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Agenda
Village of Glen Ellyn
Village Board Workshop
Monday, August 22, 2011
7:00 P.M. – Galligan Board Room
Glen Ellyn Civic Center

1. Call to Order
2. *Together One Voice* – DuPage Mayors & Managers Conference
Video Production
3. Purchasing Manual Presentation – Interim Finance Director Noller
4. Other Items?
5. Adjournment

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August 15, 2011

Board of Trustees
Village of Glen Ellyn
535 Duane Street
Glen Ellyn, IL 60137

Attn: Mr. Mark Pfefferman
Village President

Dear Mr. President and Village Board Members:

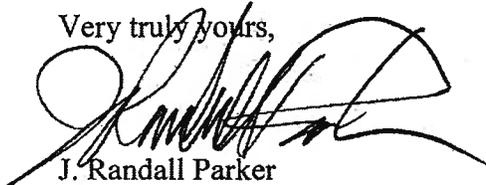
The Finance Commission and the Village management team recently reviewed the Village's Purchasing Policy (dated 1993). Based on this review, management re-drafted the Purchasing Policy to bring it up to date with current Village policy, to streamline certain administrative procedures and to update certain purchasing limits imposed on Village employees.

The Finance Commission reviewed the proposed policy and by unanimous vote (from all seven members present) recommends the policy for approval by the Village Board.

One issue we highlight for your consideration and attention – the Village manager's purchasing authority is capped at \$10,000. We considered higher amounts (\$15,000 or \$20,000) but we chose to leave the existing limit in place knowing that if the Board feels this control level is too low, you can/will chose to raise it. We didn't feel strongly either way. I have attached two items relating to this issue: (i) a study of the number of invoices in Fiscal 2011 at certain dollar amounts and (ii) a study of purchasing authority at certain comparable villages.

If you have questions or require clarification, please contact me.

Very truly yours,



J. Randall Parker
Chairman
Finance Commission
Village of Glen Ellyn

FY11 Invoices

<u>Range</u>		<u># Invoices</u>	<u>\$ Amount</u>	<u>Cummulative</u>	
				<u># Invoices</u>	<u>\$ Amount</u>
-	100	3,324	138,689	3,324	138,689
101	750	2,990	876,917	6,314	1,015,606
751	2,000	868	1,084,469	7,182	2,100,075
2,001	10,000	545	2,472,420	7,727	4,572,495
10,001	20,000	72	1,022,802	7,799	5,595,297
20,001	30,000	48	1,159,668	7,847	6,754,964
30,001	40,000	22	764,632	7,869	7,519,596
40,001	50,000	8	353,362	7,877	7,872,958
50,001	60,000	11	602,093	7,888	8,475,051
60,001	70,000	14	949,497	7,902	9,424,548
70,001	80,000	3	217,467	7,905	9,642,015
80,001	90,000	20	1,724,957	7,925	11,366,973
90,001	100,000	1	94,606	7,926	11,461,579
100,000	+	60	16,517,272	7,986	27,978,850
		<u>7,986</u>	<u>27,978,850</u>		

Approval Levels of Peer Communities

	Division Head/			Department	
	Any Employee	Supervisor	Director	Director	Village Manager
Glen Ellyn	100	750	2,000		10,000
Wheaton	1,000	1,000	1,000		10,000
Arlington Heights	-	-	-		10,000
Hinsdale	-	-	500		10,000
LaGrange	-	-	2,000		10,000
Western Springs	-	-	-		10,000
Downers Grove	-	-	4,000		15,000
Elmhurst	-	500	5,000		20,000
Clarendon Hills	-	-	2,500		20,000
Geneva	-	-	-		20,000
Naperville	-	-	25,000		100,000

Purchases up to \$2,000 may be approved by finance director

Finance director can approve up to \$7,000. Purchases over \$1,000 need 3 quotes.

Over \$2,500 requires department director, finance director and VM approval

Over \$1,000, three quotes. More than \$5,000, three written quotes. Chief procurement officer approves bids under \$25,000.

DATE: August 7, 2011
TO: Finance Commission
FROM: Larry Noller, Interim Finance Director LN
SUBJECT: Purchasing Policy Update

Attached for your review are copies of the Village's current purchasing policy, which was last updated in 1993, and a draft updated purchasing policy based on input and discussion from the Finance Commission and Village departments. The philosophy utilized for the revised document was to clearly and concisely describe Village purchasing policies as set by Village code and current practices.

