

AGENDA
COMMITTEE OF THE WHOLE

City Hall – EOC Room 250
3600 Kirchoff Road
Rolling Meadows, IL 60008

June 20, 2023 – 7:30 p.m.

- 1. Purchasing Policy Update Discussion**

Committee of the Whole Agenda – June 20, 2023

1) Purchasing Manual Update Discussion

Attachments:

- Revised Purchasing Manual

Summary: The City’s Purchasing Policies and Procedures were originally adopted in 2000. There have been a few updates to the manual since that time. Staff took a comprehensive look at the Purchasing Manual (Policy). The Policy is instrumental in facilitating purchasing to complete much of the day to day work. This Policy sets the expectations and regulations for Council and staff and allows transparency for residents in how the City purchases goods and services. Within an ever-changing economic landscape, the current policy needs to be updated to comply with current legal requirement, add efficient and effective purchasing practices, and be designed to work with current advancements in technology.

In order to modernize the Purchasing Policy, the revised draft policy incorporates more streamlined purchasing practices by using our financial software. This allows for quicker turnaround, electronic review and approval, and increased accountability in spending. The City is deploying software modules to further enhance the efficiency, effectiveness, and internal controls of purchasing and financial processing.

As part of the FY 2024 budget process, staff will begin to use the Projects module for our Capital Projects Plan and the Contracts module in conjunction with the Purchasing modules already in place. The *Approval of City Purchases* workflow, as updated in this revised draft, was created to work well within those modules.

Approval of City Purchases

No employee shall purchase goods or services on behalf of the City without first seeking approval as required by this policy. All purchases shall require advance approval, in accordance with the dollar limits proposed, of the appropriate Supervisor, Department Head, the Finance Director or his/her designee, the City Manager or his/her designee, and City Council in accordance with the guidelines described below:

<u>Dollar Limits</u>	<u>Required Approvals</u>
Under \$5,001	- Supervisor and Department Head - Three informal quotes (can be verbal, catalog, internet pricing, etc.) - Most economical purchase should be sought
\$5,001-\$10,000	- Supervisor, Department Head and Finance Director or his/her designee - Three formal written quotes
\$10,001 - \$24,999	- Supervisor, Department Head, Finance Director or his/her designee, and City Manager or his/her designee - Three formal written quotes

Dollar Limits

\$25,000 & Above

Required Approvals

- Department Head, Finance Director or his/her designee, City Manager or his/her designee, and City Council
- Formal bidding or Request for Proposals/Qualifications/Information
- Must comply with legal requirements for posting and selection

Exceptions

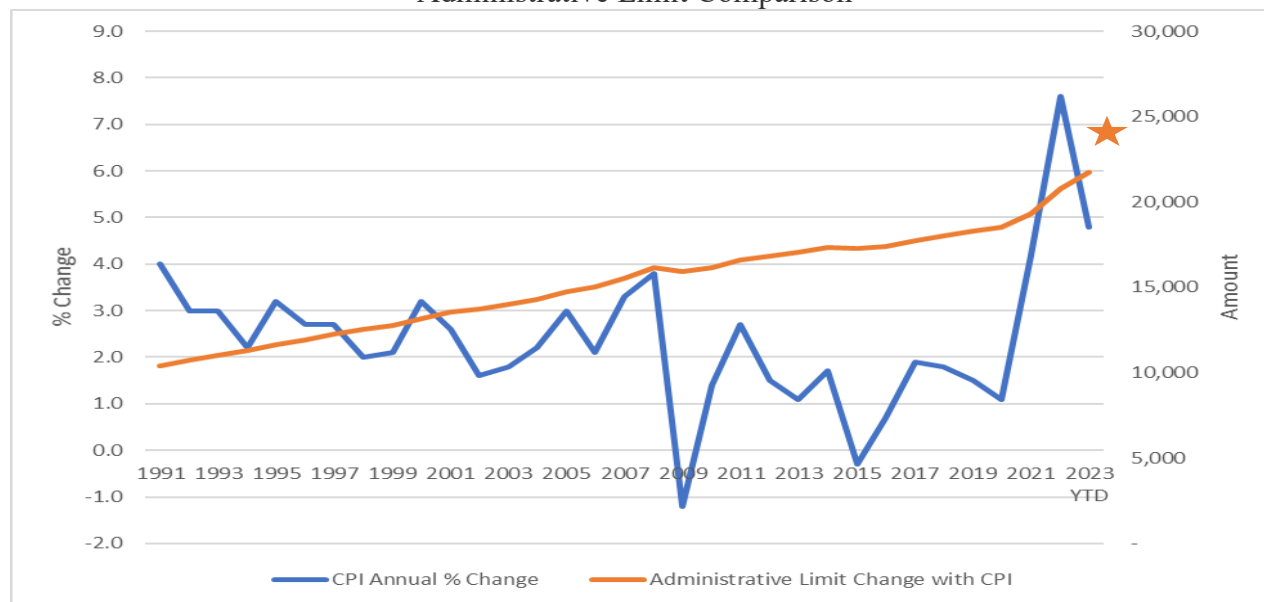
Expenditures for payments/purchases over \$5,000 related to intergovernmental agreements, property rental, utilities, refuse, and telecommunications do not require quotations or bidding.
 Examples: reimbursements for sales tax sharing agreements, liability accounts, service contracts for refuse and utilities, among others.

Change Orders/Contract Modifications

1. No more than 5% of the total contract or up to \$5,000, whichever is less – Department Head approval
2. No more than 5% of total contact or up to \$10,000, whichever is less – Finance Director or his/her designee approval
3. No more than 5% of total contact or up to \$25,000, whichever is less – City Manager or his/her designee approval
4. More than 50% of any contract or any material subcontract must be competitively bid

As shown above in the Approval of City Purchases, the City Manager authority (administrative limit) is proposed to increase to \$25,000 from \$10,000 currently. The existing City Manager authority of \$10,000 has been in place since August 27, 1991. The buying power of this limit has shrunk with overall increases in the cost of goods and services. The chart below shows the annual percentage change in the Consumer Price Index (Chicago-Naperville-Elgin, IL-IN-WI area) from 1991 through April 2023 as contrasted to the Administrative Limit amount if it were changed in line with CPI.

Administrative Limit Comparison



★ Proposed New Administrative Limit

Additionally, the State adopted Public Act 100-338 in August 2017. This Act adopted purchasing thresholds including the bid threshold for a municipality contracting for public works from \$20,000 to \$25,000. This purchasing limit would have applied to the City had it been non-home rule. As a home-rule City, the Council has the authority to set the administrative limits and could bring the City’s administrative limit in line with the State’s purchasing threshold. The increase in the Administrative limit would also bring the City in line with its comparable communities as laid out below:

<u>Municipality</u>	<u>Administrative Limit</u>
City of Park Ridge*	\$20,000
Elk Grove Village	\$50,000
Village of Arlington Heights	\$25,000
Village of Deerfield	\$25,000
Village of Glencoe	\$25,000
Village of Hanover Park	\$20,000
Village of Hoffman Estates	\$20,000
Village of Lake Zurich**	\$25,000
Village of Lincolnshire	\$25,000
Village of Palatine	\$40,000
Village of Roselle	\$25,000
Village of Schaumburg	\$50,000
Village of Streamwood*	\$25,000
Village of Wheeling	\$25,000
Median	\$25,000
Average	\$28,571

*The administrative limit is under review for a potential increase to the limit.

