



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Agenda - Final Appleton Redevelopment Authority

Wednesday, December 12, 2018

10:00 AM

Council Chambers, 6th Floor

1. Call meeting to order
2. Roll call of membership
3. Approval of minutes from previous meeting

[18-1803](#) ARA Minutes from 11-19-18

Attachments: [ARA Minutes 11-19-18.pdf](#)

4. Public Hearings/Apearances

5. Action Items

[18-1804](#) Ratify the closing of the Bond Document in recognition of the Quit Claim Deed transferring the Fox Cities Exhibition Center from the City of Appleton to the Appleton Redevelopment Authority

Attachments: [Quit Claim Deed for FCEC Memo_12-6-18.pdf](#)

[QCD ExhibitionCenter May2018.pdf](#)

[18-1829](#) Request to amend the contract incorporating the additional scope of services for 222 N. Oneida Street proposed by OMNNI Associates, Inc. in the attached Amendment dated December 6, 2018 for an amount not to exceed \$14,835 (\$12,900 + 15% contingency of \$1,935)

Attachments: [OMNNI Contract Amendment Memo_222 N Oneida_12-7-18.pdf](#)

[OMNNI Amendment001_222 N Oneida.pdf](#)

[OMNNI Contract Memo_222 N Oneida_3-5-18.pdf](#)

[OMNNI Site Investigation Proposal_222 N Oneida.pdf](#)

[Procurement+Contract Management Policy_10-7-15.pdf](#)

6. Information Items

18-1814

Contract with Ehlers to prepare project plan amendments to Tax Incremental Financing (TIF) Districts #3 and #11 in an amount not to exceed \$16,650

Attachments: [Ehlers Amend TIDs 3 and 11 Memo.pdf](#)

[Appleton_ProjectDisclosure_2019 TID No. 3 and 11 Territory Amendments.pdf](#)

[Map of TIFs 3, 11, 12.pdf](#)

[ProcurementandContractManagementPolicy_SoleSource.pdf](#)

7. Adjournment

Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.

Any questions about items on this meeting are to be directed to Karen Harkness, Director, Community and Economic Development Department at 920-832-6468.

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



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Minutes - Final Appleton Redevelopment Authority

Monday, November 19, 2018

9:00 AM

Council Chambers, 6th Floor

SPECIAL

1. Call meeting to order

Meeting called to order at 9:00 a.m.

2. Roll call of membership

Present: 5 - Higgins, Van Dyke, Downs, Woodford and Alderperson Coenen

Excused: 2 - Fisher and Brokl

Others present:

Linda Garvey, Red Lion Hotel Paper Valley

3. Approval of minutes from previous meeting

[18-1679](#)

ARA Minutes from 10-11-18

Attachments: [ARA Minutes 10-11-18.pdf](#)

Woodford moved, seconded by Higgins, that the Minutes be approved. Roll Call. Motion carried by the following vote:

Aye: 5 - Higgins, Van Dyke, Downs, Woodford and Alderperson Coenen

Excused: 2 - Fisher and Brokl

4. Public Hearings/Appearances

5. Action Items

[18-1680](#)

Request to approve the purchase of a commercial floor machine for the Fox Cities Exhibition Center at a cost not to exceed \$11,395.05

Attachments: [FCEC Commercial Floor Machine Memo.pdf](#)
 [Email Thread FCEC Commercial Floor Machine.pdf](#)
 [Tartan Supply Floor Machine Quote.pdf](#)

Alderson Coenen moved, seconded by Higgins, that the Report Action Item be approved. Roll Call. Motion failed by the following vote: Aye: 1 - Coenen, Nay: 4 - Higgins, Van Dyke, Downs and Woodford, Excused: Fisher and Brokl

Woodford moved, seconded by Van Dyke, that the Report Action Item be denied. Roll Call. Motion carried by the following vote:

Aye: 4 - Higgins, Van Dyke, Downs and Woodford

Nay: 1 - Alderson Coenen

Excused: 2 - Fisher and Brokl

6. Information Items

[18-1682](#)

Update on 222 N. Oneida Street

This item was presented and discussed.

[18-1683](#)

Report on meeting of ARA Exhibition Center Advisory Committee held on November 13, 2018

Attachments: [ARA Exhibition Center Advisory Committee Minutes 11-13-18.pdf](#)

This item was presented and discussed.

[18-1685](#)

2019 ARA Budget Adopted by Common Council on November 14, 2018

Attachments: [2019 CIP Appleton Redevelopment Authority Budget.pdf](#)

This item was presented and discussed.

7. Adjournment

Alderson Coenen moved, seconded by Higgins, that the meeting be adjourned at 9:30 a.m. Roll Call. Motion carried by the following vote:

Aye: 5 - Higgins, Van Dyke, Downs, Woodford and Alderson Coenen

Excused: 2 - Fisher and Brokl



"...meeting community needs...enhancing quality of life."

MEMORANDUM

TO: Appleton Redevelopment Authority (ARA)

FROM: Karen Harkness, Director of Community & Economic Development

DATE: December 6, 2018

RE: Quit Claim Deed for the Fox Cities Exhibition Center (FCEC)

The Quit Claim deed was recorded the day the Bonds closed, May 1, 2018.

