

FINANCE COMMITTEE

Thursday, December 6, 2018

6:30 PM

McFarland Municipal Center
Conference Room A

AGENDA

1. CALL TO ORDER, ROLL CALL.
2. PUBLIC APPEARANCES.
3. APPROVAL OF MINUTES.
 - a. Discussion and action regarding minutes from the regular meeting on October 17, 2018.
4. BUSINESS.
 - a. Discussion and action to make a recommendation to the Village Board regarding resolution 2018-19: a resolution authorizing year end transfers as planned within the 2019 Budget.
 - b. Discussion and action to make a recommendation to the Village Board regarding revisions to the Purchasing Policy (Chapter 10) and the creation of a standard template for certain Village contractual agreements.
5. SCHEDULE NEXT MEETING DATE.
 - a. Wednesday, January 23, 2019 at 6:30 pm.
6. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us.

VILLAGE OF MCFARLAND
Finance Committee Minutes
Wednesday, October 17, 2018 - 6:30 PM

1. CALL TO ORDER, ROLL CALL.

Chairperson Mary Pat Lytle called the regular meeting of the Finance Committee to order at 6:30 PM in Conference Room A.

Members present: Rod Clark, Carolyn Clow, Mary Pat Lytle, Chuck Mulcahy, and Marv Schrader.

Members not present: Clifford Strelow.

Staff Present: Village Administrator Matt Schuenke, Village Clerk/Treasurer Cassandra Suettinger and Accountant/Deputy Treasurer Jennifer Haried

2. PUBLIC APPEARANCES.

None.

3. APPROVAL OF MINUTES.

- a. Discussion and action to approve the minutes of the regular meeting held September 26, 2018.

Motion by Clark, second by Clow, to approve the minutes of the regular meeting held September 26, 2018. Motion carries 5 - 0 - 0 by acclamation, with changes noted.

4. BUSINESS.

- a. Presentation regarding the 2019 Budget for the General Fund (100) and Capital Projects Fund (400).

Administrator Schuenke reviewed the budget with the Committee. The Village Board will be reviewing this information at their next meeting on Monday October 29th.

- b. Review of the 2018 Municipal Levy Limit Worksheet as it relates to the proposed 2019 Budget.

Administrator Schuenke reviewed the Municipal Levy Limit Worksheet with the Committee.

- c. Presentation regarding the feasibility of future inclusion within the State Expenditure Restraint Program.

Clerk/Treasurer Suettinger presented the possibility of the Village being able to participate in the State Expenditure Restraint Program.

- d. Presentation regarding fund balance analysis of the projected performance of the Retiree Fund (700).

Clerk/Treasurer Suettinger presented the analysis of the Retiree Fund to the Committee. The Committee discussed whether additional funds should be added annually or if the current plan will suffice for the Village's projected needs and to review the fund annually. The Committee determined the current annual funding was sufficient; however reported the fund should be reviewed every year to ensure adequate funding.

- a. Discussion and recommendation to the Village Board regarding the creation of a standard contract for use with certain Village contractual agreements including specific revisions to the Purchasing Policy (Chapter 10) to implement the use thereof.

Motion by Lytle, second by Clark, to recommend approval to the Village Board regarding the creation of a standard contract for use with certain Village contractual agreements including specific revisions to the Purchasing Policy (Chapter 10) to implement the use thereof. The Committee discussed if the proposed changes to the Policy were appropriate to implement the use of the standard contract.

Clow felt that the Committee had not been directed to include the standard contract with the Purchasing Policy and that more changes were needed to the Purchasing Policy in general. Based on that discussion, Clow proposed recommend approval of the standard contract template to the Village Board without revisions to the Purchasing Policy and that led to an amended motion.

An amended motion was made by Clow, second by Mulcahy, to recommend approval to the Village Board regarding the creation of a standard contract for use with certain Village contractual agreements without any revisions to the Purchasing Policy and that the Village Board provide direction about further revisions to the Purchasing Policy. Motion to accept the amendment carried on a roll call vote: Clark - no, Lytle - no, Mulcahy - aye, Schrader - aye, Clow - aye. Motion on the amended motion carries on a roll call vote, - no, Lytle - no, Mulcahy - aye, Schrader - aye, Clow - aye. Motion carried 3-2.

5. SCHEDULE NEXT MEETING DATE.

- a. Wednesday, November 28, 2018 at 6:30 pm.

Thursday, December 6, 2018 at 6:30 pm.

6. ADJOURNMENT.

Motion by Chuck Mulcahy, second by Marv Schrader, to adjourn at 7:55pm

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin boards in accordance with Open Meetings Law.

Respectfully submitted,
Jennifer Haried
Accountant/Deputy Treasurer



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Thursday, December 6, 2018

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action to make a recommendation to the Village Board regarding resolution 2018-19: a resolution authorizing year end transfers as planned within the 2019 Budget.

PREVIOUS ACTION:

None.

ISSUE SUMMARY:

The Village Board approved the 2019 Budget following Public Hearing at its meeting on November 26, 2018. There were several changes adopted within the budget that were authorized by the Village Board as part of their final review on November 8, 2018. Several of these changes desired to use unassigned fund balance from the General Fund to pay off one-time capital expenditures planned in 2019. These uses are as follows:

- Library Fund (205)
 - **Bathroom Remodel** - The Library plans to improve the public restrooms in their facility which have original fixtures since the facilities construction 15 years ago. The use of fund balance was intended to pay for the entire improvement. The cost of which is estimated at \$20,000.
 - Capital Projects Fund (400)
 - **Ambulance** - The current backup ambulance is in excess of 10 years old and scheduled for replacement next year. This new ambulance would become the primary response vehicle while the current primary moves to a secondary role. The use of fund balance only partially pays for this vehicles as the total cost estimate is \$268,000 with the remainder of the purchase to be funded by borrowed money next year.
 - **Police Equipment** - Annually the Police Department buys a variety of different small capital items needed in order to provide service. This ranges from tasers to bullet proof vests, and other related equipment. The use of fund balance here is meant to cover the cost of these items. Annually this runs around \$15,000.
 - **Police Radios** - The current radios used by the Department have outlived their useful life and are presently no longer be serviced by the manufacturer. It was requested and approved to purchase new radios Department wide so that the



equipment is uniform throughout. The use of fund balance here is meant to cover the entire expense. The cost of which is estimated at \$75,000.

