

PURCHASING POLICY & PROCEDURES

Forest Preserves of Winnebago County

November 2014

The Board of Commissioners recognizes the need for materials, supplies, equipment, and services of a quality and quantity necessary to operate the Forest Preserves of Winnebago County (Forest Preserves). Requirements to that end shall be specified to provide full and free competition among potential suppliers. Financial operations shall be recorded in an established manner and internal controls shall be such that accurate records of all procedures and transactions shall be available for audit purposes.

The objective of the purchasing policies and procedures is to set forth a general policy and procedure, which will assist the Forest Preserves of Winnebago County in purchasing:

1. Material and services of sufficient quality at the most economical price available.
2. In an open, organized and ethical manner.
3. In a manner which will comply with all Local, State and Federal laws.
4. In a timely manner so that material and services are available when needed without creating excess inventory.

These policies and procedures are meant to serve as guidelines for the acquisition of goods and services and may not govern every situation which may arise. When purchases of an emergency nature are necessary, they should be made in accordance with the objectives as listed above. The Forest Preserves will maintain a policy and procedural manual to ensure that sufficient procedures and controls are in place to permit purchasing on behalf of the Forest Preserves. Any significant changes to the manual will be presented to the Board of Commissioners for their authorization.

All purchasing shall be made, if possible, on competitive bids, quotations or state bid list in order to secure commodities, materials, equipment, or services at the lowest total cost and highest quality. All things being equal, the Forest Preserves will give all possible consideration to local business establishments, providing they are competitive in their bidding, quotations and/or services. However, the Forest Preserves must abide by all laws and regulations that apply to awarding contracts and cannot discriminate against businesses not established locally.

No employee shall purchase goods or services on behalf of the Forest Preserves without first seeking approval as required by this policy. All purchases shall require advance approval at the appropriate authority level.

I. INTRODUCTION

A. Statement of Intent

The purpose of this purchasing policy and procedural manual is to provide Forest Preserves of Winnebago County (Forest Preserves) staff with guidelines and direction for the acquisition of goods and services. When used with good judgment and common sense, the policies and procedures conveyed within this manual will allow the Forest Preserves to obtain required supplies and services efficiently and economically.

The Board of Commissioners may authorize any member of the Board, employee or agent to enter into a contract on behalf of the Forest Preserves. All contracts for supplies, material or work shall be signed by the Executive Director and/or other officer or any employee of the Forest Preserves that the Board in its discretion may designate. However, an affirmative vote of the majority of the Board is required to authorize any member of the Board, employee, or agent to enter a contract on behalf of the Forest Preserves for the acquisition of land. Unless so authorized, no consultant, employee or agent shall have the power to bind the Forest Preserves by any contract, or pledge its credit, or to render it pecuniary liable for any purpose or amount.

The manual is divided into sections dealing with purchasing policies and procedures. The policy sections contain all the purchasing policies reviewed and adopted by the Board of Commissioners which must be adhered to by Forest Preserves employees. The procedures sections provide a “how to” guide for processing purchase requisitions, purchase orders, expense reports and other procedures regarding payment processing.

This manual is designed to be a fluid document and will be modified from time to time to conform with changes in legislation, technology and actual practice. Although it may not answer every question related to purchasing practices, it does provide general guidelines for purchasing activities. Employees who need help dealing with specific situations not covered by the manual should contact the Manager of Administrative Services.

The Executive Director, or his designee, shall be the final authority with regard to enforcement of any of the provisions of this manual. Failure to follow the procedures outlined in this manual may lead to disciplinary action in accordance with the provisions of the Forest Preserves’ Personnel Policy Manual

II. PURCHASING POLICIES

A. Code of Ethics

All Forest Preserves personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of

the Forest Preserves and the residents of Winnebago County. Forest Preserves employees shall strive to:

1. Ensure that public money is spent efficiently and effectively and in accordance with statutes, regulations and Forest Preserves policies.
2. Maintain confidentiality at all times.
3. Not accept gifts or favors from current or potential suppliers, which might compromise the integrity of their purchasing function.
4. Specify generic descriptions of goods wherever possible in lieu of brand names when compiling specifications.
5. Purchase without favor or prejudice.
6. Ensure that all potential suppliers are provided with adequate and identical information upon which to base their offer or quotation and that any subsequent information is made available to all bidders.
7. Establish and maintain procedures to ensure that fair and equal consideration is given to each offer or quotation received and selection is based upon the lowest total cost compliant bid.
8. Offer a prompt and courteous response to all inquiries from potential or existing suppliers.

