

Purchasing Guidelines

Purchase of Goods/Commodities (Generally Major Object Code Series 53xxx)

Less Than \$10,000 - PO or P-Card

A single purchase of goods for less than \$10,000 can be made with a Purchasing Card or with a Purchase Order (PO). These purchases require approval of Department Head and proper budget authority. Written quotes are recommended, using best value judgment to make a final decision.

\$10,000-\$49,999 - PO and Quotes

A single purchase of goods from \$10,000 - \$50,000 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. All vendors must be made aware of the \$50,000 AA and \$25,000 Ban the Box requirements before submitting a quote. 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.

\$50,000 or greater - PO and Formal Bid

A single purchase of goods of \$49,999 or more will be done with a Purchase Order after 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, which 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. If the purchase of goods is a yearly and ongoing purchase, a formal bid should be done every 3-5 years.

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

1 calendar/budget year and less than \$10,000 – PO or P-Card and Contract for Purchase of Services

A purchase of services with duration of 1 calendar/budget year or less and a value of less than \$10,000 can be done by PO 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. A contract for purchase of services is required if the service is for \$10,000 or more.

1 calendar/budget year and \$10,000-\$49,999 - 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 \$10,000 - \$49,999 will be done by purchase order and Purchase of Services Contract (POS contract required for all services purchases of \$10,000 and up). 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 [EmployeeNet under Contracts/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.

\$50,000 or greater - PO, RFP, and Purchase of Services Contract

A purchase of services meeting these criteria will be done by purchase order and Purchase of Services Contract. 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 RFP. Purchasing staff will post the RFP to <http://vendornet.state.wi.us> and www.demandstar.com and they will distribute the Proposal to numerous vendors. The agency will provide purchasing staff with vendor names and addresses if there are specific vendors that should receive the RFP information. Please allow a minimum of 8 weeks for the completed RFP process. A purchase of services contract is available on the [EmployeeNet under Contracts/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 5 calendar/budget years or 1-5 years and averaging more than \$100,000 per year

Will be done by purchase of services contract and awarded by the City of Madison Common Council. The competitive process will be the same as for a contract of one year or less. A purchase of services contract will be filled out and signed by the vendor with whom we are contracting, the Mayor, the Finance Director, the Risk Manager, the City Attorney, and the City Clerk. If the purchase is a yearly or ongoing purchase, a formal bid should be done every 3-5 years.

Note:

If a contract includes renewals, these are included when determining the length of the contract.

Piggybacking

It is acceptable to piggyback off of State Contracts or contracts of other approved consortiums to satisfy the competitive process required for the purchase of goods or services. If using the piggyback option, you still need to do a Contract for Purchase of Services in order to include the City's terms and conditions. All other requirements remain the same; this only satisfies the competitive process requirement.

Non-Competitive Selection

In accordance with MGO Section 4.26(4), there are a few exceptions to the competitive selection requirement. If you believe your purchase complies with one of those exceptions, and your purchase is over \$10,000, you must complete a [Non-Competitive Selection Request Form](#). If your purchase is under \$50,000, the Procurement Supervisor will review your request for possible approval. For purchases of \$50,000 and greater, the form will be submitted to the Procurement Supervisor, who will add historical context for City Purchasing to the form, and return to the submitter. The submitter will attach the form to a resolution requesting approval to make the purchase, which will be reviewed for approval by the Common Council.

Software and Hardware Maintenance Contracts

Purchases of software and hardware maintenance are considered a purchase of services. The procurement process for these purchases will follow the same guidelines as other purchase of services, with the following exception. Software and hardware maintenance contracts less than \$25,000 can be purchased with a PO only, and will not require a contract for purchase of services. The department purchasing this maintenance should make the vendor aware of the terms and conditions that will be required should the \$25,000 threshold be met in future years.

****Federal/State Grant Funds: Uniform Guidance requirements codified into Title 2, Part 200 of the Code of Federal Regulations have been considered and the City Purchasing Guidelines meet the current requirements.*