Completing this task in 2018 allows the Village to utilize what is expected surplus dollars for the year with the remainder coming from fund balance as might be necessary. The intent of using this money helps to spend down what is already a very high fund balance accumulation and reduces the Village's need to borrow money next year.

FINANCIAL/BUDGET IMPACT:

The financial impact is that the Village will have to borrow \$210,000 less next year as a result of this action. A negative might mean that a potential surplus for 2018 would not be as high or fund balance would go down. However, both a surplus for 2018 and our current fund balance level are both projected to be quite healthy. The 2019 Budget projected a surplus for year end 2018 at roughly 416,710, and if that holds we would still roll about \$200,000 into fund balance at year end. The fund balance for 2017 was set at \$2,883,066 which is well in excess of the maximum threshold for the General Fund balance set at 25% of expenditures or \$1,471,625. Current level is estimated at 49%.

The use of this amount of fund balance at this time is deemed reasonable due to these other factors and the expenses proposed are for one time items helping to lower debt service costs.

VILLAGE PLAN REFERENCE:

None.

ORDINANCE REFERENCE:

None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommended for approval.

ATTACHMENTS:

1. 2018-19 Resolution to Approve 2018 Year End Transfers

RESOLUTION # 2018-19

A RESOLUTION TO APPROVE TRANSFERS OF UNASSIGNED FUND BALANCE FROM THE GENERAL FUND AS PLANNED WITHIN THE 2019 BUDGET

WHEREAS, the Village Board of the Village of McFarland previously adopted Ordinance #2018-17 appropriating the necessary general funds for the operation of government and administration of the Village for the year 2019;

WHEREAS, the 2019 Budget desired the use of unassigned fund balance within the General Fund to pay for certain capital improvements within other Village funds; and

WHEREAS, the fund, description, and amount regarding the use of these funds is provided as follows:

Fund	Number	Description	Amount
Library	205	Library Bathrooms	20,000
Capital Projects	400	Ambulance	100,000
Capital Projects	400	Police Equipment	15,000
Capital Projects	400	Police Radios	75,000
Total Transfer In			210,000

NOW, THEREFORE, BE IT RESOLVED that the Village Board of the Village of McFarland approves the use of unassigned fund balance within the General Fund for these purposes and authorizes the transfer of these monies to the appropriate fund.

The above and foregoing Resolution was duly adopted at a regular meeting of the Village Board on the 10th day of December, 2018.

VILLAGE OF MCFARLAND:

Brad Czebotar
Village President

ATTEST:

Cassandra Suettinger
Village Clerk/Treasurer

RESOLUTION 2018-19

MOTION	SECOND
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ACTION	DATE
--------	------

Adopted
Referred
Tabled
Withdrawn
Defeated
Published

INDIVIDUAL VOTING RECORD

Adrian	Kolk
Brassington	Lytle
Clow	O'Hearn
Czebotar	

VOTING RESULTS

Motion Carried:
Motion Defeated:



VILLAGE BOARD SUMMARY SHEET

MEETING DATE: Thursday, December 6, 2018

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator, Cassandra Suettinger, Village Clerk/Treasurer

AGENDA ITEM: Discussion and action to make a recommendation to the Village Board regarding revisions to the Purchasing Policy (Chapter 10) and the creation of a standard template for certain Village contractual agreements.

PREVIOUS ACTION:

The Village Board originally took action at its meeting on January 8, 2018 "to work towards drafting a standard template for certain Village contractual agreements and that the Finance Committee take up the initiative and bring it back to the Board."

The Finance Committee reviewed this issue at its meeting on January 24th and March 28th. At its meeting on October 17th action was taken to submit a draft standard contract to the Village Board for consideration as well as request for clarification regarding possible revisions to the Purchasing Policy.

At its meeting on October 22nd, the Village Board took action "to refer the issue of the standard templates back to the finance committee along with a direction to develop policies and procedures specific for its use."

ISSUE SUMMARY:

Included within your packet are two documents submitted for consideration. These are the same drafts provided to the Committee at the meeting held on October 17th. The first of which is Exhibit A that is the draft standard contract. A draft of this had been submitted previously with revisions and questions from the Village Attorney at your last discussion on this from March and October. These issues have been addressed and the Village Attorney has approved this document for use.

The second document is the Purchasing Policy. A draft of this with proposed revisions was also included for review in March and October. This policy was rewritten in its entirety in 2017 and the revisions put forth today are presented for the sole purpose to provide the guidelines in which to use the previously mentioned standard contract which is referenced as an exhibit within the policy. A summary of the material changes within this policy are provided as



follows:

- **Section 10.03(i)** - This is the first reference to the inclusion of a standard contract within the policy making its use one of the guidelines to follow.
- **Section 10.05(c)** - With the standard contract listed as a guideline, this sub-section was added to implement how and when it is to be used. Essentially anything reasonably expected to be over \$25,000 in cost and that is not otherwise a public construction project. The Village Attorney and Board has some discretion if changes are needed based on the type of contract.
- **Section 10.05(d)** - There will be times when the Village needs to hire an architect and engineer in which there is a standard contract established already for those professions. This will be employed for use under the discretion of the Attorney and approval of the Village Board without creating our own standard for this purpose.
- **Section 10.06(c) and (e)** - Definitions are added to these sections to provide clarity regarding what they are to be used for.
- **Section 10.06(e)(2)(i)** - Changes were made to the formatting for this sub-section on RFPs and SOQs to help provide clarity in the process as well as where the new standard contract falls into place. These additional steps are outlined as issuance, evaluation, contract negotiation/drafting, and approval. Nearly all of this is included as a paragraph within the current policy and language is added for the evaluation and contract portions shown to clarify those steps.
- **Section 10.06(f)(2)** - This is the same language as before, it has just been moved out of the qualifications based section and into the sole source purchasing section.

