



City of Appleton

225 N. Oneida Street
Appleton WI, 54911

Meeting Agenda - Final Library Board

Tuesday, February 15, 2022

9:00 AM

225 N. Oneida Street

Library Board Finance Committee

1. Call meeting to order

2. Roll call of membership

3. **Action Items**

[22-0116](#) 2022 Library Materials Budget

Attachments: [2022 Library Materials Budget.pdf](#)

4. **Information Items**

[22-0117](#) Library and City Financial Policies Overview (APL Financial Policy, City Procurement and Contract Management Policy)

Attachments: [Financial Policy \(Approved 7-20-21\).pdf](#)
[COA Procurement and Contract Management Policy.pdf](#)

[22-0118](#) Library Financial Reports - Review New Format

Attachments: [APL Financial Monthly Cash Flow-2021-Final.pdf](#)
[APL Financial Cash Flow-2021-Final \(3 year view\).pdf](#)

5. **Adjournment**

Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.

	2021 Expenditures	2022 Proposed Allocations	
Electronic Resources	\$286,415.00	\$182,519.00	Includes \$20,000 for new Kanopy streaming video content
Fiction - Adult	\$59,305.00	\$49,799.00	
Fiction - Children	\$39,614.00	\$33,799.00	
Fiction - Teen	\$7,385.00	\$5,000.00	
Lucky Day	\$8,804.00	\$15,000.00	Purchasing restarted May 2021, expended \$1106 per month with consistently high circulation, funding increased for full fiscal year
Media - Adult	\$55,261.00	\$45,000.00	
Media - Childrens	\$13,578.00	\$10,000.00	
Media - Teen	\$631.00	\$500.00	
Non-Fiction - Adult	\$67,163.00	\$58,000.00	
Non-Fiction - Children	\$21,856.00	\$17,000.00	
Office Collections & Tools	\$11,971.00	\$8,296.00	
Serials & Standing Orders	\$49,320.00	\$50,087.00	
Wisconsin Collection	\$1,392.00	\$0.00	Wisconsin serial subscriptions reflected in Serials & Standing Orders, book funding reduced to \$0 in order to review collection and revise collection focus
Totals	\$622,695.00	\$475,000.00	



FINANCIAL POLICY

The Appleton Public Library (“APL”) Board of Trustees (“library board”) establishes this financial policy to ensure fiscal accountability, appropriate use of funds in support of APL’s mission and goals, and compliance with appropriate laws and ordinances and City of Appleton (“city”) policies.

1. Consistency

- a. Library staff (“staff”), while preserving the library board’s legal prerogatives under Wis. Stats. §§ 43.58(1) and 43.58(2), will keep library practices in compliance with city policies.
- b. Staff will work with the city’s Finance Department to ensure that the city’s financial policies accommodate the library board’s responsibility and bring these policies to the library board for approval.

2. Budget

- a. The library board shall establish an annual budget request according to State of Wisconsin statutes and the city’s Budget Policy.
- b. Staff shall budget revenue funds and associated expenditures as follows:
 - i. Best estimate of revenue, but no associated expenditures for county reimbursements
 - ii. Best estimate of revenue, and associated expenditures for revenue based on use: printing/copying, reader-printers, vending machines, and benefitted positions funded by grant awards approved prior to budget.
 - iii. No revenue budgeted, but any revenue realized during the year to be transferred to appropriate spending accounts via budget adjustments: lost and paid materials with the exception of the variance in 4c, resource library agreement funds, memorials, unbudgeted grants received throughout the year, gifts and donations.”
- c. Staff shall work with the Mayor, Finance Department, and Common Council (“Council”) to seek adoption of the library board’s request, reporting any changes or concerns to the library board.
- d. After the budget adoption by the City Council, staff will present the adopted budget for the year to the library board for review and approval.
- e. The library board delegates to staff the expenditure of monies, the development of an annual collection budget to allocate funds available for library materials and development of a Friends of Appleton Public Library (“Friends”) grant budget all subject to review and approval by the library board.

- f. Budget amendments, transfers and new appropriations are subject to the city's Budget and Grants policies.
- g. The library board's authority over budgeted city funds shall lapse at the end of the calendar year and any budget fund balances shall revert to city authority, subject to city carryover policies and procedures.

3. Expenditures

- a. Staff will follow the city's Procurement and Contract Management Policy for purchases and processing of payments.
- b. On a monthly basis, staff shall present the bill register, a list of all expenditures, to the library board for review and approval. Staff will also present a monthly financial report showing the status of all accounts and funds.

4. Receipts

- a. Revenue received by the library from overdue fines, rent and utility payments, printing/copying, reader-printer copies, vending machine commissions, and county reimbursements for library service will be submitted to the city as general revenue. Non-sufficient fund charges will be submitted to the city as general revenue.
- b. Reimbursements for lost or damaged materials will be added to the materials budget via budget adjustments to be used to purchase replacement materials. These funds will be eligible for carryover.
- c. There is a multi-year variance as part of the elimination of overdue fines approved in 2021. For a limited time, a portion of the revenue earned from lost and paid materials will be treated in the manner of items in 4.a and will be submitted to the city as a general revenue based on the following schedule:
 - 2022: \$25,000
 - 2023: \$15,000
 - 2024: \$5,000
- d. Should the library utilize petty cash, staff will implement petty cash procedures consistent with city procedures, for use when immediate payment or reimbursement for a purchase or service is required.
- e. Staff will work with the city's Finance Department to ensure appropriate journal entries and necessary budget adjustments are prepared to reflect all additional revenues and expenditures.

