

**Meeting Held Electronically**



**COMMITTEE OF THE WHOLE MEETING  
MONDAY, JUNE 20, 2022**

(Immediately following the Village Board Meeting)

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**AUDIENCE COMMENTS**

**TRUSTEE COMMENTS**

**DISCUSSION**

1. Revisions to Purchasing Policy

**EXECUTIVE SESSION**

**ADJOURN**

Initials: JB

# Village of North Aurora Memorandum



**To:** President and Village Board of Trustees

**From:** Jason Paprocki, Finance Director

**CC:** Steven Bosco, Village Administrator

**Date:** June 20, 2022

**RE:** Village Purchasing Policy Update

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At the June 6, 2022 committee of the whole meeting, staff presented five main updates to the Village's purchasing policy. The changes discussed were:

- Advertising requirements (newspaper)
- Purchasing authority limits
- Bidding process
- Professional services and contracts
- Credit card limits

After the presentation, it was requested that staff come back with further clarification to the professional services and contracts update. In the attached draft purchasing policy, the previous Section V Professional Services and Service Contracts has been split into two sections to further clarify procedures. Below is a summary of the two new sections indicating the changes:

## **Section V – Request for Proposals (RFP) and Request for Qualifications (RFQ)**

- Existing procedures related to the RFP and RFQ process for professional services has been moved into its own section.
- Added language to indicate a RFP or RFQ may not be necessary to continue services with a vendor the Village has an existing satisfactory relationship with.

## **Section VI – Professional Services**

- Professional service contracts and service contracts language been combined into one section and defined.
- New professional service contracts with new vendors follow the normal purchasing procedures based on the total value of the contract or agreement. The normal procedures may be waived if the Village has an existing satisfactory relationship with a vendor (ex. waiving formal bidding and extending current services).

- Village Board approval is needed for multi-year contracts or agreements where the total value exceeds the Village Administrator's spending authority.
- Board approval is needed for new services with current vendors if the total value exceeds the Village Administrator's spending authority.
- Language has been added for procedures when numerous individual payments add up to exceed the Village Administrator's spending authority.
- The Village Board is to "pre-authorize" a professional services vendor list annually the Village has a pre-existing relationship with and is expected to exceed \$25,000 in the current fiscal year.

The other four updates remain unchanged and are summarized below:

### **Village Code – Section 3.40.020 – Advertising for bids**

The attached ordinance removes reference to notification in a local newspaper and replaces it with reference to procedures outlined in the Village's Purchasing Policy.

#### **3.40.020 Advertising for bids**

The appropriate department head, under the supervision of the Village Administrator, shall prepare the bidding specifications, in keeping with the village Purchasing Policy as approved by the Village Board from time to time, and advertise for bids ~~by placing a notice inviting bids at least once in a newspaper published and having general circulation in the Village of North Aurora, the publication date to be not less than ten (10) days prior to the date for letting the contract~~ **publically in keeping with the Illinois Municipal Code in a manner outlined by the Village purchasing policy.**

### **Purchasing Policy – Section II – Purchasing Policy Authorizations**

Staff is proposing raising the Village Administrator's spending authority from less than \$15,000 to less than \$25,000. No changes have been made to requiring three written quotes for purchases in this category. This change aligns the spending authority with language already contained in the purchasing policy regarding public improvement projects over \$25,000 (65 ILCS 5/8-9). During the past two fiscal years, there was an average of five payments that fell between the \$15,000 to \$25,000 range that required board approval (four in FY21 and six in FY22).

In addition, staff surveyed the spending authority of our comparable municipalities. Most have a Village Administrator spending authority up to \$25,000, while some have an up to \$20,000 level.

Other references to the \$15,000 spending authority throughout the purchasing policy have been updated to \$25,000 where necessary.

## **Purchasing Policy - Section IV – Bids and the Bidding Process**

In the formal bidding procedures, item 1 states the Village Administrator shall review bid packages and send any recommended changes to the Department Head. This has been changed to the Finance Director shall review bid packages prior to posting. This change helps ensure bids align with the Village's adopted budget prior to issuance.

Item 2 states that formal proposals or bids are to be advertised in a newspaper published or generally circulated with the Village, as well as posted on the Village's website. We are proposing that bids shall be posted to the Village's website as a requirement, with other forums of public notice being secondary. This removes the newspaper requirement, however, newspapers may still be used in certain situations. This change gives the Village greater flexibility when trying to reach potential vendors or longer spend money on newspaper advertisements if not deemed necessary.

Item 3 makes reference to placing legal notice in a local newspaper of general circulation. Consistent with the change noted above, this has been updated to read "any combination of public forums" rather than newspaper.

Item 8 currently states that Departments should prepare bid tabulations and submit to the Village Administrator for review. The next section (item 9) states that Department Heads should meet with the Village Administrator to review the bids. We are proposing a change to item 8 where the Finance Director first reviews the bid tabulations prior to the meeting with the Village Administrator.

