

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Finance Committee
INITIATED BY



Sherry Oja, Finance Director
DRAFTED BY

Finance Committee
SUBMITTED BY

October 11, 2016
DATE DRAFTED

Amending Rock County's Purchasing Ordinance

1 **WHEREAS**, Rock County has an established Purchasing Ordinance; and,
2
3 **WHEREAS**, certain changes have been suggested by Department Heads and Purchasing Staff;
4
5 **NOW, THEREFORE, BE IT RESOLVED**, by the Rock County Board of Supervisors duly
6 assembled this 17th day of NOVEMBER, 2016 does hereby amend Chapter 2, Part 2, Subpart 2,
7 of the County's Purchasing Ordinance as follows (deleted language crossed out, added language
8 underscored):
9

10 **CHAPTER 2, PART 2, SUBPART 2**
11 **PURCHASING ORDINANCE**

12
13 **2.211 Purpose**

14
15 (1) This ordinance is intended to achieve greater efficiency and economy in the
16 operation of Rock County government and to encourage competition and business in Rock
17 County by centralizing all County purchasing within the Finance Department, except
18 insofar as otherwise specifically authorized by provisions of this ordinance.
19

20 (2) This ordinance shall not be construed to grant any rights to any vendor or any person
21 applying to be a vendor of goods or services to Rock County.
22

23 (3) This ordinance shall be administered and construed in a manner consistent with all
24 applicable State and Federal laws and, insofar as any State or Federal law is intended to
25 preempt local authority, any provision of this ordinance which is inconsistent with such
26 State or Federal law, that provision of this ordinance shall be null and void to the extent of
27 the inconsistency.
28

29 **2.212 Authority**

30
31 This ordinance is created pursuant to the authority granted by, without limitation by reason
32 of enumeration, Sections 59.03(1), 59.51(2), 59.52(6), 59.52(8), 59.52(9) and 59.52(29) of
33 the Wisconsin Statutes.
34

35 **2.213 Administration**

36
37 The provisions of this ordinance and any regulations adopted hereunder shall be
38 administered, supervised and enforced by the Finance Director, subject to the authority of
39 the County Administrator and policy review by the Finance Committee. Administrative
40 rules shall be developed which are appropriate to ensure compliance with the terms of this
41 ordinance and on-going administrative, financial and legal review of all contract
42 documents entered into on behalf of Rock County. The Finance Committee may by rule
43 require additional procedures or impose limitations beyond those expressly set forth in this
44 ordinance insofar as the Committee determines that such action will further the intent and
45 purpose of this ordinance.

16-10B-138

46 **2.214 Appropriations**

47
48 All procurement transactions shall be in accordance with the appropriations made by the
49 County Board for the operation of the respective County departments and agencies. No
50 transaction shall be substantially completed unless adequate funds have been appropriated
51 for the purpose. Items not separately enumerated in the annual County budget, including
52 furniture and equipment, must be approved for purchase, in advance, by the County
53 Administrator or designee upon written justification.

54
55 **2.215 Definitions**

56
57 (1) Bidder - shall mean all natural persons, corporations, partnerships, associations,
58 joint ventures, trusts, or any other form of business affiliation whatever, submitting an
59 offer for the provision of goods or services to the County in accord with specifications
60 supplied by the County, or making an offer to purchase an item in accord with a call for
61 bids issued by the County.

62
63 (2) Decentralized purchasing authority - shall mean the authority to determine the need
64 for and procure goods and services in accordance with the delegation of such authority by
65 the Finance Committee to a department other than the Purchasing Division of the Finance
66 Department. Such authority may only be exercised in the requisitioning of specified
67 purchases in a designated period of time as described in a written purchase order issued by
68 the Purchasing Division.

69
70 (3) Most responsible and responsive bidder - shall mean that Bidder who offers, as
71 appropriate, either lowest cost or highest payment, the best quality to the County, and who
72 possesses the necessary financial responsibility, skill, ability and integrity to perform the
73 obligations required by the transaction. However, in no instance may a bidder who has
74 been convicted of bid rigging or price fixing within three years of submission of the bid
75 involved and which involved a contract with the County, be considered the most
76 responsible and responsive bidder.

77
78 (4) Professional Services - shall mean unique or technical functions performed by
79 independent contractors whose primary occupation is the rendering of these services.
80 Such services are characterized by extended analysis, the exercise of discretion and
81 independent judgment in their performance, and an advanced, specialized type of
82 knowledge, expertise, or training customarily acquired either by a prolonged course of
83 study or equivalent experience in the field. Examples of professional services include,
84 without limitation by reason of enumeration, medicine and the medical arts, management
85 and systems consultation, research, the performing arts, surveyor and surveyor services,
86 engineering and architectural design services.