The intent of this meeting is review the policy changes as a means to implement the use of this contract going forward. The Village Board has reaffirmed this direction that the Committee is to create a template for use as a standard contract and establish policy guidelines specific to how it may be used. The drafts as presented fulfill this objective.

FINANCIAL/BUDGET IMPACT:

The contract is meant to improve and make more efficient the use of contracts when needed. Contracts would be reviewed and addressed on a case by case basis in the past, and now the intent is that it is standardized so that they are consistent from use to use. The financial impact is to ensure that the public money when spent is done so under appropriate contractual requirements when necessary.

VILLAGE PLAN REFERENCE:

Village of McFarland Fiscal Policy Manual

ORDINANCE REFERENCE:



BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

The Village Board took action at its meeting on October 22, 2018 "to refer the issue of standard templates back to the finance committee along with a direction to develop policies and procedures specific for its use."

What is presented in your packet fulfills the direction provided by the Village Board in order to create and implement a standard contract while also putting in place reasonable and specific guidelines for Village Staff to implement its use. Approval is recommended to the Village Board for its consideration to complete this project as directed.

ATTACHMENTS:

1. Chapter 10 - Purchasing Policies and Procedures DRAFT 08302018 mgs
2. Exhibit A - McFarland Standard Contract Template

CHAPTER 10 Purchasing Policies and Procedures

SECTION 10.01 Policy Purpose

The purpose of this policy is to provide uniform guidelines to Village employees involved in the procurement of supplies, equipment, services, and property in order to insure that the expenditure of public funds by all Village departments is consistent with the policies set by the Village Board. Consistent with Chapter 23, Article II, Division 4 “Purchases and Contracts” of the McFarland Municipal Code, The goals of the policy are to:

- (a) Create the maximum feasible free and open competition in all procurements.
- (b) Prevent potential waste, fraud, abuse, and conflicts of interest in the procurement process.
- (c) Prevent the issuance of exclusionary or discriminatory specifications.
- (d) Insure fair and equal treatment of all vendors.
- (e) Establish standard procedures to be followed in making purchases.
- (f) Achieve the optimum price for the item(s) being purchased. Optimum price does not necessarily mean the lowest price.

SECTION 10.02 Ethical Standards

The Purchasing Policies and Procedures created herein including the use of this Chapter by Local Governmental Officials, Employees, and/or Candidates shall be subject to the following Ethical Standards:

- (a) Chapter 2, Article VIII Ethics Code of the Village of McFarland Code of Ordinances.
- (b) Chapter 27, Ethical Standards for Employees of the Personnel Policy Manual.
- (c) Wis. Stats. 19.59 Codes of Ethics for Local Governmental Officials, Employees, and Candidates.
- (d) Wis. Stats. 946.13 Private Interest in Public Contract Prohibited.

SECTION 10.03 Guidelines

- (a) To the extent allowed by law and allowed by this policy, the Village reserves the right to accept the bid or quote it deems to be most beneficial to the Village, as well as the right to reject all bids or quotes.
- (b) Internal purchasing procedures require some degree of centralized review of proposed procurements to avoid the purchase of unnecessary or duplicative items. The procedures also require that different employees execute payments than those who do the ordering to avoid potential fraud or abuse in procurements.
- (c) Prudent short and long term planning for purchases will help to minimize the amount of administrative and clerical time spent documenting purchases. Each department shall purchase within the foreseeable needs of the department, to maximize available discounts, and to coordinate purchases with other departments or agencies when possible.
- (d) Quality and service are just as important as price. Quality buying is the buying of goods and services at the lowest price point that will meet, but not exceed the requirements for which they are intended. In some instances the primary consideration may be durability. In other instances it may be a question of immediate availability, ease of installation, frequency of repair or efficiency of operation. It is the responsibility of each Department Head to become familiar with available equipment to determine the appropriate quality required.
- (e) Appropriate procedures shall be maintained to ensure that awards are made only to contractors who possess the ability to perform successfully under the terms and conditions of a given procurement. Project-specific contract administration arrangements shall be made to see that the contractor performs in accordance with the terms, conditions, and specifications of the contract or purchase order.
- (f) Adequate records shall be maintained to detail the history of significant procurements. In addition, a current inventory of all fixed assets shall be maintained to ensure proper continuing control.
- (g) The Village may participate, when legally permissible and feasible, in Federal, State, and local intergovernmental contracts for the procurement or use of common goods and services if such joint purchases are cost effective.
- (h) When feasible, the Village may use Federal or State excess/surplus property or used equipment instead of purchasing new equipment.

- (i) All contracts ~~or agreements~~ for services shall ~~follow~~ use the standard template (Exhibit A) reviewed and approved from time to time by the Village Board after considering the recommendation of the Finance Committee. The current standard template is attached as Exhibit A. ~~be reviewed and, if necessary, the terms of the standard template for contracts and agreements for services may be~~ renegotiated or resubmitted to new vendors at least every five ~~three~~ years. No contract or agreement may be extended automatically or renewed without appropriate review as determined by the Village Board.

SECTION 10.04 Organizational Responsibilities

- (a) The Administrator/~~Treasurer~~ is the designated purchasing agent for the Village and he/she (or designee) shall generally oversee and coordinate purchases made by Village departments. The Administrator/~~Treasurer~~ shall review at least annually the purchasing needs and practices of the departments and determine the purchasing limit to be delegated to each Department Head.
- (b) The Department Heads possess the authority and responsibility of managing purchases within their delegated purchasing limits. All purchases shall be reviewed and approved by the Department Head or his/her designee.
- (c) Each Department Head may delegate to an employee(s) of that department authority to make and approve purchases not exceeding \$5,000. The Department Head shall sign off on accounts payable vouchers prior to payment, however, and is ultimately responsible for all purchases made by employees of the department.
- (d) As a check and balance measure, payments for goods and services shall be executed by employees who were not involved in the ordering process.