The draft policy includes the following significant updates. Page numbers in parentheses refer to the location of the change within the draft policy.

- The ethics section was moved to the beginning of the document, some new language was added, and the section now refers to the recently adopted Village ethics policy. (Page 1)
- Department director purchase approval has been increased from \$2,000 to \$5,000 as discussed previously with the Finance Commission and the new policy adds authority for department directors to delegate their purchasing authority to other department employees. This is a change from current practice which sets employee purchasing approval authority uniformly across the organization based on an employee's supervisory level. The new policy recognizes that purchasing needs vary significantly across departments and not all employees require purchasing authority. (Page 2)
- Our Village code divides purchases into those required to use competitive bidding and those which may be exempted from competitive bidding. While the competitive bidding process is fairly rigid, those purchases which are exempt from competitive bidding may be dealt with utilizing a variety of procurement methods depending on the situation. As such, we have left the competitive bidding policy section in the draft but eliminated sections 2-102 (RFPs) and 2-103 (Professional Services) of the 1993 policy. Professional services are still included as an exception from the competitive bidding requirement, but the revised policy does not define specific procedures. The "rule of three" statement also remains in the draft, which states that at least three quotes should be obtained for any purchase over \$1,000 whenever practicable. (Page 2).
- The draft removes procedural language included in section 3-101 of the existing policy, such as referring to a requisition process that is no longer applicable. We have avoided including specific procedures in the updated draft, other than for competitive bidding, recognizing that processes should be allowed to adjust with organizational and technology changes and do not need to be included in a policy document.
- The draft adds a few miscellaneous provisions such as ensuring transportation charges are included in purchase approvals, department directors are responsible for ensuring all purchases are inspected/tested and outlines the use of purchasing cards. (Page 5-6).

VILLAGE OF GLEN ELLYN PURCHASING POLICY

A. PURPOSE

The purpose of this policy is to assist in obtaining supplies, equipment and services as economically and efficiently as possible. It is intended to:

1. Simplify and clarify existing purchasing practices and policies;
2. Provide guidance for compliance with applicable purchasing rules;
4. Ensure the fair and equitable treatment of all persons who deal with purchasing activities;
5. Promote increased economy in purchasing activities;
6. Foster broad-based competition within the free enterprise system; and
7. Provide safeguards for the maintenance of a procurement system of quality and integrity.

B. ETHICAL CONDUCT

1. Elected officials and employees shall adhere to the Village's Ethics Policy when making all purchasing decisions.
2. Elected officials and employees may not participate directly or indirectly in a purchase when the elected official or employee or any member of his immediate family will benefit. Any attempt by an employee to realize personal gain through public employment by conduct inconsistent with these policies is subject to discipline and/or dismissal.
3. No elected official or employee, either on that person's behalf or on behalf of any other person, shall have any financial or personal interest in any business or transaction with any Board, Commission, Committee or other public body of the Village unless that official or employee makes full public disclosure of the nature and full extent of such interest and disqualifies him or herself from participating in and acting upon the resolution of the business or transaction.
4. Employees shall adhere to this policy consistent with the philosophy above to ensure cost savings and efficiency. When competitive bidding, employees shall attempt to solicit as many bids as reasonably possible. Employees shall not subdivide any contract or purchase with the intent to circumvent the bidding requirements or approval limits established within this policy.

5. If any portion of this policy is found to be in conflict with any federal, state or local law, the federal, state or local law shall apply. However, if this policy is more restrictive than the federal, state or local law, the policy shall apply.

C. AUTHORITY TO PURCHASE

1. **Up to \$5,000:** Department Directors may approve purchases up to \$5,000. It is the Department Director's responsibility to ensure budgeted funds are available and competitive pricing is obtained prior to purchase. A Department Director may delegate any level of purchasing authority under \$5,000 to other department employees with approval by the Village Manager and Finance Director.
2. **Up to \$10,000:** The Village Manager may approve purchases up to \$10,000. It is the Village Manager's responsibility to ensure budgeted funds are available and competitive pricing is obtained prior to purchase.