As part of the bonding, the City of Appleton quitclaimed and conveyed without warranty, all rights, title and interest of the City of Appleton to the Appleton Redevelopment Authority.

The City of Appleton leases the FCEC from the Appleton Redevelopment Authority.

While ratifying the closing of the Bond Documents and acceptance of the Quit Claim Deed was not a requirement for the bonding closing process to proceed, it would serve to formalize ARA's recognition and acknowledgment of this action and is being recommended for that reason.

If you have any questions, please contact me at karen.harkness@appleton.org or 832-6408.

Document #: **2132218**

Date: **05-01-2018** Time: **03:46 PM**

Pages: **4** Fee: **\$30.00**

County: **OUTAGAMIE COUNTY** State: **WI**

Exempt Code: 2g

SARAH R VAN CAMP, REGISTER OF DEEDS

This document has been electronically
recorded and returned to:

First American Title Insurance Company

**QUIT CLAIM DEED AND
BILL OF SALE**

Document Number

Recording Area

Name and Return Address

David B. Ryan, Esq.
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202

31-2-0116-00

Parcel Identification Number (PIN)

No real estate transfer fee is applicable, pursuant to Wis. Stats. §77.25 (2). Pursuant to Wis. Stats. §77.255, no return is required as the transferor herein is not a lender for the transaction described herein.

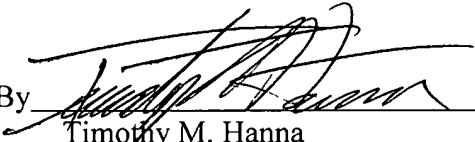
QUIT CLAIM DEED AND BILL OF SALE


The CITY OF APPLETON, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Grantor**”), hereby quitclaims and conveys, without warranty, to the REDEVELOPMENT AUTHORITY OF THE CITY OF APPLETON, WISCONSIN, a Wisconsin public body and a body corporate and politic, all right, title, and interest of Grantor in and to the real and personal property situated in Outagamie County, Wisconsin and described on Exhibit A hereto.

This is NOT homestead property. This conveyance is exempt from real estate transfer fee pursuant to Section 77.25 (2) of the Wisconsin Statutes.

Dated May 1, 2018.

CITY OF APPLETON, WISCONSIN

By 
Timothy M. Hanna
Its Mayor

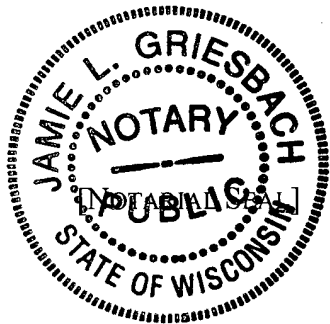
And 
Kami Lynch
Its Clerk

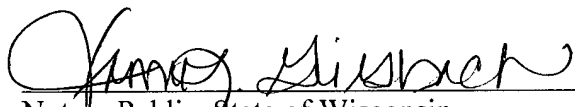


STATE OF WISCONSIN)
 SS
COUNTY OF OUTAGAMIE)

On April 17, 2018, before me, a Notary Public in and for said County, personally appeared Timothy M. Hanna and Kami Lynch of the CITY OF APPLETON, OUTAGAMIE COUNTY, WISCONSIN, a Wisconsin municipal corporation, to me known to be the persons who executed the foregoing instrument and to me known to be the Mayor and the Clerk of said municipal corporation, and acknowledged that they executed the foregoing instrument as such officers; that they know the seal of said municipal corporation; that the seal affixed to said instrument is the seal of said municipal corporation; that said instrument was signed and sealed on behalf of said municipal corporation by authority of its governing body pursuant to resolution passed and approved; and said persons severally acknowledged the execution of said instrument to be the free and voluntary act and deed of said municipal corporation by it being freely and voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.




Notary Public, State of Wisconsin
My Commission expires: 11-11-2021

This instrument was drafted by and should be returned to Attorney David B. Ryan Esq.,
Foley & Lardner LLP, 777 East Wisconsin Avenue, Milwaukee, WI 53202-5306

EXHIBIT A

The Fox Cities Exhibition Center includes all other buildings, structures, fixtures, and improvements now or hereafter located thereon, and all furniture, furnishings, equipment, machinery, appliances, apparatus, and other property of every kind and description installed or located on the real estate described below or the buildings and improvements situated thereon, and related site grading, landscaping, fencing, sidewalk and walkways, and utility lines.

The real estate referred to in this Quit Claim Deed and Bill of Sale is the following real estate located in the City of Appleton, Outagamie County, Wisconsin:

Parcel No. 31-2-0116-00

All of Lot 1 of Certified Survey Map Number 7521, recorded in the Office of the Register of Deeds for Outagamie County, Wisconsin on April 25, 2018, in Volume 45 of Certified Survey Maps on page 7521 as Document Number 2131705, being a redivision of Lot 1, CSM No. 7394 located in the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 26, Township 21 North, Range 17 East, City of Appleton, Outagamie County, Wisconsin, containing 329,275 square feet of land.