SECTION 10.05 Organizational Approvals

- (a) The following purchases, contracts and agreements for services shall ~~ordinarily~~ be referred to the committee of ~~or~~ jurisdiction for review and recommendation prior to submission for approval to the Village Board.
- (1) All public works construction contracts in excess of \$25,000.
- (2) Any other contracts and agreements for services which might be reasonably be expected to result in charges to the Village in excess of \$25,000.

- (b) All contracts for professional services and public works contracts (as defined by Wis. Stats. 62.15(12)) shall be specifically reviewed by the Village Attorney as a condition of approval prior to execution. Maintenance agreements shall be reviewed by Department Heads subject to approval/renewal by the Administrator/~~Treasurer~~ to ensure costs are being reviewed and controlled in the best interests of the Village.
- (c) All purchases, contracts, and service agreements subject to the provisions of Section 10.05(a)(2), and excluding all purchases, contracts, and service other than agreements subject to the provisions of Section 10.06(d), shall utilize the standard template (Exhibit A) approved for use by the Village Board. The specific terms of the standard template may be modified as appropriate to conform to a specific product, project, or service by contracting authority if the Village Board, upon recommendation of the Village Attorney, approves such modifications.
- (d) All purchases, contracts, and service agreements for architectural and engineering design services shall follow the appropriate standard contract template set by the American Institute of Architects and American Society of Civil Engineers, respectively, except as modified by the Village Attorney with approval of the Village Board.
- (e) If the purchase of a vehicle or equipment item(s) is specifically approved in the operating or capital budget, the purchase does not require separate approval by the committee or the Village Board prior to ordering unless there is a significant change in the product specifications or the actual purchase price exceeds the budget appropriation.
- (f) Bond payments and other debt obligations, payroll and benefits, fuel, road salt, street maintenance, annual service agreements, vehicle/equipment parts and repairs, and all other recurring expenses incurred in the usual and ordinary operation of Village government are authorized in a sum not to exceed the budgeted amount.
- (g) The Village Board has the authority for the management and control of the Village's finances and thus all expenditures of Village funds in accordance with Wis. Stats. 62.11(5). The Village Board shall review and approve all expenditures on a monthly basis in accordance with the policies and procedures identified in this Chapter.

SECTION 10.06 Methods of Procurement

Depending upon the type and cost of the item or service being procured, one of the following procurement methods will be used.

- (a) **Petty Cash.** Purchases of under \$30 may be made from petty cash.

(b) **General Procurement.**

- (1) Department Heads are authorized to spend up to \$10,000 for any line item that is part of their approved budget subject to the availability of funds.
- (2) Department Heads are authorized to spend up to \$5,000 for any line item that is not part of their approved budget subject to the availability of funds under the general oversight of the Village Administrator/~~Treasurer~~.

(c) **Quotation Based Procurement.** This method of procurement establishes a quotation process in an attempt to establish the lowest possible cost for whatever is to be purchased under this method.

- (1) Budgeted purchases in excess of \$10,000 and non-budgeted purchases in excess of \$5,000 shall require solicitation of a minimum of three (3) written quotations from qualified sources.
- (2) The Department Head or designee requesting the expenditure shall state his/her recommendation for which quote to accept, why, and identify the line item of the budget from which funds will be drawn. If departments are unable to secure three (3) written quotations, the Department Head shall explain to the Village Board the reason why additional written quotations were not forthcoming, in the opinion of the Department Head.
- (3) The Village Board in its sole discretion may direct the Finance Committee or any other relevant Village boards, commissions, or committees to provide a recommendation on the purchase if desired.
- (4) A summary of the quotations received shall be retained for the longer of the purchase transaction or one year.

~~(5) The Village shall give a class 1 legal public notice of the proposed construction before the contract for the construction is executed.~~

(d) **Public Construction.** ~~It is hereby noted, in regard to~~For all public construction projects, ~~the~~ public bidding law shall be followed as is required in Wis. Stats. 62.15. This applies to all public construction projects where the estimated cost of which exceeds \$25,000. ~~For construction projects costing between \$5,000 and \$25,000, the Village shall publish a class 1 notice of the proposed contract before itttt is executed.~~

- (e) **Qualifications Based Procurement.** This method of procurement is to be used when the value of products and/or services is significantly dependent upon the individual experience, training and other qualifications of the contracting party and the quality of such products or services is deemed more important than price alone. Normal competitive procedures cannot be utilized in securing professional services from attorneys, engineers, accountants, planners, and other professional people who, in keeping with the standards of their profession, may not enter into a competitive bidding process.

(1) **General Purchasing.**

- (i) Department Heads under the discretion and direction of the Administrator/~~Treasurer~~ are authorized to spend up to \$10,000 for any line item that is part of their approved budget subject to the availability of funds in order to secure professional services.
- (ii) Department Heads under the discretion and direction of the Administrator/~~Treasurer~~ are authorized to spend up to \$5,000 for any line item that is not part of their approved budget subject to the availability of funds in order to secure professional services.

(2) **Request for Proposal (RFP) or Statement of Qualification (SOQ).**

- (i) An RFP or SOQ shall be required in order to secure professional services in excess of \$10,000:
 - a. **Issuance.** The RFP or SOQ will be drafted by Village Staff and presented to the Village Board for approval prior to its distribution.
 - b. **Evaluation.** The evaluation process shall be determined by the Village Board on a case by case basis depending on the RFP to be solicited. The Village Board may direct any other relevant Village boards, commissions, or committee to provide a recommendation on the RFP, SOQ, and their respective responses if desired.
 - c. **Contract Negotiation/Drafting.** Upon completion of the Evaluation process, Village Staff shall be responsible under the direction of the Village Attorney to draft and negotiate a final contract consistent with the approved proposal.

- d. Approval. The Village Board, in its sole discretion, is responsible for the approval of a contract as the final acceptance of the proposal in order to secure professional services.

~~(ii) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs.~~

- (f) **Noncompetitive Negotiation (Sole Source Purchases).** This method of procurement may be used only in special circumstances when a purchase or award of a contract is not feasible under the procurement methods described above. A common reason for using this type of procurement would be an emergency situation as described in Sub-Section (g) below. Noncompetitive, or sole source, procurement involves the solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sufficient cost analysis and justification shall be provided for noncompetitive procurements to show that the price is fair and reasonable.

