VILLAGE OF MCFARLAND *NOTICE OF PUBLIC MEETING*

FINANCE COMMITTEE

Wednesday, February 1, 2017 **6:00 P.M.** **McFarland Municipal Center**
RESCHEDULED DATE/TIME **Conference Room A**

1. **CALL TO ORDER**

2. **APPROVAL OF MINUTES**
   a. Review and possible action of draft minutes from the October 26, 2016 meeting.
   b. Review and possible action of draft minutes from the January 25, 2017 meeting.

3. **BUSINESS**

   a. Discussion and possible action to make a recommendation to the Village Board regarding the Capital Improvement Plan for 2017 – 2021.

   b. Discussion and action regarding revisions to the Purchasing Policies and Procedures section of the Fiscal Policy Manual.

   c. Presentation regarding unaudited 2016 year-end summary.

   d. Discussion and possible recommendation regarding the transfer of funds to the Retirement Health Insurance Retirement Fund.

4. **ADJOURNMENT**

NOTES: 1) Persons needing special accommodations should call 838-3153 at least 24 hours prior to the meeting.
2) A quorum of the Village Board may attend this meeting for the purpose of gathering information relevant to their responsibilities as Village Trustees. No matters shall be considered by said Village Board members nor shall any action be taken by said Village Board members at this meeting.
3) More specific information about agenda items may be obtained by calling 838-3153.

This agenda was posted, or caused to be posted consistent with Open Meetings Law at the following three (3) posting places in the Village of McFarland, to wit: McFarland Municipal Center, 5915 Milwaukee Street; E.D. Locke Public Library, 5920 Milwaukee Street; and McFarland State Bank, 5990 Highway 51.

Cassandra Suettinger, Clerk/Deputy Treasurer

VILLAGE OF MCFARLAND

FINANCE COMMITTEE

October 26, 2016

1. Call to Order.

Trustee Mary Pat Lytle called the October 26, 2016 meeting of the Finance Committee to order at 6:34 p.m. in the Community Room of the McFarland Municipal Center.

Members present: Trustee Mary Pat Lytle, Thomas Mooney; citizen members Derik Bingner, Rod Clark, John Daugherty, Trish Howen, Bob Severance, Clifford Strelow, and Chuck Mulcahy.

Staff present: Finance Director Kelsy Boyd and Village Administrator/Treasurer Matt Schuenke.

2. Review and possible action of draft minutes from September 28, 2016 meeting.

A motion was made by Mooney, seconded by Strelow, and unanimously carried by the Finance Committee to approve the minutes of the regular meeting held on September 28, 2016. Lytle abstained.

3. Presentation, discussion, and possible action to make a recommendation to the Village Board regarding the proposed 2017 Budget for the General and Capital Projects Fund(s).

The Administrator/Treasurer provided a review of the proposed 2017 Budget as it has thus far been presented to the Village Board for the General and Capital Projects Fund(s). The General Fund thus far is proposed with an increase of $217,854 or 4.15% compared to 2016 in order to support the core services. The Capital Projects Fund was presented at $6,768,713 in order to support an active capital program in 2017 with some of the larger projects including the reconstruction of Holscher Road, Phase II of County MN, almost $1 million in additional general paving, study of facility needs, small improvements to various facilities, replacement of a Fire apparatus, completion of branding initiative, and several improvement projects within a variety of parks. As presented, the 2017 Budget for next year will raise the tax levy by $185,379 or 3.38%; however, due to the Village's growth as of January 1, 2016 the tax rate will remain at the same level as 2016 at $7.22 per thousand dollars of value.

The Committee reviewed and discussed the proposed budget while comparing it to the standards in order to qualify for the expenditure restraint program offered by the State. If the Village is able to stay under 0.93% in General Fund growth according to the State's formula with our 2017 Budget, then we would be eligible for just over $120,000 in payments. The proposed 2017 Budget is an increase of nearly 4.5% due to our growth

and need to expand operations at a higher rate than the metric used by the State. The Committee encouraged the Village Board to transition out of ERP program by 2018 as the longer term impact of maintaining compliance is likely to harm our ability to fund operational needs as we continue to grow. Further, it was desirable by the Committee for a portion of the transition out of ERP in 2017 to be absorbed with the additional $185,379 in tax levy if the tax rate could remain at a no increase for next year.

4. Adjournment.

A motion was made by Clark, seconded by Mooney, and unanimously carried by the Finance Committee to adjourn the meeting at 7:30 pm.

Respectfully submitted,

Matthew G. Schuenke
Village Administrator/Treasurer

Capital Improvement Program

Village of McFarland

Program Year: 2017

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	Parks Fund 210	Solid Waste Fund 300	TID #3 Fund 400	TID #4 Fund 401	Capital Projects - Fund 500						Utility - Fund 600		Stormwater Fund 650	Library Fund 900	Total
								Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer			
Equip/Furniture	Admin	2,500											-					2,500
Branding Initiative	CD										75,000		75,000					75,000
Planning Services	CD							10,000					10,000					10,000
Small Capital	CD	2,000											-					2,000
Sinking Fund	CD							2,000					2,000					2,000
Equipment Upgrade	C/T		10,000										-					10,000
Head End Replace	C/T		35,000										-					35,000
Computer Replace	Court	2,000											-					2,000
Siggelkow Rd.	DPW										38,350		38,350					38,350
County MN (Broadhead)	DPW						80,000			227,000	221,000		448,000					528,000
Holscher Road	DPW										294,780	1,262,880	1,557,660	353,736	294,780	235,824		2,442,000
Larson Beach Rd	DPW								47,147		65,061		112,208					112,208
Leased Equipment	DPW							12,084					12,084	4,028	4,028	4,028		24,168
Mower Replacement	DPW										75,000		75,000					75,000
SCADA Upgrade	DPW												-	75,000	75,000			150,000
Sidewalks/Paths	DPW										85,000		85,000					85,000
Sinking Fund	DPW							1,000					1,000	1,000	1,000			3,000
Small Capital	DPW												-			2,500		2,500
Street Maintenance	DPW										245,000		245,000					245,000
Street Resurfacing	DPW										868,440		868,440					868,440
Street Sweeper	DPW												-			20,000		20,000
Storm Sewer Const	DPW												-			50,000		50,000
Street Tree Planting	DPW	25,000											-					25,000
Vehicle Replacement	DPW										40,250	45,000	85,250	40,250	40,250	40,250		206,000
Water Model Update	DPW												-	15,000				15,000
Facilities Study	Facilities							25,000					25,000	1,750	1,750	1,750	3,000	33,250
Network Equipment	Facilities							25,000					25,000					25,000
Security Upgrades	Facilities										100,000	50,000	150,000					150,000
Sinking Fund	Facilities							100,000					100,000					100,000
Apparatus	Fire/EMS										700,500		700,500					700,500
Car 1 Sinking Fund	Fire/EMS							5,000					5,000					5,000
EMS Equipment	Fire/EMS							9,800					9,800					9,800
Equip/Car Replace	Fire/EMS										39,500	500	40,000					40,000
Fire Equipment	Fire/EMS										14,400		14,400					14,400
Bay Exhaust System	Fire/EMS								94,286		55,714		150,000					150,000
Air Conditioning	Library										27,850		27,850					27,850
Comp - Self Checkout	Library							10,354					10,354					10,354
Comp - Workstation	Library							8,000					8,000					8,000
Furniture	Library										25,260		25,260					25,260
Remodel Work	Library										12,825		12,825					12,825
Brandt Park	Parks			125,000							155,000		155,000					280,000
Discovery Garden	Parks							5,000					5,000					5,000
Grandview Trail	Parks									42,000	126,600		168,600					168,600
Jaeger Park	Parks										15,000		15,000					15,000
Lewis Park	Parks			15,000									-					15,000
Lewis Park Shelter	Parks										15,000		15,000					15,000
McDaniel Park	Parks			121,500							15,000		15,000					136,500
Park Equipment	Parks			10,000									-					10,000
Property Acquisition	Parks										-		-					-
Urso/Schuetz Park	Parks							15,000					15,000					15,000
WM McFarland Park	Parks										35,000		35,000					35,000
Equipment	Police							31,000					31,000					31,000
Squad Car	Police							28,500					28,500					28,500
Refuse Containers	SW				20,000								-					20,000
Total Projects		31,500	45,000	271,500	20,000	-	80,000	287,738	141,433	269,000	3,345,530	1,358,380	5,402,081	490,764	416,808	354,352	3,000	7,115,005

Capital Improvement Program

Village of McFarland

Program Year: 2018

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	Parks Fund 210	Solid Waste Fund 300	TID #3 Fund 400	TID #4 Fund 401	Capital Projects - Fund 500						Utility - 600		Stormwater Fund 650	Library Fund 900	Total
								Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer			
Electronic Poll Book	Admin							3,000					3,000					3,000
Equipment/Furniture	Admin	2,500											-					2,500
Workstation Replace	Admin							7,500					7,500					7,500
Planning Services	CD							30,000					30,000					30,000
Small Capital	CD	2,000											-					2,000
Sinking Fund	CD							2,000					2,000					2,000
Equipment Upgrade	C/T		15,000										-					-
													-					15,000
													-					-
Printer Replacement	Court	2,500											-					-
													-					2,500
													-					-
County MN (Broadhead)	DPW						150,000			576,000	561,000		1,137,000					1,287,000
Country Walk Dredge	DPW												-			90,000		90,000
Leased Equipment	DPW							12,084					12,084	4,028	4,028	4,028		24,168
Mower Replacement	DPW										20,500		20,500					20,500
Sidewalk Replace	DPW									10,000			10,000					10,000
Siggelkow Road	DPW					308,000				207,750	764,500		972,250					1,280,250
Sinking Fund	DPW							1,000					1,000	1,000	1,000			3,000
Small Capital	DPW												-			2,500		2,500
Street Maintenance	DPW										300,000		300,000					300,000
Street Sweeper	DPW												-			20,000		20,000
Street Tree Planting	DPW	25,000											-					25,000
	EM												-					-
													-					-
													-					-
Facility Design	Facilities										250,000		250,000					250,000
Land Acquisition	Facilities							40,000					40,000					40,000
Network Equipment	Facilities							5,000					5,000	1,667	1,667	1,667		10,000
Security Upgrades	Facilities										100,000		100,000					100,000
Sinking Fund	Facilities							100,000					100,000					100,000
Brush Fire Truck	Fire/EMS										80,000		80,000					80,000
Car 1 Sinking Fund	Fire/EMS							5,100					5,100					5,100
EMS Equipment	Fire/EMS							3,750					3,750					3,750
Fire Equipment	Fire/EMS										15,200		15,200					15,200
Lucas Devices	Fire/EMS								33,000				33,000					33,000
Mobile Comp Annual	Fire/EMS							3,859					3,859					3,859
Report Computer	Fire/EMS							3,850					3,850					3,850
	Library												-					-
Comp - Workstation	Library							8,000					8,000					8,000
Shelving	Library							10,000					10,000					10,000
	Library												-					-
													-					-
Refrigerator Replace	Outreach							5,000					5,000					5,000
													-					-
Discovery Garden	Parks										50,000		50,000					50,000
General Improvements	Parks			50,000									-					50,000
Park Equipment	Parks			10,000									-					10,000
Park Signage	Parks							5,000					5,000					5,000
Property Acquisition	Parks											-	-					-
Urso/Schuetz Park	Parks			50,000				10,000					10,000					60,000
Detective Vehicle	Police										35,000		35,000					35,000
Equipment	Police							4,700					4,700					4,700
Squad Car	Police							29,100					29,100					29,100
Traffic Safety	Police							20,000					20,000					20,000
	SW												-					-
													-					-
													-					-
Total Projects		32,000	15,000	110,000	-	308,000	150,000	308,943	33,000	793,750	2,176,200	-	3,311,893	6,695	6,695	118,195	-	4,058,477

