

COMMITTEE ON JOINT PURCHASING ANALYSIS

PROJECT REPORT SUBMITTED TO:

JOINT COMMISSION ON SHARED SERVICES INITIATIVES

SEPTEMBER 11, 2012

COMPILED BY:

CITY OF EAU CLAIRE

EAU CLAIRE COUNTY

EAU CLAIRE AREA SCHOOL DISTRICT

203 S. Farwell, Eau Claire, WI 54702

721 Oxford Avenue, Eau Claire, WI 54703

500 Main Street, Eau Claire, WI 54701

Frank Draxler
City & County of Eau Claire
Director of Purchasing and Central Services
203 South Farwell
Eau Claire, WI 54701

August 29, 2012

City of Eau Claire
Attn: Joint Commission on Shared Services Initiatives
203 South Farwell
Eau Claire, WI 54701

Dear Joint Commission on Shared Services Initiatives:

The attached report, which you requested, represents the findings of the Committee on Joint Purchasing Analysis regarding further pursuit of joint purchasing options. Our team's analysis began with the identification of potential options (brain storming). Then through many discussions we reviewed the advantages and disadvantages of the options. Further discussion led to our recommendations.

It must be emphasized that Joint Purchasing is already occurring within our three agencies. Therefore, a large part of the recommendations is to strengthen and formalize the current practice. Taking this current practice to a formal approach will enhance and make transparent the collaboration and cooperation of our agencies.

The efforts to formalize the joint purchasing and to implement the remaining recommendations will take staff time and it was noted the staff is already stretched beyond normal work boundaries. It is requested that the Joint Commission on Shared Services support and assist the implementation. This support is expected to be reviewed further in a presentation. With time it is our expectation that Joint Purchasing will become a "standard collaboration practice" and we hope we are able to help guide other departments and agencies to expand their respective collaboration efforts.

I look forward to discussing our recommendations with you and will be happy to meet with the Joint Commission on Shared Services Initiatives in the near future.

Sincerely,

Frank Draxler

Frank Draxler
Director of Purchasing and Central Services
City & County of Eau Claire

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INTRODUCTION

Summary: It is said that “Collaboration Leads to Innovation. “ It is this team’s intention to work together in order to do our best to provide excellent services to our respective agencies and to the community as a whole. We expect to look beyond our department and our respective agency’s boundaries in order to make an impact and improve both our methods and our outcomes.

Initiative: Analysis of Joint Purchasing Options between Eau Claire County, City of Eau Claire, and the Eau Claire Area School District

Mission: Review current methods of procurement and explore approaches to improve the quality, optimize the purchase cost, and reduce the delivery time for goods and services used by each agency.

Desired Outcomes:

- Optimize cost of goods and services purchased
- Reduce administrative cost of procurement delivery
- Shorten purchase processing time
- Decrease total number of purchases processed
- Improved contract management
- Reduce number of different providers offering similar services
- Improved quality of deliverables

Undesired Outcomes:

- Increased cost of purchases
- Increase in FTE’s
- Increase in complexity or difficulty to procure
- Lower quality of goods & services provided
- Longer time to procure goods & services

Project Scope/Limitations:

- All items purchased by each agency
- Review both long term & short term options
- Assume do not have to maintain:
 - a) Current purchasing methods & practices
 - b) Current physical location of personnel
 - c) Current assigned duties & scope of responsibility
- Statutory limitations/impediments

The following steps were implemented regarding preliminary plan of action for three agencies:

1. Define Current State - Of your agency
2. Define Possible Options
3. Define Barriers to Implementation - Explore options for improvement
4. Prioritize Options
5. Develop Recommendations with Timelines - Pursue options

Committee on Joint Purchasing Analysis-Committee Members:

Facilitator: Dale Peters, CEC, Assistant City Manager, City of Eau Claire
 Team Leader: Frank Draxler, Director of Purchasing & Central Services, City & County of Eau Claire

Agency Represented	Committee Members
City of Eau Claire	Tom Hoff, Financial Services Manager
City of Eau Claire	Shelly Waughtal, Buyer
Eau Claire County	Scott Rasmussen, Director of Finance
Eau Claire County	Debbie Simet, Buyer
Eau Claire Area School District	Daniel Van De Water, Executive Director of Business Services
Eau Claire Area School District	Scott Noffke, Purchasing Manager
Eau Claire Area School District	(Clerical Support) Mary Olsen, Executive Assistant-Business Services

**OPTIONS:
BARRIERS/ADVANTAGES & ANALYSIS**

COMMITTEE ON JOINT PURCHASING ANALYSIS

DEFINE POSSIBLE OPTIONS -IN ORDER OF PRIORITY-	DEFINE BARRIERS TO IMPLEMENTATION	DEFINE ADVANTAGES TO IMPLEMENTATION	ANALYSIS OF OPTIONS
<p>1) Share budget information of potential purchase of equipment with each other.</p>	<p>a) City & County's fiscal year begins in January. b) ECASD's fiscal year begins July 1 of each year. c) ECASD orders all equipment once per year in July prior to start of school year. d) Agencies order equipment at different time periods.</p>	<p>a) This equipment could then be combined into cooperative bids with the expectation of lower prices and more vendor interests. b) Annual planning of purchase commodities would allow staff more time guidelines vs. just responding to requests. Again leading to lower prices and better quality results.</p>	<p>The city, county and school district will meet during the budgeting process to combine capital equipment requests when applicable. This option has the potential to save money, standardize equipment and save staff time.</p>
<p>2) All three agencies; the City of Eau Claire, Eau Claire County and Eau Claire Area School District, would have similar purchasing procedures and similar purchasing thresholds.</p>	<p>a) There is a considerable difference in modes of operating standards that currently exist between the elected officials of the City Council, ECASD Board of Education and the County Board who oversee the budget and purchasing procedures, which may potentially cause barriers. b) State regulations differ between three agencies pertaining to purchasing procedures, specifically regarding some major differences in account code identification. The ECASD must adhere to and follow regulations set forth by the Department of Public Instruction. c) Budget approval process between agencies is on differing schedules.</p>	<p>a) Provides for easier understanding of common purchasing procedures among purchasing staff, department staff, users, elected officials, public and vendors. b) Training of purchasing staff would be easier. c) Having similar procedures and thresholds would accommodate purchasing staff assisting other agencies. d) Having the three agencies cooperate on procurement would save money and time due to a combined larger quantity and the sharing of staff resources.</p>	<p>This option may be accomplished by having the boards and council for each agency come together in a combined effort to agree on a common set of procedures and thresholds for the three agencies. Thus giving a sense of unity and conformity to staff, users, vendors and the public. The respective purchasing staff from the three agencies already work together to share information and align their purchasing procedures. However, some of the purchasing procedures, manuals and code are outdated and should be revised.</p>

DEFINE POSSIBLE OPTIONS -IN ORDER OF PRIORITY-	DEFINE BARRIERS TO IMPLEMENTATION	DEFINE ADVANTAGES TO IMPLEMENTATION	ANALYSIS OF OPTIONS
<p>3) All three agencies would cooperate with like purchases such as: office supplies, equipment, banking services, etc.</p> <p>4) All three agencies would cooperate on auction services; posting on-line bids with the same firm.</p>	<p>City & County operate from January-December and ECASD operates from July 1-June 30.</p> <p>a) Construction procedures may be similar to three agencies; however, some potential barriers could be involved. Committee will be investigating further to verify.</p> <p>b) Statement above applies to #4.</p>		
			<p>All three agencies currently have access to and use of multiple cooperative contracts through various organizations that competitively bid these items. Taking advantage of state and national contracts saves time and money. Because the school district is on a different fiscal year than the City and County the timing for similar purchases would need to be coordinated between the three agencies.</p> <p>All three agencies currently use the same auction service to post items. The terms and conditions of use are set by the auction service and each entity receives the same percentage back on items sold. The three agencies will work more diligently to get the word out to interested parties that we all post our items on the same auction site.</p> <p>The three agencies will work together to resurrect the Chippewa Valley Shared Services Consortium (CVSSC) so we can continue to work together as a cooperative group along with other area agencies.</p>

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<p>5) Share equipment and services between three agencies.</p>	<p>a) Who would maintain liability, property and vehicle insurance coverage?</p> <p>b) If County struggles internally with sharing of equipment how can three agencies cohesively share?</p> <p>c) Charging for services that are acceptable to all three agencies; rental or contracted service.</p>	<p>a) Sharing equipment would save money and time by each not having to purchase and maintain the equipment.</p> <p>b) May encourage other departments to work more with other agencies and to “share services” in other areas.</p> <p>c) At this time the County contracts with the City for snow removal. Could rental agreements be initiated with ECASD for snow removal by City?</p> <p>d) It is possible that rental agreements and or snow removal could be initiated between agencies.</p>	<p>Sharing equipment and services between agencies has been on the list of potential Shared Services for years. This option has a potential to save a large amount of money, but it also requires a large amount of staff and elected official’s time to establish things as; agreements, memos of understanding, insurance and legal requirements. Staff time involvement goes beyond purchasing staff. Other concerns include agreeing on a charge-out rate and the requirement of a specific employee operating the equipment. Of course the potential of sharing resources could eliminate for example the need to buy a large lift to cut down trees.</p> <p>We have to work as a team and accept that individual agencies are not always going to come out on top. Not always will all agencies save money. We need to look at the long term combined savings of all agencies.</p> <p>Implementation could be paired with parts of Option #1.</p>
<p>6) Create web based products to help. Staff orders routine items directly.</p>	<p>a) Always changing and evolving. Best bids & quotes are short lived. More details are needed in the future to make it easier to work with.</p>	<p>a) Easier for department staff to purchase what they need at contract prices.</p>	<p>Very recent development of purchasing software allows the purchasing departments to push out contract information to the using departments. With this information</p>

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<p>7) Noted the purchasing function is changing: spending time on larger projects, strategic planning & project management is worth exploring.</p> <p>8) Identify initiatives and roles for purchasing. Note #8 and #7 are similar and placed in same category.</p> <p>9) Explore having consistent replacement schedules and equipment specs. And for example, explore having the same make/model of computers.</p>	<p>a) Lack of staff time.</p>	<p>a) Would allow purchasing staff to concentrate on the larger projects and thus more likely to save a larger amount of money, improve quality and improve results of larger projects/purchases.</p> <p>b) Would assist with proactive planning.</p>	<p>the departments can efficiently acquire information of item, its cost and where to purchase it from. Purchasing loads all contracts and pricing info. Like most software this would require staff time up-front. It requires cost to purchase the software, but in the long run has the potential to save money by using the "best" contracts and by saving staff time. One software call "SkyQuest" was recently installed in all Tech Colleges in Wisconsin.</p> <p>This concept needs further review.</p>
<p>9) Explore having consistent replacement schedules and equipment specs. And for example, explore having the same make/model of computers.</p>	<p>a) Barrier due to budget implications of ECASD, City of Eau Claire, & Eau Claire County. Budget process occurs at different times throughout the year for each of the three agencies. Replacement schedules may not be uniform for all involved.</p> <p>b) ECASD bids out usually only once a</p>	<p>a) Would allow the three agencies the opportunity to combine quantities, improve quality and lower prices.</p> <p>b) Easier for staff and consultants to work with and on like equipment. Allows staff to share information about the equipment to the other agencies.</p>	<p>Note work roles have changed along with processes. Purchasing staff has changed and will likely continue to focus on larger projects where both the savings and expenditure is much greater.</p> <p>Updated work roles will be developed with new procedures.</p>
<p>9) Explore having consistent replacement schedules and equipment specs. And for example, explore having the same make/model of computers.</p>	<p>a) Barrier due to budget implications of ECASD, City of Eau Claire, & Eau Claire County. Budget process occurs at different times throughout the year for each of the three agencies. Replacement schedules may not be uniform for all involved.</p> <p>b) ECASD bids out usually only once a</p>	<p>a) Would allow the three agencies the opportunity to combine quantities, improve quality and lower prices.</p> <p>b) Easier for staff and consultants to work with and on like equipment. Allows staff to share information about the equipment to the other agencies.</p>	<p>This option appears comparably easier to implement as it would require the agencies purchasing staff to take the lead in obtaining the information, sharing and comparing the information with other departments involved. Purchasing the same computers for example would require</p>

DEFINE POSSIBLE OPTIONS -IN ORDER OF PRIORITY-	DEFINE BARRIERS TO IMPLEMENTATION	DEFINE ADVANTAGES TO IMPLEMENTATION	ANALYSIS OF OPTIONS
<p>10) Have purchasing staff specialize in various equipment or commodities or areas and they would then purchase for all three agencies (for those items). Each staff would have specialties or leadership in a bid for certain areas thereby leveling the time spent for each other.</p>	<p>year with purchase of school computers being on a rotating schedule.</p> <p>c) Make & model of equipment and software may be different for each agency. Could agencies afford replacement costs for current models, just for continuity of same make/model of computers, software, etc.? Could be a potential barrier.</p>	<p>c) Agencies may be able to negotiate a better price from state contracts if ordering in large volume.</p>	<p>purchasing staff to obtain budget information early on and then get the IS Departments to look long term at the type and brand of computers.</p> <p>Similar replacement schedules would assist management staff and elected officials when working with departments on budgets. For example, if we know and agree that the most efficient useful life of a pick-up truck is 5-7 years or 150,000 miles, then all agencies would accept these schedules.</p> <p>Purchasing staff would have to work with departments to agree on specific replacement schedules.</p>
<p>10) Have purchasing staff specialize in various equipment or commodities or areas and they would then purchase for all three agencies (for those items). Each staff would have specialties or leadership in a bid for certain areas thereby leveling the time spent for each other.</p>	<p>a) All three agencies culturally have a different expectation in the role of purchasing, and those expectations and roles continue to change by personalities (who then have differing approaches). Cultures are too divergent within each individual agency and may be a potential barrier.</p> <p>b) Because products and procedures continue to change yearly for each agency the question arises, "Is it truly possible to specialize in just one area?"</p>	<p>a) Potential to save money, improve quality and or create efficiencies.</p> <p>b) Potential to train some staff to be a resource or leader in project management, contracting and enforcing contracts.</p>	<p>Cost Savings: Minimal</p> <p>Pros:</p> <ul style="list-style-type: none"> • The buyer can focus on their developed specialties and hopefully keep current with the latest trends for better procurement. <p>Cons:</p> <ul style="list-style-type: none"> • The buyer may need to further educate themselves to become a specialist. • Would be time consuming to work with three organizations to determine their needs and keep up