5. Gifts and Donations

- a. Gifts and donations are subject to the library's Gifts and Donations Policy
- b. Staff will track donations for the express purpose of purchasing library materials or supporting a specific program. The purchase of specifically identified titles or the funding of specifically dictated programs or services with such funds cannot be guaranteed, nor

does the donor have the right of approval of titles or services before purchase. However, donors are encouraged to recommend subject or service areas.

- c. Staff will request carryover of any unexpended donated funds, so that funds shall be used to purchase materials or support programs consistent with donor wishes.
- d. Any cash found in the library and unclaimed after thirty (30) days will be considered donated funds.

6. Grants

- a. The library board shall have the right to approve or deny library utilization of grant or contract funds on behalf of the library by any organization or individual.
- b. Grants received are subject to the city's Grant Policy and approval of the library board.
- c. Friends' grants will be administered as follows:
 - i. Staff present a spending plan for Friends grants at the beginning of the library's fiscal year projecting funding based on the previous year's distribution.
 - ii. Friends will inform the library in spring of the grant allocation for their upcoming July to June fiscal year.
 - iii. Should the City of Appleton budget require amendments, staff will present amendments and updated spending plans upon approval of the Friends annual budget to the library board.
 - iv. Staff will present grant expenditures via the bill register and monthly reports. They will also provide quarterly report narratives of grant programs to the library board and Friends board.
 - v. Friends staff will provide semiannual disbursements upon receipt of a request from library administration.
 - vi. Expenditures and receipts will be recorded consistent with city policy and subject to carry over.
 - vii. Grants from the Friends of Appleton Library/Frank P. Young Scholarship Fund shall be made in accordance with the Scholarship Policy.
 - viii. Distributions from the FOCOL Fund will be made in accordance with the fund agreement.

7. Disposal of Property

- a. Withdrawn library materials, materials donated but not added to the collection, and other computer equipment no longer needed for library services may be given to the Friends for sale.
- b. Other surplus or obsolete supplies or equipment will be disposed of in compliance with the city's Procurement and Contract Management Policy.

8. Review and Reporting

- a. All library funds, expenditures and revenues will be audited as part of the city's annual audit. Staff shall report to the library board any notes or communications from the city's auditor regarding the library.
- b. Library finances will be reported annually to the State of Wisconsin's Department of Public Instruction.

-12/96, 12/99, 12/02, 10/04, 11/10, 2/2016, 12/2018, 7/2021

CITY OF APPLETON POLICY		TITLE: PROCUREMENT AND CONTRACT MANAGEMENT POLICY	
ISSUE DATE: 09/01/10	LAST UPDATE: 10/07/15	SECTION: Finance	FILE NAME:
POLICY SOURCE: Finance Department			TOTAL PAGES: 18
Reviewed by Attorney's Office Date: 09/10/15	Finance Committee Approval Date: 08/25/10 Date: 08/08/12 Date: 09/26/12 Date: 09/22/15	Council Approval Date: 09/01/10 Date: 08/15/12 Date: 10/03/12 Date: 10/07/15	

I. PURPOSE

Procurement Policy – To allow the City to acquire, on a competitive basis, all goods and services at the best value possible and to operate in a manner that maximizes the effectiveness and efficiency of services provided by and for the City.

Contract Management Policy – To allow for the City to manage all contracts, and change orders associated with all contracts, in a manner that maximizes the effectiveness and efficiency of those contracts and change orders while ensuring adequate internal controls are followed.

II. POLICY

This policy establishes a Purchasing Office, Purchasing Manager and a contract management process. The Purchasing Office will have the responsibility to institute and maintain an effective and economical program for the purchase of goods and services. The Purchasing Manager, acting as a representative of the Mayor and reporting to the Finance Director, will ensure the proper and efficient administration of this program, and monitor compliance with these procedures, rules and regulations throughout City operations.

The purpose of the purchasing program is to enable departments to acquire needed equipment, materials, supplies and services of suitable quality for the purpose intended from the lowest priced responsible and responsive bidder while enhancing competition and providing fair opportunity and equitable treatment for all vendors.

This will be accomplished by utilizing a combined effort between City departments and the Purchasing Office. The Purchasing Office will concentrate efforts on standardizing and centralizing purchases of common use items among all departments while enlisting individual departments' expertise in purchasing specialized items unique to their departments. When purchasing these specialized items, the individual department becomes responsible for ensuring that the provisions of this policy are followed.

The policy pertains to all agencies, departments or offices of the City and, when applicable unless otherwise provided by statute, those committees, boards or commissions which manage or operate other City properties, installations or activities.

Failure to comply with this policy may result in loss of individual purchasing authority and/or disciplinary action up to and including discharge.

III. DEFINITIONS

Auction Administrator. An individual assigned by the City to assist departments in selecting an auction type and venue, establish procedures and responsibilities, and conduct online auctions for the sale of surplus supplies or equipment.

Bid. A formal price solicited from a vendor for a good or service. Bids are required to conform to specific terms and well defined specifications contained in the solicitation documents. A sealed written bid is required with public notice setting a specific time and place to open all bids received for any project defined as public construction.

Change Order. Change Order is defined as any increase or decrease in an approved contract amount or time necessary to complete the approved project.

City. The City of Appleton, WI.