87
88 (5) Purchase of Goods - shall mean any transaction between the County and any party
89 or parties by which the County is to receive a tangible commodity or property, excepting
90 real property, in exchange for money or other valuable consideration.

91
92 (6) Purchase of Services - shall mean any transaction between the County and any party
93 by which the County is to receive useful labor or activity in return for money or other
94 valuable consideration, but does not include labor performed as an employee of Rock
95 County.

96
97 (7) County Auction - shall mean an auction conducted on behalf of Rock County which
98 is advertised in advance and open to the general public.

99
100 (8) Regulations - shall mean those rules or guidelines issued by the Finance Committee
101 to implement the provisions or administration of this ordinance.

102
103 (9) Transactions - shall mean any act or agreement between the County and any other
104 party or parties which alters the legal relationship between them, such as, but not limited
105 to, contracts or agreements for services or goods or any real or personal property,
106 concessions, leases and rentals.

107 **2.216 Finance Director and Finance Committee**
 108

109 The Finance Director, acting under the administrative authority of the County
 110 Administrator and the policy oversight of the Finance Committee, shall exercise the
 111 following duties and functions relating to this ordinance:
 112

- 113 (1) Implement the provisions of this ordinance through the activities of the Purchasing
 114 Division of the Finance Department, and by providing administrative assistance, training
 115 and support to all County officials and employees in activities governed by this ordinance.
 116
- 117 (2) Ensure that sufficient appropriate written regulations are in place to provide guidance
 118 to those engaged in activities within the scope of this ordinance, and monitor the
 119 administration of prescribed policies and procedures.
 120
- 121 (3) Enforce the provisions of the ordinance by suitable measures.
 122
- 123 (4) Advise and consult with all concerned departments and committees concerning the
 124 conduct of transactions in accordance with this ordinance, upon request, or as deemed
 125 necessary by the Finance Director, the County Administrator, or the Finance Committee.
 126
- 127 (5) Promote standardization of equipment and supplies within Rock County government.
 128
- 129 (6) In conjunction with the Finance Committee, provide suitable safeguards and
 130 procedures so that relatively small or routine matters need not be automatically referred to
 131 the Board or its committees.
 132
- 133 (7) Refer to the County Administrator or County Board any transactions which the
 134 Finance Director or Finance Committee views as affecting general County policy.
 135
- 136 (8) In conjunction with the Finance Committee, designate decentralized buying
 137 authorities, as provided for under sec. 2.218(3)(a) of this ordinance.
 138

139 **2.217 Disposal of Unsuitable or Unusable Goods**
 140

141 All equipment or supplies which have become unsuitable or unnecessary to their needs
 142 shall be disposed of through a County auction, except for items which are to be traded in
 143 or applied on any purchases or are determined to be worthless. Exceptions may be made
 144 by the Finance Committee for the sale of certain items on the open market at a minimum
 145 predetermined price to be approved by the Committee, and for items needed by any county
 146 department or municipality. Sales of items to another municipality shall be at a price
 147 approved by the Committee. Surplus County property shall not be sold to any County
 148 employee, officer or agent, except through a County auction.
 149

150 In addition, the Finance Committee may authorize the Purchasing Division to dispose of
 151 items by alternative means including but not limited to: outside auctions, listings on the
 152 Internet, either government or private, by donation to not-for-profit organizations or other
 153 means that may become available in the future.
 154

155 **2.218 Procedure (Purchase of Goods and Certain Contracts for Professional Services)**
 156

157 (1) Procedure and Bids - General
 158

- 159 (a) Compliance with sec. 59.52 (29). All public work, as defined under state
 160 statutes and including any contract for the construction, repair, remodeling or
 161 improvement of any public work, building, or furnishing of supplies or material of
 162 any kind where the estimated cost of such work exceeds \$25,000, shall be let by
 163 contract to the lowest responsible bidder in accordance with sec. 66.0901(2), Wis.
 164 Stats, except that the County Board may by a three-fourths vote provide that any
 165 class of public work or any part thereof may be done directly by the County without
 166 submitting the same for bids. If the estimated cost of any public work is between
 167 \$5,000 and \$25,000, the board shall give a class I notice under ch. 985 before it
 168 contracts for the work or shall contract with a person qualified as a bidder under s.
 169 66.0901(2). The requirements under this subsection shall be interpreted and applied
 170 as being in addition to any requirements created or arising under this ordinance.