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<p>11) Use the financial software for more detail "punch out" on what is purchased. Classify the current purchases.</p>	<p>c) At this time each purchasing agency feels they are specialized as much as they can be. Agencies rely on in-house experts when requesting items for purchase within their departments.</p>		<p>with their objectives.</p> <ul style="list-style-type: none"> It is not likely our end users will have the same requirements. <p>Analysis: With the number of purchasing cooperatives available, which are typically bid out by specialists, the additional effort and the minimal savings would not pay off.</p> <p>Cost Savings: Unknown</p> <p>Pros:</p> <ul style="list-style-type: none"> Provide consistent information for reporting and positioning for future cooperative purchases. <p>Cons:</p> <ul style="list-style-type: none"> Each entity has the ability to track by commodity code but they are not using the feature. Additional costs may be incurred to activate. The reports will not be consistent due to the different types of software. <p>Analysis: Further investigation is recommended to explore the potential for shared services and commodities. Three agencies will run reports and develop a priority list of possible shared purchased equipment.</p>
		<p>a) Provide consistent information to everyone.</p> <p>b) The information is essential for cooperative bids, strategic purchasing and the re-alignment of purchasing function.</p> <p>c) Current software programs, of all three agencies, have the capability of categorizing and classifying purchases with detailed specifications, for review of big money items, for comparable shopping.</p>	

DEFINE POSSIBLE OPTIONS -IN ORDER OF PRIORITY-	DEFINE BARRIERS TO IMPLEMENTATION	DEFINE ADVANTAGES TO IMPLEMENTATION	ANALYSIS OF OPTIONS
<p>12) All purchasing staff would remain separate agencies, but work from one office.</p> <p>13) Purchasing staff would work from home.</p> <p>Note #12 and #13 are similar and placed in same category.</p>	<p>a) Space availability, to merge three agencies at one facility, would be a barrier for City & County. Agencies would be fighting for physical space.</p> <p>b) Space availability, to merge three agencies (personnel only) at one facility, may be a possibility at the ECASD.</p> <p>c) Additional traveling expenses would be incurred by traveling from site to site.</p> <p>d) There is an expectation that the Purchasing Manager and purchasing staff is located within its own agency. By not being accessible to one's own agency could be a hindrance. May create a barrier to access and proximity when not physically present. It would be like working from home, which could be a hindrance as well.</p>	<p>a) Potentially would save on staff resources within purchasing when they would work together and provide back-up for each other.</p> <p>b) Working from home would eliminate the need for as many offices or cubicles.</p> <p>c) Some say working from home is more efficient.</p>	<p>This option does not seem feasible due to the regular communication required within each agency.</p> <p>Services may not be provided in a timely manner.</p> <p>Working from home may not provide an ideal structure for employees.</p> <p>Cost savings is minimal as greater technology needs would offset office space. Office space would still be required for some time periods.</p>
<p>14) Merge or consolidate purchasing staff from all three agencies.</p>	<p>a) Physical space would be a barrier. Agencies would be unable to accommodate all equipment and personnel at one location.</p> <p>b) Financial software system, currently existing, in each agency is considerably different and would be costly to replace. Would be a</p>	<p>a) Potential to have staff concentrate on certain commodities to become an "expert" in a certain area and then to purchase those commodities for all three agencies.</p> <p>b) Potential to train some staff to be a resource or leader in project management, contracting and</p>	<p>This does not seem to be a viable option as purchasing staff would be required to know three separate financial systems along with three different account code structures.</p> <p>State regulation requirements are not uniform between agencies making the most restrictive requirements</p>

DEFINE POSSIBLE OPTIONS -IN ORDER OF PRIORITY-	DEFINE BARRIERS TO IMPLEMENTATION	DEFINE ADVANTAGES TO IMPLEMENTATION	ANALYSIS OF OPTIONS
<p>15) Have the same financial software and/or purchasing software.</p>	<p>barrier in having to relearn a new system. Why would an agency replace software if system is currently meeting agency's needs?</p> <p>c) Financial account codes are significantly different per state regulations of each agency.</p> <p>d) Procurement function of the three purchasing agencies do not operate alike. Changing the current process such as working with department team members would be very difficult.</p>	<p>enforcing contracts.</p>	<p>mandatory for all agencies.</p> <p>Cost savings would be minimal and could actually increase costs if new software is purchased. Staff is currently busy so no staff savings are expected upon a merger. It would take more staff time to work with other agencies, new rules, new departments, etc.</p>
<p>15) Have the same financial software and/or purchasing software.</p>	<p>a) Would be a step backward for ECASD; not cost effective. District has discontinued usage of requisitions & purchase orders by at least 90% -95% with utilization of P:cards exclusively.</p> <p>b) City & County's primary method of ordering is by usage of requisitions & purchase orders.</p>	<p>a) Would allow purchasing staff to learn and operate one single financial/purchasing system.</p> <p>b) Potential to save money on like systems.</p>	<p>This option would not be cost effective as it would require two agencies to purchase new financial software and abandon what is currently being used.</p> <p>Each agency has different requirements such as DPI's account code structure vs the city and county's account code structure. The city and county would be required to use the DPI account code structure. This does not seem practical due to additional requirements put on the city and county.</p>

RECOMMENDATIONS:

The definition of “joint Purchasing” varies depending on one’s background and information. Our Team was challenged with analyzing options of joint purchasing between the City, County and School District. Joint Purchasing options include the spectrum from sharing of information to a complete merger of the three agencies purchasing staff. Many joint purchasing options on this spectrum were identified, reviewed and summarized in this report. Some of the options are recommended while some are very complicated and will take further time and analysis. The most common definition of joint purchasing is “collective procurement” or “collective buying.” Collective procurement combines the volume of like products and services to achieve larger discounts and a higher quality of services. This joint purchasing saves thousands and tens of thousands of dollars locally and millions at a state-wide level. Additionally, joint purchasing allows us to leverage better terms with firms and provide for uniformity in quality across our agencies.

During this analysis it was noted time and time again that many of the options are currently occurring. In comparison this is not the case between most municipalities and schools across the State and likewise across the country. While there is a growing trend of local joint purchasing and a growing number of purchasing cooperatives, there are few agencies across the country that meet regularly to share information and there are very few agencies that have actually merged their purchasing staff. A recent article pointed out that there was only one merger, Yakima WA, that fully merged their City and County purchasing staff. There have been a few additional mergers due to a conversion to a metro form of government. The point remains that our current collaboration between the City, County and School District purchasing functions, by far, exceed typical municipal practices.

SPECIFIC RECOMMENDATIONS:

The Committee on Joint Purchasing recommends to proceed with implementation of the following:

1. Share budget information of potential purchase of equipment with each other.
2. All three agencies; the City of Eau Claire, Eau Claire County and Eau Claire Area School District would have similar purchasing procedures and similar purchasing thresholds.
3. All three agencies would cooperate with like purchases such as: office supplies, equipment, banking services, etc.
4. All three agencies would cooperate on auction services; posting on-line bids with the same firm.
5. Share equipment and services between three agencies.

Recommend further analysis of the following:

6. Create web based products to help. Staff orders routine items directly.
7. Noted the purchasing function is changing; spending time on larger projects, strategic planning and project management.
8. Identify initiatives and new roles or responsibilities for purchasing staff.
9. Explore having consistent replacement schedules and equipment specs. And for example, explore having the same make/model of computers.
10. Have purchasing staff specialized in various equipment, commodities or areas and they would then purchase for all three agencies (for those items).

Do not recommend the following:

11. Use the financial software for more detail “punch out” on what is purchased. Classify the current purchases.
12. All purchasing would remain separate agencies, but work from one office.
13. Purchasing staff would work from home.
14. Merge or consolidate purchasing staff from all three agencies.
15. Have the same financial software and/or purchasing software.

CONCLUSIONS:

With the support of the Joint Commission on Shared Services Initiatives, elected officials and management, it is expected that over the course of the next year purchasing staff will work on implementing the recommendations. As indicated, we are currently pursuing many of the joint purchasing options on an informal basis. Although it is expected to take additional staff time to formalize the joint purchasing practices, we anticipate greater success, greater savings and higher productivity.

STEPS FOR IMPLEMENTATION:

To be initiated after approval by the committee of the Joint Commission on Shared Services Initiatives (JCSSI).

APPENDIX A
LIST OF CURRENT SHARED SERVICES

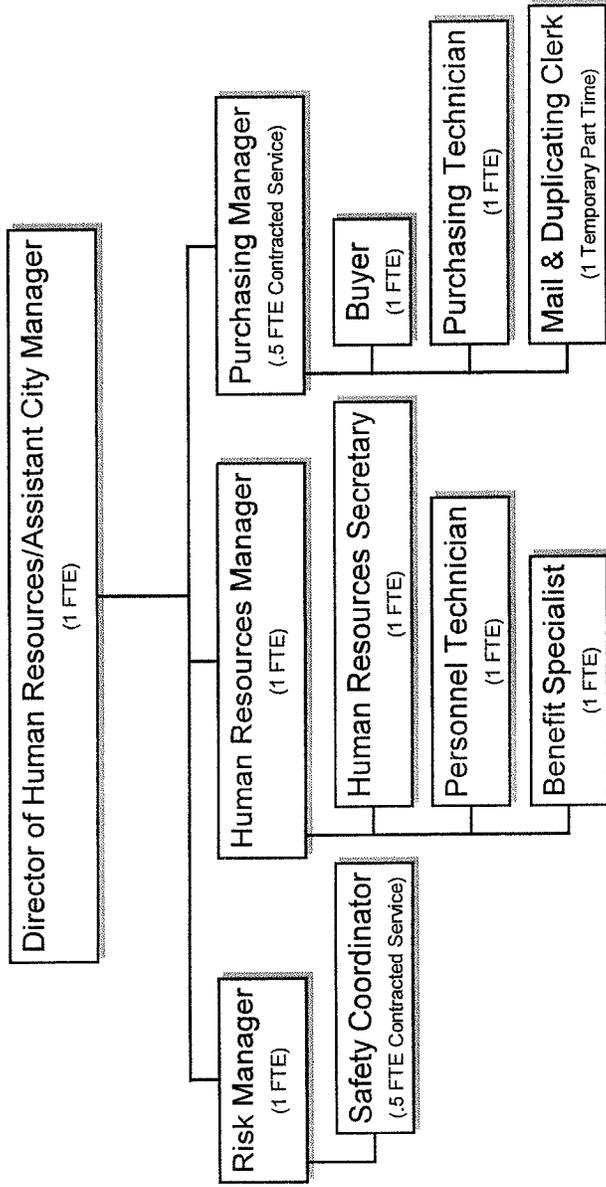
**SERVICES CURRENTLY BEING SHARED BETWEEN THE
CITY OF EAU CLAIRE, EAU CLAIRE COUNTY AND
THE EAU CLAIRE AREA SCHOOL DISTRICT**

1. Adhere to the same "Code of Ethics"
2. Online bid listings placed on Demandstar
3. Auction Services listed at www.govdeals.com
4. Procurement card utilized through US Bank
5. Office supplies purchased from same supply companies of Office Depot & Staples
6. Ongoing/informal meetings between Purchasing Department management
7. Sharing of information on CISCO phone systems (limited sharing with Centrex)
8. Utilize State Contracts
9. May piggyback off each other's contracts
10. Membership with the Wisconsin Association of Public Purchasers (WAPP)
11. Membership with Volume Acquisition and Large Uniform Expenditures (V.A.L.U.E.) Website information at: www.value4gov.org
12. Property insurance obtained through Local Government Property Insurance Fund (LGPIF)
13. Copy machine and office equipment purchased and maintained utilizing State Contracts