## **Purchasing Policy – Section VI – Other**

Language is being added that defines authorized credit limits by position. Previously, the policy stated that limits will not exceed \$10,000. In past practice, limits of \$10,000 were given to the Village Administrator and Department Heads and limits of \$5,000 were given to all other supervisory employees. A sentence has been added to the policy that clearly states and defines this practice.

VILLAGE OF NORTH AURORA

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 3.40**  
**OF THE NORTH AURORA VILLAGE CODE**  
**REGARDING CONTRACTS FOR PUBLIC WORKS**

**WHEREAS**, the Village Purchasing Policy is being updated, and Title 3, Chapter 3.40 of the North Aurora Code relating to Contracts for Public Works should be amended in keeping with the Purchasing Policy.

**NOW, THEREFORE, BE IT ORDAINED** by the President and Board of Trustees of the Village of North Aurora, Kane County, Illinois, as follows:

1. The recitals set forth above are adopted and incorporated herein as the material and significant findings of the President and the Board of Trustees as if fully stated herein.
2. Section 3.40.020 of Chapter 3.40 (Contracts for Public Works) of Title 3 (Revenue and finance) is hereby amended in its entirety as follows:

**3.40.020 Advertising for bids.**

The appropriate department head, under the supervision of the Village Administrator, shall prepare the bidding specifications, in keeping with the village Purchasing Policy as approved by the Village Board from time to time, and advertise for bids publically in keeping with the Illinois Municipal Code in a manner outlined by the Village purchasing policy.

3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance, or any part thereof. The Village Board of Trustees hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

4. This Ordinance shall take immediate full force and effect from and after its passage, approval, publication and such other acts as required by law.

**VILLAGE OF NORTH AURORA**

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2022, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2022, A.D.

Mark Carroll \_\_\_\_\_

Laura Curtis \_\_\_\_\_

Mark Guethle \_\_\_\_\_

Michael Lowery \_\_\_\_\_

Todd Niedzwiedz \_\_\_\_\_

Carolyn Bird Salazar \_\_\_\_\_

Approved and signed by me as President of the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2022, A.D.

\_\_\_\_\_  
Mark Gaffino, Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

VILLAGE OF NORTH AURORA

Resolution No. \_\_\_\_\_  
Resolution to Approve an Amendment to the Village's Purchasing Policy

**WHEREAS**, the Village of North Aurora has previously adopted Resolution 14-03-17-01, a Resolution adopting a new Purchasing Policy on March 17, 2014 and said Policy was amended on December 17, 2018, January 21, 2019, and October 21, 2019; and

**WHEREAS**, the Village has determined that it is necessary to update and amend Section IV Bids and the Bidding Process and Section V Service Contracts and Professional Services of the Purchasing Policy; and

**NOW, THEREFORE**, be it resolved by the President and Board of Trustees of the Village of North Aurora, as follows:

1. The recitals set forth above are incorporated herein as the material findings of the president and the Board of Trustees.
2. The Purchasing Policy revisions attached hereto and incorporated as Exhibit "A" is hereby approved by the corporate authorities.
3. This Resolution shall take immediate full force and effect from and after its passage and approval.

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2022, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2022, A.D.

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Todd Niedzwiedz \_\_\_\_\_

Carolyn Bird Salazar \_\_\_\_\_

Approved and signed by me as President of the Board of trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2022 A.D.

\_\_\_\_\_  
Village President Mark Gaffino

ATTEST:

\_\_\_\_\_  
Village Clerk

Village of North Aurora  
Purchasing Policy  
Adopted: July 18, 2022



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A. Purpose

The purpose of this policy is to provide direction to departments in the procurement of goods and services. When used with good judgment and common sense, the policies will allow the Village to obtain required goods and services efficiently and economically. When necessary, this policy will be revised consistent with current policies and procedures affecting purchasing and contracting. The Village Administrator, or his/her designee, shall be the final authority with regard to enforcement or interpretations of any provisions of this manual.

B. Goals of Policy

The purchasing standards set forth herein are designed to:

1. Attain maximum economy in municipal operations to the ultimate advantage of local taxpayers and residents;
2. Provide equal opportunity for qualified vendors to serve Village needs;
3. To exercise fiscal control over purchasing.
4. To obtain supplies, equipment and services for the Village at the lowest possible cost at the quality necessary for efficient and effective operations.
5. To provide timely and convenient service to residents through the efficient procurement of goods and services.

C. Ethics and Conflicts of Interest

Village employees are expected to conduct daily business with integrity and honesty. It shall be the responsibility of the Village Administrator to determine if there has been an ethics violation in conjunction with this section, if any disciplinary action is required in accordance with the Village's personnel manual and determine the applicability of this section to related questions that may arise from time to time.