- (1) Sole source purchasing may include, but is not limited to, the following:

- (i) The item or service is only available from a single source.
- (ii) After competitive procurement solicitations, competition is determined to be inadequate.
- (iii) An alternate product or manufacturer would not be compatible with current products resulting in additional costs.
- (iv) Standardization of a specific product or manufacturer will result in more efficient and economical operations.
- (v) The purchase is from another governmental body.
- (vi) The item is being purchased through a cooperative purchasing arrangement such as the V.A.L.U.E. group, State bid list, -or State of Wisconsin VendorNet.

- (2) If the Village has an ongoing working relationship with a firm (e.g. engineering or legal services), however, it may elect to solicit and evaluate a proposal from just that firm if deemed to be in the best interests of the Village. In securing professional services it is the primary goal of the Village to obtain the services at a fair price of a professional(s) who has a proven track record of providing similar services. Efforts will be made to first negotiate a fair contract with the professional deemed to best meet the Village's needs. New proposals brought forth under this method of procurement shall follow the same requirements as established in Section 10.06(e)(2)(i)(b)-(d).
- (3) In circumstances where there is only one qualified source and the purchase is not via a cooperative arrangement, the Department should use alternate means (such as verifying pricing with other customers) to establish that the price quoted is reasonable.

(g) **Emergency Purchases.**

- (1) Emergency Purchases shall only be made to:
 - i. Prevent delays in construction or delivery of essential services; and/or
 - ii. To stay an immediate threat to the health or safety of the public and employees.
- (2) For Emergency Purchases of general items or services that are not able to fulfill the requirements of this policy and meet the definition outlined, the appropriate Department Head shall make every effort to obtain three quotes for the item.
- (3) The purchase shall be approved by the Administrator/~~Treasurer~~ prior to the order/purchase of the item or service. In the Administrator/~~Treasurer~~'s absence, the purchase shall be approved by the Village President prior to ordering/purchasing the item.
- (4) The Village Board will review and approve the order at its next scheduled Village Board meeting.

SECTION 10.07 Purchasing Procedures

The commitment to purchase goods and services may be made using one of the following instruments: petty cash, credit card, and physical check. The following procedures shall apply to the use of each of these purchasing instruments.

(a) **Petty Cash.**

- (1) Petty cash purchases are limited to a maximum of \$30 and may be made by either having the authorized purchaser sign and draw money from the fund in advance or using the purchaser's own money and then being reimbursed later from the fund.
- (2) All petty cash purchases shall be approved in advance by the Department Head (or designee).
- (3) A proper receipt, signed by the purchaser, shall be provided for all purchases made from the petty cash. If an advance was drawn from the fund and the actual purchase amount is less, the difference shall be returned as soon as practical.
- (4) One designated individual shall be responsible for making all deposits to and withdrawals from the petty cash fund. The fund shall be reconciled on a weekly basis.
- (5) The detail of purchases made from the petty cash fund shall be included in the regular financial reports provided to the Village Board.

(b) **Village-Issued Credit Card.**

- (1) Making purchases using a credit card issued by the Village shall be the preferred method of purchasing and payment under the following circumstances:
 - (i) The vendor accepts payment by credit card.
 - (ii) There is no additional cost associated with use of a credit card.
 - (iii) It is advantageous to the Village to purchase by credit card.
- (2) The Village shall use just one type of credit card, with the choice of card and financial institution to be determined on the basis of the most advantageous terms to the Village. One or more credit cards may be issued in the name of a Village Employee or specific Village Department as determined by the Administrator/Treasurer.
- (3) The Administrator/Treasurer shall determine the maximum credit limit that will apply to the credit card(s).

- (4) Each Department Head may determine which employee(s) will have access to the departmental credit card(s) and the credit limit to which they are authorized to charge. Access shall be restricted as much as possible.
- (5) To the extent possible, purchases made by credit card should be authorized in advance by the Department Head or a designee. If this is not possible, the purchase shall be reported as soon as practicable.
- (6) Payment Procedures
 - (i) Proper documentation or receipts shall be obtained for all purchases made by credit card. This documentation shall be submitted to the Department Head as soon as possible who will review and retain it for later use. To ensure timely payment of credit card charges, proper documentation of all charges must be submitted no later than the end of each payroll period. If documentation is not readily available the employee may instead sign and submit a form confirming that the purchase was authorized by them and payment should be made.
 - (ii) When the monthly credit card statement is received the Department Head shall compare the purchases itemized on the statement with the documentation of purchases submitted during the month and code the purchases to the proper budget accounts.
 - (iii) Once approved for payment, the statement shall be submitted to Administration for payment at the next regular Village Board meeting. Payments shall be processed in a timely manner to avoid incurring finance charges.
- (c) **Physical Check.** The following information must be complete before a payment by check can be processed:
 - (i) Proper authorizing document (invoice, Village Board action, contract, etc.)
 - (ii) Vendor name, address, and ID number (as applicable).
 - (iii) Budget account code(s).
 - (iv) Detailed invoice describing the type and quantities or items delivered and the amount due.
 - (v) Signature of Department Head (or designee) acknowledging receipt of the item in good condition and authorizing payment.

- (vi) Comparison to budget to make sure that sufficient funding is available to pay the invoice as may be necessary.
- (d) **Sales Taxes.** The Village is exempt from paying all local and state sales taxes and Federal Excise taxes. The Village staff shall provide necessary exemption documents to vendors upon request.
- (e) **Specifications.** Department Heads shall be responsible for the development of necessary standard specifications as they relate to public construction, equipment, materials, and other goods/services. Standard specifications shall only be developed for projects and items included in the most recent approved version of the 5 year Capital Improvement Plan. Review and approval as may be necessary of the Standard Specifications for projects and items shall be completed by the relevant board, commission, or committee related to the project or item in question.
- (f) **Dispute Resolution.** Any party felt to be aggrieved by the outcome of a procurement shall follow the dispute resolution procedure provided for in bid notice, RFP, SOQ, or other procurement document as provided for. All other parties with a claim against the Village and/or its officers, agents, or employees will be required to follow Wis. Stats. 893.80.