APPENDIX B
CITY OF EAU CLAIRE
ORGANIZATION CHART

CITY OF EAU CLAIRE

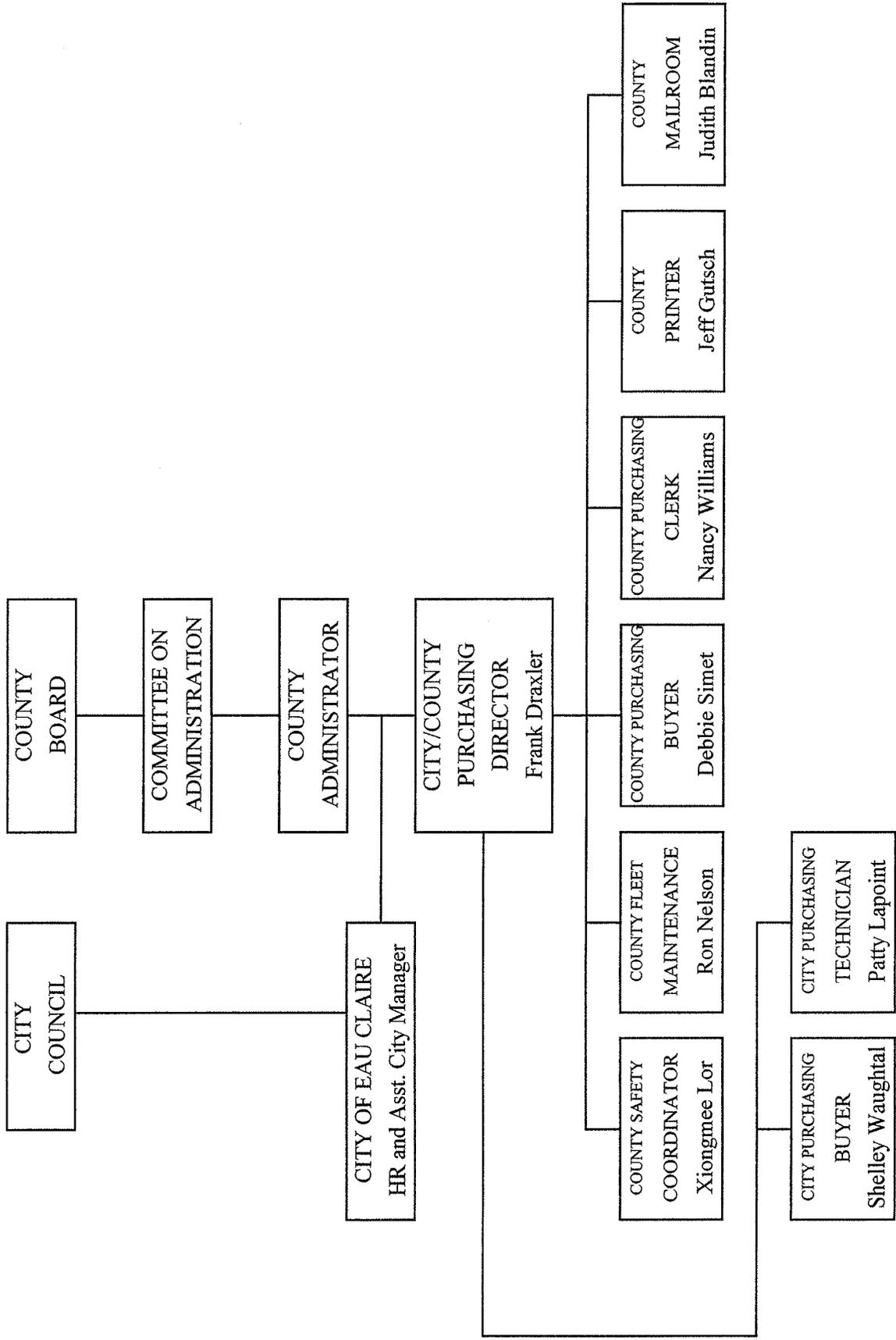
Human Resources



APPENDIX C
EAU CLAIRE COUNTY
ORGANIZATION CHART

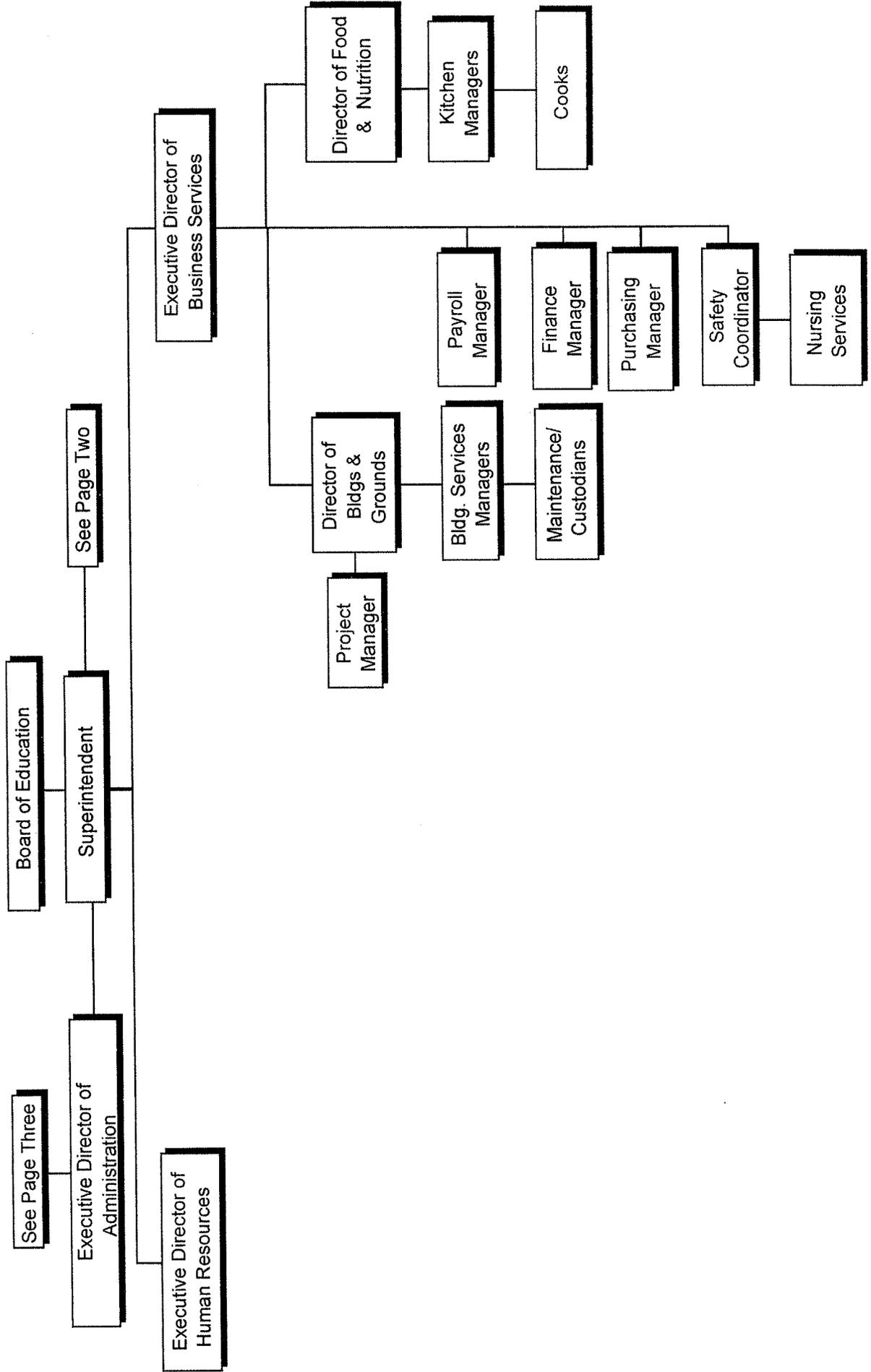
ORGANIZATION CHART

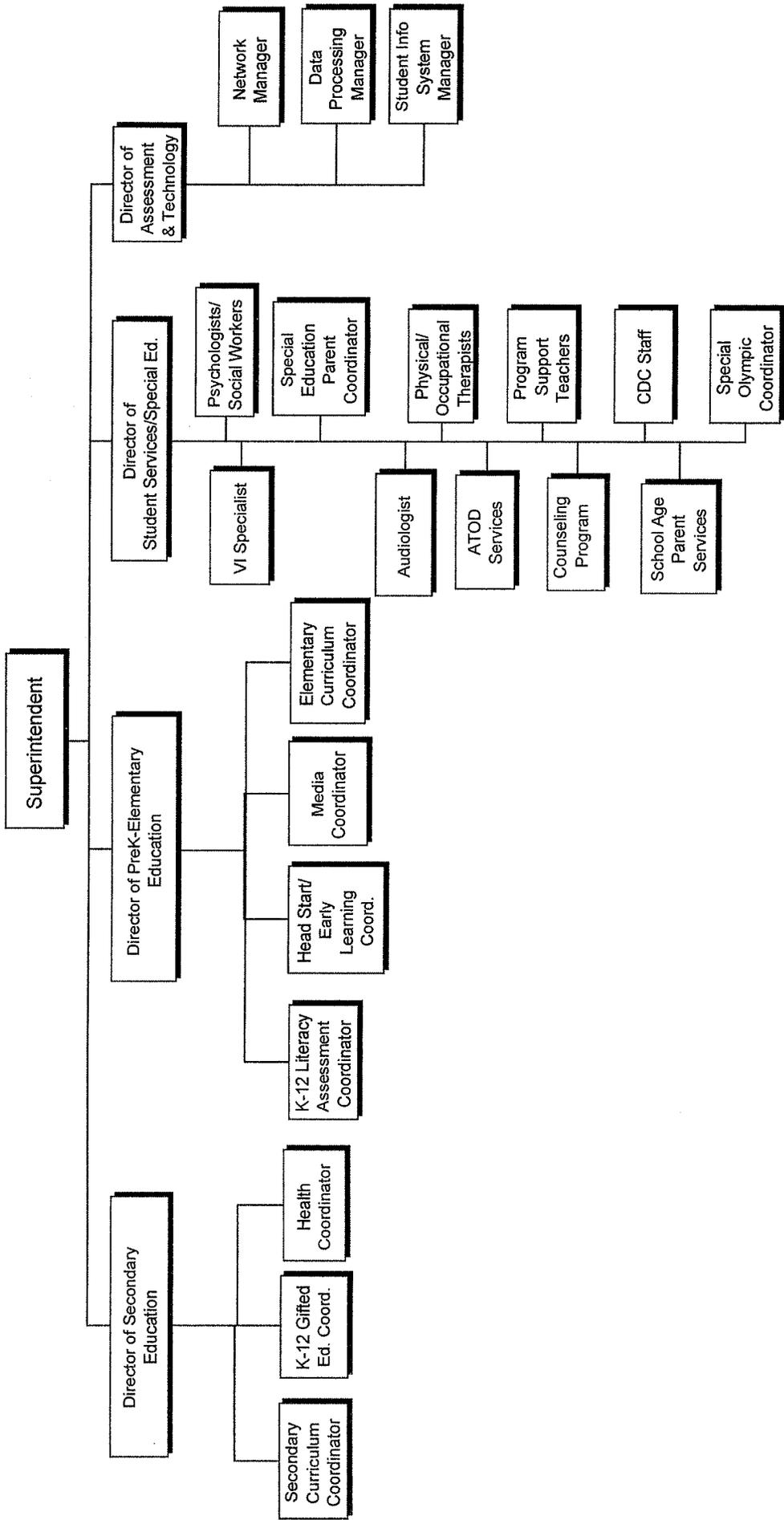
EAU CLAIRE CITY/COUNTY PURCHASING

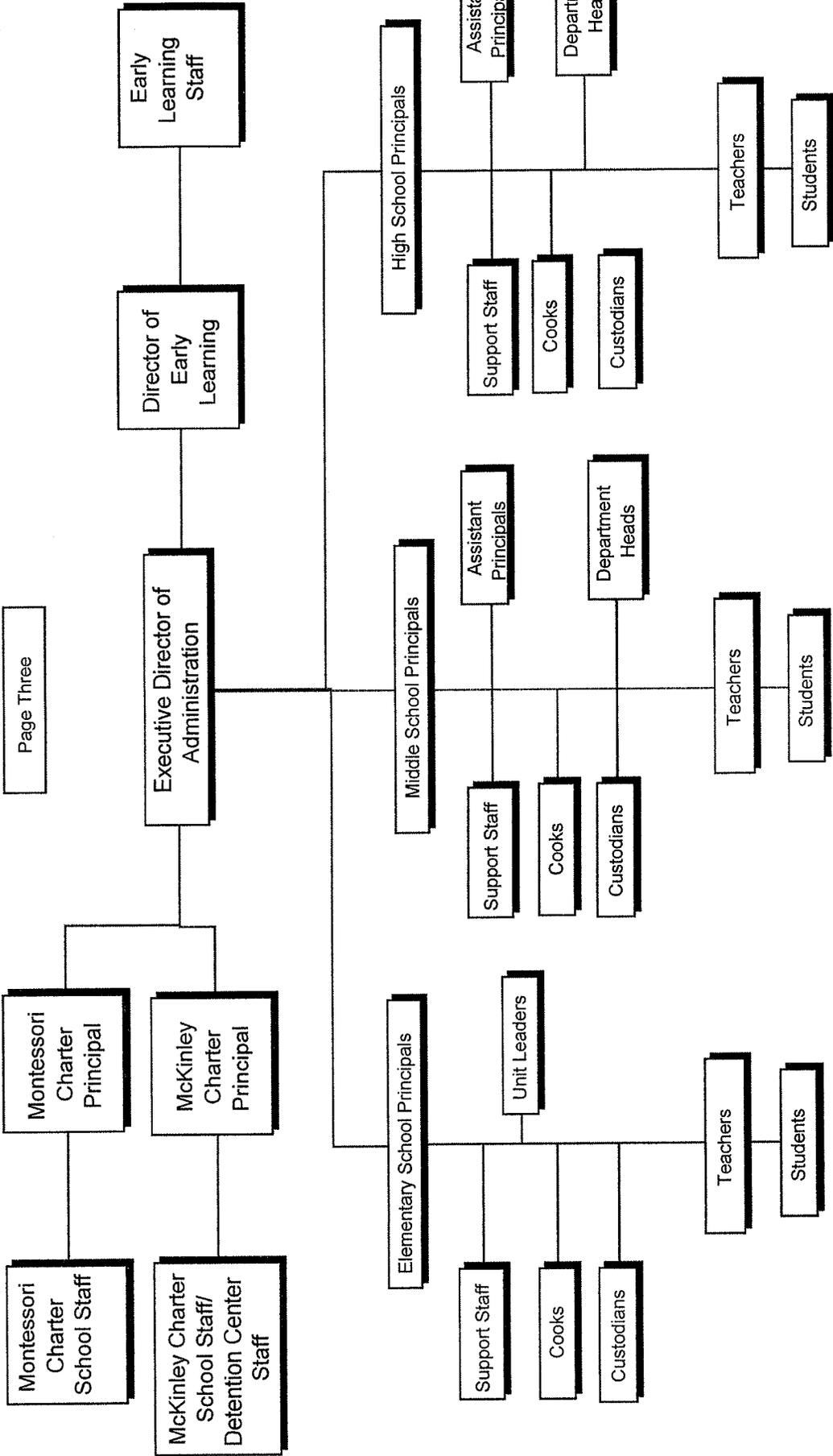


APPENDIX D
EAU CLAIRE AREA SCHOOL DISTRICT
ORGANIZATION CHART

ORGANIZATION CHART
EAU CLAIRE AREA SCHOOL DISTRICT







APPENDIX E
CURRENT STATE OF PURCHASING
CITY OF EAU CLAIRE

CURRENT STATE OF PURCHASING

Purchasing Department - City of Eau Claire

1. Provide a general overview of the purchasing department and the procurement process:

The City of Eau Claire Purchasing Department is a centralized purchasing office. We assist departments in procuring the needed supplies, services and construction necessary to implement City programs and policies. We advise on the correct method to use when making purchases and enforce policies, procedures, statutes and ordinances.

2. Who is involved:

Number of Staff: The City of Eau Claire has one full-time Purchasing Manager who works part of the time at the City Purchasing office and the rest of the time at the County Purchasing office. There is one full time Buyer and one full time Purchasing Technician.