Contract Amendment. A change in the contract scope which results in a change in the amount payable to the contractor/consultant/vendor, either increasing or decreasing the amount due.

Committee of Jurisdiction. A sub-committee of the Appleton Common Council with authority to hear and act upon a particular scope of subject matter.

Contract. An agreement between two (2) or more parties to do something or provide specific goods or services.

Contract Cost. Total cost of a contract, whether for one or more years.

Contract with Contingency. This is a contract entered into for a specific dollar amount for a specific scope of work. A contingency amount is approved at the time of the contract approval with the contingency amount set aside for unforeseen conditions or design shortfalls identified after a construction project begins.

Contractual Services. Includes, but may not be limited to: telephone, gas, water, electric light, power and heating services; towel and cleaning services; leases for grounds, buildings, equipment, office or other space required by the user department; and the rental, repair or maintenance of equipment, machinery or other property owned by the City.

Council. The Common Council of the City of Appleton.

Critical timing issues. Critical timing issues are those where a decision must be made on a timely basis to avoid sources of significant costs.

Department. All agencies, departments or offices of the City and, when applicable unless otherwise provided by statute, those committees, boards or commissions which manage or operate other City properties, installations or activities.

Invitation for Bid (IFB). The documents used to solicit bids from vendors.

Lump Sum Contract. A contract entered into for a specific dollar amount which will be paid for all of the work required by the contract, regardless of the actual costs incurred. A contract amendment will only be considered when there is either an increase or decrease in the scope of work required.

Procurement Card. A credit card issued by the City to an employee for the purpose of facilitating primarily low-cost purchases and to reduce associated administration.

Professional Services. Services, the value of which are substantially measured by the professional competence of the persons performing them and which are not susceptible to realistic competition by cost alone. Such services include, but shall not be limited to those customarily rendered by architects, engineers, surveyors, real estate appraisers, certified public accountants, attorneys, financial advisors, medical and social service providers, computer software applications, systems development/implementation, management and other consultants, promotional programs such as marketing and advertising, and such other specific services as determined by the Mayor or his/her designee.

Project Upgrade. A project upgrade is considered to be either a new item not necessary to the functioning of the project or a significant change in quality.

Proposal. A plan received from a vendor and the related cost of implementing the plan. Proposals are usually requested when the specifications or scope of the services needed cannot be adequately prepared to provide all prospective vendors a complete and accurate description of the work to be performed. Vendors are asked to propose their best solution to the needs defined in the solicitation. Proposals are often requested when soliciting costs for professional services, high-tech equipment, other specialized equipment and research and development expenditures.

Public Construction. Substantial repairs, remodeling, construction or other changes to any City-owned land or building (Wisconsin Statute §62.15).

Quotation. An informal type of bid received from a vendor offering to sell a product or service. The quotation will contain specified pricing, terms and conditions of sale. The quotation may be either in writing (including a price list or catalog) or verbal, depending upon the dollar value as outlined in IV.C (2) (3).

Request for Proposal (RFP). All documents, whether attached or incorporated by reference, used for soliciting proposals for professional services.

Request for Qualifications (RFQ). All documents, whether attached or incorporated by reference, used for soliciting statements of qualification for professional services.

Request for Quotations (RFQ). A written request for informal bids or quotes.

Service. The furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than usual reports, materials or drawings which are the end result of and incidental to the required performance.

Unit Price Contract. A contract in which a fixed sum is paid for each completed unit of work.

IV. PROCEDURES

A. PURCHASING MANUAL

The Purchasing Manager shall prepare and maintain a Purchasing Manual setting forth the authorized purchasing procedures and the rules and regulations in connection therewith which shall be approved by Council.

B. DEPARTMENT SPECIFIC PURCHASES

In order to take advantage of the technical expertise within the various City departments, department personnel will have the authority to purchase specialized items unique to their operations. The Purchasing Office will be available to serve in an advisory capacity. However, if the department wishes, the responsibility for the purchase of these specialized items may be turned over to the Purchasing Office. Certain departments employ individuals whose duties include routine purchasing of non-specialized goods and services. These individuals retain such authority at the discretion of the Finance Director, and shall execute their purchasing responsibilities in accordance with all provisions of this policy and under the general oversight of the Purchasing Office. The individual coordinating the purchase will be responsible for ensuring that all provisions of the Procurement Policy are followed. Upon request of the Purchasing Manager, departments will furnish copies of quotes and other documentation to show compliance with the procurement policy.

C. PURCHASING AND CONTRACTING LEVELS

Purchases of and contracts for supplies, materials, equipment and contractual services shall be based on competitive bids/quotations whenever practical subject to the following spending guidelines. However, for all purchases the Purchasing

Manager reserves the right to coordinate the purchase of like items where such purchase is beneficial and practical to the City.