**Admin limit is stated as the current State limit (\$25,000).

While the Approval of City Purchases and Administrative Limit changes are the two key proposed changes, the Policy does have updates throughout to clarify the who, what, how, where, and when to each area within the document. Here are some other proposed changes, not all, to look for:

1. The Surplus Property disposal recommendation was updated to align with the current ordinance first and also includes proposals to increase the asset disposal level for the City Manager to \$5,000 from \$2,000 and calls out vehicle surplus specifically.
2. Any sections that were tied to the Administrative limit, like Emergency Purchases, the City Manager limit was also increased to \$25,000.
3. Petty Cash amounts were lowered for Finance and Police from \$2,350 to \$800 in total.
4. Updated language to reference specific sites for information that is frequently updated such as pointing the user to the General Services Administration (www.gsa.gov) for per diem rates and mileage instead of having to update staff either via policy update or via email.

Overall, the goal was to look at the Purchasing Policy holistically, revamp the policy to clearly set the expectations and regulations for Council and staff, and allow transparency for residents in how the City purchases goods and services.

Previous Council Action:

- Adoption of Ordinance 00-30 Purchasing Code, 2000.
- Amendment Ordinance 01-14, 2001.

City Council Consideration: City Council input and direction is sought on the proposed Purchasing Policy. If Council were in support of the proposed policy, the policy will be brought forth at an upcoming City Council meeting for approval along with any needed City Code updates that relate to City Purchasing.



CITY OF ROLLING MEADOWS PURCHASING MANUAL

DRAFT

UPDATED: JULY 2023

Contents

Section I – Overview	4
Section II – Purchasing Policies	5
Code of Ethics	5
Conflict of Interest Policy	5
Gifts and Gratuities – City Guidelines for Accepting	6
Capital Assets	7
Disposing of Surplus Property	7
Approval of City Purchases	8
Signing of Contracts	9
Section III – Competitive Quotes and Exceptions to the Policy	10
General Policy for Soliciting Quotes	10
Joint Purchasing	10
State of Illinois –	10
Other Units of Government -	11
Sole Source Purchasing	11
Emergency Purchases Policy	12
Request for Qualifications	13
Request for Professional Services -	13
Request for Quotation (RFQ) -	13
Request for Proposal (RFP) -	13
Service Contracts	14
Waiver of Competitive Bidding	15
Local Vendors	15
Bidding Procedures	15
Premature Opening of Bids -	17
Corrections or Withdrawal of a Bid -	17
Criminal Compliance Code -	17
Change Orders -	18
Prevailing Wage Act -	18
Public Contracts - Illinois Municipal Code -	19
Performance and Payment Bond –	19

Specifications, Preparation and Bid Award -	19
Re-Bid Procedure -	20
Section V – Purchasing Procedures.....	21
Regular Purchase Orders	21
Open Purchase Order Agreements	21
Issuance of Purchase Orders	21
New Vendors	22
Manual Checks	22
Held and Hand Delivered Checks	22
Year End Purchases	23
Purchasing Cards	23
Petty Cash	23
Section VI – Miscellaneous Purchasing Policies and Guidelines.....	24
Use of Sales Tax Exemption Number	24
Use of Outside Contractors or Vendors	24
Equal Opportunity	24
Travel Advance and Expense Procedures	25

Section I – Overview

Introduction/Statement of Policy

The City of Rolling Meadows is governed by both state laws and local ordinances with regards to purchasing policies and procedures. Many of these laws and ordinances have been enacted to conserve tax dollars and to protect the public from fraudulent practices. While laws and ordinances can help to achieve these goals, a higher public purchasing standard must be implemented to protect the public trust. The purchasing policies and procedures of the City of Rolling Meadows have been developed with this standard as the highest priority.

The City of Rolling Meadows has adopted the provision of Illinois Statutes commonly called the “Budget Officer Act” whereby an annual budget is adopted in lieu of an appropriation ordinance. The annual budget includes all City operating units and is made up of line items for each object of expenditure. When adopted by the Mayor and City Council members, the budget becomes the legal authorization to expend resources for providing City services. Accordingly, all City expenditures must be authorized in the approved budget or in a subsequent amendment.

The purpose of this purchasing manual is to establish guidelines to achieve this goal within the philosophy stated above. The goal of the City’s purchasing program is to assist the City Manager and Department Heads with procuring quality goods and services at the lowest possible price in an impartial manner consistent with the highest standards of public service. When used with good judgment and common sense, the policies and procedures conveyed within this manual will allow the City to procure required supplies and services efficiently and economically. All purchasing by the City will be in accordance with Illinois Statues, the City Code, and City policies. City employees are expected to conduct themselves in a manner which will reinforce public confidence in the integrity of the City’s procurement procedures.

The City utilizes a decentralized purchasing process. Purchasing activities (specification preparation, bid reviews, telephone quotation solicitation, and requisition preparation) are the responsibility of each department and must be conducted within procedures established by this policy.

The City will make every effort to purchase services, commodities, or materials from vendors located in Rolling Meadows if these vendors are competitive in price and quality.

The City encourages the use of environmentally friendly products. Priority shall be given to these products provided the products are competitive in price and quality.

It shall be the policy of the City to participate in joint purchasing cooperatives such as the State of Illinois joint purchasing program to the extent such programs provide an economic advantage to the City.

This manual is designed to be a fluid document and will be amended from time to time to conform to changes in legislation, technology and practice. Employees who need assistance with purchasing situations not covered by this purchasing manual should contact the Finance Director.

Section II – Purchasing Policies

Code of Ethics

All City personnel engaged in purchasing and related activities shall conduct business matters with the highest level of integrity. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of residents and business owners of the community. City employees must avoid any perceived or real purchasing improprieties and are expected to conduct themselves in the following manner:

1. Ensure that public money is spent efficiently and effectively and in accordance with statutes, regulations, and City policies.
2. Not accept gifts or favors from current or potential suppliers, which might compromise the integrity of their purchasing function.
3. Specify generic descriptions of goods whenever possible in lieu of brand names when compiling specifications.
4. Never allow purchase orders for similar or like goods or services to be split into smaller orders to avoid required approvals or in any manner that would circumvent this Policy or applicable law.
5. Purchase without favor or prejudice.
6. Ensure that all potential suppliers are provided with adequate and identical information upon which to base their proposal 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 proposal or quotation received and selection is based upon the lowest total cost compliant bid or establish a bona fide and substantiated reason as to why the lowest total cost bid was not selected.
8. Provide a prompt and courteous response to all inquiries from potential or existing suppliers.

It shall be the responsibility of the City Manager or his/her designee to determine if a violation of this Code of Ethics has occurred and if any disciplinary action is necessary.