Number in organization: The City of Eau Claire employs approximately 500 full and part-time employees.

Purchasing reports to: The Purchasing Department reports to the Human Resources Department.

3. What is purchased:

- Supplies
- Services
- Construction

Spend per year? Spending classification/analysis? (Professional Services, Office Supplies, Construction/Public Works, Equipment, Vehicles, Food, IS Equipment, Etc.):

What types of procurement processes are used and thresholds of? Approval of Council/Board: See attached chart (Document A for more information)

- Small Direct Purchases – P-Card, Purchase Order
- Quotes – P-Card, Purchase Order
- Formal bids/RFP – Purchase Order
- Piggyback/Cooperative Purchases – Purchase Order
- The approval of the City Council is needed for any purchase that meets or exceeds \$30K.

4. When is purchasing involved;

The Purchasing Department assists with writing and reviewing specifications prior to a bid/RFP being released. The Purchasing Department oversees the project through to the end of the process (i.e., Council Recommendation, Purchase Order).

- **Busy season:** Spring & Summer

5. Statute/Public Works/Others:

- State Statutes
- Public Works
- City Ordinance

6. Purchasing Code/Policy Procedure:

- Purchasing Policy Manual
- EPP Manual

7. Systems:

- IS Network: CISCO
- Purchasing Software: MUNIS
- Financial Software: MUNIS
- Other: Demandstar

8. Other services that purchasing provides:

- Auction/Property Disposal
- Sale of Abandoned Vehicles and other equipment
- Copying
- Mail/Billing (i.e., USPS, UPS, FedEx)
- Cell Phones
- Centrex Phone Lines
- Coverage for the front desk and other departments
- Assists in preparing/posting/opening bids for Eau Claire County Purchasing Department

9. Other:

The Purchasing Technician assists the Finance Department with creating and updating the outside organization request book during the budget process. This is done twice, before and after council approval. The Purchasing Technician also updates the fees and license schedule for the Finance Department.

Submitted by:
Shelley Waughtal, Buyer for the City of Eau Claire

City of Eau Claire Purchasing Quick Reference Guide

Routine Purchases:	Purchase Method	Departments May Obtain Quotes (1)	Requisition Required	PO Issued (Purchasing Approval)	Finance & Council Approval (2)
<\$500	P-Card	Yes	No	No	No
\$251-\$2,499	Purchase Order, P-Card VerbalQuotes allowed, Vendor Contact Name, Phone #, Address are required on quote.	Yes	Yes - P.O.	Yes - P.O.	No
\$2,500-\$9,999	Written Quotes Required.	Yes	No - P-Card	No - P-Card	No
\$10K - \$29,999	Written Quotes Required.	No	Yes	Yes	No
>\$30,000	Formal Sealed Bidding or Proposals Required		Yes	Yes	No

* Note: ≥ \$25,000 for Construction/Public Works Contracts

P-Cards are intended for low dollar purchases and the Department is responsible to use care in selecting vendors, products and prices.

- (1) Departments that obtain quotes must follow Purchase Guidelines and City Ordinances.
- (2) The Purchasing Department will continue to assist with procurements at any dollar level if the department desires.
- (3) Purchases less than \$30,000 may require Finance/Council approval if there is a dispute or unusual situation.
- (4) Departments are cautioned not to split orders to circumvent purchasing limits.

Emergency P.O.'s	Approval Required:	Yes	No
<\$2,500	Next Level Supervisor/Dept. Director	Yes	No
<\$30,000 (*Note)	Department Director	Yes	No
>\$30,000	Purchasing Manager & City Manager	Yes	Yes

*Note: <\$25,000 for Construction/Public Works Contracts

Emergency Purchase Orders are intended for emergency situations and require noted approval at time of request. Department to provide the following information: 1.) Nature of the emergency, 2.) General description of the item(s) to be purchased, 3.) Estimated Cost, 4.) Account number, 5.) Department to verify that monies are budgeted for the emergency purchase, 6.) Addendums to the original purchase order or contract that increase the total to >\$30,000 require approval from the Purchasing Manager.

APPENDIX F
CURRENT STATE OF PURCHASING
EAU CLAIRE COUNTY

CURRENT STATE OF PURCHASING

Purchasing Department – Eau Claire County

1. Provide a general overview of the purchasing department and the procurement process:

To procure required services, equipment and supplies at the best possible cost, consistent with suitable quality under the basis of competitive procurement and to provide the best service to our customers (departments and taxpayers).

- Decentralized up to \$10K
- Over \$10K Centralized

2. Who is involved:

Number of staff: 3

Number in organization: 525

Purchasing reports to:

- Standing Committees
- County Board
- County Administrator

3. What is purchased:

- Various goods and services for Eau Claire County

Eau Claire County spends the following per year: \$21-\$23 million in purchase of services and equipment plus staff has the responsibility to oversee an additional \$20-\$22 million of purchased services for the Department of Human Services and other capital projects. This year that increases with the \$59.1 million courthouse construction project totaling between \$80 million and \$100 million dollars.

The following types of procurement processes are used:

- RFP's
- Quotes
- Formal Bids
- Cooperative Purchases
- Piggyback
- Sole Source

4. When is purchasing involved: SEE CHART BELOW

Purchasing within Eau Claire County is typically involved at the levels stated in chart below, but will assist at any level when help is requested. Typically strategic.

Type	Commodity / Service Cost	Purchase Method	Department May Obtain Quotes (1)	Requisition Required	PO Issued (Purchasing Approval)	Committee on Admin Approval	County Board Approval
ROUTINE PURCHASES	≤\$1,000	P-Card	YES	NO	NO	NO	NO
	\$1,001-\$2,499	Requisition required, Verbal Quotes allowed, Vendor contact info is required on requisition. PO issued.	YES	YES	YES	NO	NO
	\$2,500-\$9,999	Written Quotes Required	YES	YES	YES	NO	NO
	\$10K - \$19,999	Written Quotes Required	NO	YES	YES	YES	NO
	≥ \$20,000	Formal, Sealed Bidding or Proposals Required	NO	YES	YES	YES	YES
EMERGENCY PURCHASES	<\$2,500	Next Level Supervisor / Department Head	YES	YES	YES	NO	NO
	<\$20,000	Department Head	YES	YES	YES	NO	NO
	>\$20,000	Purchasing Director	YES	YES	YES	YES	YES

P-Card: The card holder and department are responsible to use care in selecting vendors, products, prices and submitting disbursement forms.

Routine Purchases

- 1) Departments that obtain quotes must follow Purchasing Guidelines and County Code.
- 2) The Purchasing Department will continue to assist with procurements at any dollar level if the department desires.
- 3) Purchases less than \$20,000 require Committee on Administration/County Board approval if there is a dispute or unusual situation.
- 4) Departments are cautioned not to split orders to circumvent purchasing limits.
- 5) Urgent requests can be accommodated within the normal purchase order process by notifying the Purchasing Department of the situation.
- 6) Confirming PO's are allowed only in emergency and urgent situations. Confirming PO's shall be tracked and reported to the Departments and their respective Committees.

Emergency Purchase Orders are intended for emergency situations and require noted approval at time of request, within 1 working day of the emergency. Lack of poor planning does not create an emergency need for a PO. Department to provide the following information:

- 1) Nature of the emergency
- 2) General description of the item(s) to be purchased
- 3) Estimated Cost
- 4) Account number
- 5) Department to verify that monies are budgeted for the emergency purchase
- 6) Addendums to the original purchase order or contract that increase the total to >\$20,000 require approval from the Purchasing Director.

5. How: PO's/PCards

- 900 PO's are generated per year
- 100 Procurement cards

6. Statutes/Public Works/Others:

Eau Claire County Purchasing Code was created and adopted pursuant to authority granted by Wisconsin Statutes.

7. Purchasing Code/Policy and Procedure:

- Purchasing Policy
- Purchasing Code

8. Systems:

- IS Network: CISCO based
- Purchasing Software: None
- Financial Software: Alio/Sage
- Online Procurement: Demandstar

9. Other services that purchasing provides:

- Project Management
- Telecommunications
- Risk Management
- Workers Compensation
- Insurance
- Central Services
- Printshop
- Mail
- Rentals
- Fleet

10. Indicate areas or agencies/departments where purchasing is not involved as it should be:

With additional staffing we would be able to assist DHS procurement and contract needs.

Overall, staff believes our office is often overextended as resources decrease in other departments they request our assistance more often.

Submitted by:

Deb Simet, Buyer for Eau Claire County

APPENDIX G

CURRENT STATE OF PURCHASING
EAU CLAIRE AREA SCHOOL DISTRICT

CURRENT STATE OF PURCHASING

Purchasing Department - Eau Claire Area School District

1. Provide a general overview of the purchasing department and the procurement process:

The Eau Claire Purchasing department consists of one Purchasing Manager located at 500 Main Street, Eau Claire WI 54701. This position sends and receives quotes, bids, RFP's, RFI's, etc. Construction contractors are prequalified and bids are posted publicly and electronically via Demandstar. Many times we utilize State Contracts and other volume based cooperative agreements when it's to our advantage. The district has moved from using a purchase order process to utilizing PCards for the preferred method of payment on all purchases. This has saved the district hundreds of thousands of dollars in soft costs and provides an annual rebate of well over \$100,000.

2. Who's involved:

We are centralized in that the Purchasing Manager oversees the entire purchasing process. Construction bids are submitted through our Buildings and Grounds department via Demandstar. Our Foodservice program is an enterprise fund and has one support staff who aids in purchasing.

We have one Purchasing Manager and two others aiding the process with a staff of 1500 employees.

The Purchasing Manager reports to the Executive Director of Business Service.

3. What is purchased:

- Spend per year: \$12,800,000
- Personal Services: \$4,000,000
- Supplies: \$2,600,000
- Construction/Public Works (Does not include Referendum): \$1,600,000
- Equipment/Vehicles: \$1,000,000
- Food: \$2,100,000
- IS Equipment: \$1,500,000

What types of procurement processes are used and thresholds of:

Department heads and support staff make purchases using procurement cards as a preferred method of payment. Procurement card thresholds are overseen and adjusted accordingly by the Purchasing Manager.

Bidding thresholds:

- Purchases for \$50,000 and Greater Amounts: The Invitation for Bid Process: Purchasing transactions exceeding \$50,000 require competitive, sealed bidding utilizing the Invitation for Bid (IFB) process. Award will be

made to the lowest responsive and responsible bidder whose bid meets the requirements set forth in the invitation for bids.

- Purchases for \$50,000 and Greater Amounts: The Request for Proposal Process: Purchasing transactions exceeding \$50,000 in which it is determined not to be advantageous or practical to use the sealed bidding process may be purchased through the use of sealed competitive proposals. This is the Request for Proposal (RFP) process. Award will be made to the responsible offer or whose proposal is determined to be the most advantageous to the District, taking into consideration price and the evaluation factors set forth in the request for proposals.
- Purchases from \$5000 up to \$50,000: Purchasing transactions from \$5,000 up to \$50,000 require solicitation of written quotes. The Initiator is responsible for providing the Purchasing Department with specifications by attaching them to their requisition and submitting to the Purchasing Department for approval.
- Purchases greater than \$1000 to \$5000: Solicitation of written quotes from a minimum of three (3) qualified sources of supply must be made. The Initiator is responsible for the solicitation of these quotes.
- Purchases of \$1000 and less: Purchases not exceeding \$1000 may be accomplished without securing competitive quotations if the prices are considered reasonable. Purchases must be distributed equitable among qualified suppliers. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order.
- The School Board approves many of the large construction bids.

4. When is purchasing involved:

The purchasing department is called on during the budgeting process to help create budget pricing. When the budget is approved the purchasing department meets with schools/departments making the request to provide specifications and specific quantities of the items budgeted. All equipment over \$400 must be itemized during the budgeting process.

Purchasing begins the process of determining priorities when budgets are created and submitted in April. Product may be purchased for the 2012-2013 school year as early as May of 2012 with prior approval from the Executive Director of Business Services. Most supply type purchases are bid during July and August with purchases being made in September and October. The School Board officially approves the budget the first week in October to allow for the bidding and purchasing of the major equipment in November and December.

May through January is the most active months in terms of Bidding and Purchasing. In February we go through the current year budget to bid and purchase anything that has been overlooked. In March we start the budgeting process again.

5. How: PO's/PCards:

The district uses PCards as the preferred method of payment no matter the size of transaction. We currently create approximately 12,000 PCard transactions annually and 200 purchase orders. The Purchasing Manager oversees the PCard process and adjusts the thresholds of each card according to purchasing authority. The district received a rebate check for \$125,000 from PCard transactions totaling \$8.7 million in 2011-2012.

The Purchasing Manager is the Program Administrator for the PCard program, oversees all thresholds and is responsible for reviewing transactions. The Purchasing Manager also approves and prints all purchase orders.

6. Statutes/Public Works:

Wisconsin law requires certain public entities to engage in competitive bidding when the estimated cost of a "public works" project or "public construction" exceeds a specified dollar amount. The competitive bidding requirements were enacted to "prevent fraud, collusion, favoritism and improvidence in the administration of public business, as well as to insure that the public receives the best work or supplies at the most reasonable price practicable. School districts are subject to the procedural requirements of Sec. 66.0901, but are not required by law to competitively bid projects or award contracts to the lowest responsible bidder.

7. Purchasing Code/Policy Procedure:

See attached:

- Purchasing Mission Statement
- Procurement Operations Manual
- Procurement Card Manual

8. Systems:

- Purchasing and Financial Software: SunGard Bi-Tech
- Bidding software: Demandstar
- Auction site at: www.govdeals.com

9. Other services that purchasing provides:

- Property insurance renewals
- District advertising
- District surplus auction and disposals
- Procurement card program administrator and auditor
- Warehouse supervisor
- District Lease Vehicles.

10. How are we currently working with the City of Eau Claire and Eau Claire County:

The Purchasing Manager for the school district attends Wisconsin Association of Public Purchasers meetings quarterly with the Purchasing Director for the City and County. We discuss current projects, education opportunities, and other common interests that apply to purchasing. In addition we meet locally with retired purchasing staff from the City and the Chippewa Falls School District.