171 This subsection does not apply to highway contracts which the county highway
 172 committee or the county highway commissioner is authorized by law to let or make,
 173 or to the emergency repair or reconstruction of public facilities when the County
 174 Board by resolution determines that the public health or welfare of the County is
 175 endangered by damage or threatened damage to such facilities.
 176

177 (b) All invitations for furnishing goods, and non-professional services, where the
 178 estimated cost exceeds ~~\$10,000~~ \$25,000 shall be bid only after notice by
 179 publication, once (class I notice) in the official newspaper of Rock County.
 180 Additional newspapers or trade magazines may be used to obtain the best
 181 advertising and widest notice at the most reasonable cost. The advertisement shall
 182 call for sealed bids to furnish the desired items, or supplies or services, in
 183 accordance with specifications prepared or approved by the Purchasing Division,
 184 which specifications shall describe completely the items, supplies or services to be
 185 furnished, the department for which the same are required, and the quantities
 186 desired.
 187

188 Bids shall be received and opened by the Finance Director's designee on the date
 189 and at the time and place specified in the Advertisement for Bid. The reading of all
 190 bids shall be open to the public. A Bid bond or certified check in the amount
 191 required by the bid specifications may be required to accompany the bid. A
 192 performance bond or material/payment bond may also be required of the bidder
 193 upon acceptance of the bid.
 194

195 ~~(c) All contracts for purchases not defined as public work in Section 2.218(1)(a),
 196 where the estimated costs exceeds \$5,000 but does not exceed \$10,000 shall be
 197 made only after attempting to obtain at least three sealed quotations, where possible,
 198 in lieu of advertised bids. Sealed quotations shall be received and opened by the
 199 Finance Director's designee on the date and at the time and place specified in the
 200 quote specifications. All quotations shall be available for viewing by the public.~~
 201

202 ~~(d)~~(c) All contracts for purchases where the estimated cost is between \$1,000
 203 \$5,000 and ~~\$5,000~~ \$25,000 may be made on the open market and directly from a
 204 dealer or supplier without obtaining sealed quotations, but such contracts shall be
 205 made only after multiple quotations or proposals have been solicited, where
 206 practicable. Quotations obtained in this manner shall be confirmed by the successful
 207 quoter.
 208

209 ~~(e)~~(d) Purchases under \$1,000 \$5,000 may be made directly by the Purchasing
 210 Division from approved dealers or suppliers.
 211

212 ~~(f)~~(e) The Finance Committee or Purchasing Division may reject any or all bids,
 213 proposals or quotations; waive any technicality or error in any bid, proposal or
 214 quotation, or part thereof, and to accept the same, or combinations thereof, in whole
 215 or in part, whenever such waiver and acceptance is deemed to be in the best interest
 216 of Rock County.
 217

218 ~~(g)~~(f) Contracts for purchases shall be awarded to the lowest, most responsible and
 219 responsive bidder or quoter.
 220

221 (2) Procedure and Bids – Direct Purchases Allowed

222
 223 (a) If bids, quotations or proposals are not obtainable, or in cases of immediate
 224 need for the items or supplies due to an emergency situation, purchases may be
 225 made directly from an approved supplier. The County Administrator or Finance
 226 Committee may also authorize direct purchases without bids or multiple quotations
 227 under circumstances deemed justified and advantageous to Rock County.
 228

229 (b) The justification and reasons for awards of contracts for purchases made by
 230 the procedures authorized above, shall be recorded and kept on file in the Finance
 231 Director's office.

232 (3) Special Purchases
233

234 (a) Goods and Services. Consistent with all other provisions of this ordinance,
235 departments requiring goods and services may be granted decentralized purchasing
236 authority by the Finance Committee, in consultation with the Finance Director, in
237 accordance with sec. 2.216(8) of this ordinance. Such authority shall be exercised by
238 the requisitioning department only after the issuance of a purchase order by the
239 Purchasing Division covering specified purchase(s) for a designated period of time.
240

241 (b) Highway Purchases. The Highway Commissioner is authorized to make
242 purchases directly related to highway construction and maintenance in accordance
243 with sec. 83.015(2)(b), Wis. Stats. Purchases not directly related to highway
244 construction and maintenance shall be made through the Purchasing Division. The
245 Highway Commissioner, at his/her discretion, may utilize the services of the
246 Purchasing Division for any or all highway related purchases. All purchases related
247 to County highway, parks and airport activities not specifically otherwise regulated
248 by state statute or County Board Resolution shall be made through the Purchasing
249 Division.
250

251 (c) Purchases from Governmental Units. Materials, supplies, machinery and
252 equipment offered for sale by the federal government or by any municipality may be
253 purchased without bids, at prices to be agreed upon between the Purchasing
254 Division and the respective department or agency for whom the item is to be
255 acquired.
256

257 ~~(d) December Purchases. With the exception of repair parts, foods, stock office
258 supplies, expendable maintenance/housekeeping supplies, fuel, gas and oil for
259 automobiles, trucks and equipment, and necessary medical supplies, there shall be
260 no purchases made during the month of December in any year, except as approved
261 in advance by the County Administrator or designee.~~
262