Conflict of Interest Policy

It shall be a breach of ethical standards for any employee or elected official to participate directly or indirectly in the purchasing process when:

1. The employee or elected official is an owner of, or is contemporaneously employed or is an independent contractor by/of a bidder, vendor or contractor involved in the procurement transaction; or

2. The employee or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family holds a position, including as an independent contractor, with a bidder, proposer 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 or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family has a financial interest arising from the procurement transaction; or
4. The employee or elected official, the employee's or elected official's domestic partner, or any member of the employee's or elected official's immediate family is negotiating or is retained as an independent contractor, or has an arrangement concerning, prospective employment with a bidder, vendor or contractor; or
5. Where any party serving as an independent contractor for the City of Rolling Meadows has any economic interest in another company, contractor or subcontractor who is proposed or contracted to provide services to the City on a project in which the party is involved, or in which that party has any role in recommending selection of subcontractors, the party shall disclose such interest to the City in writing, based upon the same standards utilized for City staff and elected officials as outlined above.

The employee or elected official must disclose immediately to his/her manager and/or the City Manager or his/her designee if the company providing services to the City is a family member of the current employee(s) or elected official(s).

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

It shall be the responsibility of the City Manager or his/her designee to determine if a violation of this Conflict of Interest policy has occurred and if any disciplinary action is warranted for the employee or elected official.

Gifts and Gratuities – City Guidelines for Accepting

City personnel should be aware that offers of gratitude from vendors could be designed to compromise objective judgment in product or service selection. Chapter 2 Article X of the City Code sets forth Gift Ban requirements for City officers and employees, along with the spouse or immediate family member of any officer or employee of the City. Accordingly, it is City policy to observe the highest standards of ethics and to shield the employee, the City and the vendor from any suggestion or appearance of conflict of interest.

No employee shall permit any influence by vendors, which could conflict with the best interest of the City, or prejudice the City's reputation. Expenditures of City funds to vendors shall not by intention personally benefit any person employed with the City. Employees shall strive to follow the following guidelines:

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 City policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable, to the extent permitted by Illinois law. Gifts that are capable of being shared, such as a box of chocolates, shall be shared within the office or section 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 himself/herself 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 City.
4. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. However, the City Manager or his/her designee may approve exceptions.
5. Corporate discounts granted to City employees are acceptable only if they are offered to all City employees and other corporate clients of the vendor.

If in any doubt about the propriety of accepting a gift, the matter should be referred to the Department Head who will, if necessary, discuss the matter with the City Manager or his/her designee.

Capital Assets

Certain purchases will be recorded in the City's records as capital assets. Capital assets shall include land, land right-of-way, land improvements, buildings, building improvements, construction in progress, machinery, equipment, furniture, vehicles, software, easements, and infrastructure such as roadways, storm sewers, water mains, etc., that meet the following criteria:

1. The asset must be either tangible, software, or an easement.
2. The asset must provide a benefit for more than one fiscal year.
3. The acquisition cost of the asset must be greater than or equal to \$25,000.

Disposing of Surplus Property

Whenever the City owns any personal property, which in the opinion of three-fourths of the City Council then holding office, is no longer necessary or useful to, or for the best interests of the City, such a majority of the City Council then holding office, at any regular meeting or at any special meeting called for that purpose:

1. May authorize, by ordinance, the sale of that personal property in such manner as they may designate, with or without advertising the sale;

2. May authorize any City officer to convert that personal property into some other form that is useful to the City by using the material in the personal property; or
3. May authorize any City officer to convey or turn in any specified article of personal property as part payment on a new purchase of any similar article.

However, no article shall be turned in as part of the purchase price on any purchase except upon receipt of competitive bids, in such manner as may be prescribed by ordinance, after notice to all bidders that the article will be turned over as part of the purchase price.

Surplus vehicles can be auctioned by way of the City auction or local municipal auction, and the City will provide the successful bidder a Certificate of Title for the purchase. All sales shall be without guarantee, as-is condition, and final. Auctioned items are to be removed from the premises of the City within three days of the Award of Sale, otherwise they shall become the property of the City and eligible for resale or other disposition by the City. Funds previously paid to the City as part of this process shall not be refunded.

Notwithstanding the above, the City Manager or his/her designee is hereby authorized to sell from time to time, in whatever manner deemed appropriate, miscellaneous personal property which has a combined fair market value of less than \$5,000.00.

Approval of City Purchases

No employee shall purchase goods or services on behalf of the City without first seeking approval as required by this policy. All purchases shall require advance approval of the appropriate Supervisor, Department Head, the Finance Director or his/her designee, the City Manager or his/her designee and, if appropriate, the City Council in accordance with the guidelines described below:

<u>Dollar Limits</u>	<u>Required Approvals</u>
Under \$5,001	Supervisor and Department Head Three informal quotes (can be verbal, catalog, internet pricing, etc.) Most economical purchase should be sought
\$5,001-\$10,000	Supervisor, Department Head and Finance Director or his/her designee Three formal written quotes
\$10,001 - \$24,999	Supervisor, Department Head, Finance Director or his/her designee and City Manager or his/her designee Three formal written quotes
\$25,000 & Above	Department Head, Finance Director or his/her designee, City Manager or his/her designee and City Council members Formal bidding or Request for Proposals/Qualifications/Information Must comply with legal requirements for posting and selection
Exceptions	Expenditures for payments/purchases over \$5,000 related to intergovernmental agreements, property rental, utilities, refuse, and telecommunications do not require quotations or bidding.

Examples: reimbursements for sales tax sharing agreements, liability accounts, service contracts for refuse and utilities, among others.

Change Orders/Contract Modifications

1. No more than 5% of the total contract or up to \$5,000, whichever is less – Department Head approval
2. No more than 5% of total contact or up to \$10,000, whichever is less – Finance Director or his/her designee approval
3. No more than 5% of total contact or up to \$25,000, whichever is less – City Manager or his/her designee approval
4. More than 50% of any contract or any material subcontract must be competitively bid

Approval for purchases shall occur **before** the purchase is made. At the discretion of the Department Head, approval levels for Supervisors may be increased to an amount not to exceed the Department Head's authority. In addition, any person responsible for approving purchases at any level may delegate his or her approval authority to a designee in the event he or she is unavailable to approve purchases. Pre-approval procedures for purchases under \$5,000 will be set by the Department Head, and his/her designee.

The Finance Director or his/her designee, is responsible for determining if an item is budgeted, if adequate funds are available and if proper purchasing procedures have been followed. The Finance Director or his/her designee shall also be responsible for reviewing and initialing all purchase orders prior to the order being placed to ensure accurate authorization. If any change order or modification increases the total purchase over \$25,000 for the current fiscal year, the contract must be presented to City Council for approval prior to the order being placed.

The City Manager or his/her designee is further authorized to execute and comply with the terms of any settlement agreement or Court Order, provided that any expenditure required therein has been properly budgeted and approved by the City Council.