- (1) *Purchases up to \$ 2,000* may be made based on the best judgment of the department making the purchase, except as section IV.D applies. However, it is recommended to seek competition for these purchases for the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a purchase under \$2,000 the department is encouraged to seek competition from as many sources *as reasonable* to assure best price and delivery.
- (2) *Purchases of \$ 2,000 or more but less than \$ 7,500* require the solicitation of two (2) or more quotes, which may be written or verbal, but documented in either case. When verbal quotes are received, all pertinent details of the quote should be documented in writing by the department and retained on file.
- (3) *Purchases of \$ 7,500 or more* require that a minimum of three (3) written quotations be solicited. Additionally, any new contracts or agreements for services or equipment with an anticipated contract cost of \$ 25,000 or more require the recommendation of the Committee of Jurisdiction and the approval of the Common Council prior to execution. New contracts or agreements shall be defined as those which:
 - a. are for services or equipment procured on a special or one-time basis; or
 - b. are *not* for the renewal or reaward of existing, previously approved and budgeted, ongoing operational requirements (i.e., existing maintenance agreements, fuel, salt); or
 - c. are not defined by either (a) or (b), but have an anticipated total contract cost in excess of \$100,000 (i.e., janitorial services, uniforms, etc.)
- (4) *Public Construction Projects.* In accordance with Wisconsin Statute §62.15, all such projects for which the cost is expected to be greater than \$25,000 must be competitively bid. The City Attorney's Office will determine the applicability of this statute to individual projects.

The bidding and awarding processes are detailed in Wisconsin Statute §66.0901. All public works bids and staff recommendations shall be submitted through the Finance Committee for Common Council approval.

D. STANDARD CONTRACTS

When the Purchasing Manager has standardized the purchasing of a good or service and has issued standard purchase orders or contracts for these goods or services, such goods or services shall be purchased from the agreed upon vendor for the length of the agreement. Exceptions will be made only when the requisition clearly states the reason for which the standard item is unacceptable.

E. COOPERATIVE PURCHASING

The Purchasing Manager and other authorized City personnel shall have authority to join with other units of government, with quasi-government agencies funded in whole or in part by the City, and with other purchasing associations in cooperative purchasing plans when the best interest of the City would be served.

Competitively bid cooperative purchasing contracts onto which the City “piggybacks” must contain language specifically allowing participation by other government agencies. They are considered to have met competitive requirements, and no additional quotes are necessary. Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.

F. PURCHASING FROM GOVERNMENT UNITS

Materials, supplies, machinery and equipment offered for sale by the federal or state government or by any municipality may be purchased without bids at prices to be agreed upon between the Purchasing Manager and the respective department for which the item is to be acquired. Expert assistance for appraisal of such items may be employed at the discretion of the Purchasing Manager.

G. SOLE SOURCE

Purchases of goods or services under \$25,000 may be made without competition when it is agreed in advance between the department and the Purchasing Office that there is a valid reason to purchase from one source or that only one source is available.

For sole source purchases over \$2,000 but less than \$7,500, the department shall obtain verbal approval from the Purchasing Office, and document the reasons and agreement at the department level. The Purchasing Manager may suggest or assist in locating additional competitive sources.

- (1) For sole source purchases over \$7,500 but less than \$25,000, a written justification shall be forwarded to the Purchasing Manager, who will either concur with the sole source or assist in locating additional competitive sources.

- (2) Any sole source purchase of \$25,000 or more must have a recommendation by the Committee of Jurisdiction and an approval of the Common Council.
- (3) The use of the sole source exception to the competitive bidding process will expire on an annual basis.
- (4) A sole source purchase may be allowed when a needed item becomes available on a one-time basis at an “exceptionally advantageous” price. The buyer must be able to show that the purchase price of the item presents a unique and temporary opportunity for significant savings relative to its market value. Examples include auctions, used equipment offerings, liquidations, etc. Approval procedures G.(1) through G.(3) above still apply.

H. EMERGENCY PURCHASES

Any City department or agency may purchase in the open market, without filing a requisition or estimate, or receiving competitive bids, any supplies, materials or equipment for immediate delivery to meet emergencies arising from unforeseen causes. The following situations constitute an emergency under this provision of the policy:

- (1) Any situation in which there exists immediate and substantial danger to the health, life or property of any person or any situation in which there exists potential for increased damage to City property if the situation is not immediately remedied;
- (2) Any situation where the normal operation of any City department or Agency is seriously impaired or is in jeopardy of being seriously impaired; or
- (3) When the Mayor’s Office declares an emergency.

I. PURCHASE OF RECYCLED MATERIALS

The Purchasing Manager will ensure that the average recycled content of all paper purchased by the City measured as a proportion, by weight, of the fiber content of all paper products purchased in the year is not less than those percentages specified in Wisconsin Statute §66.0131(3)(a)(2).

J. PURCHASE ORDERS

Purchase orders should be issued for all purchases of goods and services unless such payment is covered by an existing contract or other agreement. However,

purchase orders should not be issued when a City issued procurement card is used to facilitate the purchase.

K. PROCUREMENT CARDS

A City issued procurement card should be used whenever practicable for purchases of low dollar items (\$1,000 or less) in accordance with the limitations imposed on the cardholder and following the City's procurement card use policies. Authorized transactions greater than \$1,000 are still subject to the quote requirements of this policy. See the City of Appleton Procurement Card Policy for complete rules of use.

L. SERIAL CONTRACTING

No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing a series of purchase orders to the same vendor for the same commodity or service in any 90-day period in order to avoid the requirements of the Procurement Policy.

M. APPROPRIATIONS

All purchases shall be made in accordance with the appropriations (budgets) that have been approved by the Council for the operation of the respective City departments. The responsibility for not exceeding existing appropriations rests with the department head making the requisitions or purchases. Contracts or agreements extending beyond one year should contain language allowing for termination in the event funding is not appropriated in subsequent fiscal years.