Capital Improvement Program

Village of McFarland

Program Year: 2019

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	Parks Fund 210	Solid Waste Fund 300	TID #3 Fund 400	TID #4 Fund 401	Capital Projects - Fund 500						Utility - 600		Stormwater Fund 650	Library Fund 900	Total
								Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer			
													-					-
Equipment/Furniture	Admin	2,500											-					2,500
Workstation Replace	Admin							7,500					7,500					7,500
													-					-
Small Capital	CD	2,000											-					2,000
Sinking Fund	CD							2,000					2,000					2,000
													-					-
Equipment Upgrade	C/T		15,000										-					15,000
													-					-
	Court												-					-
													-					-
													-					-
Leased Equipment	DPW							12,084					12,084	4,028	4,028	4,028		24,168
Sidewalk Replace	DPW										10,000		10,000					10,000
Sinking Fund	DPW							1,000					1,000	1,000	1,000			3,000
Small Capital	DPW												-			2,500		2,500
Street Maint	DPW										300,000		300,000					300,000
Street Sweeper	DPW												-			20,000		20,000
Street Tree Planting	DPW	25,000											-					25,000
Vehicle Replace	DPW										40,250	45,000	85,250	40,250	40,250	40,250		206,000
													-					-
	EM												-					-
													-					-
Facility Construction	Facilities							100,000		1,000,000	1,250,000	400,000	2,750,000					2,750,000
Furniture Replace	Facilities							5,000					5,000					5,000
Land Acquisition	Facilities							40,000					40,000					40,000
Network Equip	Facilities							5,000					5,000	1,667	1,667	1,667		10,000
Security Upgrades	Facilities										75,000		75,000					75,000
Sinking Fund	Facilities							-					-					-
Car 1 Sinking Fund	Fire/EMS							5,300					5,300					5,300
EMS Equipment	Fire/EMS							3,950					3,950					3,950
Fire Equipment	Fire/EMS							16,000					16,000					16,000
Mobile Comp Annual	Fire/EMS							4,052					4,052					4,052
Pagers	Fire/EMS										37,750		37,750					37,750
Radios	Fire/EMS										260,500		260,500					260,500
	Library												-					-
Bathroom Remodel	Library										30,000		30,000					30,000
Comp - Workstation	Library							8,000					8,000					8,000
	Library												-					-
													-					-
Furniture Replace	Outreach							5,000					5,000					5,000
Workstation Replace	Outreach							5,000					5,000					5,000
													-					-
General Improve	Parks			50,000									-					50,000
Outdoor Rec Plan	Parks							5,000					5,000					5,000
Park Equipment	Parks			10,000									-					10,000
Park Signage	Parks							5,000					5,000					5,000
Property Acquisition	Parks										-		-					-
Urso/Schuetz Park	Parks			50,000									-					50,000
Equipment	Police							4,700					4,700					4,700
Squad Car	Police							50,100					50,100					50,100
Traffic Safety	Police							20,000					20,000					20,000
Refuse Containers	SW				20,000								-					20,000
Total Projects		29,500	15,000	110,000	20,000	-	-	304,686	-	1,000,000	2,003,500	445,000	3,753,186	46,945	46,945	68,445	-	4,090,020

Capital Improvement Program

Village of McFarland

Program Year: 2020

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	Parks Fund 210	Solid Waste Fund 300	TID #3 Fund 400	TID #4 Fund 401	Capital Projects - Fund 500						Utility - 600		Stormwater Fund 650	Library Fund 900	Total
								Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer			
													-					-
Equipment/Furniture	Admin	2,500											-					2,500
Workstation Replace	Admin							7,500					7,500					7,500
													-					-
Small Capital	CD	2,000											-					2,000
Sinking Fund	CD							2,000					2,000					2,000
													-					-
Equipment Upgrade	C/T		15,000										-					15,000
													-					-
													-					-
	Court												-					-
													-					-
Leased Equipment	DPW							12,084					12,084	4,028	4,028	4,028		24,168
Sidewalk Replace	DPW							10,000					10,000					10,000
Sinking Fund	DPW							1,000					1,000	1,000	1,000			3,000
Small Capital	DPW												-			2,500		2,500
Street Maintenance	DPW										300,000		300,000					300,000
Street Sweeper	DPW												-			20,000		20,000
Street Tree Planting	DPW	25,000											-					25,000
													-					-
	EM												-					-
													-					-
Land Acquisition	Facilities							40,000					40,000					40,000
Network Equip	Facilities							5,000					5,000	1,667	1,667	1,667		10,000
Security Upgrades	Facilities										50,000		50,000					50,000
Sinking Fund	Facilities							100,000					100,000					100,000
Ambulance Replace	Fire/EMS										276,000		276,000					276,000
Car 1 Sinking Fund	Fire/EMS							5,600					5,600					5,600
EMS Equipment	Fire/EMS							4,100					4,100					4,100
Fire Equipment	Fire/EMS							16,800					16,800					16,800
Mobile Comp Annual	Fire/EMS							4,254					4,254					4,254
Stair Chair	Fire/EMS							8,500					8,500					8,500
Thermal Image Cameras	Fire/EMS							18,200					18,200					18,200
Utility (Squad)	Fire/EMS										425,500		425,500					425,500
	Library												-					-
Comp - Workstation	Library							8,000					8,000					8,000
	Library												-					-
General Improve	Parks			50,000									-					50,000
Park Equipment	Parks			10,000									-					10,000
Park Signage	Parks							5,000					5,000					5,000
Property Acquisition	Parks										-		-					-
Urso/Schuetz Park	Parks										500,000		500,000					500,000
Equipment	Police							4,700					4,700					4,700
Squad Car	Police							29,100					29,100					29,100
Traffic Safety	Police							20,000					20,000					20,000
	SW												-					-
Total Projects		29,500	15,000	60,000	-	-	-	301,838	-	-	1,551,500	-	1,853,338	6,695	6,695	28,195	-	1,999,422

Capital Improvement Program

Village of McFarland

Program Year: 2021

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	Parks Fund 210	Solid Waste Fund 300	TID #3 Fund 400	TID #4 Fund 401	Capital Projects - Fund 500						Utility - 600		Stormwater Fund 650	Library Fund 900	Total
								Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Water	Sewer			
													-					-
Equipment/Furniture	Admin	2,500											-					2,500
Workstation Replace	Admin							7,500					7,500					7,500
													-					-
Small Capital	CD	2,000											-					2,000
Sinking Fund	CD							2,000					2,000					2,000
													-					-
Equipment Upgrade	C/T		15,000										-					15,000
													-					-
													-					-
	Court												-					-
													-					-
Leased Equipment	DPW							12,084					12,084	4,028	4,028	4,028		24,168
Sidewalk Replace	DPW										10,000		10,000					10,000
Sinking Fund	DPW							1,000					1,000	1,000	1,000			3,000
Small Capital	DPW												-			2,500		2,500
Street Maintenance	DPW										300,000		300,000					300,000
Street Sweeper	DPW												-			20,000		20,000
Street Tree Planting	DPW	25,000											-					25,000
													-					-
	EM												-					-
													-					-
Land Acquisition	Facilities							40,000					40,000					40,000
Network Equip	Facilities							5,000					5,000	1,667	1,667	1,667		10,000
Security Upgrades	Facilities										25,000		25,000					25,000
Sinking Fund	Facilities							100,000					100,000					100,000
Car 1 Sinking Fund	Fire/EMS							5,700					5,700					5,700
EMS Equipment	Fire/EMS							5,750					5,750					5,750
Extrication Equip	Fire/EMS							38,300					38,300					38,300
Fire Equipment	Fire/EMS							17,700					17,700					17,700
Ladder Truck	Fire/EMS										1,404,000		1,404,000					1,404,000
Mobile Comp Annual	Fire/EMS							4,467					4,467					4,467
Report Computer	Fire/EMS							4,500					4,500					4,500
	Library												-					-
Comp - Workstation	Library							8,000					8,000					8,000
	Library												-					-
General Improve	Parks			50,000									-					50,000
Park Equipment	Parks			10,000									-					10,000
Park Signage	Parks							5,000					5,000					5,000
Property Acquisition	Parks										-		-					-
Equipment	Police							4,700					4,700					4,700
Squad Car	Police							29,100					29,100					29,100
Traffic Safety	Police							20,000					20,000					20,000
Refuse Containers	SW				20,000								-					20,000
Total Projects		29,500	15,000	60,000	20,000	-	-	310,801	-	-	1,739,000	-	2,049,801	6,695	6,695	28,195	-	2,215,885

McFarland Capital Improvement Program (CIP)
2017 – 2021

Administration

Planned Projects:

Electronic Poll Book

- *Description* – Legislation will be proposed to allow for the use of electronic poll books to replace the current duplication of paper versions. It will have to meet the same demands of the paper version but improve the efficiency of the verification process.
- *Year(s)* – 2018.
- *Funding* – Tax Levy within Capital Projects Fund (500).

Equipment/Furniture

- *Description* – Small capital contribution from the General Fund to purchase various small office, furniture, and other related needs.
- *Years* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within General Fund (100).

Workstation Replacement

- *Description* – Each year the Village should set aside funds in order to replace computer workstations as they either fail or become obsolete. These funds are provided for through tax levy support within the Capital Fund and available for use Village wide as needed.
- *Years* – 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Community Development

Planned Projects:

Branding Initiative

- *Description* – The Village Board desires to follow up the completion of the Comprehensive Plan with a Branding Initiative. An RFP will be issued to prospective companies sometime in the first half of the year in order to complete before the end of the year, but may carry over into the next year depending on final completion date of comprehensive plan.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within Capital Projects Fund (500).

Planning Services

- *Description* – A bulk of the Comprehensive Plan was drafted in 2016 and with the review underway, it is anticipated the document will be completed in 2017. The plan is paid for through tax levy support within the Capital Projects Fund. The Planning work needed in 2018 would be for an East Side Area Growth Utility Plan to review the facility needs due to expanded growth in that direction.
- *Years* – 2017 and 2018.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Small Capital

- *Description* – The Department is provided funds for small capital items within the office including furniture, equipment, and other supplies as needed.
- *Years* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the General Fund (100).

Sinking Fund

- *Description* – Annual contribution towards savings for the future replacement of the Building Inspector's vehicle.
- *Years* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Communications and Technology

Planned Projects:

Equipment/Technology Upgrade

- *Description* – Funding for equipment purchases, replacements, and general upgrades to support operations and service delivery.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Fund Balance within Communications and Technology Fund (200).

Head End Replacement

- *Description* – Replacement of equipment in the main control room and head end upgrades.
- *Years* – 2017.
- *Funding* – Fund Balance within Communications and Technology Fund (200).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Municipal Court

Planned Projects:

Computer Replacement

- *Description* – Replacement of a computer workstation that was put into service for the Municipal Court as a used machine in 2012.
- *Year(s)* – 2017.
- *Funding* – Tax Levy within the General Fund (100).

Printer Replacement

- *Description* – The dedicated printer for the Department is nearing the end of its useful life and would be more functional for Court activities if it were combined into a multi-purpose printer, copier, and scanner with fax capabilities.
- *Years* – 2018.
- *Funding* – Tax Levy within the General Fund (100).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Department of Public Works (DPW)

Planned Projects:

Alben/McDaniel/Siggelkow

- *Description* – Paving for Alben Avenue, McDaniel Lane, and the first lift of Siggelkow (west of Terminal) were completed in 2017. The final paving of Siggelkow from the railroad tracks to Terminal Drive is planned for 2017.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Country Walk Dredge

- *Description* – Project is to clean out bottom of the Country Walk Detention Basin to remove sedimentation and allow for better water flow performance.
- *Year(s)* – 2018.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (650).

County MN (Broadhead)

- *Description* – Phase I of the County MN reconstruction was completed in 2016 with partial funding for the project provided by Dane County. The joint project will continue with Phase II from Marsh Road to the railroad tracks on Main Street in 2017. The remainder of the County Highway will be completed as Phase III in 2018 from the railroad tracks to US Highway 51.
- *Years* – 2017 and 2018.
- *Funding* – Road construction costs split with Dane County and Village share paid for through Borrowed Money within the Capital Projects Fund (500). Streetscape on Main Street in 2017 paid for through Tax Increment District #4 Fund (401).

Holscher Road

- *Description* – Includes the full reconstruction of Holscher Road from an rural cross section to an urban design. Project limits are from Siggelkow Road to Broadhead Street.
- *Year(s)* – 2017.
- *Funding* – Split between Capital Projects Fund (500), Utility Fund (600), and Stormwater Utility Fund (650) based on planned construction.

Department of Public Works (DPW) - CONTINUED

Larsen Beach Road Extension

- *Description* – Road paving project on Larsen Beach Road from US Highway 51 to Taylor Road.
- *Year(s)* – 2017.
- *Funding* – Partially paid for through Grand Funds with remainder offset by Borrowed Money within Capital Projects Fund (500).

Leased Equipment

- *Description* – Includes annual charges for the use of the skid steer and front end loader.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500) plus equal shares from Utility Fund (600) and Stormwater Utility (650).