Signing of Contracts

A contract is a legal document and must follow a prescribed procedure for implementation. All contracts, to be valid, must be signed by an authorized representative of the company to supply the services and an authorized representative of the City. The City Manager or his/her designee, or such other person as may be authorized by the City Council members, may enter into a contract for the City, provided that all applicable procedures (such as formal bidding, bid waivers, and quotations) have been met. A copy of the contract is to be immediately forwarded to the Deputy City Clerk and Finance Director or his/her designee, after being executed. Contracts may be signed physically or e-signed digitally by either the contractor or the City.

Section III – Competitive Quotes and Exceptions to the Policy

General Policy for Soliciting Quotes

Employees are responsible for obtaining quotes for purchases in the instances outlined below. When submitting a purchase requisition prior to purchase, all quotes shall be attached to the requisition. These requisitions are to be sent to the Finance Director or his/her designee for review. The limits 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.

- | | |
|-----------------------|--|
| Under \$5,000 | Day-to-day purchasing should follow department established approval requirements; the responsibility still exists for making the most economical purchases. Price checks and surveys must be made from time to time to ensure that the price being paid is the best price available and that the quality is the best that is required. |
| \$5,000 - \$24,999.99 | Three (3) written quotes. The quotes must be listed in the purchase order as well as attached. Hard copies shall be obtained and retained in the department's files for auditing purposes. |
| \$25,000 & Above | Must be competitively bid where required in accordance with State law and City ordinances. City Council approval is required for all contracts above \$25,000. For projects requiring competitive bidding under State law, if circumstances do not permit competitive bidding (e.g. sole source provider), City Council waiver of competitive bidding is required. |

Items purchased more than once during a fiscal year (e.g. forms, copier supplies, 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 to ensure that vendors are competitive.

Joint Purchasing

State of Illinois –

The Illinois State Intergovernmental Cooperation Act (Article 7, Section 10) and the Illinois Government Joint Purchasing Act allows for governmental entities to participate in cooperative procurement. Joint procurement cooperatives offer governmental agencies opportunities to participate in cooperative purchasing agreements, in which a more economical rate for services or goods is acquired through collective buying power. A cooperative agency facilitates the formal bid process, selects the lowest responsible quotation, and enters into a formal agreement with the selected vendor that allows for other governmental agencies to participate in the agreement. Department Heads are responsible for researching and recommending cooperative purchasing agreements that could benefit the City through significant financial, and potentially time, savings. Per the aforementioned acts, any joint purchasing agreement that the City enters into must have been awarded through a competitive bid process.

Prior to entering into a purchasing agreement through a cooperative agency, the Finance Director shall be consulted to assist in determining if the price is fair and formal approval must be granted by the City Manager. For cooperative purchasing agreements over \$25,000, City Council approval must be granted prior to entering into the agreement. The types of organizations that the City of Rolling Meadows could potentially participate in a cooperative purchasing agreement with, includes, but is not limited to, the Procurement Division of the State of Illinois, other local municipalities, local counties, state agencies, agencies that facilitate governmental joint purchasing or local cooperatives such as the Northwest Municipal Conference Joint Purchasing Program. When items are purchased through a cooperative vendor, the Department Head shall prepare a purchase order as they normally would and submit a copy to the cooperative agency.

The State of Illinois Purchasing Program develops specifications, conducts bid processes, makes awards, creates contracts and publishes contracts on the Illinois Procurement Bulletin. When available through the State program, City employees may consult with the City Manager or his/her designee to enter into purchases for these items. However, employees shall be responsible for ensuring that the goods or services are of a quality sufficient to meet the City's needs and that pricing is competitive.

Other Units of Government -

Periodic checks of what other municipalities are paying can confirm whether the City is receiving a good price. If a neighboring municipality is contemplating the bidding of a particular item, which is also to be bid by the City of Rolling Meadows, the joining of the two municipalities could result in a lower price.

Sole Source Purchasing

The City must procure all material, equipment, supplies and professional skills via competitive means whenever practicable. The following purchases or contracts whose estimated cost is in excess of \$5,000 shall not require written specifications or competitive bidding.

1. Purchases which may only be made from a single source;
2. Purchases for additions to and repairs and maintenance of personal property owned by the City which may be more efficiently added to, repaired or maintained by a specific person;
3. Purchases of personal property which are compatible with the existing equipment or systems owned by the City;
4. Purchases which can be made at a public auction, close-out sale, bankruptcy sale or other similar sale at a cost below the market cost in the community;
5. Purchases where an emergency immediately affects the public health, safety or welfare if authorized by the Department Head and City Manager or his/her designee. Upon cessation of the emergency, the Department Head and City Manager or his/her designee shall inform the corporate authorities by a full written account of the contracts entered into or purchases made pursuant to this subsection;

6. Contracts for the services of individuals possessing a high degree of professional skill;
7. Contracts for the printing of bonds, tax warrants and other evidences of indebtedness;
8. Purchases, which because of the unique characteristics of the personal property or the needs of the City are not susceptible to competitive bidding;
9. Contracts with options to renew for additional periods of time at a fixed price.

The City Manager may authorize a waiver of the competitive bid process and allow sole source procurement of a purchase under \$25,000, provided the end user could adequately justify its use (e.g., "...only one economically feasible source for the item...") (30 ILCS 500/20-25). The City Council will judge the reasonability of sole source procurement of purchases \$25,000 and higher.

Approval of all sole source procurements will be based on the requestor's investigation, evaluation, and documentation of alternative sources of supply and that rejection of similar products is based solely on their failure to meet specific and necessary specifications. In cases where an alternate supplier for a similar product cannot be identified, the end user must document that a good-faith effort has been made in seeking other sources. A listing of the unique technical specifications required of the product and the potential companies that were contacted in the search for an alternate source is necessary.

Sole source justification cannot be based on quality or price or the fact that current equipment is of the same make or manufacture because:

- quality can be a subjective evaluation based on opinion.
- public procurement law requires price considerations to be evaluated via competitive bidding.
- attempting to keep all equipment the same can prevent the City from experiencing newer, more innovative or cost-effective equipment and this should be carefully considered and reviewed.

Emergency Purchases Policy

Emergencies are defined as events that could not have been foreseen where immediate action is necessary to safeguard the public's health and safety. In the event of an emergency affecting the public health and safety, the Department Head and City Manager or his/her designee may authorize a vendor to perform work necessary to resolve such emergency without formal bid solicitation.

If an "emergency" has been declared by the City Manager or his/her designee and/or the Mayor, the following guidelines will be observed:

1. All emergency purchases up to \$5,000 in estimated cost can be consummated by employees designated to purchase by their Department Head.

2. Those emergency purchases with an estimated cost of \$5,000 up to \$10,000 for goods and services require verbal approval of the Finance Director or his/her designee prior to expenditure.
3. Those emergency purchases with an estimate cost of \$10,000 up to \$25,000 for goods and services require the verbal approval of the City Manager or his/her designee prior to expenditure.
4. Purchases of \$25,000, or more, for goods and services require the verbal approval of the City Manager or his/her designee with immediate notification to the City Council.

Documentation of the verbal approval from the Finance Director and/or the City Manager or his/her designee is required to be attached to the requisition and submitted to the Finance Department for development of the purchase order after the fact or as time allows during the emergency event.

