

Village of Elmwood Park

Purchasing Policy

I. Objective:

The objectives of the purchasing policy are:

- a. To ensure purchases are authorized by the designated responsible party
- b. To procure quality goods and services at a competitive price, and
- c. To obtain and pay for purchases in a timely fashion.

The purchasing policy shall be followed by any Village department or utility which is funded in whole or in part by the taxpayers or ratepayers. The intentional staggering or dividing of purchases and/or contracts to evade the purchasing policy is strictly prohibited. All costs associated with an item such as shipping charges, assembly, and equipment additions shall be included in the estimated cost of an item. For the purposes of the purchasing policy, "budgeted items" are considered to be routine operating purchases of goods and services and non-routine, capital items specifically identified in the current budget document.

II. Responsibilities of Clerk/Treasurer:

- a. Ensure funds are available for purchases pursuant to the budget.
- b. Ensure the demand of account is accurate in amount and a proper charge against the treasury.
- c. Ensure the goods or services were duly authorized by the designated responsible party and have been received or rendered to the satisfaction of the Village.

III. Payment of Regular Wages or Salaries and Approved Village Contracts:

Regular wages or salaries of Village officers and employees shall be paid by the Village Clerk/Treasurer. Village contracts shall be paid in a timely fashion as spelled out in the contract once approved by the Village Board.

IV. Purchases of Budgeted Items Less than \$5,000.00:

For the purchase of a budgeted item involving an estimated expenditure less than \$5,000.00, the appropriate trustee should make every effort to solicit enough quotes to receive at least three. The quotes shall be presented to the Village Clerk/Treasurer for approval prior to ordering the item, to ensure that there are funds available in the budget. Whenever it is in the best interest of the Village, the purchase shall be made based on the lowest quote. If the purchase is not made based on the lowest quote, the reasoning for purchasing from a vendor that did not provide the lowest quote must be documented.

V. Purchases of Non-Budgeted Items or Services Under \$1,000.00:

If the price of an item is under \$1,000.00 and the item is not included in the current budget and is not a routine operating expenditure, the Village President has the authorization to make necessary purchases without consent of the Board or necessitating the solicitation of three bids, but by informing the Village Administrator. The Village President or Administrator should then advise the Board of Trustees of such action no later than at the next regular Board of Trustees meeting.

VI. Emergency Purchases of Non-Budgeted Items Under \$5,000.00:

Emergency purchases shall only be made:

- a. To prevent delays in construction or delivery of service or
- b. To address an immediate threat to the health or safety of the public and employees.

For emergency purchases of non-budgeted items or services with an estimated cost under \$5,000.00, the Village President has the authorization to make necessary purchases without consent of the Board or necessitating the solicitation of three bids, but by informing the Village Administrator. The Village President or Administrator should then advise the Board of Trustees of such action no later than at the next regular Board of Trustees meeting.

VII. Purchases of \$5000.00 or More Not Covered by Sec. 62.15 Wisconsin Statutes:

Every effort must be made to send out enough bids or quotation requests in order to receive a minimum of three in order that the Trustee can make a recommendation to the Board. Appropriate notices shall be published, plans and specifications shall be distributed, and bids or quotations shall be opened and examined and a report shall be made to the Board concerning the bid or quotations received. The report shall contain a recommendation concerning the bid or quotation to be accepted or rejected. If a bid or quotation other than the lowest bid or quotation is recommended, the trustee shall state the reasons for such recommendation. Any project receiving only one bid shall be rebid unless it is approved by a two-thirds (2/3) vote of the Board. The Village has the right to reject any and all quotes and/or bids.

VIII. Public Construction of \$5,000.00 but Not More than \$25,000.00:

All public construction, as defined in Section 62.15 and 66.0901 Wisconsin Statutes, the estimated cost of which exceeds \$5,000.00 but is not greater than \$25,000.00, shall be let to the contractor submitting the lowest responsible quote, provided however, that there shall be a Class 1 notice, under Chapter 985, Wisconsin Statutes, of the proposed construction before the contract for the construction is executed. The Board may also, by a vote of three-fourths of all the members, authorize that any public construction be done directly by the Village without submitting the same for bids. Any project receiving only one bid shall be rebid unless it is

approved by a three-fourths vote of the Board. The Village has the right to reject any and all quotes and/or bids.

IX. Public Construction Over \$25,000.00:

All public construction in which the estimated cost exceeds \$25,000.00 shall be let by contract to the lowest responsible bidder. The bidding process shall incorporate the requirements in Section 62.15 and 66.0901 Wisconsin Statutes. Any project receiving only one bid shall be rebid unless it is approved by a two-thirds (2/3) vote of the Board. The Village has the right to reject any and all quotes and/or bids.

X. Budgeted Line Item Transfers:

The Village Administrator has the authority to transfer dollars from one budgeted line item to another to expense for Emergency Purchases that must be done in a timely matter up to \$10,000.00. The Village Administrator should then advise the Board of Trustees of such action no later than at the next regular Board of Trustees meeting.

Emergency transfers shall only be made:

- a. To prevent delays in construction or delivery of service or
- b. To address an immediate threat to the health or safety of the public and employees.

XI. Change Orders on Public Construction Contracts:

Whenever it is responsibly possible, a proposed increase in the cost of a public construction contract resulting from a change in the scope of the project shall be presented to the Village Board for approval provided that it will not result in a costly delay to the construction project. If the cost of delaying the project is prohibitive, change orders which are a result of a change in the scope of the project shall be approved by the appropriate staff member and the Village Clerk/Treasurer. All change orders must be approved by the Village Board prior to final payment on the contract.

(Revised 11/8/2018)