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FINANCE DEPARTMENT
100 N. APPLETON STREET
APPLETON, WI 54911

MEMO

To: Alderperson Kathy Plank and Members of the Finance Committee
From: Jeff Fait, Purchasing Manager
Date: 9/17/2015
Re: Review of Requested Changes to the Procurement and Contract Management Policy

This item is presented as an informational item to the Finance Committee for review and comment. Since the last review of this policy, several requests for future changes have been received from City departments. These changes have been incorporated into the attached "strike and bold" draft of the current policy. This review will allow for staff to incorporate input from committee members into a final draft for recommendation and council approval at a subsequent meeting. Should the committee find the requested changes acceptable as presented, staff asks the committee to consider moving this item to the Action agenda for recommendation.

Requested changes, in order of significance, are as follows:

Pg. 9-11 Modifications to the Change Order approval and reporting requirements. Changes are intended to reduce administrative delays during projects, while maintaining reporting requirements and final payment controls.

Pg. 5 Increases to quote and committee approval levels. Requested to streamline daily procurement activities and project schedules when lowest cost sources are known. Also brings thresholds up to speed with comparable municipalities' policies (see survey results attached).

Pg. 6-7 Increases to sole source approval thresholds. Sole source justifications will receive the same scrutiny and diligence at staff level. Committee approval threshold of \$25,000 or more would line up with the contract approval level on pg. 5, item (3).

Pg. 11 Increase in threshold for formal competitive solicitations. This will facilitate more informal quote/proposal processes for services under \$25,000, reducing staff time for formal processes and creating efficiencies in project scheduling.

Pg. 13 Add surplus disposition method #6. Including this method allows the City to take advantage of one-time opportunities to dispose of specialized surplus and maximize revenue from the sale.

Pg. 15-16 Add exception regarding Valley Transit and application of the Local Procurement resolution. The FTA has ruled against our application of this resolution as a "geographic preference."

Pg. 18 Add steps for Contract Routing. This language formalizes our current procedure for internal contract review and signature.

Pg. 18 Add policy for advance/down payments. Formalizes the City's existing policy for payments to vendors prior to shipment or performance.

Various pages - Miscellaneous cleanup and clarification of existing language.

Thank you for your consideration of these proposed changes. Please feel free to contact me should you have any questions.