Request for Qualifications

Request for Professional Services -

Certain professional service contracts and agreements may be accomplished through requests for professional services which are considered by the City to be those which, by their nature, are not adapted to award by competitive bidding; although should the City have an existing and satisfactory relationship with a firm, contractually present or not, this provision may be waived upon City Manager or his/her designee approval. This would include such services as auditing, engineering, planning, legal, appraising, architectural, medical, psychological, marketing, risk management, bond issuance, and similar type services of individuals possessing a high degree of professional skill where the ability of the individual plays an important role. These contracts or agreements may be entered into without formal bidding with the approval of the City Manager or his/her designee for amounts up to \$25,000. The City Council must specifically approve any contract in excess of \$25,000. City staff will review the current professional service contracts every Three years and determine if a change in the service provider is warranted and if possible.

Request for Quotation (RFQ) -

An RFQ can be used as a pre-qualification stage of the procurement process. Only those respondents who successfully respond to the RFQ and meet the qualification criteria will be included in subsequent Requests for Proposals (RFP) solicitation process. This two-stage approach can both streamline the solicitation process and assist in gathering information about candidates for future use.

An RFQ is best suited with products and services that are as standardized and commoditized. Supplier decisions are typically made by the procuring department following a comparison and analysis of the RFQ responses.

Request for Proposal (RFP) -

An RFP is a solicitation sent to potential supplier with whom a relationship is being considered. RFP's state the strategy, objectives, and details that will assist the supplies with the ability to offer

a bid. An RFP should include a request for pricing proposals for the goods or services being procured by the City.

Service Contracts

The purposes of these contracts are varied and often require bids or bid waivers. Contracts are often entered into without bids. When bids are waived, a contract is entered into through negotiation or acceptance of a proposal from the vendor who wishes to supply the service. In most cases where bids are waived, the same legal requirements as in a bid situation still apply. It must be remembered that a contract is a legal document and must follow a prescribed procedure for implementation.

According to State Statute (65 ILCS 5/8-10-4):

“Contracts which by their nature are not adapted to award by competitive bidding, such as but not limited to contracts for the services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part, contracts for supplies, materials, parts or equipment which are available only from a single source, contracts for printing of finance committee pamphlets, comptroller’s estimates, and departmental reports, contracts for the printing or engraving of bonds, water certificates, tax warrants and other evidences of indebtedness, contracts for utility services such as water, light, heat, telephone or telegraph, and contracts for the purchase of magazines, books, periodicals and similar articles of an education or instructional nature, and the binding of such magazine, books, periodicals, pamphlets, reports and similar articles shall not be subject to the competitive bidding requirements...”

According to State Statute (30 ILCS 500/20-20):

“...any individual procurement of professional or artistic services not exceeding \$100,000 and any procurement of construction not exceeding \$100,000 may be made without competitive source selection. Procurements shall not be artificially divided so as to constitute a small purchase...”

All contracts, to be valid, must be signed by an authorized representative of the company to supply the services and an authorized representative of the City. The City Manager or his/her designee, or such other person as may be authorized by the City Council members, may enter into a contract for the City, provided that all applicable procedures (such as formal bidding, bid waivers, and quotations) have been met. A copy of the contract is to be immediately forwarded to the Deputy City Clerk or his/her designee after being executed. Contracts over the City Manager’s authority must be forwarded to the Finance Director as well.

A non-expiring contract may be entered into in the same manner as a contract with an expiration date provided that a clause is inserted into the contract allowing the City to terminate the contract within 30 days upon proper notification by the City to the vendor to do so.

All contracts must have their terms, such as dates and fees, defined. Procedures for applying for cost overruns of the contract must be specifically spelled out.

The vendor must agree to protect, indemnify, hold and save harmless and defend the City of Rolling Meadows against any and all claims, costs, actions and expenses, including but not limited

to attorney's fees incurred by reason of a lawsuit or claim for compensation arising in favor of any person, including the employees or officers or independent contractors or subcontractors of the first and second parties, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting directly or indirectly from the performance by the vendor hereunder, whether such loss, damage, injury or liability is contributed to by the negligence of the City of Rolling Meadows whether latent or patent, or from causes whatsoever, except that the vendor shall have no liability or damages or the costs incident thereto caused by the sole negligence of the City of Rolling Meadows. Only the person with the spending authority has the ability to waive strict compliance with those requirements, where deemed to be in the best interest of the City.

To keep in force, to the satisfaction of the City of Rolling Meadows, at all times during the performance of the work referred to above, Commercial General Liability Insurance and Automobile Liability Insurance with Bodily Injury limits of not less than \$1,000,000 and Property Damage Insurance with limits of not less than \$1,000,000. The vendor agrees that at any time upon the demand of the City of Rolling Meadows proof of such insurance coverage will be submitted to the Finance Director or his/her designee. There shall be no additional charge for said insurance to the City of Rolling Meadows. The Finance Director or his/her designee shall review the required insurance specifications annually and adjust when necessary.

Waiver of Competitive Bidding

In certain circumstances, a Department Head may believe that the best interests of the City would be served by a purchase from one particular vendor despite the amount of the purchase being in excess of \$25,000. In this instance, a Request for Waiver must include adequate justification and be forwarded to the City Manager or his/her designee. After review and concurrence, a Request for Waiver shall be forwarded to the City Council for final consideration.

Local Vendors

When securing price quotations, Department Heads shall, to the extent practicable, solicit quotations from qualified vendors located in the City of Rolling Meadows. No price preference will be given to local businesses; however, if everything else is equal between two or more possible vendors, the City shall make every effort to choose the Rolling Meadows-based vendors. Local vendor preference cannot be used if using federal funds for the project.

Section IV – The Bidding Process

Bidding Procedures

Having recognized the need for formal bid letting, the following process is to be followed:

The requesting department prepares the specifications for the item to be let for bid. The Department Head arranges the specifications into proper format and prepares the other needed documents to complete the bid invitation package. Required documents of a bid invitation package are:

- Cover letter / Invitation to Bid
- Specifications of the item / service to be bid (including maps drawings and/or any other pertinent documents)
- Proposal Form
- General instructions to bidders
- Bidder's Certification Form(s) (i.e. non-collusion, bid rigging or bid rotation, sexual harassment, tax compliance, etc.)
- Special Provisions

Before a department solicits bids, contact must be made with the City Clerk's office at least 20 days in advance. Once contacted, the City Clerk's office will place an "Invitation to Bid" legal notice in a local newspaper, advertisement in a professional publication and/or on the City's website, whichever is legally required. This shall be published once at least 10 working days prior to the bid opening date (excluding Sundays and legal holidays). Such notice shall include:

- a general description of the articles to be purchased or the services to be performed,
- necessary legal statements
- information concerning where bid documents and specifications may be secured, including the cost if any, of the specifications,
- the amount of bid deposit required, and
- the time and location for opening bids.

The notice shall also be placed in a prominent place in the City building or on the City's website.

In calling for bids of Public Works projects, the notice shall provide that the general prevailing rate of wages shall be paid for each craft or type of worker needed to perform such work, as provided by State law.