1. Employees shall make all purchases without favor or prejudice.
2. Employees shall ensure that identical information is provided to current and potential vendors in order to receive fair and accurate quotes and/or bids.
3. Gift Acceptance – Employees shall adhere to the State Officials and Employees Ethics Act, 5 ILCS 430/1-1 as adopted by the Village per ordinance 04-05-10-07 regarding the acceptance of gifts from "prohibited sources". Furthermore:
  - a. Gifts or gratuities shall not be accepted if the perceived value is beyond that which suggests more than a social context.
  - b. Promotional or advertising items of nominal value, including, but not limited to key chains, pens, coffee mugs and calendars are acceptable.

- c. Association with current or potential vendors during business meals or business organization meetings is not prohibited, nor is it unethical as long as the employee keeps him/herself free of obligation. Should the current or potential vendor pay for or sponsor the business meal, the amount cannot exceed the limits defined in the State Officials and Employees Ethics Act.
  - d. Gifts that can be shared such as food are acceptable and shall be shared among co-workers.
  - e. Cash, gift cards or gift certificates/vouchers are not acceptable. Should an employee receive cash, gift cards or gift certificates/vouchers from a current or potential vendor, or business within the Village, the employee shall return the gift politely citing the Village's gift acceptance policy.
  - f. Personal loans of money or equipment for any employee's personal use are not to be accepted from a vendor conducting or seeking business with the Village.
  - g. Corporate discounts granted to the Village are acceptable only if they are offered to all Village employees and/or other similar corporate or and governmental clients of the vendor.
  - h. Local charity/community group gifts – employees may accept gifts from local charity/community groups or similar groups of that nature if the gift is deemed to stem from a personal friendship with the group's members or similar gifts have been given to other members of the local charity/community
4. Conflict of Interest – Any employee with purchasing authority shall notify their Department Head of any of the following actual or potential conflict of interest circumstances with a potential vendor regardless of whether they are directly or indirectly involved with the purchasing process. Department Heads will be responsible for notifying the Village Administrator of these circumstances:
- a. The employee is simultaneously employed by or doing work in any capacity for the potential vendor.
  - b. The employee, employee's partner or member of the employee's immediate family holds is an employee or agent of a potential vendor who may benefit or be adversely affected by a purchasing decision by or on behalf of the Village.
  - c. The employee, employee's partner or member of the employee's immediate family has any direct or indirect financial interest in the procurement transaction or in the potential vendor.
  - d. The employee, employee's partner or member of the employee's immediate family are currently negotiating terms of employment or agency relationship or are in the process of becoming employed by or forming an agency relationship with a potential vendor.

For purposes of this section, an employee's immediate family is defined as spouse/partner, children, parents, brothers, sisters or anyone else currently living in the same household as the employee.

It shall be the responsibility of the Village Administrator to determine when ethical considerations must be addressed, when there has been an ethics violation in conjunction with this section and whether any disciplinary action is required in accordance with the Village's personnel manual.

D. Budget Approval and Compliance

In general, a budget for all supplies, materials, equipment and contractual/professional services required for the delivery of services by Village Departments will be included in the annual budget document.

Purchase of budgeted items or services as required during the fiscal year shall proceed in accordance with these procedures generally upon approval of the annual Budget by the Village Board. In some cases, the beginning of the process of procurement, or final approval of the purchase of goods or services may be initiated prior to Village Board approval of the annual budget for which the goods or services are being procured, as determined by the Finance Director and if determined to be in the best interests of the Village.

Department Heads are responsible for ensuring that purchases made are within budget. The Department Head shall notify the Finance Director prior to the beginning of any purchase of goods or services if the purchase may result in an account exceeding the budget so that an appropriate budget adjustment can be executed prior to Village Administrator approval of the purchase, if necessary.

E. General Purchase Authority

Purchases of goods or services may be authorized according to the general guidelines below:

1. Department Heads may authorize purchases up to \$5,000.
2. The Village Administrator, or his/her designee, must approve all purchases in excess of or equal to \$5,000.
3. Purchases in excess of or equal to ~~\$15,000~~ \$25,000 also require Village Board approval.

The Village Administrator shall be notified by the respective department prior to the beginning of the procurement process for goods or services over ~~\$15,000~~ \$25,000 in order to ensure that the proper process is followed. The Finance Director will maintain appropriate forms and procedures for the approval of purchasing requests as needed.

F. Estimating Costs to Determine Required Authorization

Estimates of cost should always be obtained and submitted with requests for authorization. When dealing with the unexpected repair of equipment, vehicles or facilities that require immediate action, good faith estimate should be obtained and submitted with the request for authorization. In the event the actual cost exceeds an original estimate, or a revised estimate is obtained, and additional approval levels to proceed are required, the Department Head and/or Village Administrator, as appropriate, shall be notified to obtain authorization to proceed.