Mower Replacement

- *Description* – A new wide format mower that is 16' wide will be purchased in 2017 to replace a 10 year old version of the same. A new 72" finish mower would be replaced the year after in 2018.
- *Year(s)* – 2017 and 2018.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

SCADA System Upgrade

- *Description* – The technology for the SCADA System will be updated which is the automated controls that operate the water and sewer system helping to provide continuous service and improve operational efficiency of the system.
- *Year(s)* – 2017.
- *Funding* – Paid for in equal shares from Water and Sewer within Utility Fund (600).

Sidewalks/Paths

- *Description* – Annual funds to repair and replace sidewalks as well as additional funds in 2017 for bike path restoration.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Borrowed Money and/or Tax Levy as applicable within the Capital Projects Fund (500).

Department of Public Works (DPW) - CONTINUED

Siggelkow Road

- *Description* – The Village would partner with the City of Madison regarding the design and redevelopment of Siggelkow Road from Terminal Drive to Marsh Road. Funding includes the widening of the road to include bike lanes within the road where currently this feature is not continuous. Funding does not include the need acquire additional right of way if it is found to be necessary in the project design.
- *Year(s)* – 2018.
- *Funding* – Borrowed Money and City of Madison intergovernmental contribution within the Capital Projects Fund (500) plus a portion from Tax Increment District #3 Fund (400).

Sinking Fund

- *Description* – Annual savings set aside for the replacement of the Director's vehicle.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500) plus equal share from Utility Fund (600).

Small Capital

- *Description* – The Stormwater Utility is provided funds for small capital items for its administration including equipment, materials, and other supplies as needed.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (650).

Street Maintenance

- *Description* – Includes basic street repairs needed on an annual basis that have a longer than one year useful life including chip sealing, crack filling, and various areas for patch work.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Street Resurfacing

- *Description* – Several streets around Waubesa Intermediate School have asphalt that was installed as part of the overall development that is failing at a rate faster than the annual maintenance program can be effective. This pavement will be pulverized, reshaped, and repaved to get new material in place for improved performance.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Street Sweeper

- *Description* – Annual savings set aside for the future replacement of the street sweeper.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (650).

Department of Public Works (DPW) - CONTINUED

Storm Sewer Construction

- *Description* – The ditches near the Taylor Road Cottages are failing due to vegetative growth. The ditches will be cleaned to improve drainage flow and then the bases/sides replaced with concrete to maintain flow on an ongoing basis.
- *Year(s)* – 2017.
- *Funding* – Charges for Public Services collected within the Stormwater Utility Fund (650).

Street Tree Planting

- *Description* – Implementation of a program to address the Ash Tree population as a response to the Emerald Ash Borer.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Fund Balance within the General Fund (100).

Vehicle Replacement

- *Description* – Includes the full replacement with trade in of a Patrol Truck (Snow Plow) with associated equipment for both listed years.
- *Year(s)* – 2017 and 2019.
- *Funding* – Trade-in value deducted from gross cost of the vehicle. Remaining expense split equally between Capital Projects Fund (500), Utility Fund (600), and Stormwater Utility Fund (650).

Water Model Update

- *Description* – The Water Model for the Village is significantly dated and will be upgraded to better project water needs for ongoing development purposes.
- *Year(s)* – 2017.
- *Funding – Funding* – Charges for Public Services collected for Water Services within the Utility Fund (600).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Emergency Management

Planned Projects:

No planned projects thus far requested within the current 5 year period.

McFarland Capital Improvement Program (CIP)
2017 – 2021

Facilities

Planned Projects:

Facility Study

- *Description* – An architectural planning consultant will be utilized by the Village to help plan the future development and expansion of facilities including the possibility of developing a Community Center.
- *Year(s)* – 2017.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Facility Design

- *Description* – Shifting from the planning phase to actual design, the recommendation put forth in the Facility Study completed in 2017 would proceed to design and detail in order to bid for the construction of the desired amenity.
- *Year(s)* – 2018.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Facility Construction

- *Description* – The project would be bid following completion of the design process the year prior based on the accepted recommendation put forth in the Facility Study for the development of a possible Community Center.
- *Year(s)* – 2019.
- *Funding* – Combination of Intergovernmental Funds, Borrowed Money, and Fund Balance within the Capital Projects Fund (500).

Land Acquisition Fund

- *Description* – Savings set aside for the future purchase of land to be used towards facility expansion and development, and/or service delivery.
- *Year(s)* – 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Facilities - CONTINUED

Network Equipment

- *Description* – Funds are set aside annually for the replacement and upgrading of network equipment to help maintain the Village's technology needs.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500) with equal shares from the Utility Fund (600) and Stormwater Utility Fund (650).

Security Upgrades

- *Description* – An assessment was conducted by the Police Department in 2016 regarding possible upgrades to enhance safety and security of Village facilities. An SOQ is proposed to be issued in 2017 that will advance this work and provide a comprehensive report regarding alternatives to implement these findings over a multi-year period.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Sinking Fund

- *Description* – Savings set aside for the development, expansion, and/or maintenance of Village owned facilities.
- *Year(s)* – 2017, 2018, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Fire/EMS

Planned Projects:

Ambulance Replacement

- *Description* – Replacement of the secondary ambulance that was acquired in 2008. Current primary ambulance was acquired in 2015 and would rotate to secondary as part of this transition.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Apparatus

- *Description* – The Apparatus Engine scheduled for replacement was purchased in 1992 and is one of two in the fleet with the other vehicle purchased in 2005. This vehicle will become the primary response vehicle and the older model will transition to secondary. The expected useful life of the vehicle is 20 years in line with our ISO rating for fire protection.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Brush Fire Truck

- *Description* – Includes the replacement of truck and skid unit that are used to respond to brush fires in the coverage area. This purchase was originally proposed in 2017 but deferred to the next year for consideration. Current truck was acquired in 1996.
- *Year(s)* – 2018.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Car 1 Sinking Fund

- *Description* – Annual savings set aside for the replacement of Car 1 which is the suburban style used as the main incident command response vehicle.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Fire/EMS - CONTINUED

EMS Equipment

- *Description* – Provides annual funding for small equipment needs, turnout gear as is needed from year to year, and other general items needed to support this service.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Equipment/Car Replacement

- *Description* – The current vehicle used by this department was a 2003 sedan that experienced several mechanical failures leading to it being put out of service in 2016. The vehicle will be replaced with a newer SUV model that is more compatible with the fleet and allow for joint Departmental usage within the Organization.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Extrication Equipment Replacement

- *Description* – This equipment is used to extract individuals who are trapped typically within vehicles as a result of car accidents.
- *Year(s)* – 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Fire Equipment Replacement

- *Description* – Provides annual funding for small equipment needs, turnout gear as is needed from year to year, and other general items needed to support this service.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Borrowed Money and Tax Levy within the Capital Projects Fund (500).

Garage Bay Exhaust System

- *Description* – The garage at the Municipal Center is substantial as it houses very large trucks that when all started together create excessive exhaust that is not easily captured with the current removal system. A grant was received to hook trucks up to their own hoses to capture the exhaust as it exits the vehicles so it does not fill up the garage.
- *Year(s)* – 2017.
- *Funding* – Grant and Borrowed Money within the Capital Projects Fund (500).

Fire/EMS - CONTINUED

Ladder Truck

- *Description* – The largest truck in the fleet and is used as part of significantly elevated fire and rescue operations within the coverage area. Additionally, the truck may act as an engine and provides the required pump capacity that is required for the Village. Acquired in 2007 as a used truck and was originally manufactured in 1997. The current amount is based on a new truck and a used truck may be investigated. Used vehicle will require additional expenses to locate, inspect, repair, and place into service above the purchase price.
- *Year(s)* – 2021.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

LUCAS Devices – Automated Compression

- *Description* – Used as part of the EMS response to assist with CPR and improve outcomes of cardiac arrest emergency calls for service. This device also improves operational efficiency and reduces possibility of rescuer injury.
- *Year(s)* – 2018.
- *Funding* – Possible Grant from Association within the Capital Projects Fund (500).

Mobile Computer Annual Replacement

- *Description* – Annual replacement for mobile computers located within fleet vehicles. The computers provide information from dispatch and department pre-plan data for facilities. The funding provides for one replacement per year.
- *Year(s)* – 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Pagers Replacements

- *Description* – Replacement of the pagers and system used to dispatch members for emergency response. Equipment acquired in 2011 and 2012.
- *Year(s)* – 2019.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Radios

- *Description* – Replacement of the equipment and system used for our radio network within vehicles and handheld units utilized by members. Equipment acquired in 2011 and 2012.
- *Year(s)* – 2019.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Fire/EMS - CONTINUED

Report Computer Replacement

- *Description* – A rugged portable computer is provided to complete reporting requirements for EMS incidents. Equipment acquired in 2013 and 2015.
- *Year(s)* – 2018 and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Stair Chairs Replacement

- *Description* – Used by EMS members to transport a patient up or down a set of stairs when responding to emergency calls for service. Acquired in 2000.
- *Year(s)* – 2020.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Thermal Imaging Cameras Replacement

- *Description* – Used by Fire members on fire emergency calls for service to locate individuals that may be trapped within an active fire and to locate hidden fires. Acquired in 2015.
- *Year(s)* – 2020.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Utility (Squad) Replacement

- *Description* – This vehicle is the primary vehicle for carrying extrication equipment and general support. Also carries necessary equipment for vehicular accidents, water/ice rescues, rehab supplies for structure fires. Acquired in 2000. The replacement vehicle is intended to be a reduction in size and equipment carried. Equipment is being shifted to the Engine and Ladder Trucks.
- *Year(s)* – 2020.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Library

Planned Projects:

Air Conditioning

- *Description* – Replacement of a failed Air Conditioning unit from 2016 is scheduled for install in the Spring of 2017 by the time it is needed in the Summer.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Bathroom Remodel

- *Description* – Funding provided to remodel the men's and women's restrooms that serve the facility.
- *Year(s)* – 2019.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Computer – Self Checkout

- *Description* – Adds a second self-checkout option for patrons to help free up more Staff time in the checkout process.
- *Year(s)* – 2017.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Computer – Workstation(s)

- *Description* – Includes funds to replace both computers used by the public for either adults, teens, or children and those used by Staff on an annual basis.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Furniture – Adult, Children, Meetings

- *Description* – A variety of furniture upgrades and fixes are proposed to address deficiencies and failures in several areas of the facility.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Library - CONTINUED

Remodel Work

- *Description* – Remodeling of the story time room is proposed in order to better accommodate users after the usage frequency and volume has increased significantly whereby the room cannot be used for its intended purpose.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Shelving – Children and Teens

- *Description* – Desire to replace certain shelving units that are presently obsolete and non-user friendly.
- *Year(s)* – 2018.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Senior Outreach

Planned Projects:

Furniture Replacement

- *Description* – New desk and other furnishings for three offices to support Department operations.
- *Year(s)* – 2019.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Refrigerator Replacement

- *Description* – There are currently 2 units proposed for replacement that are utilized for the Dane County supported meal program that will be nearly 20 years old.
- *Year(s)* – 2018.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Workstation Replacement

- *Description* – In conjunction with the new furniture in the same year, it is proposed to replace the computers and other supporting technology within the Department.
- *Year(s)* – 2019.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Parks

Planned Projects:

Brandt Park

- *Description* – Replace playing field lighting for softball and reconfigure playing fields according to more stringent competitive standards.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500) plus contribution from Parks Fund (210).

Discovery Garden

- *Description* – The first year includes the planning and design regarding the future use of the park space adjacent to the Library followed by plan implementation in the next year.
- *Year(s)* – 2017 and 2018.
- *Funding* – Tax Levy and Borrowed Money within the Capital Projects Fund (500).

General Improvements

- *Description* – Money set aside annually after 2017 to be used for general park improvements through the use of fees collected within new developments.
- *Year(s)* – 2018, 2019, 2020, and 2021.
- *Funding* – Impact Fees collected within Parks Fund (210).

Grandview Marsh Trail

- *Description* – A quarter mile trail through the Grandview Marsh Conservancy that has been redesigned to incorporate boardwalk for the path rather than asphalt to limit the disturbance to the wetlands and to improve the flow of water.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500) plus grant contribution from Dane County.

Jaeger Park

- *Description* – Includes the replacement of a dock and improvements to a small boat launch in between Lake Waubesa and Mud Lake used to launch canoes and other small watercraft.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Parks - CONTINUED

Lewis Park

- *Description* – Funds provided for site amenities and general park improvements.
- *Year(s)* – 2017.
- *Funding* – Impact Fees collected within Parks Fund (210).