B. Conflict of Interest Policy

Forest Preserves Employees and Board members are bound to the provisions of the State Officials & Employees Ethics Act (5 ILCS 430) and are expected to abide by the Forest Preserves Employee Handbook with specific reference to the Personnel Policy; Addendum D – Ethics and Gift Ban Policy and Addendum J - Conflict of Interest Policy. Additionally, it shall be a breach of ethical standards for any employee to participate directly or indirectly in the purchasing process when the employee knows any of the following listed items to be true: *The following list is provided as a reference and is not intended to be exclusive nor exhaustive or to replace the more detailed guidelines listed in the previously sited state statute and Forest Preserves policies.*

1. The employee is contemporaneously employed by a bidder, vendor or contractor involved in the procurement transaction; or
2. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest in the company; or
3. The employee, the employee's partner, or any member of the employee's immediate family has a financial interest arising from the procurement transaction; or
4. The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, vendor or contractor.

The employee's immediate family shall be defined as a spouse, partner, children, parents, brothers and sisters and any other person living in the same household as the employee.

C. Gifts and Gratuities

Forest Preserves personnel should be aware that offers of gratitude from vendors could be designed to compromise objective judgment in product or service selection. Accordingly, it is Forest Preserves policy to observe the highest standards of ethics and to shield the employee, the Forest Preserves and the vendor from any suggestion or appearance of conflict of interest. Forest Preserves Employees are bound to the provisions of the State Officials & Employees Ethics Act (5 ILCS 430) and are expected to abide by the Forest Preserves Employee Handbook with specific reference to the Personnel Policy; Addendum D – Ethics and Gift Ban Policy and Addendum J - Conflict of Interest Policy.

No employee shall permit any influence by vendors, which could conflict with the best interest of the Forest Preserves, or prejudice the Forest Preserves' reputation. Expenditures of Forest Preserves funds to vendors shall not, by intention, personally benefit any person employed with the Forest Preserves. Employees shall strive to follow the following guidelines. *The following list is provided as a reference and is not intended to be exclusive nor exhaustive or to replace the more detailed guidelines listed in the previously cited state statute and Forest Preserves policies.*

1. Tangible gifts or gratuities shall not be accepted where their value suggests something more than merely a social gesture. Such gifts should be returned with a statement of Forest Preserves policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable. Gifts that are capable of being shared shall be shared within the area or department where the recipient works.
2. Association with vendor representatives at business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps themselves free of obligation.
3. Personal loans of money or equipment are not to be accepted from a vendor or an individual associated with a vendor doing business with the Forest Preserves.
4. Corporate discounts granted to Forest Preserves employees are acceptable only if they are offered to all Forest Preserves employees.

If in any doubt about the propriety of accepting a gift, the matter should be referred to the Department Director who will reference the Forest Preserves Personnel Policy and, if necessary, discuss the matter with the Executive Director or his/her designee.

D. Approval of Forest Preserves Purchases

No employee shall purchase goods or services on behalf of the Forest Preserves without first seeking approval as required by this policy. Maximum purchasing card or vendor account credit limits for purchases by employees are defined below for the purchase of a Single Item, Single Transaction and Accumulated Credit Limit. All purchases above those amounts shall require advance approval of the appropriate Division Manager, Department

Director and/or Executive Director. Purchases of \$30,000 and above must receive approval by a majority vote of a Resolution by the Board of Commissioners.

<u>Employee</u>	<u>Single Item</u>	<u>Single Transaction</u>	<u>Acc. Credit</u>
Full-Time Employee	\$100	\$1,000	\$5,000
Mechanic	\$500	\$2,000	\$5,000
Division Manager	\$500	\$5,000	\$10,000
Trades Manager	\$1,000	\$5,000	\$20,000
Dept. Director	\$2,000	\$5,000	\$25,000
Executive Director	\$29,999	\$29,999	\$29,999

Appropriate approval for purchases shall occur before the purchase is made. At the specific request of Department Directors, the Executive Director may authorize a one-time increase of an employee's purchase limit by 50% of their current limitations, not to exceed \$29,999 for the accumulated credit limit.

Sufficient funds must exist within the budget line item to which the purchaser charges the expenditure. Exceptions must be approved by the Department Director and the Executive Director.

E. Signing of Contracts

All land acquisition contracts must be approved by the Board of Commissioners. All other contracts must be approved by a Director or Executive Director as defined below:

<u>Dollar Limits</u>	<u>Execute Contract</u>
\$0 - \$10,000	Department Director
\$10,000 - \$30,000	Executive Director
\$30,000 & Above	Executive Director w/ Board of Commissioner Approval

All contracts will be reviewed prior to signing to ensure appropriate levels of insurance are in place, indemnification language is included as necessary, and that contract is in compliance with all of the Forest Preserves policies and practices, including PDRMA (or other insurer) requirements for insurance coverage.

III. COMPETITIVE QUOTES & EXCEPTIONS TO THE POLICY

A. Soliciting Competitive Quotes

Employees are responsible for obtaining quotes for purchases in the instances outlined below. When submitting a purchase requisition for approval prior to purchase, quotes shall be attached to the requisition as outlined below. The quotes shall include all costs involved with a purchase, including shipping, installation, etc. Requisitions submitted without the required

quotes or a satisfactory explanation of why quotes were not obtained (e.g. sole source, emergency, standardized vendor, etc.) will be returned to the originator without approval.