Section II  
Purchasing Policy Authorizations

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- A. A purchase less than \$1,000
- B. A purchase in excess of or equal to \$1,000 but less than \$5,000
- C. A purchase in excess of or equal to \$5,000 but less than ~~\$15,000~~ \$25,000
- ~~D. A purchase in excess of or equal to \$15,000 but less than \$25,000~~
- D. A purchase in excess of or equal to \$25,000 and Formal Bidding
- E. Petty Cash

A. Purchases Less Than \$1,000

Purchases within this category may be authorized by the Department Head who may delegate this authority to subordinates at their discretion. Department Heads still bear ultimate responsibility for purchases made by their subordinates.

Although multiple quotes are not required every time a purchase is authorized within this threshold, periodic price comparisons must be made from time to time to ensure that the price being paid is the best price available and that the quality is the best that is required.

B. Purchases in Excess of or equal to \$1,000 but less than \$5,000

Purchases in this category shall be authorized by the Department Head after seeking at least two (2) quotes from vendors. If two (2) or more quotes can not be obtained, Department Heads shall document the attempts made to receive quotes for those goods or services.

C. Purchases in Excess of or equal to \$5,000, but less than ~~\$15,000~~ \$25,000

Purchases in this category must be authorized by the Village Administrator. Effort shall be taken to secure at least three (3) written quotations. If three (3) or more quotes can not be obtained, Department Heads shall document the attempts made to receive quotes for those goods or services. The requesting department shall secure the quotations themselves and the Department Head will present a recommendation to the Village Administrator. The splitting of a purchase into two or more purchases for the purpose of avoiding this requirement is not allowed.

In the event that a Department Head feels that a purchase under this category should be made from one particular vendor rather than through written quotations, he should submit a recommendation to the Village Administrator stating the reasons for limiting purchase to the certain vendor preference. The Village Administrator will have discretion to determine if a particular vendor should be used in these cases.

~~D. Purchases in Excess of or equal to \$15,000, but less than \$25,000~~

~~Purchases in this category must be approved by the Village Board, unless otherwise defined in this policy. Effort shall be taken to secure at least three (3) written quotations. The splitting of a purchase into two or more purchases for the purpose of avoiding this requirement is not allowed. The Village Board may approve a purchase from one vendor without quotes if presented with justification from the Village Administrator or Department Head.~~

**D.** Purchases in Excess of \$25,000 and Formal Bidding

Purchases in this category exceeding a cost of \$25,000 must be approved by the Village Board and normally require at least three (3) written quotations.

In addition, public works contracts, public improvement projects and the purchase of supplies over \$25,000 are subject to formal bidding procedures as required and permitted by statute (65 ILCS 5/8-9) and authorized in the Village Code. These bid procedures may be waived by the Village Board per Statute by a two-thirds vote of all Trustees then holding office. Requests for bid waivers may be made only when goods sought are proprietary, when the services require a high degree of creative input, judgment, design or discretion from the person providing the services, where standardization is necessary or desirable, in emergencies as described later in this policy, or if determined to be in the best interests of the Village.

**E.** Petty Cash

Petty cash drawers in the amount of \$500 each are maintained by the Village at the Finance Department and Police Department for the purpose of reimbursing incidental costs incurred for Village operations.

Petty cash funds will be used primarily to reimburse employees for incidental expenses associated with Village operations or mileage reimbursement for use of personal vehicles. Advances may be requested upon the approval of the Department Head. All requests for petty cash reimbursements must be submitted on an approved petty cash reimbursement form and include appropriate receipts and documentation supporting the amount of the request. Unless otherwise authorized by the Finance Director or his/her designee, petty cash reimbursement shall be limited to no more than \$75 per request.

Responsibility for the safety, security and control of each petty cash drawer rests with the head of the department to which the drawer is assigned. Each Department Head may assign the day-to-day duties of petty cash administration to an appropriate custodian.

When the balance of the drawer is getting low, the designated custodian shall prepare a reconciliation of the petty cash fund providing a count of cash currently in the box as well as a detailed listing of petty cash reimbursement slips received. Upon approval through normal accounts payable procedures a check will be cut to increase the petty cash box to its designated impress balance.

### Section III

#### Exceptions to Normal Purchasing Policies

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##### Emergency Purchases

Emergencies are defined as events or circumstances that could not have been foreseen and where immediate action is necessary to safeguard the public's health, safety and welfare, provide emergency assistance as needed, protect property, remediate situations that may cause public harm and other situations where timing is critical. When an emergency condition exists that requires a public works or public improvement contract or purchase of supplies, the Village Administrator will notify the Mayor. Upon concurrence from the Mayor that an emergency condition exists, the Village Administrator will have authorization to expend funds over and above the Village Administrator's normal authority to alleviate the emergency if the matter must be reasonably addressed before approval can be sought from the Board of Trustees. If the Mayor can not be reached and immediate action is required, the Village Administrator will be authorized to enter into emergency purchases with notification to the Mayor as soon as possible.