Adopted: April 22, 2013

Revised: February 27, 2017

| October 22, 2018

VILLAGE OF MCFARLAND CONTRACT

Expiration Date: _____

Maximum Cost: _____

Registered Agent: _____

Address: _____

THIS CONTRACT, made and entered into, by and between the Village of McFarland (hereinafter referred to as "VILLAGE") and _____ (hereafter, "PROVIDER"),

WHEREAS VILLAGE, whose address is 5915 Milwaukee St., P.O. Box 110, McFarland, WI 53558, desires to purchase services from PROVIDER for the purpose of _____
_____; and

WHEREAS PROVIDER, whose address is _____,
is able and willing to provide such services;

NOW, THEREFORE, in consideration of the above premises and the mutual covenants of the parties hereinafter set forth, the receipt and sufficiency of which are acknowledged by each party, VILLAGE and PROVIDER agree as follows:

- I. TERM. The term of this Contract shall commence as of the date on which all parties have executed this Contract and shall end as of the EXPIRATION DATE set forth on page 1 hereof, unless sooner agreed to in writing by the parties or as provided in Section IV. PROVIDER shall complete its obligations under this Contract not later than the EXPIRATION DATE.
- II. SERVICES.
 - A. PROVIDER agrees to provide the services detailed in the attached Schedule A.
 - B. PROVIDER shall commence, carry on and complete its obligations under this Contract with all deliberate speed and in a sound, economical and efficient manner, in accordance with this Contract and all applicable laws. In providing services under this Contract, PROVIDER agrees to cooperate with the various departments, agencies, employees and officers of VILLAGE. Time is of the essence with regard to all dates for completion of any services under this Contract unless expressly provided otherwise.
 - C. PROVIDER agrees to secure at PROVIDER's own expense all personnel necessary to carry out PROVIDER's obligations under this Contract. Such personnel shall not be deemed to be employees of VILLAGE nor shall they or any of them have or be deemed to have any direct contractual relationship with VILLAGE.

- D. All services by PROVIDER shall be performed in a good and workmanlike manner and consistent with all standards of performance customary in the State of Wisconsin as well as any standards of quality advertised by PROVIDER.
- III. ASSIGNMENT/TRANSFER: PROVIDER shall neither assign nor transfer any interest or obligation in this Contract, without the prior written consent of VILLAGE unless otherwise provided herein, provided that claims for money due or to become due PROVIDER from VILLAGE under this Contract may be assigned to a bank, trust company or other financial institution without such approval if and only if the instrument of assignment contains a provision substantially to the effect that the right of the assignee in and to any moneys due or to become due to PROVIDER shall be subject to prior claims of all persons, firms and corporations for services rendered or materials supplied for the performance of the work called for in this Contract. PROVIDER shall promptly provide notice of any such assignment or transfer to VILLAGE.
- IV. TERMINATION.
- A. The Village may terminate this Contract for any reason upon thirty (30) day written notice to PROVIDER.
- B. The following shall constitute grounds for immediate termination:
1. violation by PROVIDER of any State, Federal or local law, or failure by PROVIDER to comply with any applicable States and Federal service standards, as expressed by applicable statutes, rules and regulations.
 2. failure by PROVIDER to carry applicable licenses or certifications as required by law in order to complete the services to be provided under this Contract.
 3. failure of PROVIDER to comply with reporting requirements contained herein.
 4. inability of PROVIDER to perform the work provided for herein.
- C. Failure of the Village Board or the State or Federal Governments to appropriate sufficient funds to carry out VILLAGE's obligations hereunder, shall result in automatic termination of this Contract as of the date funds are no longer available, without notice.
- D. Upon the expiration or any termination of this Contract, all finished and unfinished documents, services, papers, data, products, and the like prepared, produced or made by PROVIDER under this Contract shall at the option of VILLAGE become the property of VILLAGE, and PROVIDER shall be entitled to receive just and equitable compensation, for any satisfactory work completed on such documents, services, papers, data, products. Notwithstanding the above, PROVIDER shall not be relieved of liability to VILLAGE for damages sustained by VILLAGE by virtue of any breach of this Contract by PROVIDER, and VILLAGE may withhold any payments to PROVIDER for the purpose of offset.
- V. PAYMENT. VILLAGE agrees to make such payments for services rendered under this Contract as and in the manner specified herein and in the attached Schedule B, which is fully incorporated herein by reference. Notwithstanding any language to the contrary in this Contract or its attachments, VILLAGE shall never be required to pay more than the sum set forth on page 1 of this Contract under the heading MAXIMUM COST, for all services rendered by PROVIDER under this Contract.
- VI. REPORTS. PROVIDER agrees to make such reports as are required in the attached Schedule C, which is fully incorporated herein by reference. With respect to such reports it is expressly understood that time is of the essence.

VII. DELIVERY OF NOTICE. Notices, bills, invoices and reports required by this Contract shall be deemed delivered as of the date of postmark if deposited in a United States mailbox, first class postage attached, addressed to a party's address as set forth above. Either party may change the address to which notices should be sent by written notice to the other party.

VIII. INSURANCE.

A. PROVIDER shall indemnify, hold harmless and defend VILLAGE, its boards, committees, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which VILLAGE, its officers, employees, agencies, boards, commissions and representatives may sustain, incur or be required to pay by reason of PROVIDER's acts or omissions in the course of furnishing the services or goods required to be provided under this Contract, provided, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses to the extent caused by or resulting from the acts or omissions of VILLAGE, its agencies, boards, commissions, officers, employees or representatives. The obligations of PROVIDER under this paragraph shall survive the expiration or termination of this Contract.

