

CHAPTER 10. - PURCHASING PROCEDURES

1-10-1. - PURCHASING AND BACKGROUND.

The purpose of this directive is to provide comprehensive purchasing policies and procedures as guidance in procuring equipment, materials, supplies and services for the operational requirements of the Village and is created to ensure competitive and unbiased selection of qualified and cost-effective vendors and suppliers. This chapter is intended for use by Village personnel as a general reference and will be revised as policies and procedures require revisions or clarification.

- A. Equipment, materials, supplies, and services are specific tools to be used for running, maintaining, repairing, operating, and improving the infrastructure of the Village for the public good.
- B. Food, lunches, dinners, gift cards, entertainment of any kind, or dual-purpose personal-use/public-use items do not meet the definitions above for purchasing.

(Ord. 2012-020, 5-14-2012; Ord. No. 2024-24, 12-11-2024)

1-10-2. - PURCHASING OBJECTIVES.

The objectives of this purchasing manual are as follows.

It is the philosophy of the Village to conduct a purchasing process which will result in maximum value in the goods and services purchased for the tax dollar spent. It is the policy of the Village that the purchasing process will achieve the following objectives.

- A. Purchase goods and services at the lowest cost consistent with specified quality and service levels.
- B. Promote full competition from vendors through a standardized formal bidding process.
- C. Comply with all local, state and federal regulations regarding the purchase of municipal goods and services.
- D. Maintain standards of quality in materials.
- E. Avoid duplication, waste and obsolescence with respect to materials and equipment.

The policies and procedures in the section that follow are meant to serve as guidelines and may not govern every purchasing situation which may arise. When purchases of an emergency nature are necessary, the Village should strive to maintain the objectives outlined in Section 1-10-3.

To enable the Village to follow a purchasing procedure which promotes availability of material and services when needed, without creating excess inventory.

To provide adequate controls and oversight over Village expenditures as required by the Village's auditors and in compliance with local government accounting practices, laws, and principles.

Note. The following policies and procedures are meant to serve as guidelines and may not govern every purchasing situation which may arise. When purchases of an emergency nature are necessary, the Village should strive to maintain the objectives outlined above.

(Ord. 2012-020, 5-14-2012; Ord. No. 2024-24, 12-11-2024)

1-10-3. - GENERAL PURCHASING POLICIES.

This section describes Village purchasing policies which apply to all non-emergency purchases of material, equipment, supplies, and services as defined in section 1-10-1 above.

PURCHASING CATEGORIES

Non-emergency purchases made by the Village may be grouped under the following categories.

- A. Purchases up to \$2,500.00.
- B. Purchases between \$2,501.00 and state limit, as defined in ILCS Ch. 65, Act 5, § 8-9-1 and as amended, hereafter referred to as "state limit."
- C. Purchases above the state limit.

All of these categories require a different level of organizational approval.

- A. Purchases up to \$2,500.00 can be made in the open market with approval of the Department head. Verbal or written quotes are encouraged whenever possible. Physical records regarding dates, contacts, and quotes received should be retained in the Department's files.
- B. Purchases between \$2,501.00 and the state limit require three written quotes and the approval of the Village Treasurer and Village President. Physical records regarding dates, contacts, and quotes received should be retained in the Department's files. Due diligence must be done to obtain three written quotes. If three written quotes are unable to be obtained, formal approval from the Village Treasurer, and Village President must be obtained prior to purchase.
- C. Purchases above the state limit must be competitively bid through formal public bid procedures, and in accordance with state law and Village ordinances. Bid documents require written approval of the Village President, and final bid approval is made by the Village Board. Requires approval of the Village Treasurer, Village President, and Board of Trustees.

Emergency purchases. In the event of enemy caused, other disaster, or other exigent circumstances, the Village President or his/her designee is authorized on behalf of the Village to procure such services, supplies, equipment, or materials as may be necessary for such purposes, in view of exigency, without regard to the statutory procedures or formalities normally prescribed by law pertaining to Village contracts or obligations, as authorized by the Village Code.

The terms and any conditions of any purchase of services by the Village shall be memorialized in writing (e.g. contracts, purchase orders, etc.).

(Ord. 2012-020, 5-14-2012; Amd. Ord. 2017-11, 6-21-2017; Ord. No. 18-26, § 2, 9-19-2018; Ord. No. 2021-04, § 5, 3-17-2021; Ord. No. 2024-24, 12-11-2024)

1-10-4. - PURCHASING PROCEDURES.

PURCHASES UNDER \$2,500.00. Purchases up to \$2,500.00 can be made in the open market with approval of the Department head. Verbal or written quotes are encouraged whenever possible. Physical records regarding dates, contacts, and quotes received should be retained in the Department's files.

PROCEDURE.

- 1.

Staff evaluates need for service or item based on Department and Village objectives, and verifies that funds are appropriated and available.

