

Purchasing Guidelines

Purchase of Goods/Commodities (Generally Major Object Code Series 55xxx or 58xxx)

<\$5,000 - LPO or P-Card

A single purchase of goods for less than \$5,000 can be made with a Purchasing Card or with a Limited Purchase Order (LPO). These purchases require approval of Department Head and proper budget authority. Written quotes are recommended, using best value judgment to make a final decision.

\$5,000-\$25,000 - PO and Quotes

A single purchase of goods from \$5,000 - \$25,000 will be done with a purchase order. A minimum of three written quotes obtained by the department or purchasing staff, is necessary before deciding on a vendor. Approval of the Department Head and proper budget authority are required for these purchases. If the purchase of goods is a yearly and ongoing purchase, a formal bid should be done every 3-5 years.

>\$25,000 - PO and Formal Bid

A single purchase of goods of \$25,000 or more will be done with a purchase order and a formal bid. Approval of the Department Head and proper budget authority are required for these purchases. Detailed product specifications and quantities will be given to purchasing staff for a formal bid. Purchasing staff will post the bid to <http://vendornet.state.wi.us> and www.demandstar.com that will distribute the bid request to numerous vendors. The agency will provide purchasing staff with vendor names and addresses if there are specific vendors that should receive the bid information. Please allow a minimum of 4 weeks for the completed bid process.

Purchase of Services (Generally Major Object Code Series 54xxx)

1 calendar/budget year and ≤ \$5,000 - LPO, P-Card or PO and Quotes

A purchase of services with duration of 1 calendar/budget year or less and a value of less than \$5,000 can be done by PO, LPO or P-Card. Written quotes are recommended, using best value judgment to make a final decision. Approval of the Department Head and proper budget authority are required for these purchases. No contract for purchase of services is required.

1 calendar/budget year and \$5,000-\$25,000 - PO, Quotes and Contract for Purchase of Services

A purchase of services with duration of 1 calendar/budget year or less and a value from \$5,000 - \$25,000 will be done by purchase order. A minimum of three written quotes must be obtained, before deciding on a vendor. Approval of the Department Head and proper budget authority are required for these purchases. A purchase of services contract is available on the employeenet under forms. It will be filled out and signed by the vendor with whom we are contracting, and the purchasing agent. If the purchase is a yearly or ongoing purchase, a formal bid should be done every 3-5 years.

Greater than 1 calendar/budget year and >\$25,000 - PO, RFP, and Council Approval

A purchase of services for more than 1 calendar/budget year or more than \$25,000 will be done by purchase order and awarded by the City of Madison Common Council. The award resolution should be completed by agency staff using Legistar. Approval of the Department Head and proper budget authority are required for these purchases. Detailed product specifications, quantities, and vendor requirements will be given to purchasing staff for a formal bid or Request for Proposal (RFP). Purchasing staff will post the bid or RFP to <http://vendornet.state.wi.us> and www.demandstar.com that will distribute the bid request to numerous vendors.

Agency staff will provide purchasing with vendor names and addresses if there are specific vendors that should receive the bid information. Please allow approximately 8 weeks for the bid process and award. A purchase of services contract will be filled out and signed by the vendor with whom we are contracting, the Mayor, the Comptroller, the Risk Manager, the City Attorney, and the City Clerk.