B. In order to protect itself and VILLAGE, its officers, boards, committees, agencies, agents, volunteers, employees and representatives under the indemnity provisions of the subparagraph above, PROVIDER shall, at PROVIDER's own expense, obtain and at all times during the term of this Contract keep in full force and effect the insurance coverages, limits, and endorsements listed below. When obtaining required insurance under this Contract and otherwise, PROVIDER agrees to preserve VILLAGE's subrogation rights in all such matters that may arise that are covered by PROVIDER's insurance. Neither these requirements nor the VILLAGE's review or acceptance of PROVIDER's certificates of insurance is intended to limit or qualify the liabilities or obligations assumed by the PROVIDER under this Contract.

Commercial General Liability.

PROVIDER agrees to maintain Commercial General Liability insurance at a limit of not less than \$1,000,000 per occurrence. Coverage shall include, but not be limited to, Bodily Injury and Property Damage to Third Parties, Contractual Liability, Personal Injury and Advertising Injury Liability, Premises-Operations, Independent PROVIDERs and Subcontractors, and Fire Legal Liability. The policy shall not exclude Explosion, Collapse, and Underground Property Damage Liability Coverage unless the VILLAGE waives such requirement in writing. The policy shall list the VILLAGE as an Additional Insured.

Commercial/Business Automobile Liability.

PROVIDER agrees to maintain Commercial/Business Automobile Liability insurance at a limit of not less than \$1,000,000 Each Occurrence. PROVIDER further agrees coverage shall include liability for Owned, Non-Owned & Hired automobiles. In the event PROVIDER does not own automobiles, PROVIDER agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.

Environmental Impairment (Pollution) Liability

PROVIDER agrees to maintain Environmental Impairment (Pollution) Liability insurance at a limit of not less than \$1,000,000 per occurrence for bodily injury, property damage, and environmental cleanup costs caused by pollution conditions, both sudden and non-sudden, unless the VILLAGE waives this requirement in writing. This requirement can be satisfied by either a separate environmental liability policy or through a modification to the Commercial General Liability policy. Evidence of either must be provided.

Workers' Compensation.

PROVIDER agrees to maintain Workers Compensation insurance to the extent required by law.

Umbrella or Excess Liability.

PROVIDER may satisfy the minimum liability limits required above for Commercial General Liability and Business Auto Liability through an Umbrella or Excess Liability policy provided that the Annual Aggregate limit shall not be less than the highest "Each Occurrence" limit for the Commercial General Liability and Business Auto Liability. PROVIDER agrees to list the VILLAGE as an "Additional Insured" on its Umbrella or Excess Liability policy.

- C. Upon execution of this Contract, PROVIDER shall furnish VILLAGE with a Certificate of Insurance listing VILLAGE as an additional insured and, upon request, certified copies of the required insurance policies. If PROVIDER's insurance is underwritten on a Claims-Made basis, the Retroactive Date shall be prior to or coincide with the date of this Contract. The Certificate of Insurance shall state that professional malpractice or errors and omissions coverage, if the services being provided are professional services is Claims-Made and indicate the Retroactive Date, and PROVIDER shall maintain coverage for the duration of this Contract and for six (6) years following the completion of this Contract. PROVIDER shall furnish VILLAGE, annually on the policy renewal date, a Certificate of Insurance as evidence of coverage. It is further agreed that PROVIDER shall furnish the VILLAGE with a 30-day notice of aggregate erosion, in advance of the Retroactive Date, cancellation, or renewal. It is also agreed that on Claims-Made policies, either PROVIDER or VILLAGE may invoke the tail option on behalf of the other party and that the Extended Reporting Period premium shall be paid by PROVIDER. In the event any action, suit or other proceeding is brought against VILLAGE upon any matter herein indemnified against, VILLAGE shall give reasonable notice thereof to PROVIDER and shall cooperate with PROVIDER's attorneys in the defense of the action, suit or other proceeding. PROVIDER shall furnish evidence of adequate Worker's Compensation Insurance, if required. In case of any sublet of work under this Contract, PROVIDER shall furnish evidence that each and every subcontractor has in force and effect insurance policies providing coverage identical to that required of PROVIDER.
 - D. The VILLAGE, acting at its sole option and through its Village Board, may waive any and all requirements contained in this Contract, such waiver to be in writing only. Such waiver may include or be limited to a reduction in the amount of coverage required above. The extent of waiver shall be determined solely by Village Board taking into account the nature of the work and other factors relevant to VILLAGE's exposure, if any, under this Contract.
- IX. NO WAIVER BY PAYMENT OR ACCEPTANCE. In no event shall the making of any payment or acceptance of any service or product required by this Contract constitute or be construed as a waiver by VILLAGE of any breach of the covenants of this Contract or a waiver of any default of PROVIDER and the making of any such payment or acceptance of any such service or product by VILLAGE while any such default or breach shall exist shall in no way impair or prejudice the right of VILLAGE with respect to recovery of damages or other remedy as a result of such breach or default.
- X. NON-DISCRIMINATION. During the term of this Contract, PROVIDER agrees not to discriminate on the basis of age, race, ethnicity, religion, color, gender, disability, marital status, sexual orientation, national origin, cultural differences, ancestry, physical appearance, arrest record or conviction record, military participation or membership in the national guard, state defense force or any other reserve component of the military forces of the United States, or political beliefs against any person, whether a recipient of services (actual or potential) or an employee or applicant for employment, except to the extent that such factors are substantially related to the qualifications of such person to perform the work or receive the services. Such equal opportunity shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff, termination, training, rates of pay, and any other form of compensation or level of service(s). PROVIDER agrees to post in conspicuous places, available to all employees, service recipients and applicants for employment and services, notices setting forth the provisions of this paragraph.