Up to \$2,500

No competitive quotes are required; however, employees are encouraged to seek additional quotes when purchases exceed \$1,000.

\$2,501 - \$5,000

Three (3) quotes should be obtained. Written quotes are preferred and should be attached to a purchase requisition. When a written quote is not practical, verbal quotes are acceptable. The details of the verbal quote should be provided on the purchase requisition and include the name of the vendor, the quoted price, and the date of the quote.

\$5,001 - \$29,999

Three (3) written quotes must be obtained and copies should be attached to a purchase requisition.

\$30,000 & Above

Must be competitively bid in accordance with State law and Forest Preserves policy. Board of Commissioner approval is required for all contracts \$30,000 and above.

Items of \$30,000 and above must be authorized by the Board of Commissioners via the budget process before Forest Preserves staff begins the bid process. Items purchased more than once during a fiscal year (e.g. forms, copier supplies, vehicle parts, etc.) do not need quotes every time a purchase is made. However, competitive quotes for these items shall be sought at least once each year unless they are included in a contract of longer duration to ensure that vendors are competitive.

B. Joint Purchasing

1. State of Illinois

Forest Preserves employees are authorized to obtain goods and services using the State of Illinois Joint Purchasing program. When available through the State program, it is not necessary for Forest Preserves employees to obtain quotes or to competitively bid the goods or services which are sought. Purchases of \$30,000 and above still require Board approval prior to purchase. Employees shall be responsible, however, for ensuring that the goods or services are of a quality sufficient to meet the Forest Preserves' needs and that pricing is competitive.

When making purchases using the State's assigned vendor, employees shall include the State of Illinois contract number and the Forest Preserves assigned Joint Purchasing member I.D. number on the purchase order.

2. Other Units of Government

Employees are permitted to purchase items jointly with other units of government when the price of the goods or services sought is competitive and the quality meets the Forest

Preserves' standards. Questions regarding joint purchasing opportunities should be directed to the Manager of Administrative Services.

C. Sole Source Purchases

Contracts for parts, supplies, equipment or services that are available only from a single source (namely a monopoly) are referred to as sole source purchases. Examples of sole source procurements include, but are not limited to the following:

1. Equipment or supplies for which there is no comparable competitive product or is available only from one supplier
2. Public utility services from natural or regulated monopolies
3. A component or replacement part for which there is no commercially available substitute and which can be obtained only from the manufacturer
4. An item where compatibility is the overriding consideration, such as computer software
5. A previously owned item, for example, a tractor, that becomes immediately available and is subject to prior sale

These items shall not be subject to requirements for seeking competitive quotes or bids. However, all purchases are still subject to the designated employee purchasing authority levels and procedures as set forth within this policy. Additionally, purchases in excess of \$30,000 shall be presented to the Forest Preserves Board prior to acquisition with a request to waive bids, approve the purchase and/or enter into a formal contract.

D. Emergency Purchases

Emergency purchases can be made for emergency situations, when the normal procedures cannot be followed. Emergencies are defined as events that could not have been foreseen where immediate action is necessary to ensure the on-going ability of the Forest Preserves to perform critical functions and/or to safeguard the public's health and safety. In the event of an emergency affecting the public health and/or safety, the Executive Director or his/her designee may authorize a purchase or contractual work which is less than \$30,000 and waive the Forest Preserves' requirement to receive (3) formal written quotes. If the emergency purchase exceeds \$30,000, it must still be publicly bid pursuant to the requirements in Chapter IV of this policy. In this situation, the Executive Director may authorize staff to begin the bidding process prior to Board approval. Documentation of the emergency and the need for immediate action shall be presented to the Board of Commissioners as soon as possible and a special call meeting of the Board may be requested in order to approve the bid and expedite the resolution of the emergency.

1. The Department Director shall complete a purchase requisition requesting the emergency purchase and present it to the Executive Director for authorization.

2. A purchase requisition will be issued immediately and the order will be placed.
3. A purchase order will be issued according to the appropriate procedure.
4. The Board of Commissioners will be notified by the monthly Purchasing Report or a Resolution will be prepared and taken to the next Board meeting.

E. Competitive Bidding Exemption

During the course of a fiscal year, the Executive Director may approve multiple unrelated purchases which exceed \$30,000 in aggregate but are less than \$30,000 individually. In these cases, each purchase shall still be subject to the requirements of Chapter III, Section A of this manual concerning quote solicitation for purchases under \$30,000 and 720 ILCS 5 Section 33E-9 in the Criminal Code regarding change orders. In addition, work requiring personal confidence and necessary supplies under the control of monopolies are both exempt from the bidding requirements.

The intent of this subsection is not to circumvent the bidding requirements. Whenever practical, Forest Preserves staff is encouraged to rely upon the competitive bidding process.