Lewis Park Shelter

- *Description* – With the Shelter complete in 2016, some funds are provided to finalize the landscaping, install site amenities (i.e. – bike racks), and other general amenities to finish the project.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

McDaniel Park

- *Description* – Several improvement projects to add another small shelter, increase parking, remodel bathrooms, install a kiosk, and provide other general amenities. Several of these improvements are planned in preparation for the completion of the Lower Yahara Bike Trial in 2017.
- *Year(s)* – 2017.
- *Funding* – Impact Fees collected within Parks Fund (210) plus borrowed money contribution from Capital Projects Fund (500).

Outdoor Recreation Plan

- *Description* – This plan helps to chart the future land use and development of parks and open space within the Village helping to continue to improve the local quality of life within these amenities. This plan is also necessary for grant applications.
- *Year(s)* – 2019.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Park Equipment

- *Description* – Annually the Village looks to replace and/or repair certain park amenities and play structures.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Impact Fees collected within Parks Fund (210).

Park Signage

- *Description* – Annually, some signage is needed for replacement or restoration in order to maintain the signage displays within the parks.
- *Year(s)* – 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Parks - CONTINUED

Property Acquisition

- *Description* – A set dollar amount is not provided with this line item but serves as a placeholder for future opportunities to acquire land for park development.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Urso/Schuetz Park

- *Description* – Several years of improvements with this park are planned following the update of the master plan for the area that was first completed 10 years ago. The recommendations from that plan can then be implemented over a multi-year period as a means to improve this area.
- *Year(s)* – 2017, 2018, 2019, and 2020.
- *Funding* – Tax Levy and Borrowed Money within the Capital Projects Fund (500) plus various contributions from the Parks Fund (210).

WM McFarland Park

- *Description* – Some of the parking lot owned by the Village near the ice rink is in need of replacement and these funds will allow for its repaving.
- *Year(s)* – 2017.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Police Department

Planned Projects:

Detective Vehicle

- *Description* – This vehicle was purchased in 2006 and recommended again for purchase instead of leasing due to its longer useful life within the Department and it is not utilized for regular patrol.
- *Year(s)* – 2018.
- *Funding* – Borrowed Money within the Capital Projects Fund (500).

Equipment

- *Description* – Several small equipment items are included within this item on a year to year basis including but not limited to Taser replacements, annual MDC replacements, evidence camera, helmets, vests, shields, radios, and other items of need as prioritized within the Department.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Squad Car(s)

- *Description* – This includes the annual lease payments for the Department's vehicles through the conversion of the vehicle from cars to SUV's.
- *Year(s)* – 2017, 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

Traffic Safety

- *Description* – Annual allocation for the Department to implement various traffic safety measures including speed boards, RRFB's, flashing signs, and other related improvements.
- *Year(s)* – 2018, 2019, 2020, and 2021.
- *Funding* – Tax Levy within the Capital Projects Fund (500).

McFarland Capital Improvement Program (CIP)
2017 – 2021

Solid Waste

Planned Projects:

Small Capital – Refuse Containers

- *Description* – The Village is responsible for procuring and providing to residents a container for refuse and recycling to be used for collection by the private hauler. These containers are ordered every other year based on replacements issued and ongoing growth patterns.
- *Year(s)* – 2017, 2019, and 2021.
- *Funding* – Fund Balance within Solid Waste Fund (300).

Existing Policy

PURCHASING POLICIES AND PROCEDURES

POLICY PURPOSE

The purposes of this policy are to provide uniform guidelines to Village employees involved in the procurement of supplies, equipment, services, and property and to insure that the expenditure of public funds by all Village departments is consistent with the policies set by the Village Board. Consistent with Chapter 23, Article II, Division 4 "Purchases and Contracts" of the McFarland Municipal Code, The goals of the policy are to:

- Create the maximum feasible free and open competition in all procurements.
- Prevent potential waste, fraud, abuse, and conflicts of interest in the procurement process.
- Prevent the issuance of exclusionary or discriminatory specifications.
- Insure fair and equal treatment of all vendors.
- Establish standard procedures to be followed in making purchases.
- Achieve the optimum price for the item(s) being purchased. Optimum price does not necessarily mean the lowest price.

POLICY IMPLEMENTATION OBJECTIVES

A. ETHICAL STANDARDS

1. All procurements will comply with applicable Federal, State, and local laws, regulations, policies, and procedures.
2. In general, employees shall not to engage in any procurement related activity that would actually or potentially create a conflict of interest, which might reasonably be expected to contribute to the appearance of such a conflict, or which would violate the Village ethics code.
3. No employee shall participate in the selection, award, or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of the employee's immediate family, the employee's business partner, or any organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected for award.

4. No employee shall solicit nor accept favors, gratuities, or gifts of monetary value from actual or potential vendors.

5. The structure, scope, and specific activities to be performed in contracts shall be carefully reviewed by procurement officials to prevent real and apparent organizational conflicts of interest. An organizational conflict of interest would exist when the nature of the work to be performed under a proposed contract may, without some restriction of future activities, result in an unfair competitive advantage to the contractor or impair the contractor's objectivity in performing the contract work.

6. To promote free and open competition, technical specifications shall be prepared to meet the minimum legitimate needs of the Village, and, to the extent possible, shall not exclude or discriminate against any qualified contractors.

7. Employees shall maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them an advantage over other potential contractors.

8. It is the intent of the Village that its name or the name or position of anyone it employs not be used to endorse or support a product or vendor, except that references for professional services may be given in response to a request made by another government agency.

B. GUIDELINES

1. To the extent allowed by law and allowed by this policy, the Village reserves the right to accept the bid or quote it deems to be most beneficial to the Village, as well as the right to reject all bids or quotes.

2. Internal purchasing procedures require some degree of centralized review of proposed procurements to avoid the purchase of unnecessary or duplicative items. The procedures also require that different employees execute payments than those who do the ordering to avoid potential fraud or abuse in procurements.

3. Prudent short and long term planning for purchases will help to minimize the amount of administrative and clerical time spent documenting purchases. Each department shall purchase within the foreseeable needs of the department, to maximize available discounts, and to coordinate purchases with other departments or agencies when possible.

4. Quality and service are just as important as price. Quality buying is the buying of goods and services at the lowest price point that will meet, but not exceed the requirements for which they are intended. In some instances the primary consideration may be durability. In other instances it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is

the responsibility of each Department Head to become familiar with available equipment to determine the appropriate quality required.

5. Appropriate procedures shall be maintained to ensure that awards are made only to contractors who possess the ability to perform successfully under the terms and conditions of a given procurement. Project-specific contract administration arrangements shall be made to see that the contractor performs in accordance with the terms, conditions, and specifications of the contract or purchase order.

6. Adequate records shall be maintained to detail the history of significant procurements. In addition, a current inventory of all fixed assets shall be maintained to ensure proper continuing control.

7. The Village may participate, when legally permissible and feasible, in Federal, State, and local intergovernmental contracts for the procurement or use of common goods and services if such joint purchases are cost effective.

8. When feasible, the Village may use Federal or State excess/surplus property or used equipment instead of purchasing new equipment.

9. All contracts or agreements for services shall be reviewed and, if necessary, renegotiated or resubmitted to new vendors at least every three years. No contract may be extended automatically or renewed without appropriate review.

C. ORGANIZATIONAL RESPONSIBILITIES

1. The Administrator is the designated purchasing agent for the Village and he/she (or designee) shall generally oversee and coordinate purchases made by Village departments. The Administrator shall review at least annually the purchasing needs and practices of the departments and determine the purchasing limit to be delegated to each Department Head.

2. The Department Heads possess the authority and responsibility of managing purchases within their delegated purchasing limits. All purchases shall be reviewed and approved by the Department Head or his/her designee.

3. Each Department Head may delegate to an employee(s) of that department authority to make and approve purchases not exceeding $5,000. The Department Head shall sign off on accounts payable vouchers prior to payment, however, and is ultimately responsible for all purchases made by employees of the department.

4. As a check and balance measure, payments for goods and services shall be executed by employees who were not involved in the ordering process.

D. ORGANIZATIONAL APPROVALS

1. The following purchases, contracts and agreements for services shall ordinarily be referred to the committee or jurisdiction for review and recommendation prior to submission for approval to the Village Board.

   a. All public works construction contracts in excess of $25,000.

   b. Any other contracts and agreements for services in excess of $25,000.

2. If the purchase of a vehicle or equipment item(s) is specifically approved in the operating or capital budget, the purchase does not require separate approval by the committee or the Village Board prior to ordering unless there is a significant change in the product specifications or the actual purchase price exceeds the budget appropriation.

3. Bond payments and other debt obligations, payroll and benefits, fuel, road salt, street maintenance, annual service agreements, vehicle/equipment parts and repairs, and all other recurring expenses incurred in the usual and ordinary operation of Village government are authorized in a sum not to exceed the budgeted amount.

4. No account or claim against the Village, except for payment of regular wages or salaries, shall be paid until it has been approved by the Village Board.

E. METHODS OF PROCUREMENT

Depending upon the type and cost of the item or service being procured, one of the following procurement methods will be used.

1. Petty Cash

   a. Purchases of under $30 may be made from petty cash; purchases under $10 should be made from petty cash whenever practical.

2. Competitive Quotation

   a. Purchases in an amount less than $2,000 may be made using whatever responsible procedure the Department Head deems appropriate.

   b. Purchases in an amount of $2,000 - $4,999 require verbal or written quotations from at least two (2) qualified sources. The results of the verbal quotations shall be recorded on a "Memorandum of Quotation" form and signed by the person receiving the quotations.

3. Quotation

   a. Purchases in an amount from $5,000 - $25,000 require solicitation of a minimum of three (3) written quotations from qualified sources. A summary of the quotations received shall be retained for the longer of the purchase transaction or one year. If departments are unable to secure three (3) written quotations, the Department Head shall explain to the Village Board the reason why additional written quotations were not forthcoming, in the opinion of the Department Head.

   b. The Village shall give a class 1 legal public notice of the proposed construction before the contract for the construction is executed.

4. Formal Bids

   a. Purchases in an amount of more than $25,000 shall require the submission of formal sealed bids. Such bids may be formally advertised by publication of a class 1 notice and other appropriate methods should be used to make potential bidders aware of the opportunity. The resulting contract will generally be awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price.

      Unsuccessful bids shall be kept on file for two (2) years; the comparative tabulation summary of all bids and the accepted bid shall be maintained for seven (7) years after completion of the project.

   b. All qualifying public works construction contracts as defined in Wisconsin Statutes § 61.54 require the submission of sealed bids for contracts in excess of $25,000. If the estimated cost is $5,000 - $25,000, bids shall be solicited by publication of a class 1 notice. The bids will be opened and read aloud in public and then referred to the appropriate department for review and tabulation. The bids and the departmental recommendation will be submitted to the committee of jurisdiction and then to the Village Board for approval. The Village shall give a Class 1 legal public notice of the proposed construction before the contract for the construction may be executed. The award for public works construction contracts in excess of $25,000 will be made to the lowest responsible bidder meeting the specifications as required by statute. If the low bid is not recommended for acceptance, the department will be expected to thoroughly document the reasons for not selecting the low bid.

   c. *Bidding Procedures.* When a formal bid is required or deemed to be in the best interests of the Village, the bidding procedure shall comply with formal bid solicitation standards identified in the Village's Purchasing Policies and Procedures and contain at least the following information:

      (1) A bid solicitation identifier.

(2) A detailed description of the goods and services as described further in Section G of this Policy, including enough information about the items or services required so that more than one vendor can meet the specifications.

(3)_ The time, date and place the bids will be opened.

(4) The address to which the bids shall be mailed or delivered. Instructions to bidders shall include such information as delivery dates, transportation charges, proposal prices, conditions for guaranteeing the proposal, payment terms, right of rejection of proposals, right to reject merchandise, insurance requirements, alternative proposal consideration, tax information, and other appropriate information regarding the awarding and execution of the contract and contract considerations.

(5) The bid solicitation shall also include a section on special provisions including guarantees and service considerations, trade-in considerations, and other information relating to special conditions.

5. Qualifications Based Procurement

Normal competitive procedures cannot be utilized in securing professional services from attorneys, engineers, accountants, planners, and other professional people who, in keeping with the standards of their profession, may not enter into a competitive bidding process. A Request for Proposal (RFP) may be made upon the direction and at the discretion of the Administrator or the Village Board for professional services costing less than $25,000. A formal RFP process using a qualifications based method of evaluation shall generally be used for procuring professional services costing more than $25,000. If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs.