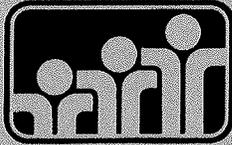
We share the same office supply contract with the City and the County. We have communicated our success with a local print cartridge provider and the County is now testing them certain areas to measure performance.

We have talked about renting vehicles from the City but have not worked out the rental agreements and pricing as of yet.

We currently buy from a lot of the same cooperative purchasing agreements such as the State Contract, TCPN, Value, etc. Pricing is usually the same regardless of where it is shipped as indicated in the contract.

Together we created CVSSC (Chippewa Valley Shared Services Consortium) a few years ago. The idea was to bring local government agencies together to buy in larger volumes and combine spend. We failed get adequate participation from other agencies so we decided to end the program. We may take a look at something like this again if it is deemed valuable.

Submitted by:
Scott Noffke, ECASD Purchasing Manager



EAU CLAIRE
AREA SCHOOL DISTRICT

500 Main Street
Eau Claire, Wisconsin 54701-3770
(715) 852-3000 - Fax (715) 852-3004

Purchasing Department
Scott Noffke CPPB - Purchasing Manager
Phone (715)852-3012 Fax (715)852-3004

Mission Statement

The mission of the Eau Claire Area School District Purchasing Department is to assist schools and departments with all purchasing activities; to provide cost effective and competitive procurement of supplies and services needed to provide the educational services to all students of the Eau Claire Area School District; to administer the Procurement policies and procedures established by the School Board and the Wisconsin Department of Education.

The Purchasing Department is dedicated to providing the School District with the services necessary to accomplish its operational missions in the most cost effective and efficient manner and to provide fair and equitable treatment of all vendors that wish to do business with the District.



PROCUREMENT OPERATIONS MANUAL

The Procurement Department, under the general supervision of the Executive Director of Business Services, is responsible for conducting the Procurement function in a manner which results in obtaining the most efficient and effective use of district funds. The conduct of our office will be accomplished in accordance with ethical practices of the Procurement profession. Activities and procedures of the Purchasing Department are regulated by and must comply with the Eau Claire Area School District Procurement policies of the Board of Education and all applicable state laws.

Purpose Statement

The underlying purposes and policies of the District's Procurement function are:

1. to provide increased economy in District procurement activities and to maximize to the fullest extent practicable the purchasing values of funds while ensuring that procurements are the most advantageous to the District;
2. to foster effective broad-based competition for public procurement within the free enterprise system;
3. to develop procurement capability responsive to appropriate user needs;
4. to ensure the fair and equitable treatment of all persons who deal with the procurement system of the District which will promote increased public confidence in the procedure followed in public procurement;
5. to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process;
6. to develop an efficient and effective means of delegating roles and responsibilities;
7. to develop a training system to train District procurement officials in the techniques and methods of public procurement;
8. to mandate the existence of a structured system of auditing and monitoring;

9. to establish policies and procedures relating to the procurement, management, control, and disposal of supplies, services, equipment, information technology, and construction.

PROCUREMENT DEPARTMENT

The Procurement Department has the authority to question those transactions that are considered to be questionable in any way including those that appear unjustifiable, unethical, and/or unlawful. Acceptable explanation(s), justification(s), and/or clarification(s) must be furnished by the initiating school or department as requested or the transaction can be denied.

PROCUREMENT AUTHORITY

- Except as otherwise provided herein, all rights, powers, duties, and authority relating to the procurement of supplies, construction, information technology and services for the District, and to the management, control, warehousing, sale and disposal of supplies, construction, information technology, and services for the District, are hereby delegated to the Superintendent by the Board.
- The Superintendent shall be responsible for developing such organizational structure as necessary to implement the provisions of the Procurement Code.
- The Superintendent may delegate his/her authority to any designee and the Purchasing Manager may delegate his/her authority to any designee.
- Less than \$5000 - Individual schools and departments may issue purchase orders for small purchases which do not exceed \$5000. At the school or department level, purchase orders must be approved and signed by the Purchasing Manager or his/her designee.
- \$5,000 and greater - On purchase orders exceeding \$5,000, all orders will be approved by the Purchasing Manager.

DOLLAR LIMITS AND REQUIREMENTS All contracts for, and purchases of supplies, materials, equipment, and contractual services for the Eau Claire Area School District shall be made on the basis of quality, price, and service. Acquisition of all goods and services shall be subject to the following limits, except when a clear emergency exists or a particular item may be obtained from only one known supply source. Proper documentation shall be maintained regarding all such exceptions.

- **Purchases for \$50,000 and Greater Amounts: The Invitation for Bid Process:** Purchasing transactions exceeding \$50,000 require competitive, sealed bidding utilizing the Invitation for Bid (IFB) process. Award will be made to the lowest responsive and

responsible bidder whose bid meets the requirements set forth in the invitation for bids.

- **Purchases for \$50,000 and Greater Amounts: The Request for Proposal Process:** Purchasing transactions exceeding \$50,000 in which it is determined not to be advantageous or practical to use the sealed bidding process may be purchased through the use of sealed competitive proposals. This is the Request for Proposal (RFP) process. Award will be made to the responsible offeror whose proposal is determined to be the most advantageous to the District, taking into consideration price and the evaluation factors set forth in the request for proposals.
- **Purchases from \$5000 up to \$50,000**
Purchasing transactions from \$5,000 up to \$50,000 require solicitation of written quotes. The Initiator is responsible for providing the Purchasing Department with specifications by attaching them to their requisition and submitting to the Purchasing Department for approval.
- **Purchases of \$5000 and less**
Purchases not exceeding \$5000 may be accomplished without securing competitive quotations if the prices are considered reasonable. Purchases must be distributed equitable among qualified suppliers. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order.
- **Splitting Purchases**
Purchasing transactions are not to be artificially divided or fragmented in order to meet the lesser requirements of lower dollar transactions.

EXEMPT FROM COMPETITION

The following categories do not require competition:

1. **Copyrighted Educational Materials** to include, but not limited to:
 - a. Books, dictionaries, textbooks, newspapers, diplomas
 - b. Professional journals, technical pamphlets, periodicals, subscriptions
 - c. Educational films, filmstrips, slides and transparencies
 - d. Video tapes, cassettes, DVDs
 - e. Standardized testing materials
2. **Copyrighted Technology Materials** to include, but not limited to:
 - a. Computer assisted instructional materials, interactive video programs
 - b. CD-ROM documents, data bases

- c. District adopted instructional software, including site licenses, or other support services or related information/materials only available or provided by the software Provider
3. Medical and/or Psychological Services to include, but not limited to:
- a. Licensed/certified medical doctors, physicians, nurses, psychiatrists, psychologists, school psychologists, behaviorists, counselors, optometrists, dentists, etc.
 - b. Hospital and clinical services, occupational and physical therapy, orientation and mobility
 - c. Speech, language and audiological services
 - d. Vaccines
4. Governmental Services to include, but not limited to:
- a. Services and supplies provided by the Federal government, State agencies, county, city or town governments, and special purpose Districts
 - b. Payments of taxes, social security, annuities, credit unions
 - c. School Resource Officer services
5. Educational Services to include, but not limited to:
- a. Contractual, cooperative agreements, services and supplies for provision of services to students
 - b. Tuitions paid to institutions of higher education
 - c. Colleges and Schools
6. Policy and Legal Services to include, but not limited to:
- a. Attorney services (subject to Board approval), court recorders, expert witness services\Bond rating services
 - b. Legislative consultant
 - c. Advertising
 - d. Primary and reinsurance coverage
 - e. Goods and services of a confidential/sensitive nature that would cause injury to students, staff and/or District if procured through public solicitation, as recommended by administration and approved by Superintendent on an "as needed" basis
7. Staff Development to include, but not limited to:
- a. Training provided by consultants, certified teachers/trainers or District personnel
 - b. Training materials secured or prepared for instructional purposes
 - c. Workshop, conference, seminar registrations
 - d. Travel
8. Student Services to include, but not limited to:
- a. Expenditure of funds derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores,
 - b. Test scoring services

- c. Canine Drug and/or weapon detection services and related support services
 - d. Homebound services
 - e. Home visits
 - f. Instruction provided by certified teachers
 - g. Professional due and membership fees
 - h. Travel
9. Utilities and Energy Expenses to include, but not limited to, fuel, propane, electric, telephone, cell phones, water/sewer
 10. Refunds to include, but not limited to, refunds of health insurance, earnest monies, bid securities, or other funds temporarily entrusted to the District
 11. Art Reproductions
 12. Emergency Repairs
 13. Items Purchased for Resale
 14. Mail and Delivery Services
 15. Perishable Foods
 16. Shipping and Postage related costs
 17. Procurements by the District through a cooperative purchase where the public procurement unit or external procurement activity administering the cooperative purchase complied with the requirements of the Eau Claire Area School District.

PUBLIC INFORMATION

Public Record.

Procurement information must be a public record to the extent required by the Wisconsin Open Records Law with the exception that commercial or financial information obtained in response to a Request for Proposals or any type of bid solicitation that is privileged and confidential need not be disclosed.

Competitive Sealed Bids

Sealed bids are opened publicly in the presence of one (1) or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid together with the name of each bidder and other information as deemed relevant by the Purchasing Manager is announced and recorded. This tabulation shall be open to public inspection. Only the information disclosed by the Purchasing Manager or designee at the bid opening is considered to be public information until the notice of intent to award is issued.

Competitive Sealed Proposals

Sealed proposals are opened publicly in the presence of one or more witnesses at the time and place designated in the Request for Proposals. A tabulation of proposals is prepared but is not open for public inspection until after the contract is awarded. Contents of competing offers are not disclosed.

Proprietary Information

Certain information relative to the procurement process can be deemed proprietary in nature and not open for public review. This proprietary information must be clearly marked as such by the bidder/proposer when submitted. This information will be considered proprietary and not open to public review, unless deemed otherwise by the Purchasing Manager. The final decision as to whether this information is proprietary lies with the Purchasing Manager.

Review of Bids or Proposals

Requests for information or review of the documents shall be made to the Purchasing Manager. An appointment to review the file shall be made with the Purchasing Manager at a mutually convenient and reasonable time. The reviewer shall not take possession of any of the documents in the file. All proprietary information shall be removed from the file prior to the review.

INFORMATION TECHNOLOGY PURCHASES

All requests to purchase technology equipment and software (regardless of the funding source) or to receive donated new or used technology equipment and software, shall be submitted to the Department of Technology for advance approval. Technology purchases include computers, printers, projectors, software, etc.

COMPUTER AND PRINTER PURCHASES

- All computer and printer requests shall be processed by the Technology Department unless prior authorization to purchase from the school/department level is received from a Purchasing Manager or Technology Director.
- All requisitions should be submitted to the Purchasing Department or Technology Department.
- Computer purchases require a purchase order or Pcard unless another method of purchase is authorized by the Purchasing Manager.
- The initiating school/department is responsible for notifying the Purchasing Department that they have received the equipment.
- Accounts Payable is responsible for paying computer and printer invoices.

CONTRACT PURCHASES

The District has the option of developing its own contracts for specific items or services or utilizing other cooperative contracts based on the best interest of the

school district. The Purchasing Manager or his/her designee is authorized to make this decision based on what is in the best interest of the District.

MULTI-TERM CONTRACTS

Appropriateness. A multi-term contract is appropriate when it is in the best interest of the District to obtain uninterrupted services extending over one fiscal period, where the performance of such services involves high start-up costs, or when a changeover of service contracts involves high phase-in/phase-out costs during a transition period. The multi-term method of contracting is also appropriate when special production of definite quantities of supplies for more than one fiscal period is necessary to best meet the District's needs but funds are available only for the initial fiscal period.

Determination Prior to Use. Before the utilization of a multi-term contract, it must be determined: estimated requirements cover the period of the contract and are reasonably firm and continuing and such a contract serves the best interests of the District by encouraging effective competition or otherwise promotes economies in procurement.

Specified Period. A contract for supplies, services, or information technology must not be entered into for a period of more than one (1) year unless following provisions apply:

- (a) the term of the contract and conditions of renewal or extension must be included in the solicitation
- (b) funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

SOLE SOURCE PROCUREMENTS

A Sole Source Procurement is defined as a contract for a supply, service, information technology, or construction item that is awarded without competition. The Purchasing Manager must determine there is only one source for the required supply, service, information technology, or construction item. A Sole Source procurement is not permissible unless there is only a single supplier. Written documentation must include the determination and basis for the proposed sole source procurement. In cases of reasonable doubt, competition must be solicited. Schools/Departments requesting a Sole Source Procurement must attach the following documentation to a requisition and submit to the Procurement Department:

- Sole Source Justification
- A memo from the initiator explaining why the requested supply/service is unique to one vendor;
- An explanation (in same memo) as to why this particular supply/service is exclusive to their needs.

EMERGENCY PROCUREMENTS

An Emergency Procurement is defined as a procurement necessary to offset an

Immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions provided that such emergency procurements shall be made with as much competition as is practicable under the circumstances.

An emergency condition is defined as a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, fire loss, or such other reason as may be proclaimed an emergency the Superintendent or a designee of either.

The existence of such conditions must create an immediate and serious need for supplies, services, information technology, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten: (1) the functioning of the District; (2) the preservation or protection of property; or (3) the health or safety of any person.

Emergency Procurement Guidelines:

- Each Emergency procurement must be made with as much competition as is practicable under the circumstances.
- Each Emergency procurement shall be limited to those supplies, services, equipment, or construction items necessary to meet the emergency.
- Approval from either the Superintendent or a designee must be obtained prior to the procurement.

PURCHASES MADE WITH GRANT FUNDING

The Eau Claire Area Procurement Code shall apply to all procurements and expenditure of funds granted by federal assistance monies

UNAUTHORIZED PURCHASES

Any purchase not made in accordance with the provisions of the District Procurement Code and/or procedures will be considered an unauthorized purchase.