IV. COMPETITIVE BIDDING & REQUESTS FOR PROFESSIONAL SERVICES

A. When a Formal Bid Is Required

Generally, all purchases of goods or services exceeding \$30,000, either individually or in aggregate of a specific product or for a specific project, (unless permitted by the Executive Director per Chapter III, Section E) made over the course of one fiscal year shall be subject to the competitive bidding process. The Board of Commissioners must authorize the purchase and the intent to bid **before** any of the bidding steps are initiated. The bidding invitation will be advertised and the bidding carried out in a free and open competitive process using sealed bids. The bid shall be awarded to the qualified lowest, responsible and responsive bidder or other bidder whom the Forest Preserves Board deems to be in the best interest of the Forest Preserves as allowed under state statute. In certain instances, the Forest Preserves Board reserves the right to waive the competitive bidding process for securing professional services; such as legal, architectural and engineering, as allowed for under state statute. (See Section I, Requests for Professional Services below)

B. Board Approves a Request to Bid

When a Department Director seeks to bid the purchase goods or services, the first step in the process is to gain Forest Preserves Board approval to seek bids via adoption of the fiscal year budget or a budget amendment after the budget has been adopted. Before any steps in the formal bidding process are initiated, the Department Director must submit one of the following to the Executive Director:

1. A Budget Request Form if the purchase is being requested as part of the budget development process. The Form will include the goods or services requested for

purchase, total cost of the purchase including shipping, labor and/or material costs, fund account the purchase will be budgeted in, the need for the purchase and approximately when the bid will be executed. Additional information may be required as needed.

2. A Resolution for a budget amendment if the budget is being altered to make the purchase after the fiscal year budget has been approved. A Resolution Background memo will accompany the Resolution and explain the nature of the requested budget amendment, what fund(s) will be affected, justification for the budget amendment and time frame to execute the bid process. This will be submitted to the Executive Director no later than the Monday of the week, preceding the week of the Board meeting.

C. Bid Request and Development

Any Department Director, who needs to make a purchase in excess of \$30,000, must contact the Winnebago County Purchasing office.

1. Once the request is made, Winnebago County Purchasing researches the requirements to begin the bid process for purchase.
2. The Department Director will write the bid specifications, as specific as possible, and provide them to the Winnebago County Purchasing Manager. Consultants, suppliers or other government entities may be utilized to help write the bid specifications.
3. Determine what suppliers would be qualified to bid on said purchase and develop a bidder's list.
4. Determine the bid opening date, time and location. Determine a Pre-Bid meeting date, time and location if necessary.
5. Write up an Information Sheet listing any general information that will help the supplier or contractor to bid the goods or services.
6. Notify the appropriate newspaper to place an advertisement listing a general description, where the specifications can be obtained and the date, time and place of the bid opening.
7. Develop a file with all appropriate documentation.
8. Log the bid with the next consecutive number, fill in date, description, bid opening date, date of advertisement in the Bid Log Book.
9. Have the bid typed and prepared for mailing. All labels with bidder's name and address should be prepared at this time.
10. A final review must take place of all documentation before mailing. Verify that all appropriate paperwork for bidding is included with the document.
11. Place a copy of the "Call For Bids" sheet on the Purchasing bulletin board.

12. Place extra copies of the bid, if the bid does not require a deposit, on the counter in the Purchasing office.
13. Post the item or project on the Winnebago County and Forest Preserves websites.
14. Place the file in the bid pending file.
NOTE: If an architect or consultant is used, the bid may be written and mailed outside of the Purchasing office.

D. Additional Requirements for the Bid Document

1. A bid bond, cashier's check, certified check, or other approved security in an amount equal to 10% of the bid may be required to guarantee the successful bidder will sign a contract; dependent on the expected cost or type of project and as deemed by the Forest Preserves when necessary to protect the interest of the Forest Preserves.
2. When preparing the bid document, departments should consider whether to require contractors to provide a performance bond if awarded the contract. A performance bond, issued by a surety company, stipulates a legal, written obligation to guarantee 100% payment for any financial loss caused by default of the contractor. When assigned to the Forest Preserves, it grants an assurance as to the performance and successful completion of the terms of the contract and assures payment of the taxes, licenses or assessments associated with the contract. The contractor shall provide the performance bond with the appropriate Labor and Material Bonds within ten (10) calendar days of award of the bid.

Bonds required to guarantee performance and payment for labor and material for the work shall be in a form acceptable to the Forest Preserves and shall provide that they shall not terminate on completion of the work, but shall be reduced to ten percent (10%) of the contract sum upon the date of final payment by the Forest Preserves for a period of one (1) year to cover a warranty and maintenance period which Contractor agrees shall apply to all material and workmanship for one (1) year from the date of issuance of the final payment by the Forest Preserves.

