

Purchasing Guidelines

Note: For all purchases, you must have approval from the Department/Division Head and proper budget authority.

Per [Common Council Resolution File #79719](#), any purchase over \$50,000 from [a nuclear weapons producer](#) must receive a waiver from the Finance Director (or from the Finance Committee if over \$250,000). See [Limitations on Nuclear Weapons Producers website](#) for more information.

All purchases of apparel must comply with [MGO 4.25 – Procurement of Items of Apparel](#).

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

Less than \$25,000 – PO or P-Card

A single purchase of goods for less than \$25,000 can be made with a purchasing card (p-card) or with a purchase order (PO). Written quotes are recommended, using best value judgment to make a final decision. You are encouraged to purchase from a registered local business under the [City's Local Vendor Preference program](#) and in particular, diverse businesses targeted for equitable purchasing listed in any of the directories on the [City's Equitable Purchasing Resources website](#).

\$25,000 - \$75,000 – PO and Quotes

A single purchase of goods from \$25,000 - \$75,000 will be done with a PO. A minimum of three written quotes obtained by the department or purchasing staff is necessary before deciding on a vendor. At least one of the three quotes must be from a registered local business under the [City's Local Vendor Preference program](#) and at least one must be from a diverse business targeted for equitable purchasing listed in any of the directories on the [City's Equitable Purchasing Resources website](#). All vendors must be made aware of the \$50,000 Affirmative Action and \$25,000 Ban the Box requirements before submitting a quote. If the purchase of goods is a yearly and ongoing purchase, a formal bid should be done every 3-5 years.

Above \$75,000 – PO and Formal Bid

A single purchase of goods greater than \$75,000 will be done with a PO after a formal bid. Detailed product specifications and quantities will be given to purchasing staff for a formal bid. Purchasing staff will post the bid to <https://vendornet.wi.gov/> and <http://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 be invited to bid, including [registered local businesses](#) and those on the [City's Equitable Purchasing Resources website](#). 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)

Less than \$25,000 – PO or P-Card

Services under \$25,000 can be purchased by PO or p-card. Written quotes are recommended, using best value judgment to make a final decision. You are encouraged to purchase from a registered local business under the [City's Local Vendor Preference Program](#) and in particular, diverse businesses targeted for equitable purchasing listed in any of the directories on the [City's Equitable Purchasing Resources website](#).

\$25,000 - \$75,000 – PO, Quotes and Contract for Purchase of Services

Services with a total contract price from \$25,000 - \$75,000 require a PO and contract for purchase of services ("POS"). A minimum of three written quotes must be obtained before deciding on a vendor. At least one of the three quotes must be from a registered local business under the [City's Local Vendor Preference program](#) and at least one must be from a diverse business targeted for equitable purchasing listed in any of the directories on the [City's Equitable Purchasing Resources website](#). All vendors must be made aware of the \$50,000 Affirmative Action and \$25,000 Ban the Box requirements before submitting a quote. A [contract for purchase of services](#) is required and can be signed by the Procurement Supervisor for a maximum of 5 years. If the purchase is a yearly or ongoing purchase, a formal RFP should be done every 3-5 years.

Above \$75,000 – PO, RFP, and Contract for Purchase of Services

A purchase of services greater than \$75,000 requires competitive selection through an RFP or another approved competitive method ("RFP" for short.) The purchase will be made with a PO and a Contract for Purchase of Services. Detailed product specifications and quantities must be given to purchasing staff for a formal RFP/RFB. Purchasing staff will post the RFP to <https://vendornet.wi.gov/> and www.demandstar.com and they will distribute the request for proposal to numerous vendors. The agency must provide purchasing staff with vendor names and addresses if there are specific vendors that should be invited to bid, including [registered local businesses](#) and those on the [City's Equitable Purchasing Resources website](#). Please allow a minimum of 8 weeks for the completed RFP process. A [contract for purchase of services](#) is required and can be signed by the Purchasing Agent when competitively selected through an RFP, for a maximum of 5 years and no more than \$100,000 per year. If the purchase is a yearly or ongoing purchase, a formal RFP should be done every 3-5 years.

Greater than 5 calendar/budget years or 1 to 5 years and averaging more than \$100,000 per year – PO, RFP, Purchase of Services Contract, and Council Resolution

Purchases meeting these criteria require a POS contract and approval by the City of Madison Common Council. The competitive process will be the same as for a service contract in the category above. A [contract for purchase of services \(POS\)](#) is required and must be signed by the vendor, the City Clerk and Mayor, with counter signature by the Finance Director and approval of the Department of Civil Rights, Risk Manager, and City Attorney. If the purchase is a yearly or ongoing purchase, a formal RFP 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](#) or PO to include the City's terms and conditions as applicable. 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 qualifies for one of those exceptions, and your purchase is over \$25,000, you must complete a [Non-Competitive Selection Request Form](#). If your purchase is \$75,000 or less, the Procurement Supervisor will review your request for possible approval. For purchases of \$75,000 and greater (or \$75,000 or greater per year for software and technology services), 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 Common Council approval to make the purchase, as required by MGO 4.26. The form will be reviewed for approval by the Common Council when the resolution is considered. Sample resolutions for noncompetitive contracts are here:

<https://www.cityofmadison.com/attorney/documents/SampleResolutionsMemo.pdf>

Software and Technology

All software and technology purchases (software, SaaS, hosting, hardware, online services) must be approved by City IT through a New Technology Request. These Guidelines for competitive selection and contract procedure also apply to software and technology, like any other purchase. The only exception is that software and technology services under \$25,000/year could qualify for an alternative contract procedure described in this resolution: [Resolution #72485 \(RES-22-00554\)](#). If a purchase qualifies, contract approval will take place through IT's New Technology Request workflow, accessed through the [IT Service Center](#).

****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.*