The ratification of an act obligating the District in a contract by any person without the requisite authority to do so by an appointment or delegation rests with the Superintendent or Executive Director for Business Services. The ratification of unauthorized procurements by the Purchasing Manager shall be limited to an amount of fifty-thousand dollars (\$50,000); the Executive Director for Business Services shall be limited to one hundred and twenty-five thousand dollars (\$125,000.00); the Superintendent shall ratify unauthorized purchases over one hundred and twenty five thousand dollars (\$125,000.00). The Superintendent may delegate authority, in such amounts as the Superintendent may determine, to ratify such acts to a person above the level of the Purchasing Manager.

Corrective Action. When ratification is necessary, the Superintendent or a designee as authorized in writing above the level of the Purchasing Manager shall also prepare a written determination as to the facts and circumstances surrounding the act, corrective action taken to prevent reoccurrence, action taken against the

individual committing the act, and documentation that the price paid is fair and reasonable.

A course of action will be prescribed based upon the severity, frequency, and other circumstances surrounding the violation and the previous violations. Corrective action includes but is not limited to the following; any or all of the following actions may be taken:

1. Requiring the individual who made an unauthorized purchase to attend training session(s) as deemed necessary by the Superintendent.
2. Requiring the individual who made an unauthorized purchase to assume responsibility, financial or otherwise, for the purchase.
3. A reduction in the level of Procurement authority for the school/division/department may be reduced for a period up to one year. In the event of this reduction, all purchase orders in an amount above the reduced level of authorization will be submitted to the Purchasing Department for approval.
4. **All** Procurement authority of the school/division/department may be revoked for up to one year. **All** purchase orders will be submitted to the Purchasing Department for approval.
5. Disciplinary action may be taken against the individual who made an unauthorized purchase including, but not limited to, termination.

Disciplinary action may be taken against the Principal, Department Head including, but not limited to termination.

These guidelines also apply to transactions that are considered to be questionable in any way including those that appear unjustifiable, unethical, and/or unlawful. Disciplinary action is at the discretion of the Superintendent or designee.

PURCHASING DOCUMENTS

The **Purchase Order (PO)** has the signature of the Purchasing Manager. The necessary information is provided on the requisition to enable the generation of a PO. The Requisition is not to be used to place orders.

BLANKET PURCHASE AGREEMENT

A Blanket Purchase Agreement is defined as a simplified method of filling anticipated repetitive needs for small quantities of supplies or services by establishing "charge accounts" with qualified sources of supply. Blanket purchase agreements are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents. The purchase order shall contain the following provisions:

1. BLANKET PURCHASE ORDER

2. EFFECTIVE DATES
3. AUTHORIZED USERS
4. A general description of the supplies or services that the supplier is furnishing.
5. A statement of dollar limitations placed upon each authorized user per order.

All Blanket Purchase Agreements, regardless of the amount, must be approved by the Purchasing Department prior to usage. (This does not include Student Activity funds).

Book Orders:

Large book orders (more than 10 individual books) should be purchased using a Blanket Purchase Agreement or PCard. A list of titles should be attached to the purchase order before sending to the supplier. It should also be noted whether substitute titles are acceptable or not.

PROCUREMENTS AT AUCTION

The District, having knowledge of either an auction or a sale of supplies from a bankruptcy may elect to participate. The District shall:

- (a) survey the needed items being offered to ascertain their condition and usefulness
- (b) determine a fair market value for new like items through informal quotes
- (c) determine the fair market value from similar items considering age and useful life
- (d) estimate repair cost and delivery cost, if any, of the desired items.

Using this information, the District shall determine the maximum price that it can pay for each item desired. At the auction or sale, the District shall not exceed the maximum price so determined.

LEASES AND RENTALS

Justification is required when proposing to enter into an agreement other than an outright purchase; this includes leases, lease/purchase, installment purchase, or rental agreements. Upon written justification by the Purchasing Manager of such alternate method, the following procedures will be followed:

EXPENDITURES NOT REQUIRING A PURCHASE ORDER

- Public Utilities
- Cell Phone services
- Credit Card purchases
- Security for school related events
- Athletic Officials
- Crossing Guards
- Copier Rental/Lease
- Duplicator Rental/Lease
- Travel Reimbursements

- Newspaper subscriptions
- Purchases which are considered inappropriate for the purchase order process, as determined by a Purchasing Manager.
- Reimbursements (using *Check Request Form*)
- Educational Provider Contract
- Membership Dues for Principals and Administrative Staff

PERSONAL PURCHASES

The Purchasing Office does not enter into any negotiations or become involved in any transactions for the purchase of anything whatsoever for the personal account of District employees. Certain items which might be classified as personal in nature and are suspect as inappropriate expenses from District funds may be questioned or disallowed.

OPERATING PROCEDURES

Ordering Procedures:

1. The requisition form is the official District document used to initiate a purchase transaction for supplies, equipment and miscellaneous services. These forms are available from the Purchasing Manager. This form is to be properly completed and approved by the Department Head, Financial Secretaries or Principals as necessary. Requisitions for purchases greater than \$2,500 must be submitted to the Procurement Office for approval. It must contain specific and complete details on the commodity or service desired. It must be correct as to quantity, item(s), specifications, and required delivery date. When any item requisitioned must be compatible with existing equipment, the reason must be clearly explained and the requisition with a specific brand or model (permitting no substitution) must be accompanied by a letter of justification. (Purchase Orders that are processed for payment without a requisition form will require a Purchasing Manager's approval.)
2. School or Department personnel are responsible for entering the requisition into the Financial Software System.
3. Upon receipt of the requisition in the Purchasing Office, the process of procurement is determined by the Purchasing Manager. The requisition is reviewed by a Purchasing Manager, approved and a purchase order is printed and returned to the requisitioning department or school. The school or department secretary/bookkeeper is responsible for obtaining the Principal's or Department Head's signature and sending the purchase order to the supplier for all orders except computer and printer purchases (see Computer and Printer Purchases, page 6).
4. All invoices are mailed to the Accounts Payable Department. After verification that the order has been received as ordered, payment is authorized by the Finance Manager.

A Change Order is defined as any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

A Change Order is the proper method for requesting the following changes in a Purchase Order:

- Increase the value of a Purchase Order
- Add new account number
- Adjust existing account number
- Close a Purchase Order
- Change contract dates
- Change Ship to/Bill to information
- Change vendor information
- Edit description
- Change shipping instructions
- Price adjustment (if greater than 10% difference)
- Misc. changes as necessary

Accounts Payable is authorized to pay increases up to ten percent (10 %) without the approval of the Purchasing Department, with the following exceptions:

- When the purchase order total for goods plus freight exceeds \$2,500;
- When there is a quote attached stating a lesser price than the invoice states;
- All increases in quantity.

Accounts Payable is authorized by the Purchasing Manager to take advantage of any discounts allowed on an invoice that are not referenced on the corresponding purchase order.

This variance allows for items such as shipping charges and small incidental fees/credits that may not have been anticipated when the purchase order was originally created. It also allows Accounts Payable to make payments for invoices that are less than the original purchase order, i.e. discounts not taken, rebates, etc.

RECEIVING

- Each school or department is responsible for inspection of the goods received.
- Each school or department is responsible for contacting the supplier concerning the shipment in regards of complaints, damage, shortage reports, etc.

GIFT CARDS

Gift cards are defined as incentives for students and parents. They can be purchased only with money collected at the school or student activity money unless they are grant specified.

- Gift cards purchased with school or student activity money must have prior approval of the Principal or Department Head.

- Gift cards for ECASD employees are considered a gift of public funds and as such are prohibited unless approved by the Executive Director for Business Operations.

EMPLOYEE RECOGNITION

Rewards or incentives should not appear to be gifts. The District shall be allowed to spend public funds on employee plaques, certificates, and other events including meals and similar types of recognition to reward innovations or improvements by individual employees or employee teams that enhance the quality of work or productivity or as part of employee development programs for the District. Award value shall be at the discretion of the Principal or Department Head.

SALES CALLS AND DEMONSTRATIONS

Sales representatives shall not be permitted to contact school personnel and students for the purpose of making sales or demonstrations, except by special permission of the Principal and Purchasing Manager. Sales representatives must register at the principal's office immediately. Unregistered sales representatives will be removed from the school building.

District employees (other than those in the Purchasing Department or their designee) shall not commit themselves by implication nor otherwise on preference for any product or the district's source of supply for any product, or give information regarding performance or price. All pricing negotiations with sales representatives are to be coordinated with the Purchasing Department or designee.

There shall be no individual personal gain for any employee of Eau Claire Area School District. No school district employee may receive for his or her personal benefit anything of value from any person other than his or her employing school district to sell, promote the sale of or act as an agent or solicitor for the sale of any goods or services to any public school pupil or employee while on the property of the District or at an activity of the District without prior approval from the Superintendent.

District employees may not accept material gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do business with the District, under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his/her duties. This does not include the acceptance of items of nominal or minor value that are clearly tokens and not related to any particular transaction or activity of the School District.

REIMBURSEMENTS

There are circumstances where the purchase of a good or service cannot feasibly be acquired through the normal purchasing process nor by using the Procurement Card. Guidelines have been established to reimburse employees for these unusual instances. Reimbursements for miscellaneous purchases made by an employee

are allowed if prior approval is obtained from their principal/department head and the proper documentation is submitted.

Proper documentation includes a properly completed Check Request Form requesting Reimbursement with original receipts attached.

When requesting reimbursement, original receipts must be attached to the back of the Check Request Form; the following information must be included:

- the cost of each item purchased;
- the total amount of the purchase;
- the amount paid;
- the name of the vendor;
- the date of purchase.

All reimbursements must be approved by the appropriate department heads/principals and/or Finance Manager.

Meal Reimbursements: Meals are reimbursed on a standard amount per meal per day. Reimbursement will be made at the current per diem rate based on the time leaving and returning.

- Employees will not be reimbursed for meals outside of travel time.
- Employees will not be reimbursed for meals that are included in conference registration fees.
- Gratuities, tips and miscellaneous costs are included in the daily meal per diem rate.

TRAVEL PROCEDURES

To be eligible for reimbursement, all travel for District employees must:

1. be properly authorized;
2. be actually incurred;
3. be necessary for fulfilling the responsibility of the school/department;
4. to be conducted in the most economical manner for the District.

The Eau Claire Area School District requires all travel to be properly documented.

The traveler will use the most economical and practical mode of travel from the standpoint of time, cost, and standard travel route. Exceptions must be fully explained and approved by the Principal/Department Head.

IN-DISTRICT TRAVEL PROCEDURES

IN-DISTRICT TRAVEL is defined as travel within Eau Claire Area. (No overnight travel is reported in this category). Reimbursement will be made at the current per diem rate based on the time leaving and returning. This includes required travel

from one district building to another, travel to required meetings, and home visits. This does not include travel from your home to your place of work.

Claims for mileage expenses to conduct official business while in route between home and office should only be submitted for the mileage that exceeds the **usual** home to office mileage.

Reimbursement for required travel when an employee leaves directly from home and returns home without going to the employee's office will be the lesser of:

- the distance between the employees home and travel destination, or
- the distance between the employees office and travel destination.

OUT-OF-DISTRICT AND OUT-OF-STATE TRAVEL PROCEDURES

Requiring employees to receive preauthorization for travel outside the district is a recordkeeping process that tracks our employees' travel and that provides insurance protection for employees in the event of an accident. Therefore, adhering to the district's travel policy is important to all district employees. Outlined below are the procedures that employees should follow when their job requires them to travel outside either the district or state.

OUT-OF-DISTRICT TRAVEL is defined as travel required outside of Eau Claire Area. Reimbursement will be made at the current per diem rate based on the time leaving and returning.

Claims for mileage expenses to conduct official business while in route between home and office should only be submitted for the mileage that exceeds the **usual** home to office mileage.

Reimbursement for required travel when an employee leaves directly from home and returns home without going to the employees office will be the lesser of:

- the distance between the employees home and travel destination, or
- the distance between the employees office and travel destination.

Transportation

For use of a personal vehicle for travel, the number of miles must be clearly documented. The reimbursement is based on the standard mileage rate times the number of miles.

- Reimbursement is only paid to the individual who drove the vehicle;

Miscellaneous Expenses:

- Cab fare to and from airport or hotels will be reimbursed; (receipt required);
- Regular parking fees at the airport, hotel, or conference center will be reimbursed; (receipt required);
- Valet parking will not be reimbursed.
- Personal expenses (telephone calls, internet connections, etc.) will not be reimbursed;

- Misc. expenses as deemed appropriate by the Principal or Purchasing Manager may be reimbursed;

Conference Registration and Hotel Registrations: Requests for payment of registration fees and hotel registrations can be paid using a District Procurement Card or by Purchase Order.

Purchase Order Instructions for Conference Registrations:

- must have a copy of conference documentation (must show name of conference, date, location, and cost per person) attached.

Purchase orders for conference registrations must contain the following information:

- Name(s) of people attending
- Date of conference (only the dates that the teachers/staff will actually be attending).
- Cost for each person
- Location of conference
- Name of conference

Purchase Order Instructions for Hotel Registrations:

- must have a copy of hotel confirmation (must show name of hotel, name of person, date, and cost per room).

Purchase orders for hotel registrations must contain the following information:

- Name(s) of people that rooms are being booked for
- Date(s)
- Cost per room
- Confirmation number
- Name of conference/function attending

The District will not pay for personal expenses added to the lodging bill such as phone calls, health facility fees, movies, internet connections, and other incidentals.

Airfare

The school or department is responsible for making all travel arrangements.

- The Procurement Card may be used to make airline reservations;
- Air travel allowance is limited to coach fare; **other than coach must be approved by the Superintendent;**
- Original receipt or E-Ticket must be submitted.

PREPAYMENT FOR GOODS AND SERVICES

Prepayment for standard goods or services is prohibited. Exceptions are to be made only in those situations in which no other source for the goods or services are available and no other arrangements can be made.

Justification must be provided to the Purchasing Department for approval prior to the purchase.

ETHICS POLICY

- District employees shall not ask, demand, solicit, or accept anything of value for himself or for another person in return for fulfilling his official responsibilities or duties.
- District employees shall not directly or indirectly offer or promise to commit the District to any type of purchase or contract without acting in accordance with the District's Procurement policies.

WAREHOUSE OPERATIONS

The District maintains a warehouse stocked with custodial supplies, paper products, ballasts, and other miscellaneous items as necessary for the routine operation of the District.