During an emergency, the Village Administrator may delegate specific authority to Department Heads to expend funds in order to prevent or alleviate the emergency condition. Documentation of the emergency and the need for immediate action shall be transmitted to the Village Board as soon as practical along with information regarding expenditures that have been made and estimated to be incurred. The Village Administrator will provide regular updates to the Village Board as the event continues. In the event that a situation has been determined to be an emergency, the Finance Director will be notified in order to ensure that funds are available and facilitate payment to contractors if necessary.

##### Sole Source Purchases

Sole source purchases are defined as orders for parts, supplies, equipment or services that are available only from a single source or for other reasons are necessary to purchase from a single source. Examples include, but are not limited to:

- Equipment or supplies for which there is no comparable competitive product or is available only from one supplier
- Component or replacement parts for which there is no commercially available substitute
- Service contracts where one company is the only company that can provide the service, i.e. proprietary software or software maintenance
- Items where compatibility is the overriding consideration for the purchase of related products
- Items only available from one source, such as due to distributor exclusivity
- Payments made to other governmental agencies as required by law or established through an intergovernmental agreement

Items determined to be sole source that are not subject to normal procurement policies ~~may~~ still require Village Board approval above ~~\$15,000~~ **\$25,000**, ~~if determined by the Village Administrator~~ and ~~may~~ still require a formal waiver of bids if over \$25,000.

##### State, Joint and Cooperative Purchasing

The State of Illinois annually bids out certain items resulting in low pricing that local governments can take advantage of and take the place of normal procurement procedures. Purchasing through these State contracts allows for efficiencies due to lower administrative costs in procuring quotes, economies of scale and may be a substitute for the normal competitive procurement process.

Other forms of joint or cooperative purchasing may be available through the County or other organizations representing the Village and other local governments. Because these contracts have been competitively bid, normal competitive procurement policies can be waived. Care should be taken to ensure that the best price is still being obtained through due diligence that provides the necessary quality of goods and services.

To the extent that State or other joint purchasing programs are subject to the bidding rules of the State, intergovernmental agreement or the bidding rules of other governmental bodies, the Village bidding rules shall not apply, provided that Purchases over the ~~\$15,000~~ \$25,000 threshold still require Village Board approval.

Draft

## Section IV Bids and the Bidding Process

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### Bid Lists

Each Department may, but are not required to, maintain their own lists of prospective vendors for quotes, bids, etc. Requests from prospective vendors to be placed on a bid list will be received or forwarded to the appropriate department and their information retained for future procurements. Each department shall be responsible for determining if prospective vendors qualify and can provide needed goods or services.

### Responsible Bidder

The Village has passed by Resolution on September 21, 2009, a resolution that any public works contract under the purview of the Illinois Prevailing Wage Act that is over \$25,000 shall only be awarded to a contractor who is enrolled in a Joint Apprenticeship Training Program that is registered and certified with the United States Department of Labor, Bureau of Apprenticeship and Training.

### Formal Bidding Procedures

As stated in Section II.C. of this Policy, certain public works contracts, public improvement contracts and supplies over \$25,000 are subject to formal bidding. The bidding procedures to be followed are:

1. The requesting department prepares the specifications of the item to be let for bid. The ~~Village Administrator~~ Finance Director shall review the bid package and forward any recommended changes to the Department Head. The Department Head arranges the specifications into proper format and prepares the other needed documents to complete the bid invitation package. The specifications should state the minimum standards acceptable to the Village, but should not be restrictive without adequate reason in keeping with the requirements of the work and the needs and best interests of the Village in order to allow as many competent contractors as possible to compete. The approved bidding specifications and bid package shall not be changed after it is made available to the public without notification to all bidders prior to the submittal deadline. After the submittal deadline, no changes shall be made.
2. The Department Head arranges for a bid opening date. The date must be at least ten (10) working days from the published notification date, but not more than forty-five (45) working days.

~~Formal proposals or bids are to be advertised in a newspaper published or generally circulated with the Village, as well as posted on the Village's website.~~

Public notification of bids shall be advertised in a public forum consistent with the requirements of the Illinois Municipal Code. Notice shall be posted on the Village's website. Additional public forums in which bids may be advertised may include newspapers, trade journals, industry websites, and the IDOT bulletin.

The NOTICE TO BID shall include the following, at a minimum:

- The type of material or service desired
- The notification that Prevailing Wage laws will apply, if applicable
- The person or department to contact for information



- The place it will be received
- The date and time of the bid opening
- The Statement that bids will be opened and publicly read at that time
- The statement that bids must be sealed and properly identified on the outside of the envelope that they are sealed bids for a specific item or project
- The Village reserves the right to reject any/all bids and to waive any technicalities.