The bid requirements must include that the City is tax-exempt from Local and State of Illinois Sales Taxes and from Federal Excise Tax. These taxes must not be included in the bid or invoice price. The City's tax exemption number is E-9998-0878-04. Under no circumstances is this number to be used by City employees making personal purchases or non-City business.

The Department Head sends bid invitations to all known responsible vendors on the bidder's list for the particular item as well as to any other prospective bidder. If a bid package is costly to reproduce, a nominal charge for the package may be assessed.

All bids must be sealed and marked as indicated in the "Instructions to Bidders" and must be delivered personally or mailed and received by the City at or before the time stated in the bid forms. Bids received after the designated time will not be opened, but will be kept with the other opened bids for that bid/project. All bids must be completely filled out, including those pages requiring notarization.

Formal bids shall be opened publicly on the date and immediately following time shown in the notice. The City Clerk's office or other designated City official shall preside at the Bid Opening. Once opened, no bid shall be withdrawn and all such bids are open to public inspection. If the bid

falls under the guidelines necessary for credit checks, the recommended bidder may be subject to those guidelines.

Bids received by way of facsimile machine are unacceptable and will not be acknowledged.

Bids received after the due date and time are to be returned unopened to the bidder with a cover letter stating date and time the "Bid" was actually received.

Premature Opening of Bids -

In the event of a sealed bid being opened prior to the determined date and time for such opening, the person who opened the bid shall submit a written affidavit to the Finance Director or his/her designee stating the time of the premature opening and the circumstances causing such premature opening, and stating as fact that the information contained in the bid documents has not been disclosed to the public, any potential bidder, or any City employee. The Finance Director or his/her designee will then reseal the bid, to be opened at the appropriate time.

Corrections or Withdrawal of a Bid -

If a vendor submits a written request to the Department Head or his/her designee prior to the bid opening requesting to remove a bid proposal from consideration, the bid proposal may be withdrawn. After the bid opening, however, no changes in bid prices or other provisions of bids prejudicial to the City or fair competition shall be permitted. In lieu of a bid correction, a low bidder alleging a material mistake may be permitted to withdraw its bid if:

- the mistake is clearly evident on the face of the original bid document and is not similarly evident on the face of the intended correct bid, or
- the bidder submits evidence to clearly demonstrate that a mistake was made.

Criminal Compliance Code -

In all areas of a public bid letting, the provisions of Public Act 85-1295, amending the criminal code of the Illinois Revised Statutes, regarding bid rigging and collusive activities shall be strictly followed.

Requirements of this act are as follows:

1. A certification form shall be included in all bid invitation packages. This form shall immediately follow the bid proposal form in the package. All bidders must properly execute this form as prescribed and attach it to the bid proposal form in their sealed envelope.
2. The failure of a bidder to submit this form with the bid shall render the bidder to be non-responsible.
 - a. The submission of the certification after the bid opening will not be acceptable.
 - b. Additionally, each bidder shall be responsible for signing a non-collusion certificate

3. Each bidder may submit written questions to be answered in an addendum shared with all prospective bidders.

The Special Provisions portion of the bid package shall state those City representatives that may speak to a potential bidder in the period between the time of the initial bid mailing and the bid opening date and time.

Designated City employees per bid will be identified as the only individuals that may speak for the bid. The Deputy City Clerk will be designated on every bid.

Only the criteria stated in the bid invitation package may be used in the process of determining the successful bidder.

Change Orders -

Subsequent to a bid award, change orders may be found to be necessary. Requests for change orders must state that the circumstances said to necessitate the change were not reasonably foreseeable at the time the contract was signed, were not within the contemplation of the contract as signed, or are in the best interest of the City.

Dollar/Percentage Limit

No more than 5% of the total contract or Up to \$5,000, whichever is less

Required Approvals

Department Head approval

No more than 5% of total contract or Up to \$10,000, whichever is less

Finance Director or his/her designee approval

No more than 5% of total contract or Up to \$25,000, whichever is less

City Manager or his/her designee approval

More than 50% of any contract or any material subcontract must be competitively bid.

Notwithstanding any provision of this Policy to the contrary, a change order must be authorized by the City Council if there is an increase (decrease) in time of completion by 30 days or more, or if otherwise required pursuant to the applicable contract or agreement.

Prevailing Wage Act -

This act requires in all construction contracts entered into for public works construction projects that the prevailing wages, as issued by the Illinois Department of Labor for Cook County, be paid to all laborers, workers and mechanics performing work under the contract.

The bid package for such construction contracts shall contain the most recent listing of the said prevailing wages or a link to the website at which such wages are provided.

1. A certification form shall be included in all bid invitation packages. This form shall immediately follow the certification form for Public Act 85-1295. All bidders must

properly execute this form as prescribed and attach it to the bid proposal form in a sealed envelope.

2. The failure of a bidder to submit this form with the bid will render the bidder to be non-responsive.

Also, all contractors conducting work for the City with Federal or State Funds shall abide by the requirements set forth in Section 135 of the Department of the Interior and Related Agencies Appropriation Act for fiscal year 1990 relating to the use of federal monies for lobbying efforts and Public Act 85-1295 relating to bid rigging.

Public Contracts - Illinois Municipal Code -

Division 42.1 of the Illinois Municipal Code, 65 ILCS 5/11-42.1-1 *et seq.*, prohibits Illinois municipalities from entering into a contract with an individual or entity that is delinquent in the payment of any tax administered by the Illinois Department of Revenue. A certification form shall be included in all bid invitation packages. This form shall immediately follow the certification form required by the statute. All bidders must properly execute this form as prescribed and attach it to the bid proposal form in their sealed envelope.

Performance and Payment Bond –

Before entering into a contract, the City shall have the authority to require a performance bond in such amount that it shall find reasonably necessary to protect the best interests of the City.

Specifications, Preparation and Bid Award -

In all cases, the requesting department is responsible for the initial specification preparation for bids. The Finance Director or his/her designee will assist the department as needed or requested but it is generally held that the requesting department has the best knowledge of what is needed. Specifications may not be developed in a manner intended to specifically exclude a potential bidder on a technicality or developed in such a manner that only one bidder is possible. Specifications must be broad enough to invite competition but yet not be so loose as to invite a potentially low bid on an item that is not desired or not in the best interests of the City.

The bid award is to be made to the lowest responsible bidder. The determination of the “lowest responsible bidder” is a matter of the sound and reasonable discretion of the City based on, among other items, the credentials, financial information, bonding capacity, insurance protection, qualifications of the labor and management of the firm, past experience, ability to meet all specifications and ability to complete the contract in a timely manner. The responsible bidder shall not have any outstanding debts owed to the City of Rolling Meadows in order to qualify for the bid award.

The submitted bid paperwork should include:

- The approximate delivery or completion date. The bidder shall specify terms of payment he wishes to offer to the City. Discounts, where available, will be deducted from the base bid in determining the low bidder, including cash discounts allowed for payments which may not be made within 10 days.