The Village Manager is authorized to approve any change order to a Village contract which is less than \$10,000.

3. **Greater than \$10,000:** Glen Ellyn Village Code (1-10-1) requires that all contracts for labor, services or work, or for the purchase of personal property, materials, equipment or supplies involving amounts estimated to be in excess of \$10,000 shall be let only by competitive bidding after advertisement for bids to the lowest responsible bidder submitting a bid in conformance with the advertisement.
4. **Rule of Three:** In order to ensure competitive pricing, at least three quotes shall be obtained prior to a purchase over \$1,000 whenever practical to do so.
5. **Exceptions to Competitive Bidding:** Upon a majority of the Village Board determining that a purchase or contract is by its nature not adapted to award by competitive bidding.

Examples of exceptions to competitive bidding are listed below. Village Board approval is required in all cases where the purchase exceeds \$10,000.

- a. Professional services requiring individual skill or expertise shall be excluded from the requirements of competitive bidding. Such services include, but are not limited to, engineers, financial advisors, search firms, accountants, architects, attorneys, and professional consultants.
- b. The Village Manager or his designee shall be authorized to make emergency purchases, exceeding \$10,000. The Village Manager shall report to the Village Board regarding emergency purchases as soon as practicable.
- c. Items available for purchase under a State contract are exempted from the competitive bidding process. The Village may take advantage of the

favorable prices obtained under a State contract whenever practical to do so.

- d. Cooperative purchasing, defined as more than one unit of government purchasing goods and services together, is strongly encouraged and may be exempted from the bidding process.
- e. Material or services that are available from only one vendor but are deemed necessary to Village operations may be exempted from bidding requirements.
- f. The technical nature of certain items or services may result in the standardization of a particular supplier's specifications being necessary or desirable to Village operations. Competitive bidding may be waived if the Village requires compatibility with existing software, machinery or other existing equipment.
- g. Certain items are purchased by the Village Links for resale. These items are generally offered for resale in the Pro Shop. Such items are chosen for their marketability and public demand and cannot be purchased through the formal bidding process. The management of the Village Links will make every effort to obtain these items at the best possible prices.

D. COMPETITIVE SEALED BIDDING

- 1. **Invitations for Bids:** An Invitation for Bids shall be issued and shall include a purchase description, and all contractual terms and conditions applicable to the purchase.
- 2. **Public Notice:** Adequate public notice of the Invitation for Bids shall be given at a reasonable time prior to the date set for the opening of bids. It is the policy of the Village to seek as broad an advertisement for bids as is practical under the circumstances. As a minimum, advertisement for bids shall be as follows:
 - a. Notice inviting bids shall be published once in at least one newspaper of general circulation in the village and at least ten (10) days prior to the last day set for the receipt of bid proposals.
 - b. The newspaper notice required herein shall include at least a general description of the work to be performed or the articles to be purchased, shall state where bid proposals forms and detailed specifications may be secured, and shall state the time and place for opening bids.
 - c. Bids and proposals shall be solicited from all responsible prospective suppliers who have requested to be notified of purchases of the type being proposed or who are known to the village to do work or provide supplies of the type being sought, by sending those responsible prospective

suppliers a copy of the notice to acquaint them with the proposed purchase or sale.

- d. Bid announcements shall be advertised on the Village website.
3. **Bid Opening:** Bids shall be opened publicly by the Village Clerk and in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, together with the name of each bidder, shall be recorded, and the record of each bid shall be open to public inspection.
4. **Bid Evaluation and Acceptance:** Bids shall be unconditionally accepted without alteration or correction, except as addressed in this policy statement. Bids shall be evaluated based on the requirements described in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set out in the Invitation for Bids. At no time should any information be made available to any prospective bidder which is not available to all prospective bidders.
5. **Correction or Withdrawal of Bids:** After a bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Village or fair competition shall be permitted. Decisions to permit correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes prior to approval by the Village Board should be based upon the following criteria:
 - a. A bidder should not be permitted to correct a bid mistake after bid opening that would cause the bidder to have the low bid, unless the mistake is clearly evident from examining the bid document, and is supported by proof that has evidentiary value--for example, extension of unit prices or errors in addition.
 - b. A low bidder should not be permitted to correct a bid for errors in judgment.
 - c. In lieu of bid correction, the Village should permit a low bidder alleging a material mistake of fact to withdraw its bid when there is reasonable proof that a mistake was made and the intended bid cannot be ascertained with reasonable certainty.
 - d. After bid opening, an otherwise low bidder should not be permitted to delete exceptions to the bid conditions which affect price of substantive obligations.
 - e. A suspected bid mistake requires that the Village request confirmation of a

bid. Failure to do so can result in a nonbinding award. In such an instance, the bidder may correct the bid or withdraw it after acknowledgement that a mistake was made.