In certain circumstances, it may be felt by the Department Head and or the Village Administrator that the best interests of the Village would be served by the use of one particular vendor despite the amount of the purchase being in excess of \$25,000. In such case, a request to waive competitive bidding must be submitted to the Village Board for their consideration and approval as allowed per statute.

Construction contracts involving Motor Fuel Tax or federally funded projects must follow applicable procedures dictated by the appropriate state or federal agency.

3. The Department Head shall be responsible for placing a legal notice concerning the bid in a ~~local newspaper of general circulation~~ any combination of public forums and/or IDOT bulletin authorized above to contractors at least ten (10) working days prior to the bid opening.
4. The Department Head may send bid invitations to known responsible vendors on the bidder's list for the particular item as well as to any other prospective bidders. In cases where the bid package may be costly to reproduce, a nominal charge for the package may be assessed.
5. Bids received after the published opening date and time will be returned unopened to the bidder with a cover letter stating the date and time the "Bid" was actually received. Bids received by facsimile shall not be accepted, in that they are not sealed bids as prescribed and do not bear the original signature of the authorized bidder.
6. Bids specifically for construction contracts shall be accompanied by a 5% bid bond. The Village Administrator may decide that no bid bond amount is required or that a higher bid bond is appropriate, but in no case will the amount be higher than 10%. The bid bond amount shall be stated in the bid package and shall be required uniformly from all bidders or no bidders as the case may be.
7. The Department Head or designee and one other Village representative shall be present at the bid opening.
8. Bids shall not be opened prior to the advertised bid opening day and time, and after the bids have been opened, the Department Head shall prepare bid tabulation and forward it to the ~~Village Administrator~~ Finance Director.
9. The Department Head shall meet with the Village Administrator to review the bids and mutually agree upon a recommended bidder. The Department Head will write the Board Agenda Memo for this purpose with the Village Board approving the bid award.
10. The bid award is to be made to the lowest responsible bidder. The lowest responsible bidder is that bidder with the lowest bid price that most closely meets specifications that is in the best interests of the Village to accept and any other criteria that may be set forth within the bid documents. The Village Board retains sole authority to determine that the bid meets specifications, but staff shall make a recommendation on award of based on, but not necessarily limited to, the following considerations:

- a. the ability, capacity, and skill of the bidder to perform the contract to provide the service required;
- b. whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c. the character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- d. the quality of the performance of previous contracts or services;
- e. the previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- f. the sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g. the quality, availability, and adaptability of the supplies or contractual services to the particular use required;
- h. the ability of the bidder to provide future maintenance and service for the use of the subject of the contract; and
- i. the number and scope of conditions attached to the bid.

#### Waiver of Competitive Bids

A requesting department may recommend that formal bid procedures be waived by the Village Board with the advice and consent of the Village Administrator, which case formal bidding must be waived by a two-thirds vote of all Trustees then holding office. Requests for bid waivers shall be made only when goods sought are proprietary, when the services require a high degree of creative input, judgment, design or discretion from the person providing the services, where standardization is necessary or desirable, emergencies as described in this policy, or if determined to be in the best interests of the Village.

#### Contract Change Orders

The Village must comply with 50 ILCS 525/ Public Works Contract Change Order Act which says that any change order to a contract which results in an increase of 50% or more of the original contract price or 50% or more of the original subcontract price must be rebid in the same manner as the original bid. This policy is consistent with this statute.

1. Change Orders for Less Than ~~\$15,000~~ \$25,000. All change orders increasing or reducing the original contract price by less than ~~\$15,000~~ \$25,000 must be approved by the Village Administrator, regardless of the percentage change. The Village Administrator may at his discretion require change orders less than ~~\$15,000~~ \$25,000 to be approved by the Village Board.
2. Change Order for \$15,000 \$25,000 or More. All change orders increasing or reducing an original contract for \$15,000 or more require approval of the Village Administrator and Village Board, regardless of the percentage change. In certain situations where it is impractical to delay a project while waiting for Village Board approval, the Village Administrator may at his discretion approve change orders up to \$25,000 with Village Board approval to follow at the next regular or special meeting.

3. Other Change Orders. The Village Administrator may execute change orders to extend the length of a construction contract by up to 30 days or other terms and conditions of a contract deemed necessary or in the best interests of the Village. Requests to extend the length of a contract by more than 30 days must be approved by the Village Board.

All change orders should be approved by the Village Administrator, or Village Board, as appropriate, prior to the work beginning.

#### Aggregate Purchases

The Village Administrator during the year may approve multiple purchases of, or individual contracts for, specific types of supplies and materials which, in the aggregate, exceed \$25,000 but are less individually, and not be subject to the Village's formal bid requirements or require a waiver of bids, unless the aggregate cost exceeding \$25,000 was reasonably foreseeable at the beginning of the applicable year. However, for purchases of commodities subject to frequent price fluctuations such as fuel where the competitive bid process is not practical, purchases may be approved without bidding. As for fuel purchases, specifically, the Public Works Director with the oversight and approval of the Village Administrator shall seek the best pricing currently available on an ongoing basis without the need to bid fuel purchases, and the Village Administrator may authorize individual purchases under \$25,000 and without Village Board approval.