3. During the term of the contract, the contractor shall provide the Forest Preserves with a certificate of insurance. The limits of liability shall be specified in the bid document's General Terms and Conditions and shall comply with the recommendations of the current insurance company of the Forest Preserves. Such coverage shall include but is not limited to, comprehensive general liability, auto liability, professional liability (required only where contracts are for professional services), workers compensation (the policy shall include a 'waiver of subrogation') and umbrella coverage.
4. The aforementioned insurance requirements shall be fulfilled by the contractor by maintaining insurance policies which name the Forest Preserves, its officers, agents, employees, representatives and assigns as additionally insured. The contractor shall furnish to the Forest Preserves satisfactory proof of coverage by a reliable company or companies, before commencing any work. Such proof shall consist of certificates

executed by the respective insurance companies and filed with the Forest Preserves together with executed copies of an "Additional Insured Endorsement" form. Said certificates shall contain a clause to the effect that, for the duration of the contract, the insurance policy shall be canceled, expired or changed so as to the amount of coverage only after written notification 30 days in advance has been given to the Forest Preserves. In addition, said certificates shall list the Forest Preserves and its officers, agents and employees as additionally insured on all required insurance policies except the policy for professional liability.

5. All companies or individuals who wish to bid on a good or service must submit their bids in a sealed envelope before the deadline of the bid.
6. If bid documents are to be distributed at the Forest Preserves administrative office, the front desk personnel must be supplied with hard copies of the bid document or an electronic version of the bid document.
7. If a pre-bid conference is conducted, departments should specify in the Notice to Bidders whether attendance is a mandatory condition of bidding. At the pre-bid conference, the responsible department should ensure that all attendees sign a "sign-in" sheet to ensure compliance with this requirement of bidding. Failure to attend a mandatory pre-bid conference may disqualify a bidder from being awarded the contract unless, at the department's discretion, bidders are allowed to not attend by signing a waiver.

E. Bid Opening Procedures

All Bids will state a specific location, date and time for the public bid opening scheduled no later than 10:00 a.m., the Wednesday two (2) weeks preceding the week of the Board meeting at which the bid is to be presented to the Board. No bid will be opened or reviewed prior to the specified opening date and time. All bids will be stamped with the date and time they are received. Two County employees (one of which will be a Forest Preserves employee) must be present for all bid openings. Bid openings will be held in a meeting room at the Forest Preserves Headquarters or the County offices.

1. A bid tabulation sheet will be developed prior to the bid opening and will contain the following information:
 - a. Department.
 - b. Item Bid.
 - c. Date Prepared.
 - d. Date Opened.
2. At the specified date and time bid acceptance will be closed, all bids will be gathered for opening. **No bids will be accepted after the bid closing date and time specified on the bid document.**
3. One bid at a time will be opened and verification will be made that all paperwork is filled out and signed appropriately. If the paperwork is not filled out and signed appropriately, the bid may be rejected and not read. This will be reviewed at the time of bid opening.

4. As the bids are opened, Vendor Information, Item and Total Bid amount will be read aloud and filled in on the Bid Tabulation Form. Any additional information asked for on the bid form will also be read aloud but may or may not be written on the tabulation form.
NOTE: If the bid is very detailed, a request will be made to all in attendance, to read names and verify all appropriate signed documentation only. A Bid Tabulation Form will then be faxed to all bidders, if requested.

F. Post Bid Opening Requirements

After the bid opening, a review process will take place before an award recommendation will be made. The Department Director will review all bid documents to ensure all paperwork is signed and notarized where applicable and the responsible lowest bidder will be determined. Criteria for determining the responsible lowest bidder will be based on, but not necessarily limited to the following:

1. All required bid documents and information were correctly submitted.
2. Is an Equal Opportunity Employer.
3. Has not been barred from bidding as per the Illinois Statutes, not been involved in any collusion nor issued a "Statement of Noncompliance".
4. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
5. The ability, capacity and skill of the bidder to perform the contract or service per the specifications.
6. Can perform the contract or provide the service promptly; within specified time frames and without delays or interference.
7. The quality of performance of previous contracts of services either with the Forest Preserves or other agencies or private parties.
8. Ability to work cooperatively with the Forest Preserves and its administration.

If the Forest Preserves has no previous experience with a bidder, the Department Director will need to conduct reference checks and investigate the history of the bidder in order to gain the knowledge necessary to make an informed and reliable decision.

Once the responsible lowest bidder has been determined and all pertinent criteria met, the Department Director will prepare an "Agenda Background Information" summary naming the project or service, staff contact, a brief synopsis of the project/service, budgeted amount, the name of the responsible lowest bidder and their bid amount. If the responsible lowest bidder is not the lowest bidder, an explanation as to why the lowest bid was rejected must also be contained in the background information. A Resolution, along with the Bid Tabulation, will also be prepared recommending the Board of Commissioners accept the bid price and responsible lowest bidder. The Resolution and Background Information should be forwarded to the Executive Director no later than the Monday of the week preceding the week of the Board meeting at which it is to be presented, for inclusion in the Board Meeting agenda and corresponding packet.

G. Bid Rejection

Bids may be rejected individually or all bids may be rejected.

1. Individual Bids Rejected

- a. If a bidder has not filled out specific forms within the bid, the bid may be rejected.
- b. If the bid does not meet the detailed specifications, the bid may be rejected.
- c. If the bidder is not a responsible bidder, the bid will be rejected.