Address: 355 West Lawrence Street, Appleton, Wisconsin 54911



MEMORANDUM

TO: Appleton Redevelopment Authority

FROM: Matt Rehbein, Economic Development Specialist

DATE: December 7, 2018

RE: OMNNI Associates, Inc. Contract Amendment for Site Investigation and Remedial Activities at 222 N. Oneida Street in Appleton, WI

The Appleton Redevelopment Authority (ARA) acquired the property located at 222 N. Oneida Street in Appleton on December 21, 2017. As part of the due diligence, a Phase I and Phase II environmental report was completed by OMNNI Associates, Inc. As required by law, OMNNI notified the Wisconsin Department of Natural Resources of findings of exceedances for polycyclic aromatic hydrocarbons (PAHs) and volatile organic compounds (VOCs) in the soils. ARA received a "Responsible Party" letter from the DNR on January 24, 2018 outlining the responsibilities as owner of a contaminated parcel. ARA approved a contract with OMNNI Associates, Inc. authorizing spending up to \$25,260.40 on March 14, 2018 (memo and contract attached). To date, \$21,908 has been spent.

Based upon additional contamination and further information identified during completion of this work, three (3) additional test wells are recommended to try to establish end points of the contamination and to allow for closure of the site. Staff asked OMNNI to prepare a contract amendment for drilling and testing of these wells. Work identified in the original proposal, but not included since it was difficult to accurately predict at the beginning of the project, is included in this request.

The anticipated cost for the three (3) test wells with sampling is \$4,000, the total of DNR fees is estimated at \$2,900, and other OMNNI work to prepare the closure request is \$6,000, for a total cost of \$12,900.

The City's Procurement & Contract Management Policy (attached) requires soliciting competitive proposals/quotes for professional services [Sec. IV.C.(3)]. The City has already solicited competitive proposals for a Master Contract which is currently held with OMNNI Associates, Inc. Because the total cost of this project is anticipated to be over \$25,000, staff is seeking authority to proceed with the proposed amendment.

Staff Recommendation:

Staff is authorized to amend the contract incorporating the scope of services proposed by OMNNI Associates, Inc. in the Amendment dated December 6, 2018 for an amount not to exceed \$14,835 (\$12,900 + 15% contingency of \$1,935) **BE APPROVED**.

AMENDMENT TO AGREEMENT

This Amendment, Number 001, to the AGREEMENT FOR CONSULTING SERVICES, dated March 22, 2018 (the Agreement), between Appleton Redevelopment Authority (Client) and [OMNNI Associates, Inc.](#) (Consultant) is made effective as of the 6th day of December ,2018.

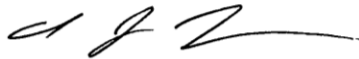
1. Consultant shall perform the following Services:

Based on groundwater results at the 222 N. Oneida Street project site during the site investigation, the Department of Natural Resources is requesting three additional groundwater wells to be installed and sampled. These costs are in addition to the original agreement and are depicted below. Additionally, the costs associated with site closure (if favorable groundwater results are attained from sampling the new wells) are also depicted below.

- Develop and submit a work plan to the Department of Natural Resources to install three new monitoring wells;
 - Mobilize to the site, drill, and conduct one round of groundwater sampling for three monitoring wells;
 - Deliver samples to Synergy laboratory for analysis;
 - Document and interpret results and package together with the Site Investigation Report currently being developed;
 - Applicable DNR review fees. A site investigation review fee is anticipated to be \$1,500 (if required), plus additional applicable site closure review fee and groundwater database fee of \$1,400;
 - Site closure documentation preparation and submittal (if groundwater sampling results of new wells are below Wisconsin Enforcement Standards).
2. In conjunction with the performance of the foregoing Services, Consultant shall provide the following submittals/deliverables (Documents) to Client:
- Results and interpretation shall be documented in the Site Investigation Report;
 - If results of groundwater sampling are below Wisconsin Enforcement Standards, a request for closure will be prepared as part of the deliverables.
3. Consultant shall perform the Services and deliver the related Documents (if any) according to the following schedule:
- It is anticipated Drilling to be scheduled in early 2019.
4. In return for the performance of the foregoing obligations, Client shall pay to Consultant the amount of \$12,900 of which \$2,900 are DNR fees, payable according to the following terms:
- Standard Terms and Conditions are outlined in the existing 2018 Contaminated Soils & Materials Testing contract for the City of Appleton.
5. Except to the extent modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

If you have any questions regarding this proposal, please do not hesitate to contact me. Your signature below will authorize us to proceed.

Sincerely,
OMNNI Associates, Inc.



Christopher J. Rogers P.G.
Hydrogeologist / Project Manager

CLIENT:
Appleton Redevelopment Authority

By: _____
(Signature)

Name: Karen Harkness
(Type or Print)

Title: Executive Director

Date: _____

CONSULTANT:
OMNNI Associates

By: Phillip T. Roberts
(Signature)

Name: Phillip T. Roberts, P.E.
(Type or Print)

Title: Engineering Services Manager

Date: 12/6/18



“...meeting community needs...enhancing quality of life.”