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Section V  
Request for Proposals (RFP) and Request for Qualifications (RFQ)

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Selecting Vendors

The Village is subject to the Local Government Professional Services Selection Act (50 ILCS 510) which requires that a specific Request for Qualifications (RFQ) process be followed when hiring an architect, engineer or land surveyor, unless the Village has an existing satisfactory relationship with a particular service provider or providers, in which case the RFQ process is not necessary. This Act should be referred to for current State requirements regarding the solicitation of such services, and current situations upon which certain provisions of the Act can be waived, prior to soliciting for such services. In circumstances in which an RFQ process is not required, the Village will permit firms engaged in these professions to annually file a statement of qualifications and performance data with the Village.

Contracts for professional services (see Section VI for further discussion on professional services) may result from the development and issuance of a Request for Proposal (RFP) by the respective department to consultants or vendors to provide professional services, unless the Village has an existing satisfactory relationship with a particular service provider or providers, in which case the RFP process is not necessary. The Village Administrator shall be notified prior to the issuance of an RFP or the engagement of professional services.

An RFP may be advertised publicly and sent to a group of known vendors based on prior experience in providing the service or other documented reasons, except when a RFQ process has been conducted which has determined the pool of vendors to be used.

Based on the complexity of the services sought, interviews and vendor presentations may be appropriate in addition to an evaluation of the proposals received. Factors other than price may be considered when conducting an RFP process. Once proposals are received from interested firms and interviews and/or presentations have been completed, the Village Administrator or designee is authorized to negotiate a contract with the firm deemed most qualified to provide the services based on:

- Fair and reasonable compensation
- Ability of professional personnel to provide services
- Past record and experience with the Village and as well as references
- Ability of firm to meet deadlines and budget

Any contract or agreement where the total amount is estimated to be greater than ~~\$15,000~~ \$25,000 will require Village Board approval.

## Section VI Professional Services

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### Professional Services

Professional services are provided by firms or vendors where normal procurement practices or competitive bidding may not be utilized as by their nature they are often selected on non-monetary factors such as a firm/vendor's high degree of professional skill where education, experience, or character of the individual is a significant factor. These services may include legal, auditing, payroll, engineering, architectural, appraising, inspection, plan review, zoning consultation, landscape design, bond issuance as well as the maintenance of Village facilities, equipment, infrastructure, software programs and other similar services.

During the course of a year, the Village may make payments related to a professional service vendor that are individually under the Village Administrator's spending authority, but the annual total amount may exceed the spending authority. Each of these individual transactions under the spending authority of the Village Administrator would follow normal procurement requirements outlined in this purchasing policy.

From time to time, the Village enters into contracts for various services. Certain professional service proposals, agreements or contracts with new vendors are generally accomplished through solicitation of request for proposals, bids or quotes following the normal procurement procedures based on the estimated total value of the contract, unless the Village has an existing satisfactory relationship with a particular service provider or providers, contractually present or not. The Village will entertain contracts for multiple years if it is determined that the best interests of the Village would be served by entering into a multi-year agreement. All proposals or contracts for professional services for a defined scope of service in which the total value exceeds the spending authority of the Village Administrator will require approval of the Village Board, including any additional services with current service providers requested by the Village. The Village Administrator may annually renew or extend ongoing services and fees from contracts that have been previously approved by the Village Board.

Each year, the Village Board shall be provided a listing of ongoing professional service providers the Village is utilizing where the total annual amount is expected to exceed \$25,000. The Village will periodically review fees and pricing to ensure competitiveness of vendors used on a continual basis.

All contracts, to be valid, must be signed by an authorized representative of the company to supply the services and an authorized representative of the Village. The authorized representative for the Village shall be the Village Administrator unless otherwise designated by the Administrator.

### Franchise Contracts

Franchise contracts are contracts awarded by the Village to an entity for the provision of services in situations where the Village does not expend funds, i.e. refuse and recycling contracts. It is the Village's policy in most cases to seek competitive proposals for these contracts in keeping with the Village's objectives of fairness and transparency in the award of business.

### Village Purchasing Cards

The Village maintains a purchasing card program to allow authorized individuals to efficiently procure certain goods and services that may not be easily obtainable through the normal cycle of purchasing, receipt of goods or services and payment through accounts payable, or for expenses incurred through employee training, conferences or other professional development activities.