Purchases from the Warehouse are made by sending a warehouse requisition to the warehouse secretary. Delivery will be made to the requisitioning school or department by Warehouse personnel within a reasonable timeframe after the order is received.

Warehouse personnel are also responsible for the pick-up and storage of surplus items until they can be properly disposed of.

CHARTER BUS LINES

The Purchasing Department is responsible for approving charter bus lines that are available for use by the schools for field trips, ball games, etc. A list will be maintained and distributed by the Purchasing Department as necessary. Only the bus lines that have been pre-approved by the Purchasing Department can be used.

PROCUREMENT CARD

The purpose of a Procurement Card is to maximize the use of educational funding while providing necessary controls. The Card is a means to simplify purchases of materials and services. The same competition thresholds apply. A District Procurement Card may be used to purchase supplies, materials, equipment and services with values of less than \$5000 per transaction unless authorized by the Purchasing Manager. The Purchasing Department will assign dollar limits accordingly.

Only authorized employees conducting School District business may use the District's Procurement Card for specific items. Card usage shall be audited regularly and must adhere strictly to usage procedures.

Purchasing Department Responsibilities

The Purchasing Department will be responsible for administering the procurement card program. A list of cardholders, card numbers, along with established spending limits shall be maintained in the Purchasing Department.

Cardholder Responsibilities

Along with the authority to use the Procurement Card comes the responsibility of:

- Monitoring the Procurement website for charges to the Procurement Card ;
- Employees are required to keep the card secure at all times. The District Procurement Card is to be protected by the same safeguards that are applied to the security of a personal credit card. It is left to the discretion of each cardholder to determine where the most secure place would be.
- If the card is given to someone else for a purchase, the cardholder shall record the name, date and purpose of transaction.
- Reconciling transactions monthly;
- Miscellaneous responsibilities as deemed necessary by the Procurement Department;
- Ensuring receipt of materials and services;
- Contacting the supplier to resolve any delivery problems, discrepancies and damaged goods claims.

How to Obtain a Procurement Card

The employee must:

- be an employee of Eau Claire Area School District;
- complete and sign the District Procurement Cardholder Agreement;
- forward completed Agreement to the Procurement Department;
- must pick up the procurement card in person;
- must sign the back of the card immediately upon receipt;
- Be authorized to receive a card by their immediate supervisor.

Card Cancellation

The procurement card must be cancelled for the following reasons:

- The cardholder's termination of employment with the District;
- The cardholder's transfer to another position or location within the District;
- The card is revoked by the Purchasing Department due to misuse by the cardholder.

To cancel a procurement card, the card should be cut in multiple pieces and returned to the Purchasing Department immediately. Do not send the destroyed card through the inter-departmental mail courier.

Card Surrender

The Procurement Card must be temporarily surrendered to the Purchasing Department at the beginning of a leave of absence.

Spending Limits and Guidelines

Spending Limits: \$5000 maximum (unless authorized by the Purchasing Manager) per transaction for all cardholders;

Monthly limit is determined by the Purchasing Department on budget considerations. There is no annual limit; therefore, reconciling your monthly statement to the District's Financial Software program is essential for budget control.

It is important to remember that District funds will be committed each time the card is used. Procurement Card privileges will be revoked if the Cardholder willfully violates policies or procedures or uses the card for personal purchases. Unauthorized purchases will result in personal liability, criminal, and/or civil prosecution.

Single purchases should not be divided to circumvent the \$2,500 limit per transaction. This type of transactions will be regarded as an Unauthorized Purchase (see Unauthorized Purchases).

Receipt of Materials and Services

The cardholder shall be responsible for ensuring receipt of materials and services, and for contacting the supplier to resolve any delivery problems, discrepancies and damaged goods claims.

Card Transactions

Each Cardholder is responsible for allocating each transaction in the US Bank Program used by the District. All allocations shall be entered in a timely manner.

Point of Delivery

Goods purchased with the Procurement Card shall be shipped for "desktop" delivery rather than to the District Warehouse. Suppliers should be given a complete mail to or ship to address to guarantee correct delivery.

Returns and/or Exchanges

- Make arrangements with the supplier before shipping an item for return;
- The supplier must credit a return and charge a new transaction. Exchange of like items (i.e. different colors, etc.) may not require a credit transaction;
- It is a merchant violation to refund cash for a credit card return. Do not allow merchants to do this. It is a Cardholder violation to accept cash. Violations of Procurement Card usage will result in criminal or civil prosecution.
- Document all returns and exchanges. This information may be needed for a formal dispute.

Disputed Transactions

The Cardholder is responsible for contacting the Purchasing Department about any erroneous charges, returns or disputed items. Disputed billing can result from:

- Failure to receive goods or services charged

- Fraud or misuse
- Altered charges
- Defective merchandise
- Incorrect amounts
- Duplicate charges
- Credits not processed

Cardholder Recordkeeping

- Each Cardholder must maintain files of transactions by month and by fiscal year. Included in each file must be copies of receipts and bank statements. Cardholders must maintain documentation in a manner that will allow an auditor to quickly and easily review the records.
- When making a purchase via telephone, internet, or mail order, the Cardholder must request that a receipt or confirmation of the order be mailed directly to the Cardholder;
- The Cardholder should always obtain and document the name of the individual who took their order;
- The Cardholder should retain all shipping documentation.

Card Renewal

A renewal Procurement Card will automatically be mailed to the Purchasing Department. Cardholders will be notified when their new cards are available. Renewal cards must be personally picked up or delivered and the Cardholder must sign that they have received it.

Lost or Stolen Card

If a Procurement Card is lost or stolen, notify the Purchasing Department immediately.

Reconciliation

Reconciliation is defined as a comparison of original receipts to the statement received from the financial institution. Each Cardholder will receive a detailed statement from the Financial Institution for their card at the beginning of every month. This statement will list the transaction(s) that have transpired for the month and should match the Cardholder's records.

- Reconciliation must be performed monthly;
- Reconciliation should be performed by someone other than the Cardholder ;
- Compare card receipts to monthly statement;
- Transactions occurring after the 25th of the month may not appear on your statement; these items should be carried forward to the next month);
- Authorization to pay received from the Cardholder shall be perceived as approval of all transactions appearing on their current statement.

Audit Procedures

Eau Claire Area School District Purchasing Department will perform regular audits of procurement card files. Such audits will be designed to verify that card transactions are authorized and appropriate and to verify that required documentation has been properly accumulated, approved and filed. Procurement Card activity shall be monitored by the Procurement Department. All cards shall be cancelled that have had no activity for twelve (12) continuous months.

In the event of an audit finding, the following actions, depending on the severity of the finding, will be consequences of misuse:

- Surrender of procurement card;
- Privileges revoked;
- Unauthorized or non-business charges on procurement card must be reimbursed to the District by the cardholder;
- Improper or fraudulent use of the procurement card will result in disciplinary action, up to and including prosecution and/or termination of employment.

Reasons to Suspend and/or Revoke Procurement Card Privileges

- Failure to adhere to District policies and procedures;
- Failure to safeguard the procurement card from unauthorized use;
- Use of procurement card for non-district or personal purchases;
- Failure to keep all necessary documentation on procurement card transactions;
- Failure to reconcile monthly charges.

Consequences of Procurement Card Misuse

Possible actions against cardholder:

- Surrender procurement card – privileges revoked;
- Unauthorized or non-business charges on procurement card is the cardholder's responsibility to reimburse the District or the unauthorized charges may be deducted from employee's pay;
- Improper or fraudulent use of procurement card will result in disciplinary action, up to and including prosecution and/or termination of employment;
- In all cases of fraudulent use of a procurement card, the Superintendent and the Executive Director for Business Services will be notified of the misconduct involved.

Restricted Purchases of Procurement Card

- Alcoholic Beverages
- Cash Advances
- Contributions/Donations
- Controlled Substances/narcotics
- Firearms/Ammunition
- Insurance
- Legal Services
- Payments to Individuals (1099)

- Personal Use
- Phone Cards
- Products available through the District Warehouse
- Purchases requiring a contract
- Student Payments
- Temporary Help

Internet Purchases

Purchases on the Procurement Card via the internet are allowed for the following types of vendors:

- Those the District has a contract with;
- State Contract Vendors;
- Local Vendors;
- Others as approved by the Procurement Department.

Receipt documentation

Receipt documentation must be maintained to support the Internet order: All documentation must be itemized reflecting the individual item and its cost as well as the total cost of the purchase.

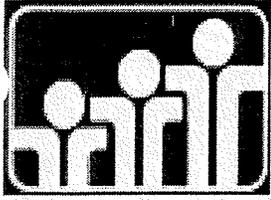
- Web sites that present an on-line receipt, reflecting the billing amount and a company logo or name will serve as proper documentation. Simply print the on-screen document.
- Web sites that reflect the billing amount with email confirmation will serve as proper documentation by printing the on-screen receipt and confirming email .
- **Web sites that do not present an on-line receipt or order confirmation cannot be utilized.**

Security for Purchases through the Internet

All current restrictions to purchasing card use also apply to the use of the card for Internet transactions.

On-line purchases must be made with vendors using a Secure Sockets Layer (SSL) browser session. Using Microsoft Internet Explorer the secure symbol is a closed paddle lock.

Customers must use the same care and common sense in supplier selection as they would with any other purchasing method. The objective should be to balance quality and service with price.



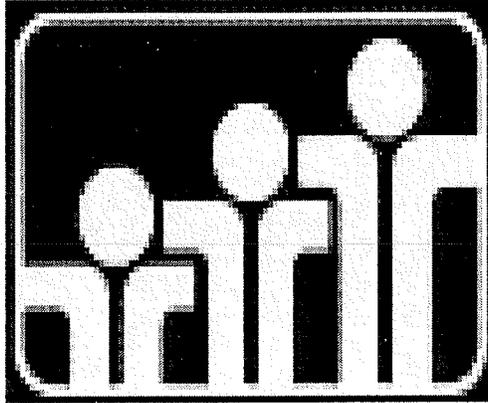
Eau Claire Area School District
PURCHASING
500 Main Street
Eau Claire, WI 54701

Welcome to the Eau Claire Area School District's Procurement Card Program!

Your Procurement Card Manual is a guideline for the credit card program initiated by the Purchasing Department for district wide use. It contains detailed information that management and individual cardholders need to make the program work effectively and efficiently.

Each department is responsible for the program within its respective area and will review all bank statements and verify that documentation for each transaction is attached. In addition to the convenience for our departments, School District vendors will benefit as a result of immediate payment from the bank rather than waiting for the traditional processing of invoices.

Scott Noffke, CPPB
Purchasing Manager



PROCUREMENT CARD
POLICY AND PROCEDURES MANUAL

EAU CLAIRE AREA SCHOOL DISTRICT PROCUREMENT CARD MANUAL

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GENERAL PROGRAM POLICY AND PROCEDURES

The purpose of this manual is to establish rules and regulations governing the use of District-issued procurement cards provided to authorized personnel to allow purchase of goods and/or services for District programs.

GENERAL PROGRAM OVERVIEW

This program is being established to provide a more rapid turnaround of requisitions for goods and to reduce paperwork and handling costs. By using the District Procurement Card, you dramatically shorten the payment cycle from what it was under the traditional requisition process. The traditional process included pricing inquiry, order placement, delivery of goods, invoice, and voucher review. Requisitioners who have been issued procurement cards may now initiate transactions in person, by telephone, or via the web and receive goods within the limits of this procedure.

DEFINITIONS:

Vendor: A company from which a cardholder is purchasing goods and/or services under the provisions of this procedure.

Cardholder: Personnel who have been issued procurement cards and who are authorized to make purchases in accordance with these procedures.

Allocation Secretary: The person responsible for reviewing and allocating a cardholder's monthly statement.

Coordinator: The person responsible for all program detail, including all cardholder inquiries.

Statement of Account: Monthly listing of all transactions by the cardholder issued by the bank directly to the cardholder.

Purchase Limit: A dollar amount limitation of purchasing authority delegated to a cardholder.

Requisitioner: An employee who has a need for goods or services that can only be fulfilled by a vendor. Under this Procurement Card Procedure, a requisitioner is a cardholder.

Card: US Bank Procurement Card

Procurement Card: A US Bank commercial credit card issued to select school district employees to be used to simplify the purchase of goods and services.

RECEIVING A CARD

1. Department Heads/Principals may authorize personnel to be cardholders by contacting the District Purchasing Department Procurement Card Program Administrator at 852-3012.
2. The proposed cardholder shall be issued a copy of this procedure and is required to sign a Cardholder Enrollment Form and Employee Agreement. This agreement indicates that the cardholder understands the procedure and the responsibilities of a Procurement Cardholder. The enrollment form indicates all information needed to register the Cardholder in the credit system.
3. The Procurement Card Administrator shall maintain all records of cards, cardholder transfers, and lost/stolen/destroyed card information.

AUTHORIZED CARD USE

1. The unique card that the cardholder receives has his/her name embossed on it and shall be used only by the cardholder. The cardholder is authorized to make transactions on behalf of others in his/her department. **However, the cardholder is ultimately responsible for all use of his/her card.**
2. Use of the card shall be limited to the following conditions:
 - The total value of a good or service shall not exceed \$5000 unless authorized by the Purchasing Manger. Payment **shall not** be split into multiple transactions to stay within the purchase limit.
 - All items purchased “over the counter” must be immediately available at time of credit card use. No backordering of merchandise is allowed, unless authorized by the Purchasing Manager.

UNAUTHORIZED CREDIT CARD USE- The credit card **shall not** be used for the following unless authorized by the program administrator:

Single purchase transactions exceeding \$1000¹; or

Alarm/Security systems	Legal services
Alcoholic beverages, drugs, or pharmaceuticals	Ammunition
Motor vehicles	Capital equipment
Nonbusiness/Personal items/services	Cash advances (ATM machines)
Printing or copying services ¹	Computer hardware/software ¹
Radioactive materials	Consulting Services
Tax reportable services	Insurance
Temporary help/Clerical/Labor	Leases/Rentals of property

¹unless specifically authorized

NOTE: A cardholder who makes unauthorized purchases or carelessly uses the credit card shall be liable for the total dollar amount of such unauthorized purchases plus any administrative fee charges by the bank in connection with the misuse and will be subject to appropriate disciplinary action.