MEMORANDUM

TO: Appleton Redevelopment Authority

FROM: Matt Rehbein, Economic Development Specialist

DATE: March 5, 2018

RE: OMNNI Associates, Inc. Contract for Site Investigation and Remedial Activities at 222 N. Oneida Street in Appleton, WI

The Appleton Redevelopment Authority (ARA) acquired the property located at 222 N. Oneida Street in Appleton on December 21, 2017. As part of the due diligence, a Phase I and Phase II environmental report was completed by OMNNI Associates, Inc. As required by law, OMNNI notified the Wisconsin Department of Natural Resources of findings of exceedances for polycyclic aromatic hydrocarbons (PAHs) and volatile organic compounds (VOCs) in the soils. ARA received a “Responsible Party” letter from the DNR on January 24, 2018 outlining the responsibilities as owner of a contaminated parcel.

Staff asked OMNNI to prepare a proposal to assist with any further site investigation, remedial activities and guidance through the demolition of the structure on the property (attached).

The City’s Procurement & Contract Management Policy (attached) requires soliciting competitive proposals/quotes for professional services [Sec. IV.C.(3)]. The City has already solicited competitive proposals for a Master Contract which is currently held with OMNNI Associates, Inc. Because the total cost of this project is anticipated to be over \$25,000, staff is seeking authority to proceed with the proposed contract.

Staff Recommendation:

Award site investigation and remedial activities proposal for 222 N. Oneida Street to OMNNI Associates, Inc. in the amount of \$22,964.00 with a 10% contingency of \$2,296.40 for a project total not to exceed \$25,260.40 **BE APPROVED.**

February 14, 2018

Matthew Rehbein
Economic Development
City of Appleton
100 North Appleton Street
Appleton, WI 54911-4799

Re: Proposed Site Investigation and Remedial Activities at the 222 N. Oneida Street property in Appleton, WI.

Dear Mr. Rehbein:

Thank you for the opportunity to present this proposal and cost estimate to provide a site investigation and remedial activities for the 222 N. Oneida Street property. This proposal is intended to present a work scope and cost estimate for our services.

PROJECT INFORMATION

Previously OMNni Associates conducted a Phase I environmental site assessment (ESA) of the property at 222 N. Oneida Street, Appleton, WI to identify potential areas of contamination from current or previous uses of the property. The Phase I ESA identified a potential for underground storage tanks to still be present on the property as well as a concern for contamination associated with those underground storage tanks.

A Phase II ESA was also conducted at the property to determine if the tanks remain or if there was any contamination as a result of the prior history of the property. It was discovered that the property had multiple exceedances in soil and groundwater for their respective limits. It was recommended at that time that a notification of release be completed.

OMNni proposes to conduct a site investigation to define the extent of the contamination and assist with remedial actions during the demolition at the property in order for the City of Appleton to pursue beneficial reuse of the property.

PROPOSED SCOPE OF WORK

We propose the following scope of work:

1. Obtain bids from geoprobe contractors and select suitable contractor to perform activities.
2. Create a site work plan and submit the plan to the DNR.
3. Submit previously obtained analytical data to licensed landfill to obtain approval for the disposal of the impacted material that will be removed from the site. It is anticipated that the soil will go to Outagamie County Landfill or Waste Management's Whitelaw facility.

4. Develop a health and safety plan for OMNNI staff who will be on site for the remedial activities.
5. Assist the City of Appleton with their request for quote (RFQ) for the demolition and excavation related to the property.
6. Provide direction to the contractor to dig up to five test pits and give direction if the soil needs to be disposed of, due to contamination.
7. OMNNI will be on site during the excavation of the parking lot area to document soil conditions and assist with delivery of waste manifests to the contractor. Additionally, OMNNI will be available on an "On-Call" basis for the building demolition if any contamination is identified within or below the building footprint.
8. Obtain confirmatory soil samples at the base of the excavated soil for VOCs and/or PAHs depending on the location, and deliver to a certified laboratory for analysis.
9. Once site activities allow, OMNNI will coordinate the installation of two NR 141 groundwater monitoring wells to a depth of 15 feet. Wells will be placed in the vicinity of TW09 and TW06. These wells will be developed and sampled for volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs).
10. Abandon the remaining temporary wells on site in compliance with DNR requirements.
11. Evaluate data collected and prepare a site investigation report including OMNNI's interpretation of information gathered. The report would include a summary of all of the efforts to date at the site, the degree and extent of contamination, and would present recommendations to the DNR based upon the data collected.

NOT INCLUDED IN THIS SCOPE OF WORK

The following items are not included within this agreement, but are available at the request of the client. Consultant will not proceed with additional work without verbal or written confirmation from client.

1. Applicable DNR review fees. A site investigation review fee is anticipated to be \$1,500, plus additional applicable site closure review fee which could be an additional \$1,050 plus any continuing obligation fees listed within NR 749.
2. Any additional sampling beyond two rounds of groundwater sampling and all laboratory samples are based on a standard turn around.
3. Site closure documentation preparation and submittal is not part of this current scope of work, but is anticipated to be approximately \$5,000. However, this is variable as it is dependent on the results of the site investigation.
4. No landfill tipping fees are part of this scope of work.