- f. Correction of bid mistakes after approval by the Village Board should be subject to the same proof as corrections before award, with the further requirement that no correction be permitted that would cause the contract price to exceed the next low bid.
6. **Award:** Contracts shall be awarded to the lowest responsible bidder. In determining "lowest responsible bidder", in addition to the price, the village may consider the following factors:
- a. The ability, capacity and skill of the bidder to perform the contract or 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 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 the 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 by the village;
 - h. The ability of the bidder to provide future maintenance and service for the use of the contract; and
 - i. The number and scope of conditions attached to the bid, if any.
7. After approval by the Village Board, the award shall be processed with reasonable promptness by written notice to the successful bidder.

E. MISCELLANEOUS PROVISIONS

- 1. **Transportation and Delivery Charges:** The Department Director shall make every effort to determine any transportation or delivery charges prior to

proceeding with a purchase. Transportation charges must be included when determining cost of a purchase.

2. **Inspection and Testing:** The inspection and testing of delivered materials or equipment should occur at the time of delivery. Department Directors are responsible for ensuring that the quantity and quality of the delivered goods are as ordered.
3. **Disposal of Personal Property Owned by the Village:**
 - a. The Village Manager may authorize disposal of any item valued up to \$10,000 in a manner deemed most beneficial to the Village.
 - b. All items above \$10,000 must be authorized for disposal by the Village Board.
4. **Petty Cash:**
 - a. Petty cash has been established to expedite miscellaneous purchases and paying of small bills which need not be handled through regular purchasing procedures. These funds are to be used by all departments for facilitating purchases. These funds are not to be used for the purpose of circumventing normal purchasing procedures.
 - b. Petty cash funds are established in departments as deemed necessary by the Finance Director and assigned a custodian. The custodian is responsible for managing the disbursement, reconciliation and replenishment of the department's petty cash. Requests for funds from petty cash must be submitted to the custodian.
 - c. All other conditions listed in this policy shall apply to a department's petty cash fund.
5. **Purchasing Cards:**
 - a. In order to provide an alternate method to purchase goods or services for situations when purchasing with a check, petty cash, or business account is impractical, inefficient, unavailable, or untimely, purchasing cards may be utilized by certain employees upon approval of the Village Manager and Finance Director.
 - b. Purchasing cards are to be used for business purposes only.
 - c. Use of the purchasing card does not change the approval structure established in Section C of this policy.

PURCHASING POLICY

Article I - GENERAL PROVISIONS:

1-101 PURPOSE: The purpose of this policy is to assist in obtaining supplies, equipment and services as economically and efficiently as possible. It is intended to:

1. simplify and clarify existing purchasing procedures, practices and policies;
2. provide a comprehensive and consistent guide for Village departments;
3. assure compliance with applicable purchasing laws;
4. ensure the fair and equitable treatment of all persons who deal with purchasing activities;
5. promote increased economy in purchasing activities;
6. foster broad-based competition within the free enterprise system; and
7. provide safeguards for the maintenance of a procurement system of quality and integrity.

1-102: APPLICATION: This policy applies only to purchases made or contracts solicited or entered into after its effective date.

Article II - SOURCE SELECTION:

2-101: COMPETITIVE SEALED BIDDING:

1. Conditions for Use:. An Illinois municipality is only required to engage in competitive bidding when that requirement is contained within the State Statutes or within its own regulations.

Chapter 24, 8-9-1 of the Revised Statutes of the State of Illinois requires only that public works projects in excess of \$10,000 must be competitively bid. Chapter 10, 1-10-1 of the Glen Ellyn Village Code requires that "all purchase orders or contracts for labor, services or work, or for the purchase of personal property, materials, equipment or supplies involving amounts estimated to be in excess of ten thousand (\$10,000) shall be let only by competitive bidding after advertisement for bids to the lowest responsible bidder submitting a bid in conformance with the advertisement."