- All bid prices shall be Free-On-Board (FOB) City of Rolling Meadows with delivery to a specified point or points within the City. Any and all shipping and delivery charges shall be included on all bids/proposals.
- If samples are required to be submitted with the bid or as part of the bid review process, they will be held until after an award is made unless otherwise specified. Should a vendor wish to submit a sample for trial use, the product must be presented at the time of submission of the bid.
- A bid bond, bid and surety bond, cash, or certified or cashier's check may be required in certain instances on formal sealed bids. Such a security deposit will be used as a guarantee (deposit of good faith) that the successful bidder will accept the order and fulfill the purchase as awarded.

The bid security deposit will be retained by the City for such a period of time as is specified in the bidding instructions. Unsuccessful bidders shall have their security deposits returned within the time period specified in the bidding instructions.

Bonds with sufficient sureties not only insure performance of a contract, but also save, indemnify, and keep harmless the City against all loss, damages, claims, liabilities, judgments, costs and expenses which may anyway accrue against the City in consequence of the granting of the contract. The City may require the successful bidder to furnish a performance bond equal to all or part of the purchase. The extent of coverage and terms shall be included in the Bidding Instructions. Deposits, including bid bonds and performance bonds, may be waived by the City Council.

All bids received shall be tabulated. If an award is to be recommended to other than the lowest bidder, justification must be made in writing. A recommendation shall be prepared by the respective departments and sent to the City Manager or his/her designee. After review, the information will be forwarded on a "Council Action Summary" to the Mayor and City Council for consideration of awarding a formal contract.

Following the award of contract, a Purchase Order will be issued to the successful bidder. The purchase is not consummated until the vendor receives the City's Purchase Order.

For construction, capital projects, or other Public Works projects, a contract must be signed by the successful bidder and the City Manager or other authorized individual, and the successful bidder must supply required insurance forms and contract performance bonds before work can proceed.

Re-Bid Procedure -

In instances when conducting a bid process and only one bid has been received, a Council Action Summary will be prepared requesting the opportunity to reject the current bid and re-bid. The original bid shall be returned (once opened) to the vendor with an explanation of the City's policy while also noting if and approximately when this item will be re-bid. If this happens a second time, the bid may be accepted.

In instances when the bids are not acceptable to the City of Rolling Meadows (i.e., cost prohibitive, not the right materials, etc.), a Council Action Summary will be prepared for the City Council rejecting the bids and requesting the opportunity to re-bid.

Upon execution of the agreement, the department will provide a copy to the Finance Department and Deputy City Clerk. Following the award of a bid by the City Council, the Department Head sends a purchase order to the successful bidder.

Section V – Purchasing Procedures

Regular Purchase Orders

A purchase order must be prepared for all City purchases unless the purchase is done through other means such as procurement card or store credit. If using the Contracts module, an encumbered contract order is equivalent to a purchase order.

All purchase orders must have the price of goods stated along with an easily understood explanation of the item or service being purchased. If it is absolutely impossible to list the exact price, an estimated price may be used and noted as estimate. Freight charges should be included on the purchase order or must be noted, “Includes Freight.”

Open Purchase Order Agreements

In certain circumstances, where vendors are used frequently, an open purchase order or blanket purchase order may be set up at the beginning of the year as approved by the Department Head. A purchase order form must be approved following the Approval of City Purchases as outlined under Section II – Purchasing Policies. The purchase order must be approved prior to purchase. When a blanket purchase order is created and approved, the Department’s funds are encumbered allowing the advantage of better control of expenses and knowledge of funds remaining for future purchases.

Issuance of Purchase Orders

Purchase orders shall be requested by each City department for purchases of all materials, supplies, equipment, and services in excess of \$5,000 with the exception of those previously identified by submitting a requisition for each service for each vendor. The requisition must include all three (3) bids or quotes, approved resolution (if required), signed contract and appropriate approval levels. A purchase order shall be generated by the financial software once the required approvals are obtained.

The review process includes verifying funds availability, appropriate approval levels are met, required attachments are present and purchasing procedures are met. In the event of emergency purchases where goods or services have already been received, the purchase order should be noted as an emergency purchase.

After the goods or services have been received, the Department Head or his/her designee will verify the order and the unit price authorized. The department's designated employee will enter the approved invoice into the financial software for Finance Department review and payment.

New Vendors

New vendors will be required to provide a W-9 and a Supplier Registration form to the Finance Department. It is the respective purchasing department's responsibility to obtain the W-9 and Supplier Registration form from the new vendor. A new vendor will not be created in the financial software without these forms and will delay the department's ability to procure goods and services from the new vendor.

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 Finance Director or his/her designee makes it impractical or unreasonable to process the payment following normal payment methods. 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.

All requests for manual checks must be accompanied by a written request with an explanation as to need for the check from the Department Head. If an invoice is not available, the request will need to include the vendor's name and address, the general ledger number against which it is being charged, and a description of the item purchased. All manual checks must be approved by the Finance Director or his/her designee.

Held and Hand Delivered Checks

Generally, the payment process for invoices received shall not be initiated until such time as the goods or services are received and accepted by the department initiating the purchase. Invoices should not be approved for processing with the intent of holding the check until final approval.

Exceptions to this practice may include pre-payment of dues and subscriptions, expenses associated with conferences or training seminars, insurance premiums, certain service contracts and other purchases where pre-payment is approved by the City Manager.

Checks will generally be mailed to the vendor address on file in the Finance Department. In rare cases, vendors will be allowed to pick up checks during normal business hours at the Finance Department front desk. The person picking up the check will be asked to show proper identification. Employee reimbursement checks are delivered to the employee via interoffice mail, unless the employee requests the check to be mailed to their home address.

Year End Purchases

When purchases are made near the end of the fiscal year, departments shall be responsible for ensuring that purchases are expensed against the fiscal year in which they were received. The date goods are received or services are performed determines the fiscal year to which they are charged. Goods and services will be expensed in the current fiscal year only if they are received or performed by the last day of the fiscal year. This is true regardless of when the purchase requisition is processed or the purchase order is issued. Items not received by the last day of the fiscal year will be expensed in the next fiscal year.

Open purchase orders for the fiscal year will be liquidated at some point after year end. The purchase orders will be left open in order to post appropriate expenses against them. Purchase orders for projects that overlap fiscal years will have to be entered in each year.

Purchasing Cards

The City may authorize the use of purchasing cards to Department Heads as needed, and may also issue them to certain designees within the department (supervisors, maintenance staff, etc.). The same purchasing requirements will apply as indicated above. At the time the bill is received for the month's purchases, each Department Head will submit the bills. Abuse of this system for personal use may lead to discipline up to and potentially including immediate termination.

Petty Cash

Petty Cash funds are established to pay for infrequent purchases that are under \$50.00 and require immediate payment. Tolls, parking, filing costs, etc. are traditional expenses that fall into this category. The use of the Petty cash fund is intended for convenience and/or unforeseen purchases; it is not intended to circumvent established purchasing procedures. Department Heads must approve the Petty Cash reimbursement vouchers. Petty Cash funds have been established in the following departments:

City Departments:

Finance Department – Petty Cash: \$300

Police Department – Petty Cash: \$500

Subtotal: \$800

Library:

Check Book: \$7,500

Cash: \$250

Subtotal: \$7,750

Total Petty Cash: \$8,550

Petty cash is not to be used for travel expenses with the exception of minor amounts for tolls, parking, mileage, and meals. Tipping for meals is capped at 20% of the total cost. The employee may choose to tip more but will not be reimbursed over 20% of the total. Per diem travel rates are provided in another section of this manual. Travel expenses, calculated on a monthly basis, will be paid through the Accounts Payable.