5. This scope does not address any sampling that may be needed as a result of importing fill into the site.

CITY'S RESPONSIBILITY

Our proposal assumes the City will provide the following services:

1. Provide access to the subject property.

PROPOSED SCHEDULE

The proposed schedule for the work would be as follows:

- We understand that the City of Appleton is in the process of submitting an RFQ for the demolition of the building to take place before May 1, 2018. OMNNI would be able to start work on the project and work concurrently with the building demolition activities.
- It is OMNNI's intent to submit the site investigation report within 30 days of obtaining the results from the groundwater wells. The groundwater wells are anticipated to be installed after major demolition activities have been finished.

COST ESTIMATE

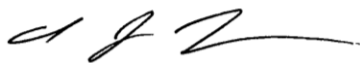
Our cost estimate is based on assumed time-and-materials requirements, and our existing fee schedule with the City for our consulting costs. Costs for geoprobe contractors, lab fees, and landfill administrative fees will be billed out at actual costs. The cost estimates are as follows: consulting fees of \$18,864, geoprobe subcontractor fees of \$2,600, landfill administrative fee of \$175, and environmental laboratory fees of \$1,325. The overall estimated costs including subcontractor fees is \$22,964.

CONDITIONS

Upon acceptance of this proposal, OMNNI Associates would begin this project under our existing 2018 Contaminated Soils & Materials Testing contract.

If you have any questions regarding this proposal, please do not hesitate to contact me. Your signature below will authorize us to proceed.

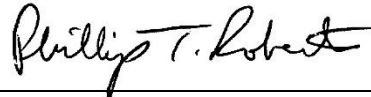
Sincerely,
OMNNI Associates, Inc.



Christopher J. Rogers P.G.
Hydrogeologist / Project Manager

City of Appleton
(Client)

OMNNI Associates, Inc.
(Consultant)



Matthew Rehbein
Economic Development Specialist

Phillip T. Roberts, P.E.
Engineering Services Manager

Date: _____

February 14, 2018 _____

EXHIBIT A

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.



"...meeting community needs...enhancing quality of life."

MEMORANDUM

TO: Community and Economic Development Committee (CEDC)

FROM: Karen Harkness, Director of Community & Economic Development

DATE: November 2, 2018

RE: Ehlers Contract to Prepare Project Plan Amendments to TIF #3 and TIF #11

Background

Tax Incremental Financing (TIF) District #3, originally created in 1992, is bounded by Richmond and Superior Streets, from the County Courthouse to the School Administration Building.

Primary projects included the Green and Yellow Ramps, the Radisson Paper Valley Hotel (currently the Red Lion Hotel Paper Valley) expansion, the Evans Title building, Appleton Retirement Community, the CopperLeaf Boutique Hotel & Spa and Richmond Terrace development.

TIF #3 was scheduled to close in 2021, but in 2011 was declared a distressed TID as allowed by ACT 310. The investment period ended in 2016. This designation allows the extension of the district's life by up to ten years beyond the original closing date and prohibits a TID overlay. TIF #3 is scheduled to close in 2031.

TIF #3 has several sites/properties that have low assessed value and high potential for redevelopment. Without TIF assistance, these parcels will not be redeveloped.

TIF #11 was created in 2017 and is contiguous to TIF #3. TIF #11 is bounded by East College Avenue from Durkee Street to just west of Superior Street, south to Water Street and north to East Washington Street. TIF #11 is scheduled to close in 2044.

Primary projects include U.S. Venture Headquarters, the Zuelke Building Redevelopment and several projects in due diligence phases.

Proposal

We propose to amend TIF #3 and remove low valued sites/properties while at the same time amending TIF #11 to include these sites in order to assist with rehabilitation and conservation of existing properties and businesses, as well as redevelopment of vacant, blighted and underutilized properties to support renewal of the area.

This would allow the City to provide targeted investments in this commercial corridor in conjunction with the private market, while recapturing the cost of participation through the increased property tax revenues. This encourages redevelopment, investment in property, higher community utilization, and, ultimately, an increase in assessed value and net new construction.

Ehlers Contract

Attached is a proposed sole source contract with Ehlers to prepare the Project Plans and related documents to amend TIF Districts #3 and #11, follow statutory requirements for approval, and to submit all required documents to the State for approval.

Ehlers fee is \$12,500 for the scope of service outlined in Appendix B of the attached contract. The City is responsible for the Wisconsin Department of Revenue Fees required to file the amendments, base year packet, base value redetermination, and annual administration fee in the amount of \$4,150, for a total cost of \$16,650.

The City Finance Department reviewed and concurred with our request for a single source contract for these services based on the following: Ehlers offers a technically complex professional service that few are qualified to provide. They possess a unique knowledge and experience set for TIF amendments in Wisconsin and the Fox Valley. The proposal for these services demonstrates a complete understanding of the City's requirements and a fee structure that is reasonable and customary for the scope of work. Soliciting additional proposals would introduce additional time, cost, and uncertainty into the process.

According to the City's Procurement and Contract Management Policy, 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. This is before CEDC as informational as no action is required for fees under \$25,000.

