

ORDINANCE NO. 2024- ____

AN ORDINANCE ESTABLISHING A PURCHASING POLICY FOR THE VILLAGE OF WINNEBAGO

WHEREAS, the Village of Winnebago has historically utilized a purchasing policy maintained by the Finance Committee, which has become outdated and has not been consistently adhered to in practice; and

WHEREAS, it is in the best interest of the Village to formalize and update its purchasing policy to ensure that all purchases of goods and services are conducted in a transparent, efficient, and fiscally responsible manner, consistent with applicable laws and sound governmental practices; and

WHEREAS, the Village Board of Trustees recognizes the need to clarify and streamline the purchasing process by establishing clear authority limits and procedures for Village officials and departments to follow; and

WHEREAS, this ordinance is intended to replace any prior purchasing policies and procedures, bringing current practices into compliance with this updated and legally binding framework.

NOW, THEREFORE, BE IT ORDAINED by the President and the Board of Trustees of the Village of Winnebago, Winnebago County, Illinois, as follows:

SECTION 1: GENERAL PURCHASING POLICY

The Village of Winnebago adopts the following purchasing guidelines to ensure that goods and services are procured in a manner that guarantees adequate quantities, reasonable prices, timely receipt, and appropriate quality while minimizing disruption to operational efficiency.

All purchases must be reviewed and approved to ensure that expenditures are within the approved budget and authority limits as outlined below.

A. Purchases Up to \$1,000

Purchases within this category may be authorized by the Department Head, who may delegate this authority to subordinates at their discretion. However, Department Heads still bear ultimate responsibility for purchases made by their subordinates. Although multiple quotes are not required for every purchase within this threshold, periodic price comparisons must be made to ensure that the price paid is the best available and that the quality meets required standards.

B. Purchases in Excess of \$1,000 but Less than \$5,000

Purchases in this category shall be authorized by the Department Head after seeking at least three (3) quotes from vendors. If three or more quotes cannot be obtained, Department Heads shall document their attempts to receive quotes. These records must be retained and submitted for verification as needed.

C. Purchases of \$5,000 or More but Less than \$10,000

Purchases in this category must be authorized by the Village Administrator. Effort must be made to secure at least three (3) written quotes. If three or more quotes cannot be obtained, Department Heads must document attempts made to receive quotes. The requesting department is responsible for securing quotes,

and the Department Head will present a recommendation to the Village Administrator. If a Department Head feels a purchase under this category should be made from a specific vendor, they must submit a recommendation to the Village Administrator stating the reasons for the vendor preference. The Village Administrator will determine if the vendor should be used in these cases.

D. Purchases Exceeding \$10,000

Purchases in this category exceeding \$10,000 must be approved by the Village Board unless otherwise defined in this policy. A minimum of three (3) written quotes is generally required, and the splitting of purchases to avoid this requirement is prohibited. The Village Board may approve a purchase from a single vendor without quotes if justification is provided by the Village Administrator or Department Head. Public Works contracts, public improvement projects, and the purchase of supplies over \$25,000 are subject to formal bidding procedures as required by statute (65 ILCS 5/8-9). These bidding procedures may be waived by the Village Board per statute by a two-thirds vote of all Trustees in office. Requests for bid waivers are only permitted when goods are proprietary, services require creative discretion, standardization is necessary, in emergencies, or when deemed in the best interest of the Village.

E. Petty Cash Purchases

Petty cash drawers are maintained by the Village Office for incidental costs related to Village operations. Petty cash funds will primarily be used to reimburse employees for incidental expenses or mileage reimbursement. Requests for petty cash reimbursements must include receipts and appropriate documentation and will be limited to \$100 per request, unless otherwise authorized by the Treasurer. The Deputy Clerk is responsible for the safety, security, and control of the petty cash drawer and may assign daily duties to a custodian. Reconciliation of petty cash must be conducted regularly, but at a minimum of no less than once per month.

SECTION 2: EXCEPTIONS TO NORMAL PURCHASING POLICIES

A. Emergency Purchases

Emergencies are defined as unforeseen events where immediate action is necessary to protect public health, safety, welfare, or property, or when timing is critical. In these cases, the Village Administrator will notify the Village President. Upon the Village President's concurrence, the Village Administrator is authorized to expend funds beyond their normal limit. If the Village President cannot be reached, the Village Administrator may proceed with emergency purchases and inform the Village President as soon as possible. The Village Administrator may delegate authority to Department Heads during a bona fide emergency, as determined by the Village Administrator taking into consideration the immediacy or exigency of the situation as determined by the village's needs. Documentation of the emergency, along with expenditures made, must be provided to the Village Board as soon as practical, with regular updates if the emergency continues. The Treasurer must be informed of any emergency to ensure fund availability and payment facilitation.

B. Sole Source Purchases

Sole source purchases occur when only one source is available or necessary for a purchase. Examples include:

1. Proprietary equipment or supplies without competitive products.

2. Replacement parts without substitutes.
3. Service contracts that can only be provided by one company.
4. Compatibility requirements or distributor exclusivity.
5. Payments to other governmental agencies.
6. Purchases over \$10,000, even if sole source, require Village Board approval and may necessitate a formal waiver of bids.