N. LOWEST RESPONSIBLE BIDDER AND BEST VALUE CONCEPT

All open market orders or contracts shall be awarded to the lowest priced responsible bidder taking into consideration the following factors: the qualities of the articles to be supplied; conformity with specifications; product compatibility; maintenance costs; vendor support after the purchase, and delivery terms. Where appropriate, life cycle costing or TCO (total cost of ownership) concepts should be used to determine and evaluate cost components beyond the base purchase price.

If two or more qualified bids are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder. Where this is not practical, the contract will be awarded to one of the bidders by drawing lots in public.

O. CONTRACT APPROVAL

Contract recommendation by Committee and approval by Council shall be approved with the following language:

Lump sum or unit price contract:

Award "Project Name" to "Vendor" in an amount not to exceed \$XX,XXX.XX.

Contract with contingency:

Award "Project Name" to "Vendor Name" in the amount of \$XXX,XXX with a XX% contingency of \$XX,XXX for a project total not to exceed \$XXX,XXX.

P. CHANGE ORDER PROCEDURE

Change orders to contracts shall be governed by this procedure, unless an exception to the procedure has been previously approved by Council. This procedure may be modified by the Common Council and Committee of Jurisdiction for larger Public Construction contracts. Under no circumstances shall a change order be split to fall within a desired category. Where feasible, critical timing issues may be addressed by scheduling a special committee meeting. Emergency actions affecting the health or safety of the community will be addressed in accordance with the existing emergency policy.

(1) EXPLANATION

- a. All Change Order approval requests will include a brief description of the change being made and the reason supporting the need for the change.

(2) CHANGE ORDER APPROVAL

- a. For projects with a contracted cost less than \$500,000, Change Orders of less than \$15,000 within contingency may be approved by the department head, and the item brought to the Committee of Jurisdiction as an informational item prior to issuing final payment.
- b. On projects with a contracted amount of \$500,000 or greater, Change Orders for less than \$50,000 within contingency, may be approved by the department head. The Change Order shall be reported out to the Committee of Jurisdiction as an informational item at its next regularly scheduled meeting or within thirty (30) days, whichever is sooner. Additionally, a project summary detailing the total cost of the project,

including Change Orders, shall be reported as an informational item to the Committee of Jurisdiction prior to issuing final payment.

- c. All Change Orders not included in either of the paragraphs above must be recommended by the Committee of Jurisdiction and approved by the City Council prior to the contractor being authorized to begin work.
- d. If approval of the Change Order results in the contract amount exceeding the remaining contingency and/or the project budget, recommendation of the contract amendment must be obtained from the Finance Committee, Committee of Jurisdiction, and approved by the Common Council prior to beginning any work under the Change Order.
- e. If, in the determination of the Mayor, the work called for under a proposed Change Order is a Critical Timing situation, the Change Order may be authorized by the Mayor, in consultation with Department Head and Director of Finance. Any such approval shall be reported to the Common Council as an informational item at its next regularly scheduled meeting or within thirty (30) days, whichever is sooner.

(3) REPORTING

- a. Change orders required to be recommended by Committee and approved by Council shall be submitted to Committee with the following language:

Change Order within contingency:

Approve Change Order # X to contract XXXXXX for “Project Name” to increase (decrease) for “description of why” in the amount of \$XX,XXX resulting in a(n) decrease (increase) to contingency from \$XX,XXX to \$XX,XXX. No change to overall contract amount.

Change Order outside of contingency:

Approve Amendment and Change Order # X to contract XXXXXX for “Project Name” to increase for “description of why” in the amount of \$XX,XXX resulting in a(n) decrease (increase) to contingency from \$XX,XXX to \$XX,XXX. Overall contract increased from \$XXX,XXX to \$XXX,XXX. (THIS MAY REQUIRE A BUDGET ADJUSTMENT IF

PROJECT BUDGET IS EXCEEDED – IF BUDGET ADJUSTMENT REQUIRED, IT MUST ALSO BE CONTINGENT UPON FINANCE COMMITTEE APPROVAL OF FUNDING.)

- (4) Change Orders not required to be recommended by Committee and approved by Council shall be reported out informationally to the Committee of Jurisdiction prior to the Finance Department issuing final payment.

Q. PROCUREMENT OF SERVICES

Whenever practical, the purchase of all services should be based on competitive bids/quotations/proposals subject to the spending guidelines noted in Procedure IV(C) of this policy. This includes, but is not limited to, the following categories of services:

Professional Services. Consulting and expert services provided by an organization or individual.

Contractor Services. The furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance.

Client Services. Those services provided directly to individuals on behalf of the City.

Construction Services. Services provided in the construction of roads, buildings or other infrastructure.

Technology Services. Services provided in the design, development, installation, and/or operation or maintenance of automated computer systems, including hardware and software.

If it is estimated that the service being solicited has a total cost of over \$ 25,000 and the value of the service is substantially measured by the professional competence of the providers rather than cost alone, it is recommended that a Request for Proposal (RFP) or Request for Qualifications (RFQ) be used to solicit vendor responses. The Purchasing Office is available to assist in these situations.

Exceptions to competition for procurement of services shall only be made in accordance with the City’s Sole Source policy (see section IV.G.).