September 20, 2018

Karen Harkness, Director, Community and Economic Development
City of Appleton, Wisconsin
100 N Appleton St
Appleton, WI 54911

Re: Written Municipal Advisor Client Disclosure with the City of Appleton (“Client”) for 2019 TID No. 3 and TID No. 11 Territory Amendments (“Project” Pursuant to MSRB Rule G-42)

Dear Karen:

As a registered Municipal Advisor, we are required by Municipal Securities Rulemaking Board (MSRB) Rules to provide you with certain written information and disclosures prior to, upon or promptly, after the establishment of a municipal advisory relationship as defined in Securities and Exchange Act Rule 15Ba1-1. To establish our engagement as your Municipal Advisor, we must inform you that:

1. When providing advice, we are required to act in a fiduciary capacity, which includes a duty of loyalty and a duty of care. This means we are required to act solely in your best interest.
2. We have an obligation to fully and fairly disclose to you in writing all material actual or potential conflicts of interest that might impair our ability to render unbiased and competent advice to you. We are providing these and other required disclosures in **Appendix A** attached hereto.
3. As your Municipal Advisor, Ehlers shall provide this advice and service at such fees, as described within **Appendix B** attached hereto.

This documentation and all appendices hereto shall be effective as of its date unless otherwise terminated by either party upon 30 days written notice to the other party.

During the term of our municipal advisory relationship, this writing might be amended or supplemented to reflect any material change or additions.

We look forward to working with you on this Project.

Sincerely,

Ehlers



Todd Taves, CIPMA
Senior Municipal Advisor/Principal

¹ This document is intended to satisfy the requirements of MSRB Rule G-42(b) and Rule G-42(c).

Appendix A

Disclosure of Conflicts of Interest/Other Required Information

Actual/Potential Material Conflicts of Interest

Ehlers has no known actual or potential material conflicts of interest that might impair its ability either to render unbiased and competent advice or to fulfill its fiduciary duty to Client.

Other Engagements or Relationships Impairing Ability to Provide Advice

Ehlers is not aware of any other engagement or relationship Ehlers has that might impair Ehlers' ability to either render unbiased and competent advice to or to fulfill its fiduciary duty to Client.

Affiliated Entities

Ehlers offers related services through two affiliates of Ehlers, Bond Trust Service Corporation (BTSC) and Ehlers Investment Partners (EIP). BTSC provides paying agent services while Ehlers Investment Partners (EIP) provides investment related services and bidding agent service. Ehlers and these affiliates do not share fees. If either service is needed in conjunction with an Ehlers municipal advisory engagement, Client will be asked whether or not they wish to retain either affiliate to provide service. If BTSC or EIP are retained to provide service, a separate agreement with that affiliate will be provided for Client's consideration and approval.

Solicitors/Payments Made to Obtain/Retain Client Business

Ehlers does not use solicitors to secure municipal engagements; nor does it make direct or indirect payments to obtain or retain Client business.

Payments from Third Parties

Ehlers does not receive any direct or indirect payments from third parties to enlist Ehlers recommendation to the Client of its services, any municipal securities transaction or any financial product.

Payments/Fee-splitting Arrangements

Ehlers does not share fees with any other parties and any provider of investments or services to the Client. However, within a joint proposal with other professional service providers, Ehlers could be the contracting party or be a subcontractor to the contracting party resulting in a fee splitting arrangement. In such cases, the fee due Ehlers will be identified in a Municipal Advisor writing and no other fees will be paid to Ehlers from any of the other participating professionals in the joint proposal.

Municipal Advisor Registration

Ehlers is registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB).

Material Legal or Disciplinary Events

Neither Ehlers nor any of its officers or municipal advisors have been involved in any legal or disciplinary events reported on Form MA or MA-I nor are there any other material legal or disciplinary events to be reported. Ehlers' application for permanent registration as a Municipal Advisor with the (SEC) was granted on July 28, 2014 and contained the information prescribed under Section 15B(a)(2) of the Securities and Exchange Act of 1934 and rules thereunder. It did not list any information on legal or disciplinary disclosures.

Client may access Ehlers' most recent Form MA and each most recent Form MA-I by searching the Securities and Exchange Commission's EDGAR system (currently available at <http://www.sec.gov/edgar/searchedgar/companysearch.html>) and searching under either our Company Name (Ehlers & Associates, Inc.) or by using the currently available "Fast Search" function and entering our CIK number (0001604197).

Ehlers has not made any material changes to Form MA or Form MA-I since that date.

Conflicts Arising from Compensation Contingent on the Size or Closing of Any Transaction

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the client. Compensation contingent on the size of the transaction presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation. Compensation contingent on the closing of the transaction presents a conflict because the advisor may have an incentive to recommend unnecessary financings or recommend financings that are disadvantageous to the client. If the transaction is to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Any form of compensation due a Municipal Advisor will likely present specific conflict of interests with the Client. If a Client is concerned about the conflict arising from Municipal Advisor compensation contingent on size and/or closing of their transaction, Ehlers is willing to discuss and provide another form of Municipal Advisor compensation. The Client must notify Ehlers in writing of this request within 10 days of receipt of this Municipal Advisor writing.

MSRB Contact Information

The website address of the MSRB is www.msrb.org. Posted on the MSRB website is a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the financial regulatory authorities.