6. Noncompetitive Negotiation

a. This method of procurement may be used only in special circumstances when a purchase or award of a contract is not feasible under the procurement methods described above. A common reason for using this type of procurement would be an emergency situation as described in Section 6 below. Noncompetitive, or sole source, procurement involves the solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sufficient cost analysis shall be done for noncompetitive

procurements costing more than $5,000 to show that the price is fair and reasonable.

7. Emergency Purchases

a The procedures in this policy may be waived under emergency conditions when a delay may threaten the basic mission of a department. In those instances, the purchasing procedures outlined in the Emergency Response Plan would normally be utilized. Emergency conditions are generally unforeseen circumstances, e.g., natural disasters or major mechanical equipment failures, wherein prompt corrective action is absolutely necessary. Occasionally equipment will require emergency repairs or other circumstances will necessitate emergency corrective action which cannot wait for compliance with this policy. In any emergency situation, Department Heads are required to notify the Administrator as quickly as possible.

F. PURCHASING PROCEDURES

The commitment to purchase goods and services may be made using one of the following instruments: petty cash; standing purchase order; purchase order; contract or credit card. The following procedures shall apply to the use of each of these purchasing instruments.

1. Village-Issued Credit Card

a. Making purchases using a credit card issued by the Village shall be the preferred method of purchasing and payment under the following circumstances:

(1) The vendor accepts payment by credit card;
(2) There is no additional cost associated with use of a credit card;
(3) It is advantageous to the Village to purchase by credit card.

b. The Village shall use just one type of national credit card, with the choice of card and financial institution to be determined on the basis of the most advantageous terms to the Village. One or more credit cards may be issued in the name of each specific Village department.

c. The Administrator shall determine the maximum credit limit that will apply to the credit card(s) of each department.

d. Each Department Head may determine which employee(s) will have access to the departmental credit card(s) and the credit limit to which they are authorized to charge. Access shall be restricted as much as possible.

e. To the extent possible, purchases made by credit card should be authorized in advance by the Department Head or a designee. If this is not possible, the purchase shall be reported as soon as practicable.

2. Petty Cash

a. Petty cash purchases are limited to a maximum of $30 and may be made by either having the authorized purchaser sign and draw money from the fund in advance or using the purchaser's own money and then being reimbursed later from the fund.

b. All petty cash purchases shall be approved in advance by the Department Head (or designee).

c. A proper receipt, signed by the purchaser, shall be provided for all purchases made from the petty cash. If an advance was drawn from the fund and the actual purchase amount is less, the difference shall be returned as soon as practical.

d. One designated individual shall be responsible for making all deposits to and withdrawals from the petty cash fund. The fund shall be reconciled on a weekly basis.

e. The detail of purchases made from the petty cash fund shall be included in the regular financial reports provided to the Village Board.

3. Standing Purchase Order

a. Standing purchase orders may be established with certain vendors from whom frequent, small dollar purchases are made. Such purchases shall be limited to a maximum $100 unit cost.

b. All standing purchase order transactions shall be approved in advance by the Department Head.

c. A signed receiving slip shall be kept on file in the department until an invoice for the item(s) purchased is received and approved for payment.

d. All standing purchase orders shall to be issued for a maximum of one year and shall expire each December 31. Prior to renewal for the coming year, all standing purchase orders shall be reviewed for continuing need and for the competitiveness of discounts offered.

4. Purchase Orders

   a. All non-recurring purchases of items with a unit value in excess of $100 may be procured by issuing a purchase order.

   b. The Department Head (or designee) shall sign the purchase order before any commitment to purchase is made. This provision may be waived, however, in cases of emergency involving the protection of property or persons or the provision of interrupted service.

   c. The original copy of the purchase order shall be sent or given to the vendor. A copy will also be forwarded to Accounting.

   d. A signed receiving slip shall be kept on file in the department until an invoice for the item(s) purchased is received and approved for payment.

5. Contracts

   a. Ordinarily, written contracts shall be utilized when procuring services and some types of goods.

   b. Some goods and services may be purchased on an "implied contract" basis. Examples of such contracts include the routine and ongoing purchase of fuel products, various public utilities, and all payroll and fringe benefit related expenses.

   c. The Administrator and /or the proper Village officials, if appropriate, shall sign all written contracts that are issued.

6. Sales Taxes

   a. The Village is exempt from paying all local and state sales taxes and Federal Excise taxes. The Village staff shall provide necessary exemption documents to vendors upon request.

G. SPECIFICATIONS

1. When goods or services are purchased consistent with the competitive processes outlined in this policy, specifications (specs) must be prepared which will meet the following goals:

   - Identify minimum requirements;
   - Allow for a competitive bid or quote, when possible;

- Be capable of objective review; and
- Provide for an equitable award at the lowest possible cost.

a. General Guidelines

Specs should be kept as simple as possible while still maintaining the exactness required to keep bidders from utilizing loopholes to avoid providing the quality desired or to take advantage of their competitors. To promote competition, specs should be written in clear simple language, free of vague terms or those subject to variations of interpretation.

If the specs include optional goods or services, these options shall be separately identified so that the base cost may be clearly identified compared to the cost of the option(s). If options or alternates are included, the Bid Tabulation Report shall identify the different costs of those.

b. Types of Specifications

Specifications shall be structured to protect the integrity of the purchasing system and to insure that the needs of the Village are met. Methods of structuring specs include:

(1) Qualified Products or Acceptable Brands List

These lists are developed where it is not possible to write specs adequate to identify the quality and performance required, or when tests necessary to determine compliance with technical specs are lengthy, costly, or require complicated technical equipment.

(2) Specification by Brand or Trade Name

Brand or trade names should be used where brand name products have been found to be superior to others for the purpose intended or when their composition is secret, unknown or patented. The use of brand names establishes a quality standard, but is not intended to eliminate or limit competition. When this method is used the specs shall provide for bidding of competitive or equal grades. It is incumbent on a vendor who bids on goods of supposed equal quality to document that the goods and services are, in fact, of equal quality.

(3) Specifications by Blueprint or Dimension Sheet

Specs of construction projects shall be written to reference any blueprints or dimension sheets prepared by the engineer or architect.

(4) Specifications by Performance, Purpose or Use

Specs which include a set of performance criteria will provide flexibility for vendors to design products or programs specifically aimed at meeting the standards the Village has established. These types of specs usually generate a great deal of competition since they allow vendors to exercise some creativity in the process. Bottom line or minimum standards shall be included in the specs to insure that the Village's expectations are met.

(5) Specifications by Industry Standards

Specs will often refer to industry-wide standards or standards set by other public jurisdictions. Lumber grading, standards set by asphalt or concrete industries, or referencing standard specs of the State Department of Transportation or other State or Federal agencies are typical examples.

(6) Specifications by Samples

A sample is an appropriate method to clearly demonstrate the contract requirements. Printing bids, where artwork or existing forms would be utilized is an example. Departments utilizing samples shall insure that adequate supplies of the samples are made available so that originals can be sent with all bid invitations.

H. BID PROTEST PROCEDURES

1. Any interested party who wishes to protest the award of a contract under these procurement procedures may do so. An "interested party" must, however, be an actual or prospective bidder or offer or whose direct economic interest would be affected by the award of the contract and by failure to award the contract.

2. Submission of Protest to Administrator

   a. Protests will only be accepted for bid awards exceeding $25,000 in cost.

   b. All bid protests must be submitted in writing to the Administrator.

   c. Protests shall be made as soon as possible but no later than three (3) working days following notification of the vendor by Village staff, posting on the Village website of the outcome of the purchasing decision, the recommendation by a committee of an award of contract, or approval by the Village Board of the award of contract.

   d. The protest shall contain a detailed statement of the grounds for protest and any supporting documentation.

3. Administrator Response

   a. Upon receipt of a written protest, the Administrator and Department Head shall meet with the protestor and attempt to resolve the matter informally within five (5) working days. If the protestor is still not satisfied and indicates within three (3) working days an intention to appeal to the next step, the Administrator will delay the award of the contract or the purchasing action temporarily unless he/she determines that:

      (1) The items to be procured are urgently required; or

      (2) Delivery or performance will be unduly delayed by failure to make the awards promptly; or

      (3) Failure to make prompt award will cause costs to increase significantly or otherwise cause undue harm to the Village.

4. Appeal to Village Board

   a. If the protestor wishes to appeal the Administrator's decision the matter will be forwarded within thirty (30) days to the Village Board for their review and ultimate disposition of the protest in accordance with Chapter 2, Article XI of the McFarland Municipal Code.

I. PAYMENT PROCEDURES

Payment for goods and services shall be made by cash, check, or credit card. The following procedures shall apply to the use of each of these methods of payment.

1. Cash

   a. All cash payments, except C.O.D. shipments and travel advances, shall be made from the petty cash fund and accounted for in the manner described in the previous section.

2. Check

   a. The following information must be complete before a payment by check can be processed:

      (1) Proper authorizing document (standing purchase order, purchase order, contract).

      (2) Vendor name, address, and ID number.

(3) Budget account code(s).

(4) Detailed invoice describing the type and quantities or items delivered and the amount due.

(5) Signature of Department Head (or designee) acknowledging receipt of the item in good condition and authorizing payment.

(6) Comparison to budget to make sure that sufficient funding is available to pay the invoice.

3. Credit Card

a. Proper documentation or receipts shall be obtained for all purchases made by credit card. This documentation shall be submitted to the Department Head as soon as possible who will review and retain it for later use. To ensure timely payment of credit card charges, proper documentation of all charges must be submitted no later than the end of each payroll period. If documentation is not readily available the employee may instead sign and submit a form confirming that the purchase was authorized by them and payment should be made.

b. When the monthly credit card statement is received the Department Head shall compare the purchases itemized on the statement with the documentation of purchases submitted during the month and code the purchases to the proper budget accounts.

c. Once approved for payment, the statement shall be submitted to Administration for payment at the next regular Village Board meeting. Payments shall be processed in a timely manner to avoid incurring finance charges.

4840-0983-8612, v. 1

Adopted: April 22, 2013

Codified Redline Proposal

CHAPTER 10 Purchasing Policies and Procedures

SECTION 10.01 Policy Purpose

The purposes of this policy is ~~are~~ to provide uniform guidelines to Village employees involved in the procurement of supplies, equipment, services, and property in order ~~and~~ to insure that the expenditure of public funds by all Village departments is consistent with the policies set by the Village Board. Consistent with Chapter 23, Article II, Division 4 "Purchases and Contracts" of the McFarland Municipal Code, The goals of the policy are to:

(a) Create the maximum feasible free and open competition in all procurements.

(b) Prevent potential waste, fraud, abuse, and conflicts of interest in the procurement process.

(c) Prevent the issuance of exclusionary or discriminatory specifications.

(d) Insure fair and equal treatment of all vendors.

(e) Establish standard procedures to be followed in making purchases.

(f) Achieve the optimum price for the item(s) being purchased. Optimum price does not necessarily mean the lowest price.

SECTION 10.02 Ethical Standards

The Purchasing Policies and Procedures created herein including the use of this Chapter by Local Governmental Officials, Employees, and/or Candidates shall be subject to the following Ethical Standards:

(a) Chapter 2, Article VIII Ethics Code of the Village of McFarland Code of Ordinances.

(b) Wis. Stats. 19.59 Codes of Ethics for Local Governmental Officials, Employees, and Candidates.

(c) Wis. Stats. 946.13 Private Interest in Public Contract Prohibited.

~~(a) All procurements will comply with applicable Federal, State, and local laws, regulations, policies, and procedures.~~

~~(b) In general, employees shall not to engage in any procurement related activity that would actually or potentially create a conflict of interest, which might reasonably be expected to contribute to the appearance of such a conflict, or which would violate the Village ethics code.~~

~~(c) No employee shall participate in the selection, award, or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of the employee's immediate family, the employee's business partner, or any organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected for award.~~

~~(d) No employee shall solicit nor accept favors, gratuities, or gifts of monetary value from actual or potential vendors.~~

~~(e) The structure, scope, and specific activities to be performed in contracts shall be carefully reviewed by procurement officials to prevent real and apparent organizational conflicts of interest. An organizational conflict of interest would exist when the nature of the work to be performed under a proposed contract may, without some restriction of future activities, result in an unfair competitive advantage to the contractor or impair the contractor's objectivity in performing the contract work.~~

~~(f) To promote free and open competition, technical specifications shall be prepared to meet the minimum legitimate needs of the Village, and, to the extent possible, shall not exclude or discriminate against any qualified contractors.~~

~~(g) Employees shall maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors that would give them an advantage over other potential contractors.~~

~~(h) It is the intent of the Village that its name or the name or position of anyone it employs not be used to endorse or support a product or vendor, except that references for professional services may be given in response to a request made by another government agency.~~

SECTION 10.03 Guidelines

(a) To the extent allowed by law and allowed by this policy, the Village reserves the right to accept the bid or quote it deems to be most beneficial to the Village, as well as the right to reject all bids or quotes.