If the individual bid that is rejected is the lowest bidder, an explanation of why this bid was rejected must be included in the Background Information summary and a Resolution with the Bid Abstract must be included.

2. All Bids Rejected

If a Department that has issued a bid desires to reject all bids for whatever reason, a Background Information summary must explain why the bids are being rejected and a Resolution prepared for the Board of Commissioners requesting them to accept a rejection of all bids. A bid tabulation form must be included with the Resolution.

It is the responsibility of the Department Directors to maintain all bid documentation, including the bid packages, original bid tabulation sheet, bid opening sign-in sheet and all other documentation in a bid file at the Forest Preserves Headquarters or Winnebago County Purchasing Department. The file must be maintained in a manner and for a period that conforms with State law. Successful bid documentation must be maintained for a period of 10 years after the contract is complete, unsuccessful bid documentation must be maintained for a period of three (3) years. Within fourteen (14) days following Forest Preserves Board approval of the bid, the responsible Department will contact the successful bidder to have the Forest Preserves' contract signed and to obtain performance bonds and certificates of insurance when required.

Signed contracts, certificates of insurance and performance bonds must be obtained from the contractor before work begins. It is the responsibility of the applicable Department Manager or Director to ensure that the Forest Preserves' contract has been signed and certificate of insurance and performance bond obtained before work begins.

H. Waiver of Competitive Bidding

The Forest Preserves Board does not require bids for work requiring personal confidence or for necessary supplies under the control of monopolies.

I. Requests for Professional Services

Some contracts, by their nature, are not adapted to award by competitive bidding. Examples include, but are not limited to, contracts for the services of individuals 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 the Forest Preserves' needs. These contracts generally result from a Request for Proposal (RFP) or Statement of Qualifications (SOQ) solicited from consultants for "Professional Services."

The Forest Preserves is required by the Local Government Professional Services Selection Act (50 ILCS 510) to follow specific procedures when hiring an architect, engineer or land surveyor. The procedures must be followed unless: 1) the Forest Preserves has a “satisfactory relationship for services with one or more firms”, or 2) an emergency situation exists and an architect, engineer or land surveyor must be selected in an expeditious manner, or 3) when the cost of such services “is expected to be less than \$30,000.” If none of these conditions apply, the respective Department Director must solicit proposals and adhere to the following requirements:

1. **Public Notice.** The Forest Preserves must permit firms engaged in the lawful practice of their professions to file a statement of qualifications and performance data with the Forest Preserves. The Forest Preserves must also 1) mail a notice requesting a statement of interest in the specific project to all firms who have a current statement of qualifications and performance data on file with the Forest Preserves and 2) place an advertisement in a secular English language daily newspaper of general circulation throughout the Forest Preserves, requesting a statement of interest in the specific project and further requesting statements of qualifications and performance data from those firms which do not have such a statement on file with the Forest Preserves. Such advertisement shall state the day, hour and place the statement of interest and the statements of qualifications and performance data shall be due.
2. **Selection Procedure.** The Forest Preserves then must evaluate the firms submitting letters of interest, taking into account qualifications, ability of professional personnel, past record and experience, performance data on file, willingness to meet time and budget requirements, location, workload of the firm and such other factors as the Forest Preserves may determine in writing are applicable. The Forest Preserves may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project and ability to furnish the required services.
3. On the basis of evaluations, discussions and/or presentations, the Forest Preserves shall select no fewer than three (3) firms which it determines to be the most qualified to provide services for the project and rank them in order of qualifications to provide services regarding the specific project. The Forest Preserves shall then contact the firm ranked most preferred and attempt to negotiate a contract at a fair and reasonable compensation, taking into account the estimated value, scope, complexity, and professional nature of the services to be rendered. If fewer than three (3) firms submit letters of interest and the Forest Preserves determines that one or both of those firms are so qualified, the Forest Preserves may proceed to negotiate a contract.
4. **Contract Negotiation.** The Forest Preserves shall prepare a written description of the scope of the proposed services to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation the Forest Preserves determines in writing to be fair and reasonable. In making this decision, the Forest Preserves shall take into account the estimated value, scope, complexity and professional nature of the services to be rendered.

5. If the Forest Preserves is unable to negotiate a contract with the preferred firm, negotiations with that firm shall be terminated. The Forest Preserves shall then begin negotiations with the firm which is next preferred. If the Forest Preserves is unable to negotiate a contract with that firm, negotiations with that firm shall be terminated. The Forest Preserves shall then begin negotiations with the firm which is next preferred.
6. If the Forest Preserves is unable to negotiate a satisfactory contract with any of the selected firms, it shall re-evaluate the architectural, engineering or land surveying services requested, including the estimated value, scope, complexity and fee requirements. The Forest Preserves shall then compile a second list of not less than three qualified firms and proceed in accordance with these procedures.