Appendix B

Tax Incremental Financing Services

Scope of Service

Client has requested that Ehlers assist Client with preparing and securing approval of Project Plan Amendments to subtract territory from Tax Increment District No. 3 and to add territory to Tax Incremental District No. 11 (“Project”). Ehlers proposes and agrees to provide the following scope of services:

Phase I – Feasibility Analysis

Omitted. Client will provide Ehlers with pertinent information related to the parcels to be subtracted and added as well as its most current tax increment and cash flow projections which can be used to satisfy the statutory requirement for inclusion of an economic feasibility study in the Project Plan.

Phase II – Project Plan Development and Approval

This phase includes preparation of the Project Plan, and consideration by the Plan Commission¹, governing body, and the Joint Review Board. This phase begins after receiving notification from the Client to proceed and ends after the Joint Review Board acts on the Project. As part of Phase II services, Ehlers will:

- Based on the goals and objectives identified in Phase I, prepare a draft Project Plan that includes all statutorily required components.
- We will coordinate with your staff, engineer, planner or other designated party to obtain a map of the proposed boundaries of the district, a map showing existing uses and conditions of real property within the district, and a map showing proposed improvements and uses in the district.
- Submit to the Client an electronic version of the draft Project Plan for initial review and comment.
- Coordinate with Client staff to confirm dates and times for the meetings indicated within the following table. Ehlers will ensure that selected dates meet all statutory timing requirements and will provide documentation and notices as indicated.

¹If Client has created a Redevelopment Authority or a Community Development Authority, that body may fulfill the statutory requirements of the Plan Commission related to creation or amendment of the district.

Meeting	Ehlers Responsibility	Client Responsibility
Initial Joint Review Board	<p>Prepare Notice of Meeting and transmit to Client's designated paper.</p> <p>Mail meeting notice, informational materials, and draft Project Plan to overlapping taxing jurisdictions.</p> <p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Prepare meeting minutes.</p> <p>Designate Client Joint Review Board representative.</p> <p>Identify and recommend Public Joint Review Board representative for appointment.</p>
Plan Commission Public Hearing	<p>Prepare Notice of Public Hearing and transmit to Client's designated paper.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p>
Plan Commission Public Hearing	<p>For blighted area districts and in need of rehabilitation or conservation districts, provide a format for the required individual property owner notification letters.</p> <p>Attend hearing to present draft Project Plan.</p>	<p>Prepare and mail individual property owner notices (only for districts created as blighted area, or in need of rehabilitation or conservation).</p> <p>Prepare meeting minutes.</p>
Plan Commission	<p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p> <p>Provide approval resolution for Plan Commission consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Distribute Project Plan & resolution to Plan Commission members in advance of meeting.</p> <p>Prepare meeting minutes.</p>
Governing Body Action	<p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p> <p>Provide approval resolution for governing body consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Provide Project Plan & resolution to governing body members in advance of meeting.</p> <p>Prepare meeting minutes.</p>
Joint Review Board Action	<p>Mail meeting notice and copy of final Project Plan to overlapping taxing jurisdictions.</p> <p>Prepare Notice of Meeting and transmit to Client's designated paper.</p> <p>Provide agenda language to Client.</p> <p>Attend meeting to present final Project Plan.</p> <p>Provide approval resolution for Joint Review Board consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Prepare meeting minutes.</p>

- Throughout the meeting process, provide drafts of the Project Plan and related documents in sufficient quantity for the Client's staff, Plan Commission, governing body and Joint Review Board members.
- Provide advice and updated analysis on the impact of any changes made to the Project Plan throughout the approval process.

Phase III – State Submittal

This phase includes final review of all file documents, preparation of filing forms, and submission of the base year or amendment packet to the Department of Revenue. This phase begins following approval of the district by the Joint Review Board and ends with the submission of the base year or amendment packet. As part of Phase III services, Ehlers will:

- Assemble and submit to the Department of Revenue the required base year or amendment packet to include a final Project Plan document containing all required elements and information.
- Provide the Client with an electronic copy of the final Project Plan (and up to 15 bound hard copies if desired).
- Provide the municipal Clerk with a complete electronic and/or hard copy transcript of all materials as submitted to the Department of Revenue for certification.
- Act as a liaison between the Client and the Department of Revenue during the certification process in the event any questions or discrepancies arise.

Compensation

In return for the services set forth in the "Scope of Service," Client agrees to compensate Ehlers as follows:

	Amend TID No. 3	Amend TID No. 11
Phase I	Omitted	Omitted
Phase II	\$ 5,500	\$ 5,500
Phase III	\$ 750	\$ 750
Total	\$ 6,250	\$ 6,250

For any service directed by Client and not covered by this, or another applicable Appendix, Ehlers will bill Client at an hourly rate that is dependent upon the task/staff required to meet Client request at no less than \$125.00/hour and not to exceed \$300.00/hour.

Payment for Services

For all compensation due to Ehlers, Ehlers will invoice Client for the amount due at the completion of each Phase. Our fees include our normal travel, printing, computer services, and mail/delivery charges. The invoice is due and payable upon receipt by the Client.