C. State, Joint, and Cooperative Purchasing

The Village may use State of Illinois contracts or joint purchasing agreements for certain goods, offering efficiencies through reduced administrative costs and economies of scale. These contracts, if competitively bid, may replace normal procurement procedures. However, purchases exceeding \$10,000 still require Village Board approval. State or cooperative purchasing contracts are exempt from Village bidding rules provided they comply with applicable state or intergovernmental regulations.

SECTION 3: SPENDING LIMITS

Purchases for goods, services, and professional contracts shall be subject to the following spending authority limits:

Municipal Authority or Appointed Designee	Spending Authority Limit
Treasurer	Up to \$5,000
Deputy Clerk	Up to \$5,000
Police Chief	Up to \$5,000
Public Works Director	Up to \$5,000
Superintendent of Streets & Fleets	Up to \$5,000
Village Administrator	Up to \$10,000
Village President	Up to \$10,000
Board of Trustees	\$10,001 or more

Any purchases exceeding \$10,000 shall require approval by the Village Board via resolution or ordinance, as applicable.

- **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 \$10,000 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 \$20,000 was reasonably foreseeable at the beginning of the applicable fiscal 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 by the Village Administrator 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 \$10,000 and without Village Board approval.

SECTION 4: PURCHASING METHODS

To ensure transparency and adherence to statutory requirements, the following purchasing methods will be applied:

- **Resolution:** A resolution of the Village Board is required for the purchase of goods or services exceeding \$10,000.
- **Request for Proposals (RFPs):**
 - Professional service contracts by their nature are not adaptive to normal procurement or competitive bidding. Examples include contracts for services of individuals or firms possessing a high degree of professional skill where the education, experience, or character of the individual is a significant factor in determining their ability to meet Village needs. Other examples include service contracts where other considerations besides price are involved. These contracts generally result from the development and issuance of a Request for Proposal (RFP) by the respective department to consultants or vendors to provide professional services.
 - 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 Request for Qualifications (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
- **Invoice Payments:** Recurring expenses such as electric, natural gas, and telecommunications services will be paid directly from invoices and subject to board approval for other payments.

- **Gas Cards:** The Police Department will utilize gas cards monitored by the Police Chief or their designee, with oversight by the Treasurer.

SECTION 5: COMPETITIVE BIDDING FOR PUBLIC WORKS

Public Works purchases exceeding \$25,000 must follow the competitive bidding requirements in accordance with Illinois Statutes (65 ILCS 5/8-9-1).

SECTION 6: CREDIT CARD USE POLICY

Village credit cards may only be issued to employees with budgetary spending responsibilities, including but not limited to the Village Administrator, Deputy Clerk, Treasurer, Police Chief, and Public Works Director. All credit card purchases must be documented and approved by all three of the Village's authorized check signers, who are traditionally the Treasurer, Clerk, and Village President. Credit card use is restricted to Village-related business, expenditures must be reasonable and such use is limited to:

- **Travel and Training Expenses:** Includes hotel accommodations, meals, transportation (airfare, car rental, fuel), conference registration fees, and other travel-related expenses for official Village business, per the Village's Personnel Policy, as amended from time to time.
- **Emergency Purchases:** For unforeseen events or urgent situations where immediate action is required to safeguard public health, safety, or property.
- **Online and Internet Purchases:** For items or services that can only be acquired through online vendors or platforms where other procurement methods are not practical.
- **Situations Where Processing Invoices is Not Feasible:** Instances where vendors do not accept traditional invoicing or where immediate payment is necessary to secure goods or services.
- **Recurring Subscriptions and Memberships:** Payment for approved professional memberships, software licenses, or subscriptions to publications critical to Village operations.
- **Office Supplies and Minor Equipment:** Purchases of office supplies, small tools, or equipment that are needed urgently and fall within the approved departmental budget.
- **Dining/Catering for Village Business Purposes:** Meals for staff meetings, training, or other Village-related business activities that involve working through meal periods. Such expenses must be reasonable, documented, and pre-approved as part of the budget. Under no circumstances shall any purchase of alcohol be included in a purchase using the village credit card.
- **Special Events and Community Outreach:** Expenses related to community events, meetings, or outreach programs that have been preapproved as part of the departmental budget.
- **Facility and Grounds Maintenance:** Minor maintenance supplies or repair parts for Village facilities or grounds, when immediate purchase is required to maintain operations.

Restrictions: Credit cards must not be used for personal expenses, cash advances, or items outside of the approved departmental budget unless specifically authorized by the Village Board. Additionally, all credit card purchases must be accompanied by a detailed receipt and justification for the expense. Misuse of the Village credit card may result in disciplinary action, up to and including termination and/or referral for criminal prosecution.

SECTION 7: EFFECT ON PRIOR POLICY AND/OR ORDINANCES REGULATING POLICY

This ordinance replaces and supersedes any prior written and/or oral purchasing policy followed by village personnel and/or contained in any village ordinance regulating purchasing policies.

SECTION 8: EFFECTIVE DATE

This ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

APPROVED this _____ day of _____, 2024

Franklin J. Eubank, Jr., President of the Board
of Trustees of the Village of Winnebago, Illinois

ATTEST:

Sally Jo Huggins, Village Clerk

PASSED: _____

APPROVED: _____

PUBLISHED IN
PAMPHLET FORM: _____