R. PROHIBITED BUSINESS TRANSACTIONS

- (1) Employees are not allowed to participate directly or indirectly in a purchase when the employee, or a member of the employee's family, has a financial interest in the purchase or the employee, or a member of the employee's family, is negotiating or has an arrangement concerning prospective employment with the supplier.
- (2) Purchases for services or goods should not be made from employees of the City unless the employee can be considered an independent contractor as defined by the Internal Revenue Service.
- (3) Employees of the City are not allowed to use City negotiated discounts or the City's tax exempt status to purchase goods or services for their own personal use or gain. Employee discount programs offered by vendors may be used by employees only when the discount is available to all City employees regardless of position, and is also offered to other organizations or companies of similar size.
- (4) The City of Appleton Code of Conduct Policy shall be referenced regarding receipt of gifts. Employees who receive offers of gifts or other improper attempts to influence purchasing decisions should report this to their supervisor and/or the Purchasing Manager, who will in turn consult with the City Attorney's Office to determine the appropriate course of action.

S. SURPLUS OR OBSOLETE SUPPLIES OR EQUIPMENT

Disposal of City-owned supplies or equipment that are no longer required or serving a useful purpose shall be handled in a manner that is:

- economically feasible;
- in compliance with all applicable laws, regulations and policies;
- environmentally responsible; and
- deemed to be in the best interest of the City.

Departments should contact the Purchasing Manager for assistance in determining the most appropriate and beneficial method of disposal. There are several approved methods for disposal of surplus, including:

- 1) A live auction conducted by the City or other government agency;
- 2) Internet-based auctions or selling tools (i.e., eBay);
- 3) Sale to the general public via advertised, sealed bidding;
- 4) Trade-in on new supplies or equipment;
- 5) Transfer to another City department;
- 6) Direct sale to an interested firm or individual;

- 7) Donation to approved non-profit organizations;
- 8) Sale, trade, transfer or donation to an outside publicly funded agency;
- 9) Recycling and/or sale as scrap;
- 10) Discarding as trash; and
- 11) Other methods which may be recommended on a case by case basis by the Finance Committee and approved by the Common Council, or the Library Board.

Which method of disposal is most appropriate will depend upon several factors, including:

- The condition, location and physical characteristics of the item(s);
- The amount of time, effort, administration and expense required for the method relative to the potential value received;
- The public benefits and/or liabilities associated with the method.

The City will assign one or more Auction Administrators to facilitate sale by auction when appropriate. He or she shall assist departments in selecting an auction type and venue, establish procedures and responsibilities and conduct online auctions.

Disposing of items or groups of items with an estimated value of \$500 or more using methods other than 1 through 5 in the approved methods list above shall require a recommendation of the Finance Committee and approval by the Common Council. Exception: method #6 (direct sale) may be used at the discretion of the Department, with agreement of the Purchasing Manager, on direct sale of items up to \$2500 to an interested firm or individual, when it is determined that one or more of the following is true:

- the item is so specialized that broader interest is unlikely;
- due diligence in locating other interested parties has been done;
- a pending offer for the item is deemed so advantageous that the City's best interest is only served by its timely acceptance.

For items or groups of items with an estimated value of less than \$50, departments may, at their discretion, utilize any of the approved methods listed, provided the disposal meets the general criteria listed at the beginning of this section. For estimated values over \$50, departments should contact the Purchasing Manager for assistance in determining the most appropriate and beneficial method of disposal.

All proceeds received from the sale of City surplus property shall be reported and delivered to the Accounting Manager of the Finance Department for deposit and application to the proper account(s).

City owned supplies or equipment shall not be taken by, given to, or sold to City employees except by public auction or competitive bidding, regardless of their apparent value or condition, unless a specific exception is granted by the Common Council.

T. INSURANCE REQUIREMENTS

A vendor's Certificate of Insurance is required in conjunction with many contracts for services or goods. A valid certificate must be received and approved by the Risk Management office prior to executing or beginning performance under the contract. Employees can check if a vendor has a Certificate of Insurance on file by accessing the Metafile system. Additionally, employees should consult with Risk Management when developing RFPs and IFBs to determine the appropriate levels of insurance and include the requirements as part of the solicitation documents.

U. OPEN RECORDS/PUBLIC INFORMATION

With few exceptions, records related to governmental purchasing are subject to public access under Wisconsin's Open Records Law. This includes, but is not limited to, quotes, bids, proposals, purchase orders and related correspondence. While employees may ask that open records requests be made in writing, the requestor is not required to do so.

- (1) When conducting public bid openings, the names of the bidders and certain bid details, including price shall be read aloud. In the case of proposal (RFP) openings, only the names of the proposers shall be read aloud. In either case, copies of the bids or proposals are not made available, nor is inspection of the documents permitted, until contract award has been submitted for recommendation to the Committee of Jurisdiction.
- (2) Vendors requesting confidentiality of their quotes, bids, proposals or portions thereof must identify the confidential materials as such and state the specific, legitimate reason(s), i.e., trade secret, propriety customer list.
- (3) Questions regarding compliance with an open records request should be referred to the City Attorney's Office. Also consult the City of Appleton Public Records Policy for more detail.

V. INFORMATION TECHNOLOGY RELATED EQUIPMENT AND SUPPLIES

In order to ensure compatibility and maintain standards for the City's information systems, all purchases of information technology equipment, supplies and

services must be initiated by and acquired through the Information Technology (IT) Department. This includes, but is not limited to, computers, software, printers, copiers, inks, toners, repair parts, support and maintenance services, telephone equipment, scanners or any peripheral device which interfaces with any part of the City's information systems. IT staff should be the primary vendor point of contact for all information technology needs. In turn, the IT Department is responsible for adhering to the provisions of this policy when conducting such procurement activities.