Client Responsibility

The following expenses are not included in our Scope of Services, and are the responsibility of Client to pay directly:

- Services rendered by Client's engineers, planners, surveyors, appraisers, assessors, attorneys, auditors and others that may be called on by Client to provide information related to completion of the Project.
- Preparation of maps necessary for inclusion in the Project Plan.
- Preparation of maps necessary for inclusion in the base year or amendment packet.
- Publication charge for the Notice of Public Hearing and Notices of Joint Review Board meetings.
- Legal opinion advising that Project Plan contains all required elements. (Normally provided by municipal attorney).
- Preparation of District metes & bounds description. (Needed in Phase III for creation of new districts, or amendments that add or subtract territory).
- Department of Revenue filing fee and annual administrative fees. The current Department of Revenue fee structure is:

Current Wisconsin Department of Revenue Fee Schedules	
Base Year Packet	\$1,000
Amendment Packet with Territory Addition	\$1,000
Amendment Packet with Territory Subtraction	\$1,000
Base Value Redetermination	\$1,000
Amendment Packet	No Charge
Annual Administrative Fee	\$150

The above Proposal is hereby accepted

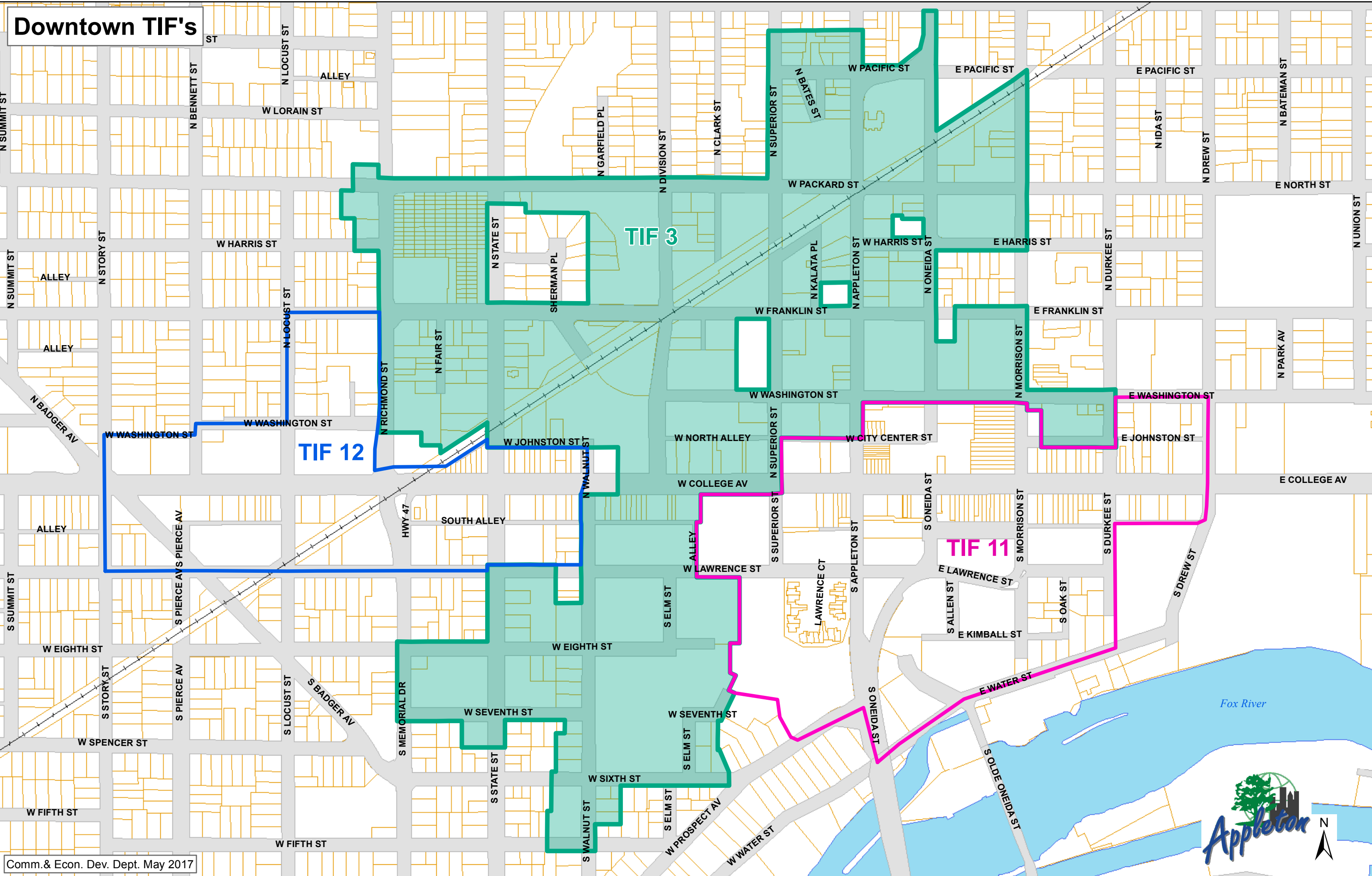
by the City of Appleton, Wisconsin,

by its authorized officer this ____ day of _____, 2018.

Signed

Title: _____

Downtown TIF's



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.

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,