V. METHODS OF PAYMENT PROCESSING

A. Regular Payment of Invoices

The Forest Preserves will comply with the provisions of the Local Government Prompt Payment Act. When invoices are submitted with appropriate authorization and supporting documentation, they will be entered into the accounts payable system. Invoices should not be submitted for payment by the employee responsible for the purchase until the goods or services have been received.

Exceptions:

1. Deposits or advance payments for materials on certain jobs when approved by the Executive Director.
2. Memberships and books or periodicals.
3. Payments to local, State and Federal government entities.
4. Service and maintenance contracts where necessary.
5. Orders (under \$2,500) where the Department Director specifically approves prepayment.
6. Approval by the Executive Director.

A listing of all open invoices (invoices entered into the accounts payable system, but not yet paid) will be submitted monthly to the Board for their approval at the regular monthly Board Meeting. Once the open invoice listing is approved by the Board, the checks will be printed and mailed to the vendors in a timely manner. Checks should be mailed within two business days of the Board approval.

If for some reason the monthly Board Meetings schedule does not allow for approval of the open invoices within the time frame provision of the Local Government Prompt Payment Act

the list of open invoices can be emailed or postal mailed to all Board members for verbal approval. These open invoices must be voted on and approved by Resolution at the next Board Meeting. Reasons approval cannot be made within the guideline of the Local Government Prompt Payment Act can be but are not limited to a monthly meeting being canceled, time frame between meetings extending beyond specified timelines for payment of invoices or a meeting whereby a vote for approval cannot be taken due to the lack of a majority of Board members.

B. Manual Checks

Manual checks are interim checks issued to vendors as payments for goods delivered or services performed. The checks are issued between normal accounts payable cycles when an emergency or other extenuating circumstance as determined by the Executive Director makes it impractical or unreasonable to process the payment following normal payment methods. As the name implies, manual checks are labor intensive and time consuming to issue, therefore, their use as a method of payment shall be restricted to unique or special circumstances.

C. Petty Cash

This policy sets forth procedures for the handling of petty cash monies. It further establishes the procedures for reporting petty cash disbursements by department to the Manager of Administrative Services as well as reimbursements to the Petty Cash Box. The Manager of Administrative Services is accountable for the Petty Cash Box and is responsible for seeing that the total number of receipts and cash equal the appropriate total. The Petty Cash Box is subject to audit and the above listed individual will be accountable for any non-compliance with this procedure or shortage of funds.

The following policy and procedural guidelines have been established to promote a more efficient and accountable petty cash operation. All departments within the Forest Preserves are responsible for abiding by this policy. There are no exceptions.

1. Petty Cash Disbursements to Employees

- a. Requests for petty cash may be made to the Manager of Administrative Services.
- b. There is a \$100 limit per petty cash request per day.
- c. No one is allowed to take money from petty cash without a petty cash request form and/or a receipt which must be signed by the appropriate Manager or Director. The petty cash request form must also be signed by the employee who will receive the money.
 - All petty cash request forms must be submitted with a receipt. If no receipt is submitted with the petty cash request form, the request should be submitted to the Manager of Administrative Services for review and approval. The Manager of Administrative Services will be responsible for notifying the appropriate Department Director or Executive Director of the breach of policy.

- If a receipt is submitted with the petty cash request form, the employee is reimbursed and no further action by the employee is needed. At this time, the petty cash request form is marked “PAID” with the date on it and put in the petty cash box.
 - All receipts must be original. If desired, copies may be made and kept by each individual employee, but the original should be submitted with the petty cash request form.
- d. All petty cash request forms must contain the following information:
- Date
 - Detailed description of the expenditure
 - Name of person(s) to receive money
 - Name of person authorizing receipt of money (must be a supervisory employee specifically designated by the department)
 - Account number to which the expenditure will be charged
 - Receipt (if received, otherwise the petty cash request form will be marked “HOLD”)

2. Reimbursing Petty Cash Box

- a. The Manager of Administrative Services is responsible for reconciling the Petty Cash Box and request petty cash reimbursements by the payables deadline. It is recommended that this be done on a weekly basis, if possible.
- b. The Petty Cash Reimbursement sheet lists all petty cash transactions for a certain period of time. This sheet must contain the following information:
- Detailed list of account numbers
 - Detailed description of charges for each account number (date, place, name and reason for charge)
 - Amount of charges for each account number and correlating description
 - All original petty cash receipt slips and corresponding receipts
- c. Once the Petty Cash Reimbursement Form is completed, it must be forwarded, along with all required documentation and required signature of the Manager of Administrative Services to the Director of Finance. Upon receipt of the above information, the Director of Finance will be responsible for reviewing the documentation and approving the reimbursement of the petty cash.
- d. The Petty Cash Reimbursement Form and receipts are then attached to the file copy of the check that was cut for reimbursement and is stored with the accounts payable files.
- e. Petty Cash will be subject to periodic announced and unannounced audits to

determine compliance with these procedures. Any discrepancies with compliance or cash balance shall be immediately reported to the Director of Finance and a written report shall be provided with copies to the Executive Director and Department Director.