In general, purchasing cards may be issued to the following positions: Mayor, Village Administrator, Department Heads and other employees responsible for the direct supervision of other employees, or who are responsible for the frequent purchase of items for which a purchasing card would improve efficiency. All requests for a card from a position stated above or other positions must be approved by the Finance Director and Village Administrator. Before a card is issued to an employee the employee must sign a Use Acknowledgement Form provided from the Finance Department. Personal purchases with the card not related to Village business are expressly prohibited. Purchasing card limits and other controls will be maintained by the Finance Director but in any case the maximum monthly limit on a purchasing card will not exceed \$10,000. Credit limits for the positions of Mayor, Village Administrator, and Department Head shall be \$10,000, and all other employees responsible for direct supervision of other employees and that are responsible for frequent purchases shall be \$5,000.

Each employee who uses a Purchasing card must reconcile their purchases on their card on a monthly basis using forms and procedures provided by the Finance Department. Employees with a card are responsible for attaching and saving all receipts. Reconciliations on a monthly basis should include descriptive information on the purchase. Reconciliations must be approved by the employee's Supervisor on a monthly basis and then forwarded to accounts payable for inclusion on the next bill listing.

### Open Credit Accounts

The Village maintains a number of credit accounts at various stores where authorized individuals may make a purchase, with the Village being billed at a later date. Department Heads may authorize employees to purchase at these locations provided due diligence is taken to ensure competitive pricing as required in the Policy, and that appropriate authorizations are obtained prior to the purchase.

### Disposal of Surplus Property

The Village is required to comply with State statute 65 ILCS 5/11-76-4 which prescribes procedures to follow for the disposal of surplus property. The Village Administrator is responsible for ensuring that all requirements of this policy are met.

Any Department Head identifying surplus property should notify the Village Administrator or his/her designee that such property is no longer in the best interest of the Village to retain custody of.

1. The respective Department Head should provide:
  - a. Description of the item such as make, model, serial number, etc.
  - b. Date originally acquired and original acquisition cost, if any.
  - c. Proposed method of disposal i.e. auction, direct sell, trade-in, etc.
2. If the proposed method of disposition is a trade-in, the Village will have to notify all bidders that the item of a new or replacement item will be traded-in as part of the purchase price.

3. The Village Administrator or designee will then prepare an ordinance and related Exhibit for Village Board consideration which will declare the items as surplus property.
4. Upon approval by the Village Board the Village Administrator will direct staff to proceed with the disposition of the property.
5. Upon sale or disposition of the property the respective Department Head will notify the Finance Director that such sale or disposition has taken place and the amount of the sale price, if any.

If in the opinion of the Department Head a particular item has a potential resale value of less than five hundred dollars (\$500), the Village Administrator is authorized or may delegate staff to sell that item in the manner most expeditious and cost-effective, with or without advertising the sale, taking into account the cost of advertising and staff time and effort, without separate Village Board approval.

The Village Administrator may also authorize certain items to be disposed of, or recycled if the potential value of such item is minimal or negligible. The Village Administrator is also authorized to give away items to charities, not-for-profits or other governmental entities if it makes practical sense to do so. However, in no event shall any items be given away to any elected official, employee, appointed official or immediate family of those individuals. After any item has been sold, disposed, or donated the responsible Department Head will send details of the transaction, or action taken to dispose of the items, to the Finance Director.

#### Sales Tax Exemption

The Village maintains a sales tax exemption in the State of Illinois. When making purchases for the Village, all reasonable attempts should be made to make purchases exempt from sales tax, which may require presenting the Village's sales tax exemption certificate and completing other forms or documentation. Employees should determine in advance if the Village has already established an exempt account with a business in order to avoid paying sales taxes whenever possible.

Use of the Village's sales tax exemption number is restricted to purchases made on behalf of the Village. State law prohibits use of the Village's sales tax exemption number to secure exemptions for personal reasons and such use will subject the responsible individual to a substantial fine and/or imprisonment.

#### Inspection and Testing

The inspection and testing of delivered goods or materials should occur at the time of delivery and prior to processing of payment. Department Heads are responsible for ensuring that the quantity and quality of the delivered goods are as ordered and that all purchases made within their department are received and utilized solely for Village business. Authorization to pay a vendor for goods or services rendered shall generally not be done by a Department Head until all goods and services have been accepted and received. Department Heads are responsible for maintaining an inventory of items held for use or resale and appropriate records. Inventory records may be reviewed as part of the annual audit process.

#### Preference for Environmentally Friendly Goods and Services

Village staff is encouraged to investigate the purchase of "green" products including but not limited to energy star rated equipment, if determined to be a reasonably economical alternative.

### Prevailing Wage Laws

All bidding packages, requests for bids, requests for proposals and other processes for the approval of services in conjunction with public works to be performed by or on behalf of the Village as defined in the Illinois Prevailing Wage Act (820 ILCS 130/1 et seq.) (hereinafter for purposes of this Section, the “Act”) shall stipulate that the persons or entities awarded the work shall perform the work in compliance with the Act, including the payment of prevailing wages, the submission to the Village of certified payrolls and all other requirements of the Act.

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