MAKING A PURCHASE

1. Procurement procedures permit the purchase of goods or services valued at \$1000 or less from a "Vendor of Choice." Although this procedure does not require the requisitioner to compare sources or seek competition between vendors, he or she should always seek competition and the lowest "best" price within the parameters of quality and delivery. Where possible, the Purchasing Department will establish pricing agreements and identify the preferred suppliers.
2. Cardholders will utilize the following "checklist" when making a purchase:
 - A. Check with Purchasing to see if vendors and prices have already been established for the required goods. If not, solicit a reasonable number of sources. If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.
 - B. Ask the vendor for a discount, when appropriate. Discuss delivery cost and time frame. Indicate our tax-exempt status.
 - C. Once a vendor is designated and that vendor confirms that the goods or service is available, meets the specification and delivery requirements, etc., take the following steps:
 - (1) Confirm that the vendor agrees to accept VISA.
 - (2) Direct the vendor to include the following on the shipping label and packing list:
 - Cardholder's name and telephone number
 - Complete delivery address
 - The words "Credit Card Purchase"
 - The vendor's order number
 - (3) It is recommended that all purchases be sent to the Cardholder ordering the merchandise to ensure that the documents necessary for the record keeping are readily available to the Cardholder.
 - (4) If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number or boxes expected, and the carrier (UPS, Fed Ex, Etc.). Also, have them notify you—the Cardholder—when delivery is made.

CARDHOLDER RECORD KEEPING

1. Whenever a card purchase is made, either over the counter or by telephone, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.
2. When the purchase is made over the counter, the cardholder shall retain the invoice and "Customer copy" of the charge receipt. Prior to signing this slip, the Cardholder is responsible for making sure that the vendor has listed the quantity, described the item(s), and has excluded sales tax on the charge slip.
3. When making a purchase by telephone, please make sure to ask the merchant to include your name and "Purchasing Card" on the packing slip.
4. When the goods or services are received as a result of placing the telephone order, retain all shipping documentation.
5. When making Internet purchases, please print a copy of the order screen for your records. This may be used in place of an invoice.

REVIEW OF MONTHLY STATEMENT

1. At the end of each billing cycle, the Cardholder will receive a monthly statement of account from the bank that will list the Cardholder's transaction(s) for that period.
2. The Department Head/Principal shall check each transaction to verify that documentation matches the monthly statements.

Sales documents such as invoices, cash register tapes, card slips, screen print of internet orders, etc for all items listed on the monthly statement must be neatly attached to the statement and kept on file. This data attachment is critical to enable audit substantiation. **If this routine is not adhered to, the card will be revoked.** The careful matching of complete support documents to the statement is vital to the successful use of this program.

3. The accounting or purchasing department will periodically check the Cardholder's monthly statement and confirm the following items:
 - Receipts/invoices exist for each purchase.
 - The goods were received or the services were performed.
 - The Cardholder has complied with applicable procedures, including this Procurement Card procedure.
4. If the Cardholder does not have documentation of a transaction listed on the monthly statement, The Department Head/Principal must attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name, and reason for the lack of supporting documentation.

5. If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be **retained** by the Cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Cardholder or approving supervisor shall notify the Procurement Card Program Administrator. **Do not accept a refund in cash or check format.**
6. Merchandise Returns—If an item is not satisfactory, received damaged and/ or defective, duplicate order, etc., the Cardholder should make contact with the vendor to explain the problem and inquire about return policies.

If an item has been returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly statement.

If items purchased by the use of the card are found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute.

7. If the Cardholder has an issue with a purchased item or billing resulting from use of the Procurement Card, first try to resolve it with the vendor that provided the item. In most cases, disputes can be resolved directly between the Cardholder and the supplier. If the Cardholder is disputing a charge or an unresolved issue, complete a Dispute Form and include it with the statement package.

CARD SECURITY

1. It is the Cardholder's responsibility to safeguard the card and account number to the same degree that a Cardholder safeguards his/her personal credit information.
2. If the card is lost or stolen, the Cardholder shall immediately notify the bank at **1-800-523-9078**. Representatives are available **24 hours a day**. The Cardholder must advise the representative that the call is regarding a **Visa Procurement Card**.

The Procurement Card Administrator is also to be notified immediately at X13012.

3. A new card shall be issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be returned to the Procurement Card Administrator.

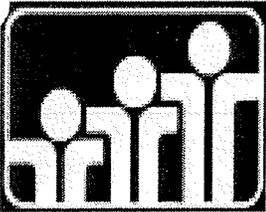
CARDHOLDER SEPARATION

1. Prior to separation from the District, the Cardholder shall surrender the procurement card and current card purchasing log to his/her Approving Supervisor. Upon its receipt, the Approving Supervisor will review, approve, and forward to Accounts Payable the month-end procurement card statement and send the card to the Procurement Card Program Administrator.

2. If the Cardholder transfers to another District department, follow the same procedure noted above in No. 1. In the event the new position also requires a procurement card, a new card will be issued.

PERSONAL LIABILITY AND YOUR CREDIT RATING

The use of the Purchasing card results in District liability, **not** a personal liability for the cardholder. Your credit rating will not be affected. However, remember that you (the Cardholder) signed an agreement with the District prior to receiving the card and as such you are responsible for any misuse of the card and any payment of monies as outlined in the training and Policies and Procedures Manual.



**EAU CLAIRE AREA SCHOOL DISTRICT
PROCUREMENT CARD APPLICATION/USE AGREEMENT**

Instructions: Complete information contained on this form and submit to Purchasing Department, Procurement Card Program Coordinator.

Employee Cardholder's Given Name (First, M.I., Last)	Department/Division
Social Security Number (Required)	Work Phone Number

The Procurement Card is intended for best-judgement purchases. Purchases made with this card must comply with Purchasing Department's Procurement Card Policies and Procedures Guide obtained in training.

The Procurement Card **MAY NOT** be used to purchase the following:

Single purchases/ transactions exceeding \$1000, or

Alarm/Security systems	Furniture	Printing or copying ¹
Alcoholic beverages, drugs, or pharmaceuticals	Insurance	Radioactive Materials
Ammunition	Leases/Rentals of property	Tax reportable services
Capital equipment	Legal services	Cash advances (ATM machines)
Temporary help/Clerical/Labor ¹	Consulting services	Nonbusiness/Personal items/ Services
¹ unless specifically authorized		

If the card becomes lost or stolen, the Cardholder has the responsibility to immediately notify the procurement card company at **1-800-523-9078** and the Procurement Card Program Coordinator at 715-852-3012.

When a Cardholder terminates employment with the District, the department/division shall reclaim the procurement card and return it to the Procurement Card Program Coordinator.

Nonadherence to any of the procedures, as outlined in the Procurement Card Manual, may result in revocation of individual Cardholder privileges and may result in revocation of all sponsor department and/or division procurement cards and other appropriate disciplinary actions.

As an applicant/holder of an Eau Claire Area School District procurement card, I understand the responsibility for the protection and proper use of this card as detailed above and as written in the Procurement Card manual. I understand I will be making financial commitments on behalf of the Eau Claire Area School District and will strive to obtain the best value by using suppliers as identified by the purchasing office.

NOTE: Card is not to be used for personal use.

X _____
Applicant/Cardholder Signature Date Signed

I approve the issuance of a Procurement Card to this District employee and acknowledge the overall responsibility for the proper use of the card.

X _____
Purchasing Department Signature Date Signed

Upon approval of this application, an Eau Claire Area School District Procurement Authorization Card will be issued.

Complete this box when procurement card is issued/received and return this application/ use agreement form to the Procurement Card Coordinator:

I acknowledge receipt of Procurement Card **X** _____

U.S. BANK PURCHASING CARD

CARDHOLDER DISPUTE FORM

CARDHOLDER INFORMATION

NAME (PRINT)	CARD #
COMPANY NAME Eau Claire Area School District	
WORK PHONE 715-	DATE
CARDHOLDER SIGNATURE	
MERCHANT NAME	
DOLLAR AMOUNT DISPUTED \$	DATE OF TRANSACTION

DISPUTE TYPE (X)

- Credit Not Posted (enclose copy of credit voucher or return merchandise receipt)
- Duplicate Posting
- Erroneous Amount (provide supporting documentation indicating correct amount)
- Erroneous Charge (include phrases "neither made nor authorized" and "card in my possession at all times" in explanation)
- Other

DISPUTE EXPLANATION: (Include all contact with merchant and merchant's response)

GIVE DISPUTE FORM TO PROCUREMENT CARD PROGRAM COORDINATOR.

CARDHOLDER ACCOUNT MAINTENANCE FORM
(Complete form and send to the Purchasing Department)

COMPANY NAME Eau Claire Area School District	
CARDHOLDER NAME	DEPT./DIVISION
DATE	ACCT. NUMBER

TYPE OF REQUEST (X)

- A. Address Change
- B. Dept./Division Change
- C. Account Closure
- D. Name Change
- E. Credit Limit Change
- F. Other _____

EXPLANATION OF CHANGE (I.E. TERMINATED, MARRIED, ETC.):

Following for Purchasing Department Office only:

NEW INFORMATION:

Please fax to:

Authorized Name (Print)

Authorized Signature

KEY CONTACTS

The following resources are available to provide assistance with answering questions or help solving any problems that arise with your procurement card.

US Bank Cardholder Customer Service (24 hours): 1-800-523-9078

- To report lost or stolen cards.

District Purchasing Card Coordinator – Scott Noffke 715-852-3012

- To apply for a procurement card.
- For questions about policies and procedures.
- To replace damaged cards.
- For assistance with suppliers.
- To cancel or report a lost or stolen procurement card.
- If you don't receive your monthly statement.
- Billing Information.
- Account Inquiries
- Emergency Situations

APPENDIX H
CHIPPEWA VALLEY SHARED SERVICES CONSORTIUM
(Attached Brochure)

Bidding Process

As a cooperative joint venture, bids are solicited by a designated lead agency acting on behalf of participating CVSSC members for the purchase of their respective requirements.

Rejection of Bids:

CVSSC and lead agency reserve the right to reject any and all bids where deemed appropriate.

Determination of Award:

CVSSC will be solely responsible for final determination in making recommendation to each agency as to the successful and responsible bidder.

Award of Contract:

Each agency is responsible in accordance with their individual award procedures, to award a contract to the successful bidder and shall also be responsible for expediting its own purchase orders, receiving and inspecting goods, verifying invoices and making payments.

Funding

All purchases are contingent upon funds being appropriated by the proper officials of the participating agency.

Newsletters

Includes information on upcoming bids and bid results.

Cost of Participation

The cost per year is \$25. In addition, each member agency contributes staff expertise and time, as they are able.

How to Join

Complete a member application and sign a letter of understanding.

For More Information

Contact Scott Noffke of the Eau Claire Area School District (715) 852-3012 or email at www.snoffke@ecasd.k12.wi.us

Web Site

For further information on the CVSSC organization, be sure to visit the web site at www.cvssc.org. You will find a history of the organization, news items, bid announcements, specifications and award information, membership information and other items of interest to purchasing professionals.



**Chippewa Valley
Shared Services
Consortium**

www.cvssc.org

PROCUREMENT SECTION

CVSSC is a non-profit organization made up of local government agencies in the West Central Wisconsin area. CVSSC is conceivably an umbrella of an unlimited amount of shared services. The Procurement Section, specifically a Purchasing Cooperative is but one of the areas shared services has been successful. The purpose of the Procurement Section of this organization is to reduce the cost of goods and services by allowing members to combine requirements for commonly used items on one single request for bid.

CVSSC Procurement formed in 2003 when a need was recognized for an organized network to communicate and seek commitment between a broad array of participated governmental units for cooperative purchasing.

Current Membership Consists of:

- Eau Claire County
- Chippewa County
- City of Chippewa Falls
- City of Eau Claire
- City of Altoona
- Washington Township
- Eau Claire Public Library
- Chippewa Valley Technical College
- University Wisconsin Eau Claire
- Eau Claire Area School District

Membership is open to any governmental or nonprofit organization funded primarily with governmental funds located in the Chippewa Valley West Central Wisconsin Area.

Governing Body

Policy and administration is handled by the volunteer Planning Committee, consisting of a Chair, Treasurer, and members who meet monthly. The Planning Committee takes action in the matters of policy and procedure that will best promote the interest and welfare of CVSSC. A general membership/business meeting is held once a year.

Code of Ethics

CVSSC Purchasing shall follow the National Institute of Governmental Purchasers Code of Ethics.

Purpose

The purpose of CVSSC is to reduce the cost of goods and services by providing member agencies with cost-cutting tools. By agreeing on competitive specifications, contract terms and conditions for items of common usage, participants can combine their requirements for a single request for competitive negotiations or sole source negotiations as deemed appropriate.

Benefits

- ◆ Reduce product cost
- ◆ Lower administrative costs-one agency bids instead of several
- ◆ Increased level of service from vendors
- ◆ Discount blanket agreements for parts and services with distributors.
- ◆ Increased levels of factory assistance and incentives
- ◆ Develops a communications network to share and compare information
- ◆ Product quality can be improved by leveraging our purchasing volume to require changes or upgrades to the basic item
- ◆ Vendor responsiveness improves due to the volume of purchases involved in a single bid
- ◆ Develops a network to share procurement services responsibilities

Typical Commodities

- ◆ Road Marketing Paints and Glass Beads
- ◆ Copy & Computer Paper
- ◆ Front End Loader
- ◆ Crack Filler
- ◆ Gasoline & Diesel Fuels
- ◆ Batteries-Radio, Flashlight, Alkaline and Nicad
- ◆ Automotive Fluids
- ◆ Pagets
- ◆ Antifreeze
- ◆ Deicing chemicals
- ◆ Squads/Automobiles
- ◆ Plow Blades
- ◆ Sign Blanks/Posts
- ◆ Light Trucks
- ◆ Ammunition and Guns
- ◆ Water Utility Repair Clamps
- ◆ Natural Gas
- ◆ Custodial Supplies
- ◆ Emergency Medical Supplies
- ◆ Computers
- ◆ Telecommunication Equipment & Services