W. VALLEY TRANSIT

Procurement activities by or for Valley Transit are subject to the provisions of the Federal Transit Administration "Appendix A of Procurement Policies." A current version of this Appendix is available upon request to Valley Transit Administrative Services. The Appendix and its certifications, affidavits, and other requirements must be incorporated into all formal solicitation documents when the procurement is funded in whole or in part with federal monies. In addition, agencies issuing paratransit service contracts through Valley Transit will complete a procurement checklist, attach the appropriate documentation and submit it to the Valley Transit General Manager or his/her designee for review to ensure federal compliance.

X. LOCAL PROCUREMENT

Since there are often cost and service related advantages associated with buying from local sources, the Common Council has adopted the following resolution:

"Resolved, that where not prohibited by law, the City of Appleton include in the evaluations of all bids, proposals and quotations for goods and/or services (except public construction) where the value of such goods or services is expected to exceed \$5,000, evaluation criteria which favorably and accurately assess the relevant cost and service advantages of procurement from local sources. Where point based systems are used for proposal evaluation and award, the points available for this purpose shall be determined prior to proposal opening and shall not exceed 5% of the total points available."

The Purchasing Manager is available to assist departments in applying this policy resolution to specific procurement situations. Note regarding Valley Transit: The Federal Transit Administration has ruled that this resolution is a prohibited geographical preference which may not be applied when the procurement will be funded in whole or in part with federal monies.

Y. OWNER DIRECT PURCHASING

Owner direct purchasing refers to a tax exempt entity (City) directly buying and furnishing materials, equipment or components of a construction project to the contractor in order to save the sales tax that contractor normally would have paid

and included in their bid. While this method can be advantageous in certain cases, it also can be administratively complex and present risks that could offset the intended savings. Generally, owner direct purchasing should only be considered when:

- (1) The estimated sales tax savings exceeds \$1,000;
- (2) The item(s) to be directly purchased can be easily identified, quantified and separated from the bill of materials;
- (3) The original bid request documents, contractor's bid, and the resulting contract specifically provide for the direct purchase; and
- (4) Established administrative procedures are followed in the execution of the direct purchase. Contact the Purchasing Manager to obtain a copy of the procedures. The City Attorney's Office should be consulted on any legal questions or issues that could potentially impact the process.

The owner direct purchasing process does not relieve the City from other applicable requirements of the Procurement Policy; for example, documentation of quotes or bids for the item(s) purchased, sole source justification, Common Council approval, etc., as well as compliance with State Statutes regarding public construction projects.

Z. ENVIRONMENTALLY PREFERABLE PROCUREMENT

The City of Appleton recognizes that it is a large consumer of goods and services. All of its purchases have an environmental impact resulting from the combined effects of a product's manufacture, use and disposition. By including environmental considerations in purchasing decisions, along with traditional concerns of price, performance and availability, the City will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, conserve natural resources, and reward manufacturers and vendors that reduce the adverse environmental impact of their production and distribution systems.

"Environmentally preferable" goods and services have reduced adverse effects on human health and the environment when compared with competing products and services that serve the same purpose. This comparison considers all phases of the product's life cycle, including raw materials, manufacturing, packaging, distribution, operation, maintenance and disposal, including potential for reuse or ability to be recycled.

When determining whether a product is environmentally preferable, buyers should consider attributes including, but not necessarily limited to, the following:

Bio based	Biodegradable
Carcinogen-free	Chlorofluorocarbon (CFC) –free
Compostable	Durable
Energy or fuel efficient	Heavy metal free (i.e., no lead, mercury, cadmium)
Less hazardous	Locally manufactured (less transportation)
Organic	Low-toxicity
Recycled content	Low volatile organic compound (VOC) content
Reduced packaging	Not persistent, bio-accumulative toxic (PBT)
Reduced greenhouse gas emissions	Refurbished
Reusable	Upgradeable
Multi-use	Water efficient
Certified (i.e., Green Seal, EcoLogo, Energy Star, EPEAT).	

Nothing in this policy shall be construed as requiring a buyer to procure products that do not perform adequately for their intended use, that exclude adequate competition, or are not available at a competitive price or in a reasonable period of time. However, when substantive, measurable environmental advantages can be identified for a product, any associated cost savings over the life cycle of the product should be considered when evaluating price.

AA. DOCUMENT RETENTION

Procurement-related documents shall be retained by the originating department as follows:

Bids, proposals and quotations (successful) –
Seven (7) years from contract expiration

Bids, proposals and quotations (unsuccessful) –
Two (2) years from award of contract

Purchase orders and related requisitions and invoices –
Seven (7) years from date of completion

Procurement card purchase receipts, statements and related documents –
Seven (7) years from date of transaction

Ref.: Appleton Municipal Code Sec. 2-1(a)(8)

BB. BONDING AND LEGAL REVIEW

- (1) The Purchasing Office along with the City Attorney’s Office shall have the authority to require a performance bond or other similar

instrument of surety in such amount as is reasonably necessary to protect the best interest of the City before entering into a contract.

- (2) Contracts must be approved as to form and sufficiency by the Office of the City Attorney, and routed for signatures in accordance with the City of Appleton Contract Routing procedure, as follows:
 - a) City Attorney
 - b) Mayor
 - c) Finance Director
 - d) HR/Risk (review insurance requirements)
 - e) City Clerk (filing of one original document)

CC. PAYMENTS IN ADVANCE

The City's policy is to avoid making advance (down) payments whenever practicable, except under certain conditions and with proper approval. When a vendor insists upon advance payment(s) prior to shipment or performance, the department shall submit a written request to the Finance Director or designee, including the amount requested, and the reason(s) why the purchase from the requesting vendor is necessary. The Finance Department will investigate and advise whether the payment may be made, taking into account any factors which may impact the City's financial interest.