Certain steps are required in the competitive bidding process. These include:

- a. formal advertisement;
 - b. provisions of pertinent information to all prospective bidders;
 - c. receiving sealed bids;
 - d. opening in a public place;
 - e. tabulation of bids;
 - f. selection of lowest and best bidder;
 - g. recommendation of a bidder to the Village Board.
2. Invitations for Bids: An Invitation for Bids shall be issued and shall include a purchase description, and all contractual terms and

conditions applicable to the purchase.

3. Public Notice: Adequate public notice of the Invitation for Bids shall be given a reasonable time prior to the date set for the opening of bids. At no time should this period of time be less than ten (10) working days. This notice will be published in a newspaper of general local distribution, and any other newspaper, journal or publication felt to be appropriate.
4. Bid Opening: Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, together with the name of each bidder, shall be recorded, and the record of each bid shall be open to public inspection.
5. Bid Evaluation and Acceptance: Bids shall be unconditionally accepted without alteration or correction, except as addressed in this policy statement. Bids shall be evaluated based on the requirements described in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set out in the Invitation for Bids. At no time should any information be made available to any prospective bidder which is not available to all prospective bidders.
6. Correction or Withdrawal of Bids: After a bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Village or fair competition shall be permitted. Decisions to permit correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes prior to

approval by the Village Board should be based upon the following criteria:

- a. A bidder should not be permitted to correct a bid mistake after bid opening that would cause the bidder to have the low bid, unless the mistake is clearly evident from examining the bid document, and is supported by proof that has evidentiary value--for example, extension of unit prices or errors in addition.

A low bidder should not be permitted to correct a bid for mistakes or errors in judgement.

- b. In lieu of bid correction, the Village should permit a low bidder alleging a material mistake of fact to withdraw its bid when there is reasonable proof that a mistake was made and the intended bid cannot be ascertained with reasonable certainty.
- c. After bid opening, an otherwise low bidder should not be permitted to delete exceptions to the bid conditions which affect price of substantive obligations.
- d. A suspected bid mistake requires that the Village request confirmation of a bid. Failure to do so can result in a nonbinding award. In such an instance, the bidder may correct the bid or withdraw it after acknowledgement that a mistake was made.
- e. Correction of bid mistakes after approval by the Village Board should be subject to the same proof as corrections before award, with the further requirement that no correction be permitted that would cause the contract price to exceed the

next low bid.

7. AWARD: After approval by the Village Board, the award shall be processed with reasonable promptness by written notice to the successful bidder.

2-102:

COMPETITIVE SEALED PROPOSALS (RFP'S): When the use of competitive sealed bidding is not practicable or advantageous to the Village, a contract may be entered into by competitive sealed proposals. RFP's are generally used to engage professional services.

1. Conditions for Use: When it is determined that sealed bidding is not practicable or advantageous, competitive sealed bidding may be waived in favor of competitive sealed proposals (RFP's).
2. Request for Proposals: Proposals shall be solicited through a Request for Proposal which sets out in detail the project to be undertaken and requests the provision of pertinent data. RFP's should be solicited from at least five (5) firms known to provide the services being sought by the Village.
3. Receipt of Proposals: Proposals shall be opened privately so as to avoid disclosure of contents to competing offerors during the process of negotiation.
4. Evaluation Factors: The Request for Proposals shall address the following areas, as well as any others deemed pertinent:
 - a. scheduling;

- b. staffing;
- c. relevant experience;
- d. cost.

5. Discussion with Responsible Offerors and Revisions to Proposals: Discussions will be conducted with responsible offerors who submit proposals determined to be reasonable qualified to be selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirement. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

6. Award: A recommendation for award shall be made to the Village Board for approval, taking into consideration price and other evaluation factors set forth in the Request for Proposal. No other factors or criteria shall be used in the evaluation. Careful record shall be made to explain the basis on which the award is made. Upon approval by the Village Board, the contract shall be awarded.