263 (4) Intergovernmental Cooperative Purchases. The Finance Committee is herein
264 authorized to enter into cooperative purchasing agreements with the State of Wisconsin and
265 other Wisconsin municipalities consistent with sec. 16.73 and 66.0301 or 66.0303, Wis.
266 Stats. for the purpose of administering, sponsoring or conducting purchasing transactions
267 under a joint contract for the purchase of materials, supplies, equipment, permanent
268 personal property, miscellaneous capital or contractual services.
269

270 **2.219 Purchase of Services**
271

272 (1) Purchases of services shall be made by contract or purchase order through the
273 Purchasing Division. The department or agency which requires the services shall prepare
274 relevant specifications or standards and shall forward the same to the Purchasing Division
275 for distribution to at least two prospective, qualified providers of the services desired.
276

277 (2) Purchases of professional services are exempt from bidding requirements, but are
278 subject to all other purchasing policies and procedures.
279

280 (3) Services specifically required under State and/or Federal regulations may be purchased
281 with the approval of the County Committee or Board administering such services, where the
282 demand for services and market conditions do not allow for compliance with bidding and
283 Request for Qualification procedures established under this ordinance.
284

285 **2.220 Severability**
286

287 Should any section or provision of this ordinance be declared unconstitutional or invalid or
288 be repealed, the constitutionality or validity of the remainder shall not be affected thereby.
289

290 **2.221 Effect on Other Ordinances**
291

292 Provisions of other ordinances of Rock County inconsistent herewith are hereby repealed.
293

294 **2.222 Time of Effectiveness**
295

296 This ordinance shall take effect immediately upon passage and publication.

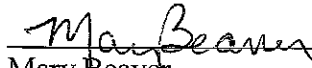
Amending Rock County's Purchasing Ordinance

Respectfully submitted,

FINANCE COMMITTEE


Mary Mawhinney, Chair


Sandra Kraft, Vice Chair


Mary Beaver


Brent Fox


J. Russell Podzilni

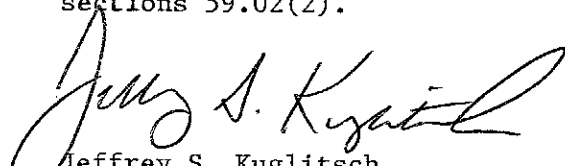
FISCAL NOTE:

Fiscal savings could be realized from lower legal notice costs and less professional service costs related to writing bid specifications.


Sherry Oja
Finance Director

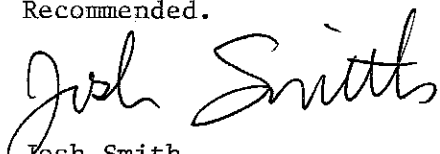
LEGAL NOTE:

The County Board is authorized to take this action by Wisconsin Statutes sections 59.02(2).


Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.


Josh Smith
County Administrator

EXECUTIVE SUMMARY

The Purchasing Ordinance was reviewed by the Finance Director and Purchasing Manager (with input from County Departments) and the following changes to the ordinance are recommended:

Currently, purchases of goods and non-professional services require the following:

- Purchases under \$1,000 may be made directly by the Purchasing Division.
- Contracts costing \$1,000 - \$5,000 can be made after multiple quotations have been solicited, where practicable.
- Contracts costing \$5,000 - \$10,000 require sealed quotations where possible.
- Contracts costing over \$10,000 require an official bid process.

Proposed new limits for the purchase of goods and non-professional services:

- Purchases under \$5,000 may be made directly by the Purchasing Division.
- Contracts costing \$5,000 - \$25,000 could be made after multiple quotations have been solicited, where practicable.
- Contracts costing over \$25,000 would require an official bid process.

Benefits from the proposed changes:

- Many vendors are not set up to provide official sealed bids. These changes will give these vendors a chance to provide quotes for goods and services costing \$25,000 or less.
- The County would save legal notice costs for not needing to bid purchases in the \$10,000 - \$25,000 range.
- The County would also save professional service costs for the writing of bid specs for purchases in the \$10,000 - \$25,000 range.
- The new purchasing limits would follow the limits specified in sec. 59.52 (29), Wis Stats for Public Work related procurement. Thereby, being less confusing for staff and vendors.

Note: These changes do not affect items identified as a Public Work. All public work related procurement is governed by sec. 59.52 (29), Wis. Stat and includes any contract for the construction, repair, remodeling or improvement of any public work or building.

In addition, the current ordinance limits what can be purchased in December (see lines 257-261 in the resolution). This was originally included in the ordinance because many times goods ordered in December would not be received until January (a new budget year). However, over the years the purchasing process has been streamlined with the use of electronic purchase orders and electronic ordering systems. Therefore, this section is no longer necessary.