YTD Report-Period ending December 31, 2021

GL Account	ACCOUNT DESCRIPTION	2019 YTD ACTUAL	2020 YTD ACTUAL	2021 YTD ACTUAL
423200	Library Grants & Aids	\$1,045,947.40	\$1,070,138.00	\$1,091,736.00
480100	General Charges for Ser	\$44,645.62	\$14,728.21	\$3,980.21
500100	Fees & Commissions	\$1,004.99	\$336.66	\$143.57
501500	Rental of City Property	\$30,012.50	\$30,000.00	\$30,000.00
502000	Donations & Memorials	\$587.21	\$552.97	\$1,279.29
503500	Other Reimbursements	\$145,674.13	\$121,959.89	\$114,510.81
	Total Distributions	\$1,267,871.85	\$1,237,715.73	\$1,241,649.88
610100	Regular Salaries	(\$1,976,313.87)	(\$2,104,093.70)	(\$2,038,478.97)
610400	Call Time Wages	(\$9.60)	(\$15.00)	(\$600.00)
610500	Overtime Wages	(\$267.32)	(\$798.49)	\$90.53
610800	Part-Time Wages	(\$253,883.82)	(\$187,296.37)	(\$220,588.77)
611000	Other Compensation	\$0.00	\$0.00	\$0.00
611400	Sick Pay	(\$5,064.37)	(\$4,337.69)	(\$11,953.26)
611500	Vacation Pay	(\$207,459.86)	(\$186,964.17)	(\$227,630.92)
615000	Fringes	(\$561,466.62)	\$66,070.68	(\$11,633.78)
615100	FICA	(\$42,687.72)	(\$159,545.03)	(\$158,619.30)
615200	Retirement	(\$37,250.43)	(\$144,506.18)	(\$142,699.45)
615301	Health Insurance	(\$126,939.69)	(\$452,456.23)	(\$456,045.52)
615302	Dental Insurance	\$0.00	(\$37,409.92)	(\$35,192.55)
615400	Life Insurance	\$0.00	(\$448.68)	(\$746.00)
620100	Training/Conferences	(\$22,537.72)	(\$17,081.11)	(\$9,787.91)
620200	Mileage Reimbursement	\$0.00	\$0.00	(\$666.00)
620600	Parking Permits	(\$20,729.00)	(\$22,823.00)	(\$23,114.00)
630100	Office Supplies	(\$64,507.78)	(\$45,770.05)	(\$35,334.83)
630300	Memberships & Licenses	(\$3,218.17)	(\$3,466.78)	(\$2,202.22)
630500	Awards & Recognition	(\$1,156.67)	(\$878.70)	(\$1,072.99)
630600	Building Maint./Janitor	(\$12,560.41)	(\$6,415.98)	(\$7,906.68)
630700	Food & Provisions	(\$5,519.72)	(\$1,009.03)	(\$879.68)
630902	Tools & Instruments	\$0.00	(\$14.22)	(\$81.97)
631500	Books & Library Materia	(\$641,651.19)	(\$623,913.96)	(\$623,739.20)
632001	City Copy Charges	\$0.00	(\$302.60)	\$0.00
632002	Outside Printing	(\$1,031.42)	(\$1,032.63)	(\$2,463.31)
632101	Uniforms	\$0.00	(\$179.77)	\$0.00
632300	Safety Supplies	(\$499.53)	(\$1,038.82)	(\$244.50)
632700	Miscellaneous Equipment	(\$57,149.70)	(\$72,439.09)	(\$33,892.55)
640700	Solid Waste/Recycling P	(\$2,562.95)	(\$4,218.75)	(\$3,896.88)
641200	Advertising	(\$2,408.90)	(\$2,477.40)	(\$6,330.13)
641301	Electric	(\$88,807.92)	(\$83,150.97)	(\$88,236.73)
641302	Gas	(\$22,352.04)	(\$16,436.83)	(\$28,478.90)
641303	Water	(\$4,362.97)	(\$2,895.36)	(\$2,052.66)
641304	Sewer	(\$1,802.75)	(\$1,143.79)	(\$941.53)
641306	Stormwater	(\$3,075.28)	(\$3,149.99)	(\$3,167.25)
641307	Telephone	(\$3,068.96)	(\$3,358.09)	(\$3,406.50)
641308	Cellular Phones	(\$1,517.48)	(\$615.10)	(\$1,231.96)
641600	Build Repairs & Maint	(\$2,424.00)	(\$1,788.45)	(\$15.06)
641800	Equip Repairs & Maint	(\$73,370.85)	(\$76,664.31)	(\$77,858.81)
642000	Facilities Charges	(\$163,950.09)	(\$179,312.65)	(\$134,007.24)
642400	Software Support	\$0.00	\$0.00	\$0.00
659900	Other Contracts/Obligat	(\$163,949.61)	(\$105,674.77)	(\$169,026.42)
681500	Software Acquisition	(\$2,304.53)	(\$4,576.10)	(\$11,533.53)
	Expense Total	(\$4,577,862.94)	(\$4,493,629.08)	(\$4,575,667.43)