D. Purchase Cards

Refer to the **Personnel Policy, Appendix H: Purchasing Card Policies and Procedures**. Purchasing Card spending limits for single item purchases, single transaction purchases and accumulated purchases will be authorized as stated in Chapter II Purchasing Policy, Section D. Purchasing Approval of Forest Preserves Purchases section of this Policy.

VI. CHANGE ORDERS

A. Change Orders

State statute requires Forest Preserves Board approval of all change orders which are \$10,000 or more, and all change orders which, when combined with those previously approved, increase or reduce the contract price by more than \$10,000, and any change order that increases or decreases the time of completion by 30 days or more. (The requirements of change order procedures are precisely spelled out in the Criminal Code, 720 ILCS 5/33E-9) For projects with change orders exceeding 50% of the original contract amount, the contract must be re-bid per IL State Statute (50 ILCS 525). The following financial policy is consistent with these statutes.

Additionally, if the change order relates to a grant funded project, change orders may require approval by the grant administrator. It is the responsibility of the Department Director who is overseeing the grant related project to ensure that any change orders are also done in a matter that conforms to all of the grant requirements and restrictions.

It shall be the responsibility of each Department Director to ensure that all change orders are submitted to the Executive Director in the form of a written memorandum for approval. In addition, Department Directors shall be responsible for monitoring all contract payouts and retainages and ensuring that the amount of the change order is correct.

The procedures outlined below shall not apply to professional service agreements (e.g. engineering, architectural or land surveying work). Changes to professional service agreements shall be treated as amendments to the agreement.

1. Change orders that would increase or decrease the original contract price by more than 50% must be re-bid according to the requirements enumerated in Chapter IV of this document. The requested amount and all previously approved change orders over the life of the contract must be considered collectively when making this determination.
2. Change orders that increase or decreases the original contract price by more than \$10,000 must be approved by the Board of Commissioners. The requested amount and all previously approved change orders over the life of the contract must be considered

collectively when making this determination. The Executive Director is authorized by the Board of Commissioners to approve all change orders up to 25% over the approved contract price in advance of Board approval. *See procedures for submitting change order requests below.*

3. Change orders that increase or decrease the time of completion by more than 30 days must be approved by the Board of Commissioners. The requested change and all previously approved change orders over the life of the contract must be considered collectively when making this determination. The Executive Director is authorized by the Board of Commissioners to approve all change orders that increase or decrease the time of completion by more than 30 days with the understanding the change order is presented to the Board of Commissioners within a reasonable time period for affirmation. *See procedures for submitting change order requests below.*

B. Procedure for Submitting Change Order Requests

1. Directors and Managers responsible for overseeing the contract can request the authorization of a change order by submitting a written Background Information summary and Resolution, along with a copy of the change order to the Executive Director. The Background Information Summary should explain the reason for the request and clearly establish at least one of the following criteria:
 - a. The circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the contract was signed, or
 - b. The change is germane to the original contract as signed, or
 - c. The change is in the best interest of the Forest Preserves and legal.
2. If approved, the Executive Director will execute the change order, place the item on the agenda for affirmation at the next scheduled meeting of the Board of Commissioners. The Director/Manager will be responsible for placing a copy of the change order request, Background Information summary and signed Resolution in the contract file to be retained in accordance with the Forest Preserves' Records Retention Policy.

VII. OTHER MISCELLANEOUS PURCHASE PROCEDURES

A. Purchases Made Near the End of the Fiscal Year

When purchases are made near the end of the fiscal year (i.e., October 31), departments shall be responsible for ensuring that they are expensed/charged against the fiscal year in which they were received. The date goods are received or services are performed determines which fiscal year they are expensed against. Consequently, goods and services will be expensed in the current fiscal year only if they are received or performed by October 31. This is true regardless of when the purchase requisition is processed or invoice is paid.

The Manager of Administrative Services shall issue a reminder notice regarding year end purchases to all departments each year in September.

B. Use of Sales Tax Exemption Number

1. Use by Employees

Forest Preserves purchases are not subject to sales tax; therefore, employees shall make efforts to inform vendors of the Forest Preserves' tax exempt status and to ensure that sales tax is not paid for purchases made with petty cash or credit cards. Sales tax, if charged, will be the responsibility of the purchaser to pay unless otherwise authorized.

Use of the Forest Preserves' sales tax exemption number is restricted to purchases made on behalf of the Forest Preserves. State law prohibits use of the Forest Preserves' sales tax exemption number to secure exemptions for personal reasons and such use will subject the responsible individual and all guilty parties to fines and/or to imprisonment, together with costs of prosecutions.

2. Use by Outside Contractors or Vendors

The Illinois Department of Revenue regulations allow contractors to use the Forest Preserves' sales tax exemption number to purchase materials used in construction of public improvements which will be eventually dedicated to the Forest Preserves. Use of the exemption number is limited to purchases directly related to work being done on behalf of the Forest Preserves. Contractors are responsible for any tax due on purchases determined to be non-exempt and for purchases not made on the Forest Preserves' behalf.