or cause beyond the control of the Village in the normal conduct of its business. An emergency purchase is made to alleviate a situation where there is a threat to health, welfare, injury, or loss to the Village that can only be rectified by immediate purchase of equipment, supplies, materials, or services. A Department Head may need to make true emergency purchases on weekends, holidays, or after hours. Poor planning and inadequate management are not "emergencies" and cannot be treated as such. Purchases of this nature may be expedited, but do not justify "emergency" status.

An "emergency purchase" must fit the circumstances noted above. Such purchases may be of any dollar value, and may be made by Department Heads or elected officials using their best discretion in responding to the situation. A Purchase Order, or other required paperwork, shall be submitted as soon as practical. When possible, such purchases shall be made in consultation with at least one other Village official or Department Head.