(b) Internal purchasing procedures require some degree of centralized review of proposed procurements to avoid the purchase of unnecessary or duplicative items. The procedures also require that different employees execute payments than those who do the ordering to avoid potential fraud or abuse in procurements.

(c) Prudent short and long term planning for purchases will help to minimize the amount of administrative and clerical time spent documenting purchases. Each department shall purchase within the foreseeable needs of the department, to maximize available discounts, and to coordinate purchases with other departments or agencies when possible.

(d) Quality and service are just as important as price. Quality buying is the buying of goods and services at the lowest price point that will meet, but not exceed the requirements for which they are intended. In some instances the primary consideration may be durability. In other instances it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is the responsibility of each Department Head to become familiar with available equipment to determine the appropriate quality required.

(e) Appropriate procedures shall be maintained to ensure that awards are made only to contractors who possess the ability to perform successfully under the terms and conditions of a given procurement. Project-specific contract administration arrangements shall be made to see that the contractor performs in accordance with the terms, conditions, and specifications of the contract or purchase order.

(f) Adequate records shall be maintained to detail the history of significant procurements. In addition, a current inventory of all fixed assets shall be maintained to ensure proper continuing control.

(g) The Village may participate, when legally permissible and feasible, in Federal, State, and local intergovernmental contracts for the procurement or use of common goods and services if such joint purchases are cost effective.

(h) When feasible, the Village may use Federal or State excess/surplus property or used equipment instead of purchasing new equipment.

(i) All contracts or agreements for services shall be reviewed and, if necessary, renegotiated or resubmitted to new vendors at least every three years. No contract may be extended automatically or renewed without appropriate review.

SECTION 10.04 Organizational Responsibilities

(a) The Administrator/Treasurer is the designated purchasing agent for the Village and he/she (or designee) shall generally oversee and coordinate purchases made by Village departments. The Administrator/Treasurer shall review at least annually the purchasing needs and practices of the departments and determine the purchasing limit to be delegated to each Department Head.

(b) The Department Heads possess the authority and responsibility of managing purchases within their delegated purchasing limits. All purchases shall be reviewed and approved by the Department Head or his/her designee.

(c) Each Department Head may delegate to an employee(s) of that department authority to make and approve purchases not exceeding $5,000. The Department Head shall sign off on accounts payable vouchers prior to payment, however, and is ultimately responsible for all purchases made by employees of the department.

(d) As a check and balance measure, payments for goods and services shall be executed by employees who were not involved in the ordering process.

SECTION 10.05 Organizational Approvals

(a) The following purchases, contracts and agreements for services shall ordinarily be referred to the committee or jurisdiction for review and recommendation prior to submission for approval to the Village Board.

(1) All public works construction contracts in excess of $25,000.

(2) Any other contracts and agreements for services in excess of $25,000.

(b) All contracts for professional services and public works contracts (as defined by Wis. Stats. 62.15(12)) shall be specifically reviewed by the Village Attorney as a condition of approval prior to execution. Maintenance agreements shall be reviewed by Department Heads subject to approval/renewal by the Administrator/Treasurer to ensure costs are being reviewed and controlled in the best interests of the Village.

(c) If the purchase of a vehicle or equipment item(s) is specifically approved in the operating or capital budget, the purchase does not require separate approval by the committee or the Village Board prior to ordering unless there is a significant change in the product specifications or the actual purchase price exceeds the budget appropriation.

(d) Bond payments and other debt obligations, payroll and benefits, fuel, road salt, street maintenance, annual service agreements, vehicle/equipment parts and repairs, and all other recurring expenses incurred in the usual and ordinary operation of Village government are authorized in a sum not to exceed the budgeted amount.

(e) The Village Board has the authority for the management and control of the Village's finances and thus all expenditures of Village funds in accordance with Wis. Stats. 62.11(5). The Village Board shall review and approve all expenditures on a monthly basis in accordance with the policies and procedures identified in this Chapter.

~~(d) No account or claim against the Village, except for payment of regular wages or salaries, shall be paid until it has been approved by the Village Board.~~

SECTION 10.06 Methods of Procurement

Depending upon the type and cost of the item or service being procured, one of the following procurement methods will be used.

(a) **Petty Cash.** Purchases of under $30 may be made from petty cash~~; purchases under $10 should be made from petty cash whenever practical~~.

(b) **General Procurement.~~Competitive Quotation.~~**

(1) Department Heads are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds.~~Purchases in an amount less than $2,000 may be made using whatever responsible procedure the Department Head deems appropriate.~~

(2) Department Heads are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds.~~Purchases in an amount of $2,000 - $4,999 require verbal or written quotations from at least two (2) qualified sources. The results of the verbal quotations shall be recorded on a "Memorandum of Quotation" form and signed by the person receiving the quotations.~~

(c) **Quotation.**

(1) Budgeted purchases in excess of $10,000 and non-budgeted purchases in excess of $5,000 shall ~~Purchases in an amount from $5,000 - $25,000~~ require solicitation of a minimum of three (3) written quotations from qualified sources.

(2) The Department Head or designee requesting the expenditure shall state his/her recommendation for which quote to accept, why, and identify the line item of the budget from which funds will be drawn. If departments are unable to secure three (3) written quotations, the Department Head shall explain to the Village Board the reason why additional written quotations were not forthcoming, in the opinion of the Department Head.

(3) The Village Board in its sole discretion may direct the Finance Committee or any other relevant Village boards, commissions, or committees to provide a recommendation on the purchase if desired.

(4) A summary of the quotations received shall be retained for the longer of the purchase transaction or one year.

(5) The Village shall give a class 1 legal public notice of the proposed construction before the contract for the construction is executed.

(d) **Public Construction. ~~Formal Bids.~~** It is hereby noted, in regard to public construction projects, public bidding law shall be followed as is required in Wis. Stats. 62.15. This applies to all public construction projects where the estimated cost of which exceeds $25,000. Public Construction is hereby defined as…

~~(1) Purchases in an amount of more than $25,000 shall require the submission of formal sealed bids. Such bids may be formally advertised by publication of a class 1 notice and other appropriate methods should be used to make potential bidders aware of the opportunity. The resulting contract will generally be awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price. Unsuccessful bids shall be kept on file for two (2) years; the comparative tabulation summary of all bids and the accepted bid shall be maintained for seven (7) years after completion of the project.~~

~~(2) All qualifying public works construction contracts as defined in Wisconsin Statutes § 61.54 require the submission of sealed bids for contracts in excess of $25,000. If the estimated cost is $5,000 - $25,000, bids shall be solicited by publication of a class 1 notice. The bids will be opened and read aloud in public and then referred to the appropriate department for review and tabulation. The bids and the departmental recommendation will be submitted to the committee of jurisdiction and then to the Village Board for approval. The Village shall give a Class 1 legal public notice of the proposed construction before the contract for the construction may be executed. The award for public works construction contracts in excess of $25,000 will be made to the lowest responsible bidder meeting the specifications as required~~

~~by statute. If the low bid is not recommended for acceptance, the department will be expected to thoroughly document the reasons for not selecting the low bid.~~

~~(3) Bidding Procedures. When a formal bid is required or deemed to be in the best interests of the Village, the bidding procedure shall comply with formal bid solicitation standards identified in the Village's Purchasing Policies and Procedures and contain at least the following information:~~

~~i. A bid solicitation identifier.~~

~~ii. A detailed description of the goods and services as described further in Section G of this Policy, including enough information about the items or services required so that more than one vendor can meet the specifications.~~

~~iii. The time, date and place the bids will be opened.~~

~~iv. The address to which the bids shall be mailed or delivered. Instructions to bidders shall include such information as delivery dates, transportation charges, proposal prices, conditions for guaranteeing the proposal, payment terms, right of rejection of proposals, right to reject merchandise, insurance requirements, alternative proposal consideration, tax information, and other appropriate information regarding the awarding and execution of the contract and contract considerations.~~

~~v. The bid solicitation shall also include a section on special provisions including guarantees and service considerations, trade-in considerations, and other information relating to special conditions.~~

(e) **Qualifications Based Procurement.** Normal competitive procedures cannot be utilized in securing professional services from attorneys, engineers, accountants, planners, and other professional people who, in keeping with the standards of their profession, may not enter into a competitive bidding process.

(1) **General Purchasing.**

(i) Department Heads under the discretion and direction of the Administrator/Treasurer are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds in order to secure professional services.

(ii) Department Heads under the discretion and direction of the Administrator/Treasurer are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds in order to secure professional services.

(2) **Request for Proposal (RFP) or Statement of Qualification (SOQ).**

(i) An RFP or SOQ shall be required in order to secure professional services in excess of $10,000. The RFP or SOQ will be drafted by Village Staff and presented to the Village Board for approval prior to its distribution. The Village Board in its sole discretion is responsible for the approval of a contract in order to secure professional services upon completion of the process. The Village Board may direct any other relevant Village boards, commissions, or committees to provide a recommendation on the RFP, SOQ, and their respective responses if desired.~~may be made upon the direction and at the discretion of the Administrator or the Village Board for professional services costing less than $25,000. A formal RFP process using a qualifications based method of evaluation shall generally be used for procuring professional services costing more than $25,000.~~

(ii) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs.

(f) **Noncompetitive Negotiation (Sole Source Purchases).** This method of procurement may be used only in special circumstances when a purchase or award of a contract is not feasible under the procurement methods described above. A common reason for using this type of procurement would be an emergency situation as described in Sub-Section (g) ~~6~~ below. Noncompetitive, or sole source, procurement involves the solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sufficient cost analysis and justification shall be provided ~~done~~ for noncompetitive procurements ~~costing more than $5,000~~ to show that the price is fair and reasonable.

(1) Sole source purchasing may include but is not limited to the following:

(i) The item or service is only available from a single source.

(ii) After competitive procurement solicitations, competition is determined to be inadequate.

(iii) An alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs.

(iv) Standardization of a specific product or manufacturer will result in more efficient and economical operations.

(v) The purchase is from another governmental body.

(vi) The item is being purchased through a cooperative purchasing arrangement such as the V.A.L.U.E. group, State bid list, or State of Wisconsin VendorNet.

(2) In circumstances where there is only one qualified source and the purchase is not via a cooperative arrangement, the Department should use alternate means (such as verifying pricing with other customers) to establish that the price quoted is reasonable.

(g) **Emergency Purchases.** ~~The procedures in this policy may be waived under emergency conditions when a delay may threaten the basic mission of a department. In those instances, the purchasing procedures outlined in the Emergency Response Plan would normally be utilized. Emergency conditions are generally unforeseen circumstances, e.g., natural disasters or major mechanical equipment failures, wherein prompt corrective action is absolutely necessary. Occasionally equipment will require emergency repairs or other circumstances will necessitate emergency corrective action which cannot wait for compliance with this policy. In any emergency situation, Department Heads are required to notify the Administrator as quickly as possible.~~

(1) Emergency Purchases shall only be made to:

i. Prevent delays in construction or delivery of essential services; and/or

ii. To stay an immediate threat to the health or safety of the public and employees.

(2) For Emergency Purchases of general items or services that are not able to fulfill the requirements of this policy and meet the definition outlined, the appropriate Department Head shall make every effort to obtain three quotes for the item.

(3) The purchase shall be approved by the Administrator/Treasurer prior to the order/purchase of the item or service. In the Administrator/Treasurer's absence, the purchase shall be approved by the Village President prior to ordering/purchasing the item.

(4) The Village Board will review and approve the order at its next scheduled Village Board meeting.

SECTION 10.07 Purchasing Procedures

The commitment to purchase goods and services may be made using one of the following instruments: petty cash, ~~; standing purchase order; purchase order; contract or~~ credit card, and physical check. The following procedures shall apply to the use of each of these purchasing instruments.

(a) **Petty Cash.**

(1) Petty cash purchases are limited to a maximum of $30 and may be made by either having the authorized purchaser sign and draw money from the fund in advance or using the purchaser's own money and then being reimbursed later from the fund.

(2) All petty cash purchases shall be approved in advance by the Department Head (or designee).

(3) A proper receipt, signed by the purchaser, shall be provided for all purchases made from the petty cash. If an advance was drawn from the fund and the actual purchase amount is less, the difference shall be returned as soon as practical.

(4) One designated individual shall be responsible for making all deposits to and withdrawals from the petty cash fund. The fund shall be reconciled on a weekly basis.