2-103: CONTRACTING FOR CERTAIN PROFESSIONAL SERVICES:

- 1. General Authority: For the purpose of procuring the services of accountants, clergy, physicians, dentists and lawyers, any governmental body may act on its own behalf and contract for such services.
- 2. Exercise of Discretion and Independent

Judgement: It is anticipated that services covered in this section would be those services which involve extended analysis, the exercise of discretion and independent judgement in their performance, and an advanced specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study, or equivalent experience in the field. Such services shall be procured through a competitive selection procedure during which a prospective service provider will submit a statement of interest. Village officials will:

- a. review the statement of qualifications;
- b. hold discussions with qualified professionals;
- c. make award to the professional determined to be the best qualified, based on qualifications and negotiation of compensation.

3. Approval of Contracts for Legal Services:

No contract for the service of legal counsel may be awarded without the approval of the Village President.

4. Procurement of the Services of Architects, Engineers, and Land Surveyors:The following steps must be taken in securing the services of any architect, engineer or land surveyor if a "satisfactory relationship" for service does not exist with one or more existing firms:

- a. Public notice shall be given annually that the Village will permit firms engaged in these professions to submit a statement of qualifications and performance data.
- b. A notice requesting a statement of interest in a specific project will be

mailed to all firms who have a current statement of qualifications and performance on file with the Village when such projects arise.

- c. The Village will evaluate firms submitting letters of interest based on factors determined to be applicable.
- d. On the basis of evaluations, discussions and presentations, the Village shall, unless it has a satisfactory relationship for services with one or more firms, select not less than three (3) firms which are determined to be most qualified to provide services for the project and rank them in order of qualifications to provide services. The Village shall then contact the firms 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 firms submit letters of interest and the Village determines that one or both of those firms are qualified, the Village may proceed to negotiate a contract.
- e. The Village shall prepare a written description of the scope of the proposed service to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation that the Village determines in writing to be fair and reasonable. In making this decision, the Village shall take into account the estimated value, scope, complexity and professional nature of the services to be rendered.

- f. If the Village is unable to negotiate a satisfactory contract with the firm which is most preferred, negotiations with that firm shall be terminated. The Village shall then begin negotiations with the firm which is next preferred. If the Village is unable to negotiate a satisfactory contract with that firm, negotiations with that firms shall be terminated. The Village shall then begin negotiations with the firm which is next preferred.
- g. If the Village is unable to negotiate a satisfactory contact with any of the selected firms, the Village shall re-evaluate the services requested and then compile a second list of not less than three qualified firms and proceed in the same manner as outlined above.

Article III: - VILLAGE PRACTICES AND PROCEDURES:

3-101: INTERNAL PURCHASING PRACTICES:

- 1. General: Purchases which are less than \$10,000 and do not require specific approval by the Village Board. The level of departmental approval depends upon the size of the purchase.
- 2. Issuance of Purchase Orders: Formal purchase orders are not issued unless specifically requested by the vendor. If a purchase order is necessary, please make your request in writing to accounts payable.
- 3. Issuance of Purchase Requisitions: Purchase requisitions, with the appropriate level of departmental approval, are required to accompany the authorization of any expenditure in excess of \$25.00.

4. Prior Encumbrance of Small Purchases: It is
— not necessary — to
encumber small purchases of
less than \$1,000 prior to payment of the
bill.
5. Items of \$50 or less: Purchases of \$50 or
less per item, not cumulative total, will not
be required to have a purchase requisition,
but must be signed off as approved by the
responsible Division Manager prior to payment.
6. Items less than \$1,000: Purchases at this
level of expense are required to be authorized
by a purchase requisition signed by the
Division Manager. The 3-ply purchase
requisition form will be used for these
purchases. The receipt for the purchase must
be attached to the purchase requisition.

The requisition is then sent to the Department
of Management Services for review, and are
signed

off upon by the Fiscal Operations Manager, who verifies account
numbers and availability of funds.

7. Items less than \$10,000:
Purchases at this level should be encumbered
when the order is placed with the vendor. The
Department will prepare a purchase requisition
and forward it to accounts payable. The
requisition should be signed by the Division
Manager and the Department Manager. The
purchase requisition is then sent to the
Fiscal Operations Manager for review. After
review it is then forwarded to the Village
Administrator for final approval.

