

Purchasing Policy Review & Recommendations

Policies Reviewed:

- Village Poplar Grove (5,165)
- Village of Fox River Grove (4,747)
- The City of Genoa (5,514)
- Village of Berkeley (5,155)
- Village of Elburn (6,826)
- City of Marengo (7,699)

Summary of Findings:

- Apart from Poplar Grove – each of these policies were internal policies produced by the finance department. One was passed by resolution. None of them were ordinances.
- Three (3) out of the Five (5) had a table that outlined dollar limits and required approvals.
- Each policy addresses Emergency Purchases
- Each of these policies included various breakdown amounts that corresponded to various personnel approval.
- Three (3) out of the Five (5) policies address joint & cooperative purchases.
- Three (3) out of the Five (5) policies address Petty Cash Operations
- Two (2) out of the Five (5) policies speak to the execution of contracts, contract change orders, aggregate purchases, service contracts, professional contracts, and franchise contracts.

The breakdowns by community:

First Tier Department Head Approval / Tier 2: 3 Competitive Quotes / Tier 3 formal RFP

Village Poplar Grove > \$2,500 / \$2,501 - \$25,000 / \$25,001+

Village of Fox River Grove > \$5,000 / \$5,001 - \$20,000 / \$20,001+ / Administrator up to \$10,000

The City of Genoa > \$5,000 / 5,001 - \$25,000 / \$25,001+

Village of Berkeley > \$5,000 / \$5,001 - \$19,999 / \$20,000+

Village of Elburn > \$10,000 / \$10,001 - \$25,000 / \$25,001+

City of Marengo > \$10,000 / \$10,001 - \$24,999 / \$25,000+

Recommendations

- Increase base spending limit to \$5,000
- Add details to Emergency Purchases outline the procedure to act during the emergency and how documentation and communication is expected after the emergency.
- Add language surrounding State, Joint and Cooperative Purchase procedures.
- Revise language as to the process when a purchase is sole sourced and wavier of Competitive Bidding.
- Add additional language for the use of petty cash. Details should include types of expenditure, maximum reimbursement per request, reconciliation procedures, etc.
- Add language as to Contracts types, execution, bidding and procurement procedures.
- 1-10-2 – Purchasing Objectives: Remove the NOTE at the bottom of the section. It is a redundant statement. (See paragraph following letter E.)
- Add language defining Purchasing Terms, address, tax-exempt procedures, invoice requirements
- I believe we should remove 1-10-4 – Purchasing Procedures number 5 from the purchasing policy, as it is an unnecessary written report. Department Heads already provide a monthly report, and the board has oversight through the approval of monthly warrants and budget processes.