(5) The detail of purchases made from the petty cash fund shall be included in the regular financial reports provided to the Village Board.

(b) **Village-Issued Credit Card.**

(1) Making purchases using a credit card issued by the Village shall be the preferred method of purchasing and payment under the following circumstances:

(i) The vendor accepts payment by credit card.

(ii) There is no additional cost associated with use of a credit card.

(iii) It is advantageous to the Village to purchase by credit card.

(2) The Village shall use just one type of ~~national~~ credit card, with the choice of card and financial institution to be determined on the basis of the most advantageous terms to the Village. One or more credit cards may be issued in the name of a Village Employee or ~~each~~ specific Village Department as determined by the Administrator/Treasurer.

(3) The Administrator/Treasurer shall determine the maximum credit limit that will apply to the credit card(s) ~~of each department~~.

(4) Each Department Head may determine which employee(s) will have access to the departmental credit card(s) and the credit limit to which they are authorized to charge. Access shall be restricted as much as possible.

(5) To the extent possible, purchases made by credit card should be authorized in advance by the Department Head or a designee. If this is not possible, the purchase shall be reported as soon as practicable.

(6) Payment Procedures

(i) Proper documentation or receipts shall be obtained for all purchases made by credit card. This documentation shall be submitted to the Department Head as soon as possible who will review and retain it for later use. To ensure timely payment of credit card charges, proper documentation of all charges must be submitted no later than the end of each payroll period. If documentation is not readily available the employee may instead sign and submit a form confirming that the purchase was authorized by them and payment should be made.

(ii) When the monthly credit card statement is received the Department Head shall compare the purchases itemized on the statement with the

documentation of purchases submitted during the month and code the purchases to the proper budget accounts.

(iii) Once approved for payment, the statement shall be submitted to Administration for payment at the next regular Village Board meeting. Payments shall be processed in a timely manner to avoid incurring finance charges.

(c) **Physical Check.** The following information must be complete before a payment by check can be processed:

(i) Proper authorizing document (invoice, Village Board action, contract, etc.)~~standing purchase order, purchase order, contract).~~

(ii) Vendor name, address, and ID number (as applicable).

(iii) Budget account code(s).

(iv) Detailed invoice describing the type and quantities or items delivered and the amount due.

(v) Signature of Department Head (or designee) acknowledging receipt of the item in good condition and authorizing payment.

(vi) Comparison to budget to make sure that sufficient funding is available to pay the invoice as may be necessary.

(d) **Sales Taxes.** The Village is exempt from paying all local and state sales taxes and Federal Excise taxes. The Village staff shall provide necessary exemption documents to vendors upon request.

(e) **Specifications.** Department Heads shall be responsible for the development of necessary standard specifications as they relate to pubic construction, equipment, materials, and other goods/services. Standard specifications shall only be developed for projects and items included in the most recent approved version of the 5 year Capital Improvement Plan. Review and approval as may be necessary of the Standard Specifications for projects and items shall be completed by the relevant board, commission, or committee related to the project or item in question.

~~(1) When goods or services are purchased consistent with the competitive processes outlined in this policy, specifications (specs) must be prepared which will meet the following goals:~~

(i) Identify minimum requirements.

(ii) Allow for a competitive bid or quote, when possible.

(iii) Be capable of objective review.

(iv) Provide for an equitable award at the lowest possible cost.

(2) **General Guidelines.** Specs should be kept as simple as possible while still maintaining the exactness required to keep bidders from utilizing loopholes to avoid providing the quality desired or to take advantage of their competitors. To promote competition, specs should be written in clear simple language, free of vague terms or those subject to variations of interpretation. If the specs include optional goods or services, these options shall be separately identified so that the base cost may be clearly identified compared to the cost of the option(s). If options or alternates are included, the Bid Tabulation Report shall identify the different costs of those.

(3) **Types of Specifications.** Specifications shall be structured to protect the integrity of the purchasing system and to insure that the needs of the Village are met. Methods of structuring specs include:

(i) **Qualified Products or Acceptable Brands List.** These lists are developed where it is not possible to write specs adequate to identify the quality and performance required, or when tests necessary to determine compliance with technical specs are lengthy, costly, or require complicated technical equipment.

(ii) **Specification by Brand or Trade Name.** Brand or trade names should be used where brand name products have been found to be superior to others for the purpose intended or when their composition is secret, unknown or patented. The use of brand names establishes a quality standard, but is not intended to eliminate or limit competition. When this method is used the specs shall provide for bidding of competitive or equal grades. It is incumbent on a vendor who bids on goods of supposed equal quality to document that the goods and services are, in fact, of equal quality.

(iii) **Specifications by Blueprint or Dimension Sheet.** Specs of construction projects shall be written to reference any blueprints or dimension sheets prepared by the engineer or architect.

~~(iv) **Specifications by Performance, Purpose or Use.** Specs which include a set of performance criteria will provide flexibility for vendors to design products or programs specifically aimed at meeting the standards the Village has established. These types of specs usually generate a great deal of competition since they allow vendors to exercise some creativity in the process. Bottom line or minimum standards shall be included in the specs to insure that the Village's expectations are met.~~

~~(v) **Specifications by Industry Standards.** Specs will often refer to industry-wide standards or standards set by other public jurisdictions. Lumber grading, standards set by asphalt or concrete industries, or referencing standard specs of the State Department of Transportation or other State or Federal agencies are typical examples.~~

~~(vi) **Specifications by Samples.** A sample is an appropriate method to clearly demonstrate the contract requirements. Printing bids, where artwork or existing forms would be utilized is an example. Departments utilizing samples shall insure that adequate supplies of the samples are made available so that originals can be sent with all bid invitations.~~

(f) **Dispute Resolution.** ~~**BID PROTEST PROCEDURES.**~~ Any party felt to be aggrieved by the outcome of a procurement shall follow the dispute resolution procedure provided for in bid notice, RFP, SOQ, or other procurement document as provided for. All other parties with a claim against the Village and/or its officers, agents, or employees will be required to follow Wis. Stats. 893.80.

~~(1) Any interested party who wishes to protest the award of a contract under these procurement procedures may do so. An "interested party" must, however, be an actual or prospective bidder or offer or whose direct economic interest would be affected by the award of the contract and by failure to award the contract.~~

~~(2) Submission of Protest to Administrator~~

~~(i) Protests will only be accepted for bid awards exceeding $25,000 in cost.~~

~~(ii) All bid protests must be submitted in writing to the Administrator.~~

(iii) Protests shall be made as soon as possible but no later than three (3) working days following notification of the vendor by Village staff, posting on the Village website of the outcome of the purchasing decision, the recommendation by a committee of an award of contract, or approval by the Village Board of the award of contract.

(iv) The protest shall contain a detailed statement of the grounds for protest and any supporting documentation.

(3) **Administrator Response.** Upon receipt of a written protest, the Administrator and Department Head shall meet with the protestor and attempt to resolve the matter informally within five (5) working days. If the protestor is still not satisfied and indicates within three (3) working days an intention to appeal to the next step, the Administrator will delay the award of the contract or the purchasing action temporarily unless he/she determines that:

(i) The items to be procured are urgently required; or

(ii) Delivery or performance will be unduly delayed by failure to make the awards promptly; or

(iii) Failure to make prompt award will cause costs to increase significantly or otherwise cause undue harm to the Village.

(4) **Appeal to Village Board.** If the protestor wishes to appeal the Administrator's decision the matter will be forwarded within thirty (30) days to the Village Board for their review and ultimate disposition of the protest in accordance with Chapter 2, Article XI of the McFarland Municipal Code.

(g) **Standing Purchase Order.**

(1) Standing purchase orders may be established with certain vendors from whom frequent, small dollar purchases are made. Such purchases shall be limited to a maximum $100 unit cost.

(2) All standing purchase order transactions shall be approved in advance by the Department Head.

(3) A signed receiving slip shall be kept on file in the department until an invoice for the item(s) purchased is received and approved for payment.

(4) All standing purchase orders shall to be issued for a maximum of one year and shall expire each December 31. Prior to renewal for the coming year, all standing purchase orders shall be reviewed for continuing need and for the competitiveness of discounts offered.

(h) **Purchase Orders.**

(1) All non-recurring purchases of items with a unit value in excess of $100 may be procured by issuing a purchase order.

(2) The Department Head (or designee) shall sign the purchase order before any commitment to purchase is made. This provision may be waived, however, in cases of emergency involving the protection of property or persons or the provision of interrupted service.

(3) The original copy of the purchase order shall be sent or given to the vendor. A copy will also be forwarded to Accounting.

(4) A signed receiving slip shall be kept on file in the department until an invoice for the item(s) purchased is received and approved for payment.

(i) **Contracts.**

(1) Ordinarily, written contracts shall be utilized when procuring services and some types of goods.

(2) Some goods and services may be purchased on an "implied contract" basis. Examples of such contracts include the routine and ongoing purchase of fuel products, various public utilities, and all payroll and fringe benefit related expenses.

(3) The Administrator and /or the proper Village officials, if appropriate, shall sign all written contracts that are issued.

(j) **Payment Procedures.** Payment for goods and services shall be made by cash, check, or credit card. The following procedures shall apply to the use of each of these methods of payment.

(1) **Cash.** All cash payments, except C.O.D. shipments and travel advances, shall be made from the petty cash fund and accounted for in the manner described in the previous section.

~~(2) **Check.** *[MOVED UP TO SUB-SECTION (c) AS ITS OWN ITEM]*~~

~~(3) **Credit Card.** *[MOVED UP TO SUB-SECTION (b)(6) AS ITS OWN ITEM]*~~

Adopted: April 22, 2013

Revised: January 25, 2017

Codified
clean
Proposal

CHAPTER 10 Purchasing Policies and Procedures

SECTION 10.01 Policy Purpose

The purpose of this policy is to provide uniform guidelines to Village employees involved in the procurement of supplies, equipment, services, and property in order to insure that the expenditure of public funds by all Village departments is consistent with the policies set by the Village Board. Consistent with Chapter 23, Article II, Division 4 "Purchases and Contracts" of the McFarland Municipal Code, The goals of the policy are to:

(a) Create the maximum feasible free and open competition in all procurements.

(b) Prevent potential waste, fraud, abuse, and conflicts of interest in the procurement process.

(c) Prevent the issuance of exclusionary or discriminatory specifications.

(d) Insure fair and equal treatment of all vendors.

(e) Establish standard procedures to be followed in making purchases.

(f) Achieve the optimum price for the item(s) being purchased. Optimum price does not necessarily mean the lowest price.

SECTION 10.02 Ethical Standards

The Purchasing Policies and Procedures created herein including the use of this Chapter by Local Governmental Officials, Employees, and/or Candidates shall be subject to the following Ethical Standards:

(a) Chapter 2, Article VIII Ethics Code of the Village of McFarland Code of Ordinances.

(b) Wis. Stats. 19.59 Codes of Ethics for Local Governmental Officials, Employees, and Candidates.

(c) Wis. Stats. 946.13 Private Interest in Public Contract Prohibited.

SECTION 10.03 Guidelines

(a) To the extent allowed by law and allowed by this policy, the Village reserves the right to accept the bid or quote it deems to be most beneficial to the Village, as well as the right to reject all bids or quotes.

(b) Internal purchasing procedures require some degree of centralized review of proposed procurements to avoid the purchase of unnecessary or duplicative items. The procedures also require that different employees execute payments than those who do the ordering to avoid potential fraud or abuse in procurements.

(c) Prudent short and long term planning for purchases will help to minimize the amount of administrative and clerical time spent documenting purchases. Each department shall purchase within the foreseeable needs of the department, to maximize available discounts, and to coordinate purchases with other departments or agencies when possible.

(d) Quality and service are just as important as price. Quality buying is the buying of goods and services at the lowest price point that will meet, but not exceed the requirements for which they are intended. In some instances the primary consideration may be durability. In other instances it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is the responsibility of each Department Head to become familiar with available equipment to determine the appropriate quality required.

(e) Appropriate procedures shall be maintained to ensure that awards are made only to contractors who possess the ability to perform successfully under the terms and conditions of a given procurement. Project-specific contract administration arrangements shall be made to see that the contractor performs in accordance with the terms, conditions, and specifications of the contract or purchase order.

(f) Adequate records shall be maintained to detail the history of significant procurements. In addition, a current inventory of all fixed assets shall be maintained to ensure proper continuing control.

(g) The Village may participate, when legally permissible and feasible, in Federal, State, and local intergovernmental contracts for the procurement or use of common goods and services if such joint purchases are cost effective.