The yellow and pink copies of the purchase
requisition (or purchase order if requested)
are supplied to the Department that originated
the purchase. To authorize payment, the
Department should attach the invoice to the

copy of the purchase requisition and return to accounts payable for payment.

Purchases at this level of expense must be first signed by the Division Manager and then the Department Manager and Village Administrator. The purchase requisition form will be used, and should be accompanied by the invoice.

Upon receipt of the pink copy and invoice, a check is prepared by the Department of Management Services and mailed to the vendor.

8. Utility bills are an exception to this procedure. All utility bills should be signed by the Department Manager and forwarded to accounts payable. No purchase requisition is required.
9. Open purchasing: Open purchasing arrangements may be made with approved vendors where numerous small purchases are made on an on-going basis. The criteria for establishing such an arrangement are:
 - a. Frequency: purchases are made at least weekly.
 - b. Amount: Individual purchases do not regularly exceed \$100 per week.
 - c. Employees who pick up merchandise from this type of vendor should sign their full name and department on all tickets.
 - d. A request to establish an open purchasing arrangement with a vendor should be made in writing to the Fiscal Operations Manager, who will

negotiate the specific arrangements with the prospective vendor.

10. Petty Cash Funds: Petty cash funds have been established in most departments. This fund is to be used for small incidental expenses not to exceed \$25.00. A petty cash slip must be completed, attached to a receipt, and approved by the Division Manager. ALL PURCHASES UNDER \$10, AND NOT CHARGED UNDER AN OPEN PURCHASING ARRANGEMENT SHOULD AUTOMATICALLY BE PAID FROM PETTY CASH. Those departments/division who do not have petty cash funds established may use the general petty cash fund in the Department of Management Services.
 11. Rule of Three: Competitive bids are not required for purchases of less than \$10,000. However, in order to assure that the best possible price is obtained, at least three quotes should be obtained prior to the purchase of an item, whenever practical to do so.
- 3-102: SOLE SOURCE PURCHASING: (Waiving competitive bids.) Competitive bidding is the preferred method of selection of vendors whenever practical. In those cases where a department has a real and pressing need to purchase an item which can only be reasonably and economically obtained from one vendor, the department must submit a detailed memorandum to the Village Administrator outlining the reason such a purchase is being recommended. The request to waive the competitive bidding process is then forwarded to the Village Board for consideration.
- 3-103: STATE CONTRACT PURCHASING: Items available for purchase under State Contract are exempted from the local competitive bidding process. It is considered that the requirements of bidding have been

fully met by the bidding process undertaken by the State. The Village of Glen Ellyn may take advantage of the favorable prices obtained under the State contract whenever practical to do so. If items available under State contract are approved by the Village Board in the annual budget, no further formal approval is required prior to purchase.

3-104: PURCHASING FOR RESALE: Certain items are purchased by the Village Links for resale. These items are generally offered for resale in the Pro Shop. Such items are chosen for their marketability and public demand and cannot be purchased through the formal bidding process. The management of the Village Links will make every effort to obtain these items at the best possible prices.

3-105: EMERGENCY PURCHASING: All purchases which can be anticipated should follow established purchasing procedures. In the case that an expenditure cannot be avoided, (such as a major break in a water line requiring the services of a contractor at considerable cost), reasonable steps will be taken to make the repair at once. As soon as is practical, the expenditure will be documented in detail and submitted for payment through the normal channels.

Article IV - MISCELLANEOUS PROVISIONS

4-101: Disposal of Personal Property Owned by the Village: In order for personal property to be disposed of, the property must be declared surplus by the Village Board. Such property may be disposed of in the manner specified by the Village Board, by Ordinance. Methods of sale may include auction, direct sale or disposal of items found to have no value. Each year Village Departments will inventory personal property not in use, and recommend its disposal, if appropriate.

4-102:

ETHICAL CONDUCT:

1. Personal Gain: Any attempt by a Village employee to realize personal gain through public employment by conduct inconsistent with these polices is subject of discipline and /or dismissal.
2. Criminal Sanctions: To the extent that violations of ethical standards constitute violations of the State Criminal Code, they will be punishable as provided therein.
3. Employee Conflict of Interest: It shall be a breach of ethical standards for any employee to participate directly or indirectly in a purchase when the employee or any member of his immediate family will benefit.