XI. MISCELLANEOUS.

- A. Registered Agent. PROVIDER warrants that it has complied with all necessary requirements to do business in the State of Wisconsin, that the persons executing this Contract on its behalf are authorized to do so, and, if a corporation, that the name and address of PROVIDER's registered agent is as set forth opposite the heading REGISTERED AGENT on page 1 of this Contract. PROVIDER shall notify VILLAGE immediately, in writing, of any change in its registered agent, his or her address, and PROVIDER's legal status. For a partnership, the term 'registered agent' shall mean a general partner. The person(s) executing this Contract on behalf of PROVIDER individually warrants and represents that he, she or they are duly authorized to enter into this Contract and bind the PROVIDER hereto, and that no signatures other than those shown in the signature blocks below are necessary to make this Contract binding on PROVIDER.
- B. Controlling Law and Venue. It is expressly agreed that in the event of any disagreement or controversy between the parties, Wisconsin law shall be controlling. Venue for any legal proceedings shall lie solely in the Dane County Circuit Court.
- C. Limitation of Contract. This Contract is intended to be an agreement solely between the parties hereto and for their benefit only. No part of this Contract shall be construed to add to, supplement, amend, abridge or repeal existing duties, rights, benefits or privileges of any third party or parties, including but not limited to employees of either of the parties.
- D. Entire Contract. The entire agreement of the parties is contained herein and this Contract supersedes any and all oral agreements and negotiations between the parties relating to the subject matter hereof. The parties expressly agree that this Contract shall not be amended in any fashion except in writing, executed by both parties.
- E. Counterparts. The parties may evidence their agreement to this contract upon one or several counterparts of this instrument, which together shall constitute a single instrument.
- F. Severability. In the event any provision, term or clause contained in this Contract shall be determined unlawful or unenforceable, such determination shall not affect the remaining provisions of this Contract which shall remain in full force and effect. In the event any such provision, term or clause shall be determined unlawful or unenforceable as to any particular person or circumstances, such determination shall not affect the applicability of such provision to any other person or under any other circumstances.

IN WITNESS WHEREOF, VILLAGE and PROVIDER, by their respective authorized agents, have caused this Contract and its Schedules to be executed, effective as of the date by which all parties hereto have affixed their respective signatures, as indicated below.

FOR PROVIDER:

Date Signed: _____

Date Signed: _____

* [print name and title, below signature line of any person signing this document]

* * *

FOR VILLAGE:

Date Signed: _____
Brad Czebotar, Village President

Date Signed: _____
Cassandra Suettinger, Clerk/Treasurer

Approved as to form:

Allen D. Reuter
Village Attorney

GENERAL INSTRUCTIONS FOR COMPLETING SCHEDULES “A”, “B”, “C”

Schedule A

1. Describe services to be performed **in detail**.
2. Add in any time limits on when the services are to begin, when to end, and any other definite or referable time limits.
3. Put in any cancellation provision you want or reference cancellation to a proposal or bid. If you don't do anything, there will be no cancellation provision.
4. Add in any assignment provisions, if necessary, or reference proposal or bid provision. Again, if you do nothing, there will be no assignment provisions allowable. That is the normal course of events.
5. Include any standards to be used by the Provider when doing the work; these can be referenced to a proposal or can be written out here and subject to your on-going approval.
6. Add in anything you are supposed to do to aid or facilitate the work of the Provider.

Schedule B

1. Indicate the maximum amount the Provider will be paid.
2. Include how Provider will be paid, that is, whether in one lump sum at the beginning or end, a percentage now and installments later on, how payments are referenced if installments (whether by percent and dates, by amount of work done, flat dollar amount by units of service billed to you, etc.). If you are using unit cost basis, make sure that a unit is identifiable and measurable and is described in Schedule “A”.
3. Describe how the Provider is to bill the VILLAGE. If a Provider is to bill you, indicate when they will be paid (30 days, 60 days, etc.) after receipt of the bill.

Schedule C

1. Describe the nature and dates of any reports required. Be specific.
2. If audits are to be performed or permitted at your option, indicate that here. Remember: audits after the term of the contract are useless unless you have withheld a part of the payments until the audit is complete and satisfactory to you.

Example

SCHEDULE "A"

- I. Pursuant paragraph #1 of the attached CONTRACT, the PROVIDER shall provide the following services:
 - a. Examine in detail the operations of the Sanitary department with a view toward recommending improvements in the manner in which in-coming work is assigned to the various field personnel. It is contemplated that this work shall be accomplished by the PROVIDER assigning one of its staff full-time to this phase until accomplished. Date of completion: not later than 7-15-16.
 - b. Make detailed written recommendations for the improvement of the in-take functions of the Sanitary department described in a. above. The goal of this phase is to increase the efficiency of the department and to expedite requests for inspections by members of the public. Date of completion: 7-15-16.
 - c. Evaluate the recommendations in b. above by auditing the intake functions of the department after the recommendations have been instituted and make any necessary adjustments. This is contemplated to be an on-going process over a period of 5 months, with a completion date of January 15, 2016.
- II. In accomplishing the objectives of I. above, the PROVIDER is to adhere to the concepts and provisions of its proposal dated July 1, 2015, and attached hereto and incorporated herein by reference.
- III. VILLAGE personnel shall cooperate with the PROVIDER and its agents in the performance of the PROVIDER'S obligations hereunder.

Example

SCHEDULE "B"

- I. PROVIDER shall be paid on the basis of work completed, when completed at the following rates:
 - a. For the completion of Schedule "A", para I.a., the sum of \$2,000.00 if completed timely, with a reduction of 1% of said amount for each calendar day uncompleted beyond the schedule completion date.
 - b. For the completion of Schedule "A", para I.b., the sum of \$5,000.00 if completed timely, a reduction of 2% for each day late.
 - c. For completion of Schedule "A", para I.c., the sum of \$25.00 for each hour of service actually spent evaluating and auditing the performance of the department under the recommendations of the PROVIDER, the PROVIDER to submit monthly, by the 10th of the succeeding month, a bill itemizing hours spend in performance of said duties.
- II. If PROVIDER is timely with respect to all its obligations under this CONTRACT, the VILLAGE shall make payments due within 30 days of the dates of completion of PROVIDER'S obligations or of billing, as appropriate. If PROVIDER fails to meet time limits, VILLAGE'S payments will be delayed an additional 30 days.
- III. In no event shall the PROVIDER be paid more than the sum of \$2,000.00 for its obligations under para. I.c. above.

SCHEDULE "C"

- I. In addition to other reports required herein, the PROVIDER shall provide a written summary of its audit results under Schedule "A", para. I.c., no later than March 15, 2001. The VILLAGE shall withhold the sum of \$500.00 due as payment hereunder until such written summary is received.