The Finance Director or his/her designee will conduct quarterly audits of the Petty Cash funds established in each department. A petty cash slip must be completed, countersigned by the Department Head or his/her immediate subordinate, and accompanied by a receipt. These receipts should be reconciled and sent to the Finance Department by the Department Head on a monthly basis for reimbursement.

No department may establish a petty cash fund without the express consent of the Finance Director or his/her designee.

Section VI – Miscellaneous Purchasing Policies and Guidelines

Use of Sales Tax Exemption Number

City purchases are not subject to sales tax; therefore, employees shall make efforts to inform vendors of the City's tax-exempt status to ensure that sales tax is not paid for purchases made with petty cash or credit cards. Employees shall provide vendors with a sales tax exemption form. This form is located on the City's Intranet and can be printed by each employee to keep on hand and to send directly to vendors. If the vendor refuses the tax-exempt letter, the employee must provide a statement of their attempts to obtain the tax-exempt status. The only exception is on food & beverage purchases below \$30 when employees are at training or other training-like events.

Use of the City's sales tax exemption number is restricted to purchases made on behalf of the City. State law prohibits use of the City's sales tax exemption number for personal reasons. Purchases where sales tax is charged will be the responsibility of the Department Head to work with the vendor on issuing a credit.

Use of Outside Contractors or Vendors

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

Requests by contractors for the City's sales tax exemption number shall be forwarded to the Finance Director or his/her designee. In order to obtain the number, the contractor shall be required to request authorization to use the City's sales tax exemption number. The authorization request must include the supplier's location and a list of materials to be purchased. After the proper request has been received, the City will provide the contractor with a sales tax exemption certificate.

Equal Opportunity

When applicable, contractors shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended, and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity Clause, Illinois Administrative Code, Title

44, Part 750 (Appendix A). Furthermore, the Contractor shall comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq., as amended.

Travel Advance and Expense Procedures

It is the intent of the City to provide adequate advance payments and subsequent reimbursements for all travel necessitated in the course of City business, and the “Travel & Expense Request Form” has been designed to cater to that purpose. The Travel & Expense Request Form is a two-sided form and consists of a “Travel and Expense Request” on one side and an “Actual Expense Report” on the other. Complete the Travel and Expense Request prior to traveling using the guidelines listed below.

Travel Guidelines

1. Employees shall plan their trip in advance to take advantage of government discounts and lower airfares and to minimize the higher prices generally charged by late registrations.
2. If more than one employee is traveling, group travel and accommodations shall be evaluated.
3. Travel with a spouse is permissible, but the City will not pay for any expenses or increases in costs due to the spouse.
4. Employees shall notify their Department Head immediately if their plans change so that cancellation costs can be minimized by sending someone else or by cancelling attendance early.

Meals

All meals and miscellaneous costs will be paid on a per diem basis based on the current U.S. General Services Administration (GSA) tables at the time of travel. The tables can be found online at [gsa.gov/per diem](http://gsa.gov/perdiem) under “Meals & Incidentals (M&IE) Rates.” The current GSA full-day per diem rate does not apply to the employee’s first and last days of travel. If the cost of meals is included in the registration fee, the cost should be subtracted at per diem rate for that meal. Alcoholic beverages are not be eligible for reimbursement. Incidental expenses are broken down per each meal so if the incidental expense is \$5, then \$1 would be added to breakfast, \$2 to lunch, and \$2 to dinner.

Example:

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses
Chicago	Cook / Lake	\$79	\$18	\$20	\$36	\$5

The per diem for Chicago would be \$79 for a full day. If you were to travel at 3 pm, then the per diem for that day would only be for dinner so it would be \$36 plus \$2 from the incidental expenses. This total includes the tip (capped at 20%) for the meal. If the conference includes lunch, then that days per diem would be breakfast and dinner with incidentals only. For Chicago, that would be \$57 total (\$18 plus \$1 for breakfast and \$36 plus \$2 for dinner).

Mileage Reimbursement

1. **City Vehicle:** A City vehicle will be made available whenever possible. The vehicle should be fully fueled before departure and upon return.
2. **Rental Autos:** Includes the rental rate charged plus insurance, tolls, parking, and fuel and must have prior approval before booking the rental. Rental vehicles are expected to be economy, compact, or sub-compact models unless space requirements or unavailability of these types of models prohibit compliance.
3. **Private Vehicles:** If a City vehicle is not available, the employee may be required to use his or her private vehicle and be reimbursed the current standard mileage rate at the time of travel as indicated by the Internal Revenue Service. These rates can be found in the tables provided by the IRS on their website at irs.gov under Tax-Professionals>Standard Mileage Rate. Mileage will be counted from the employee's regular work location or from home, whichever is closest to the final destination.

For trips beyond 250 miles for one-way of travel, expenses for the use of private vehicles shall not exceed the amount that would have otherwise been paid by the City for coach airfare costs. If this method of reimbursement is selected, no allowance shall be paid for bridge toll charges, lodging, meals, and other expenses in route that would not have been otherwise incurred if air travel had been used, and will not be reimbursed.

If the destination point is not serviced by air, fare to the nearest terminal will be allowed for reimbursement, and mileage reimbursement will be allowed for the round trip to the air terminal.

Miscellaneous

Specific expenses which are ineligible for reimbursement are: alcoholic beverages, purchases of personal items, entertainment events that are not part of the convention/conference affairs, and expenses of guests or family members.

All items or expenses which do not fit into the specified expense categories on the Travel Expense Form are to be entered in the "Miscellaneous" category on the form with an explanation provided. Reimbursements for reasonable laundry expenses will be allowed where personnel or officials are travelling for a duration where such service is necessary to permit the employee or official to properly conduct business on behalf of the City.

Cash advances for registration, transportation or lodging should be requested at least three weeks prior to departure using the Travel & Expense Request form. Completed forms are to be entered as a requisition into the ERP system for electronic approval by the Department Head, Finance Director and City Manager. Upon approval by the City Manager, a purchase order number will be generated and returned to the employee. The employee shall note the purchase order number for reimbursement purposes.

During the trip, the Actual Expense Report (reverse side of the Travel & Expense Report) shall be completed by the employee, and receipts to support the expense entries shall be kept. Upon the employee's return, the completed form and receipts shall be entered into the ERP system as an

invoice and electronically submitted to the Department Head and Finance Department for reimbursement.

These regulations shall be followed unless the City Manager or Finance Director determines that an emergency condition prevented the employee or official from complying. If it is determined that an emergency conditions exists, the employee will be expected to comply to the best of their ability with all reporting aspects set forth in these guidelines.