(h) When feasible, the Village may use Federal or State excess/surplus property or used equipment instead of purchasing new equipment.

(i) All contracts or agreements for services shall be reviewed and, if necessary, renegotiated or resubmitted to new vendors at least every three years. No contract may be extended automatically or renewed without appropriate review.

SECTION 10.04 Organizational Responsibilities

(a) The Administrator/Treasurer is the designated purchasing agent for the Village and he/she (or designee) shall generally oversee and coordinate purchases made by Village departments. The Administrator/Treasurer shall review at least annually the purchasing needs and practices of the departments and determine the purchasing limit to be delegated to each Department Head.

(b) The Department Heads possess the authority and responsibility of managing purchases within their delegated purchasing limits. All purchases shall be reviewed and approved by the Department Head or his/her designee.

(c) Each Department Head may delegate to an employee(s) of that department authority to make and approve purchases not exceeding $5,000. The Department Head shall sign off on accounts payable vouchers prior to payment, however, and is ultimately responsible for all purchases made by employees of the department.

(d) As a check and balance measure, payments for goods and services shall be executed by employees who were not involved in the ordering process.

SECTION 10.05 Organizational Approvals

(a) The following purchases, contracts and agreements for services shall ordinarily be referred to the committee or jurisdiction for review and recommendation prior to submission for approval to the Village Board.

(1) All public works construction contracts in excess of $25,000.

(2) Any other contracts and agreements for services in excess of $25,000.

(b) All contracts for professional services and public works contracts (as defined by Wis. Stats. 62.15(12)) shall be specifically reviewed by the Village Attorney as a condition of approval prior to execution. Maintenance agreements shall be reviewed by Department Heads subject to approval/renewal by the Administrator/Treasurer to ensure costs are being reviewed and controlled in the best interests of the Village.

(c) If the purchase of a vehicle or equipment item(s) is specifically approved in the operating or capital budget, the purchase does not require separate approval by the committee or the Village Board prior to ordering unless there is a significant change in the product specifications or the actual purchase price exceeds the budget appropriation.

(d) Bond payments and other debt obligations, payroll and benefits, fuel, road salt, street maintenance, annual service agreements, vehicle/equipment parts and repairs, and all other recurring expenses incurred in the usual and ordinary operation of Village government are authorized in a sum not to exceed the budgeted amount.

(e) The Village Board has the authority for the management and control of the Village's finances and thus all expenditures of Village funds in accordance with Wis. Stats. 62.11(5). The Village Board shall review and approve all expenditures on a monthly basis in accordance with the policies and procedures identified in this Chapter.

SECTION 10.06 Methods of Procurement

Depending upon the type and cost of the item or service being procured, one of the following procurement methods will be used.

(a) **Petty Cash.** Purchases of under $30 may be made from petty cash.

(b) **General Procurement.**

(1) Department Heads are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds.

(2) Department Heads are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds.

(c) **Quotation.**

(1) Budgeted purchases in excess of $10,000 and non-budgeted purchases in excess of $5,000 shall require solicitation of a minimum of three (3) written quotations from qualified sources.

(2) The Department Head or designee requesting the expenditure shall state his/her recommendation for which quote to accept, why, and identify the line item of the budget from which funds will be drawn. If departments are unable to secure three (3) written quotations, the Department Head shall explain to the Village Board the reason why additional written quotations were not forthcoming, in the opinion of the Department Head.

(3) The Village Board in its sole discretion may direct the Finance Committee or any other relevant Village boards, commissions, or committees to provide a recommendation on the purchase if desired.

(4) A summary of the quotations received shall be retained for the longer of the purchase transaction or one year.

(5) The Village shall give a class 1 legal public notice of the proposed construction before the contract for the construction is executed.

(d) **Public Construction.** It is hereby noted, in regard to public construction projects, public bidding law shall be followed as is required in Wis. Stats. 62.15. This applies to all public construction projects where the estimated cost of which exceeds $25,000. Public Construction is hereby defined as…

(e) **Qualifications Based Procurement.** Normal competitive procedures cannot be utilized in securing professional services from attorneys, engineers, accountants, planners, and other professional people who, in keeping with the standards of their profession, may not enter into a competitive bidding process.

(1) **General Purchasing.**

(i) Department Heads under the discretion and direction of the Administrator/Treasurer are authorized to spend up to $10,000 for any line item that is part of their approved budget subject to the availability of funds in order to secure professional services.

(ii) Department Heads under the discretion and direction of the Administrator/Treasurer are authorized to spend up to $5,000 for any line item that is not part of their approved budget subject to the availability of funds in order to secure professional services.

(2) **Request for Proposal (RFP) or Statement of Qualification (SOQ).**

(i) An RFP or SOQ shall be required in order to secure professional services in excess of $10,000. The RFP or SOQ will be drafted by Village Staff and presented to the Village Board for approval prior to its distribution. The Village Board in its sole discretion is responsible for the approval of a contract in order to secure professional services upon completion of the process. The Village Board may direct any other relevant Village boards, commissions, or committees to provide a recommendation on the RFP, SOQ, and their respective responses if desired.

(ii) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs.

(f) **Noncompetitive Negotiation (Sole Source Purchases).** This method of procurement may be used only in special circumstances when a purchase or award of a contract is not feasible under the procurement methods described above. A common reason for using this type of procurement would be an emergency situation as described in Sub-Section (g) below. Noncompetitive, or sole source, procurement

involves the solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sufficient cost analysis and justification shall be provided for noncompetitive procurements to show that the price is fair and reasonable.

(1) Sole source purchasing may include but is not limited to the following:

(i) The item or service is only available from a single source.

(ii) After competitive procurement solicitations, competition is determined to be inadequate.

(iii) An alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs.

(iv) Standardization of a specific product or manufacturer will result in more efficient and economical operations.

(v) The purchase is from another governmental body.

(vi) The item is being purchased through a cooperative purchasing arrangement such as the V.A.L.U.E. group, State bid list, or State of Wisconsin VendorNet.

(2) In circumstances where there is only one qualified source and the purchase is not via a cooperative arrangement, the Department should use alternate means (such as verifying pricing with other customers) to establish that the price quoted is reasonable.

(g) **Emergency Purchases.**

(1) Emergency Purchases shall only be made to:

i. Prevent delays in construction or delivery of essential services; and/or

ii. To stay an immediate threat to the health or safety of the public and employees.

(2) For Emergency Purchases of general items or services that are not able to fulfill the requirements of this policy and meet the definition outlined, the appropriate Department Head shall make every effort to obtain three quotes for the item.

(3) The purchase shall be approved by the Administrator/Treasurer prior to the order/purchase of the item or service. In the Administrator/Treasurer's absence, the purchase shall be approved by the Village President prior to ordering/purchasing the item.

(4) The Village Board will review and approve the order at its next scheduled Village Board meeting.

SECTION 10.07 Purchasing Procedures

The commitment to purchase goods and services may be made using one of the following instruments: petty cash, credit card, and physical check. The following procedures shall apply to the use of each of these purchasing instruments.

(a) **Petty Cash.**

(1) Petty cash purchases are limited to a maximum of $30 and may be made by either having the authorized purchaser sign and draw money from the fund in advance or using the purchaser's own money and then being reimbursed later from the fund.

(2) All petty cash purchases shall be approved in advance by the Department Head (or designee).

(3) A proper receipt, signed by the purchaser, shall be provided for all purchases made from the petty cash. If an advance was drawn from the fund and the actual purchase amount is less, the difference shall be returned as soon as practical.

(4) One designated individual shall be responsible for making all deposits to and withdrawals from the petty cash fund. The fund shall be reconciled on a weekly basis.

(5) The detail of purchases made from the petty cash fund shall be included in the regular financial reports provided to the Village Board.

(b) **Village-Issued Credit Card.**

(1) Making purchases using a credit card issued by the Village shall be the preferred method of purchasing and payment under the following circumstances:

(i) The vendor accepts payment by credit card.

(ii) There is no additional cost associated with use of a credit card.

(iii) It is advantageous to the Village to purchase by credit card.

(2) The Village shall use just one type of credit card, with the choice of card and financial institution to be determined on the basis of the most advantageous terms to the Village. One or more credit cards may be issued in the name of a Village Employee or specific Village Department as determined by the Administrator/Treasurer.

(3) The Administrator/Treasurer shall determine the maximum credit limit that will apply to the credit card(s).

(4) Each Department Head may determine which employee(s) will have access to the departmental credit card(s) and the credit limit to which they are authorized to charge. Access shall be restricted as much as possible.

(5) To the extent possible, purchases made by credit card should be authorized in advance by the Department Head or a designee. If this is not possible, the purchase shall be reported as soon as practicable.

(6) Payment Procedures

(i) Proper documentation or receipts shall be obtained for all purchases made by credit card. This documentation shall be submitted to the Department Head as soon as possible who will review and retain it for later use. To ensure timely payment of credit card charges, proper documentation of all charges must be submitted no later than the end of each payroll period. If documentation is not readily available the employee may instead sign and submit a form confirming that the purchase was authorized by them and payment should be made.

(ii) When the monthly credit card statement is received the Department Head shall compare the purchases itemized on the statement with the documentation of purchases submitted during the month and code the purchases to the proper budget accounts.

(iii) Once approved for payment, the statement shall be submitted to Administration for payment at the next regular Village Board meeting. Payments shall be processed in a timely manner to avoid incurring finance charges.

(c) **Physical Check.** The following information must be complete before a payment by check can be processed:

(i) Proper authorizing document (invoice, Village Board action, contract, etc.)

(ii) Vendor name, address, and ID number (as applicable).

(iii) Budget account code(s).

(iv) Detailed invoice describing the type and quantities or items delivered and the amount due.

(v) Signature of Department Head (or designee) acknowledging receipt of the item in good condition and authorizing payment.

(vi) Comparison to budget to make sure that sufficient funding is available to pay the invoice as may be necessary.

(d) **Sales Taxes.** The Village is exempt from paying all local and state sales taxes and Federal Excise taxes. The Village staff shall provide necessary exemption documents to vendors upon request.

(e) **Specifications.** Department Heads shall be responsible for the development of necessary standard specifications as they relate to pubic construction, equipment, materials, and other goods/services. Standard specifications shall only be developed for projects and items included in the most recent approved version of the 5 year Capital Improvement Plan. Review and approval as may be necessary of the Standard Specifications for projects and items shall be completed by the relevant board, commission, or committee related to the project or item in question.

(f) **Dispute Resolution.** Any party felt to be aggrieved by the outcome of a procurement shall follow the dispute resolution procedure provided for in bid notice, RFP, SOQ, or other procurement document as provided for. All other parties with a claim against the Village and/or its officers, agents, or employees will be required to follow Wis. Stats. 893.80.

Adopted: April 22, 2013

Revised: January 25, 2017

Preliminary 2016 Budget to Actual

		2016 Budget	2016 Actual	Variance	Comments
Revenue	Taxes	3,654,995	3,646,190	(8,805)	
	Intergovernmental Aid	992,222	911,241	(80,981)	DOT Aids under by $39k, Fire Protection-Towns under by $31k
	Licenses & Permits	100,800	264,275	163,475	Large number of permits issued
	Fines	76,000	76,243	243	
	Public Chgs for Services	273,600	288,889	15,289	EMS Revenue=$21k over budget
	Misc Revenue	150,489	157,699	7,210	Interest earnings higher than budget
	Other Financing Sources	5,000	16,409	11,409	Donations to K9 unit
	Total Fund Revenue	5,253,106	5,360,946	107,840	
Expenses	Village Board	43,991	36,062	(7,929)	Board publications and Outlook costs
	Legal	133,968	135,610	1,642	Attorney costs associated with labor relations
	Administration	571,619	575,466	3,847	
	Facilities	135,080	120,650	(14,430)	MC building costs under budget
	Police	1,775,315	1,754,963	(20,352)	Personnel costs
	Fire/EMS	1,213,655	1,053,287	(160,368)	EMS personnel costs
	Emergency Mgmt	9,336	4,800	(4,536)	Services & supplies under budget
	Outreach	192,319	187,342	(4,977)	Personnel costs
	Community Development	180,440	185,171	4,731	Inspection salaries (didn't budget for PT inspector)
	Public Works	743,222	677,503	(65,719)	Street and vehicle maintenance under budget
	Parks	254,161	242,950	(11,211)	Forestry budget
	Total Fund Expenses	5,253,106	4,973,804	(279,302)	
	Total Revenue in Excess of Expenditures	$ 0	$ 387,142	$ 387,142	