2. Staff obtains verbal or written quotes if possible, including taking telephone bids, obtaining prices through catalogs or electronic means, and receiving letter quotations.
3. Staff makes recommendation after review of quotes and Department head gives final approval.
4. Village Board retains oversight through approvals of monthly warrants and annual budget.
5. Department heads shall provide monthly written reports of expenses to the Village Board.

If a supplier is recommended who has not quoted the lowest price, staff should document the reason for not recommending the supplier quoting the lowest price. If the purchase is for a routine operating good or service, a price comparison shall be performed once during the fiscal year. Exceptions to obtaining price quotes from more than one vendor may occur in the event an item is unique and/or specialized or specifications are detailed.

PURCHASES BETWEEN \$2,501.00—State limit. Purchases of materials, equipment, services or supplies between \$2,501.00 and the state limit are made by obtaining three written quotes where practical and the approvals of the Village Treasurer and Village President. Physical records regarding dates, contacts and quotes received shall be retained in the Department's files along with utilization of purchase order forms.

PROCEDURE.

1. Staff evaluates need for service or item based on Department and Village objectives, and verifies that funds are appropriated and available.
2. Staff obtains three written quotes, including taking telephone bids, obtaining prices through catalogs or electronic means, and receiving letter quotations. Due diligence must be done to obtain three written quotes. If three written quotes are unable to be obtained, formal approval from the Village Treasurer, and Village President must be obtained prior to purchase.
3. Staff makes recommendation to the Village Treasurer after review of quotes. The Village Treasurer makes a recommendation to Village President for final approval.
4. Village Board retains oversight through approvals of monthly warrants and annual budget.

If a supplier is recommended who has not quoted the lowest price, staff should document the reason for not recommending the supplier quoting the lowest price. If the purchase is for a routine operating good or service, a price comparison shall be performed once during the fiscal year. Exceptions to obtaining price quotes from more than one vendor may occur in the event an item is unique and/or specialized or specifications are detailed.

PURCHASES ABOVE STATE LIMIT. Purchases of materials, equipment, services or supplies above the state limit must be competitively bid through formal public bid procedures, and in accordance with state law and Village Ordinances. Bid documents require written approval of the Village President, and final bid approval is made by the Village Board. Requires approval of the Village Treasurer, Village President, and Board of Trustees. The Village President may waive the public bid requirement when procuring certain professional services as outlined in state statute. In cases of urgently needed material or urgent repairs involving labor and material, such repairs and material may be obtained through negotiated contract without formal advertising with the approval of the Village President, when it is in the best interest of the Village and when it is impractical to convene a meeting of the Board of Trustees. Negotiated purchases without formal advertising may be approved by the Board of Trustees when it is impractical to secure competition, when it is impossible to draft adequate

specifications or any other adequately detailed description of the required property or services, or when the contemplated contract involves maintenance, repair, alteration or inspection and the exact nature or amount of work to be done is not known. However, the Department head shall first obtain in writing, whenever possible, at least three informal bids to furnish same. In these situations, the Village President may require that request for proposals be utilized. The purchasing procedure under this paragraph may be waived by a two-thirds vote of the corporate authorities.

PROCEDURE.

1. Staff evaluates need for service or item based on Department and Village objectives, and verifies that funds are appropriated and available.
2. Notice of call for bids shall be published in a newspaper of general circulation throughout the Village by at least one insertion which shall be at least ten days prior to the time designated for opening bids. The notice shall include a general description of the article or service desired; shall state the time, date and place of bid opening and shall designate where bidding documents may be found.
3. Formal bids are opened and read publicly at Village Hall on the date specified and immediately following the time shown in the notice of call for bids. Bids are read aloud and recorded on a bid tabulation form. A copy of the bid tab form is available to all bidders after the bid opening.
4. Bids are tabulated and analyzed by the appropriate staff and memorandum issued to the appropriate committee stating how the award should be made. The appropriate committee shall provide a recommendation to the Village Board based on its review of the recommended bid. Recommendation is usually based upon an award to the lowest responsible, responsive bidder meeting specifications. Criteria for awarding bids shall be made in the bid specifications and are subject to modification depending on the product or service being acquired.
5. Final bid is awarded by the Village Board, and official contracts and/or agreements are signed by the Village President.

PETTY CASH PURCHASES. The petty cash fund should be used whenever immediate payment for goods is needed. Petty cash should be restricted to payments less than \$200.00 where practicable. All petty cash payments must be supported with receipts. Use of petty cash should be avoided unless necessary. The Village Treasurer or his/her designee is responsible for the petty cash fund and are the only persons allowed to disburse money from the account.

(Ord. 012-020,5-14-2012; Amd. Ord. 2017-11, 6-21-2017; Ord. No. 2021-04, § 6, 3-17-2021; Ord. No. 2024-24, 12-11-2024)