

CITY OF ROLLING MEADOWS

Purchasing Manual

CITY OF ROLLING MEADOWS – CODE OF ORDINANCES

ARTICLE XI. - PURCHASING^[15]

Footnotes:

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Editor's note— Ord. No. 00-30, § 3, adopted July 25, 2000, set out provisions pertaining to purchasing. To maintain the numeric sequencing of this Code, said provisions have been included as §§ 2-1131—2-1148 at the discretion of the editor to read as herein set out. See the Code Comparative Table.

Sec. 2-1131. - Purchasing agent.

The finance director is designated as the city's purchasing agent. In the absence of the finance director, the city manager shall serve in the capacity or designate another employee. The purchasing agent shall have among his or her duties the overseeing the purchase of all supplies, materials, fuel, equipment and services for use by all departments, commissions and agencies of the city, except where provisions to the contrary are made by the city council. Such purchases shall be made in accordance with the provisions of this article. In order to promote efficient operations of the city departments, the finance director may delegate minor (less than \$2,500.00 in value) acquisition and approval authority to department heads through the issuance of written procedures.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1132. - Contractual liabilities; limitations.

No contract shall be made by the city council, or by any committee or member thereof, and no expense shall be incurred by any of the officers, employees or departments of the city, whether the object of the expenditure has been ordered by the city council or not, unless the expenditure is consistent with the budget resolution, either as originally adopted or amended by the city council, or within the authority granted to the city's budget officer concerning that contract or expense. Any contract made, or any expense otherwise incurred, in violation of the provisions of this section shall be null and void as to the city, and no money belonging thereto shall be paid on account thereof. However, pending the passage of the annual budget for any fiscal year, the city council may authorize the city manager to make necessary expenditures for the support thereof upon the basis of the budget resolution of the preceding fiscal year. However, if it is determined by two-thirds vote of the city council then holding office, at a regularly scheduled meeting of the city council, that it is expedient and in the best public interest to begin proceedings for the construction of a needed public work, then the provisions of this section shall not apply to the extent that the city council may employ or contract for professional services necessary for the planning and financing of such public work.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1133. - Purchasing, contracts, soliciting bids and change orders.

- (a) All vendors or contractors who sell goods or perform services to the city shall conform to the requirements of those provisions of state law as shall govern the furnishing of goods and services to municipalities, and the city administrative procedures. The purchasing agent will report to the council all financial transactions other than matters handled through the petty cash fund through the presentation of the warrant for approval. The council shall consider and, where appropriate, approve the transactions entered into under the procedures developed by the purchasing agent. Contracts entered into by the purchasing agent where all funds have not been paid can be cancelled by the city council.
- (b) The procedures of the city regarding purchasing of goods and services, letting of contracts soliciting bids for those goods and services shall be as follows:
 - (1) *Under \$10,000.00 in value other than public works construction projects.* The purchasing agent shall develop administrative procedures for purchases of up to \$10,000.00 by contract for supplies, materials, fuel, equipment and services and other items utilized by all departments, commissions and councils of the city over which the city possesses statutory authority to establish such procedures. Those procedures shall effectuate a policy whereby an equal opportunity for competition is made available for all city business.
 - (2) *Over \$10,000.00 in value other than public works construction projects.* Contracts for purchases of goods or services for more than \$10,000.00 in value, except those for professional services, shall be made on the basis of awarding of contracts to the lowest responsible bidder after advertising for bids has taken place. By a two-thirds vote of the aldermen elected, this requirement of bidding may be waived.
 - (3) *Public works construction projects under \$20,000.00 in value.* The purchasing agent shall develop administrative procedures for contracts up to \$20,000.00 for public works construction projects of the city over which the city possesses statutory authority to establish such procedures. Those procedures shall effectuate a policy whereby an equal opportunity for competition is made available for all city business.
 - (4) *Public works construction projects over \$20,000.00 in value.* Contracts for public works construction projects for more than \$20,000.00 in value, shall be made on the basis of awarding of contracts to the lowest responsible bidder after advertising for bids has taken place. By a two-thirds vote of the aldermen elected, this requirement of bidding may be waived.
 - (5) *Contracts which include state funds or motor fuel tax expenditures.* Contracts for public works projects involving state funds or the expenditure of motor fuel taxes shall be let to the lowest responsible bidder who must comply with all of the following requirements and must present satisfactory evidence of compliance:

- a. The bidder must comply with all applicable laws concerning the bidder's entitlement to conduct business in Illinois.
- b. The bidder must comply with all applicable provisions of the Prevailing Wage Act.
- c. The bidder must comply with Subchapter VI (Equal Employment Opportunities) of Chapter 21 of Title 42 of the United States Code (42 U.S.C. 2000e and following) and with Federal Executive Order No. 11246 as amended by Executive Order No. 11375.
- d. The bidder must have a valid Federal Employer Identification Number or, if an individual, a valid Social Security Number.
- e. The bidder must have a valid certificate of insurance showing the following coverages: general liability, professional liability, product liability, worker's compensation, completed operation, hazardous occupation, and automobile.
- f. The bidder and all bidder's subcontractors must participate in applicable apprenticeship and training programs approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.

The provisions of this section shall not apply to federally funded construction projects if such application would jeopardize the receipt or use of federal funds in support of such a project.

- (6) *Notice requirements for bids.* Notice inviting bids shall be published at least once in a newspaper generally circulated within the city at least ten days prior to the date set for receiving such proposals by the department responsible for the project. Provided, however, that where the goods to be purchased are of a specialized nature, the notice may be published in a publication pertaining to those particular goods. Such notice shall include a general description of the articles to be purchased or the services to be performed, shall state where bid banks 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 be placed in a prominent place in the city building.
- (2) *Prevailing wages.* 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 statute. The city council shall adopt a schedule through the adoption of an ordinance, detailing the prevailing wage in June of each year, unless provided otherwise by state law.
- (c) *Change orders.* The city manager may approve through a written change order increases in public works construction contract amounts due to unforeseen environmental or manmade circumstances, not to exceed in total five percent of the awarded contract amount or \$50,000.00, and to extend the time of completion of public works construction contracts for not more than 30 days without prior city council approval where applicable. The city manager shall provide a report to the city council at its next regularly scheduled meeting, summarizing the dollar impact and reasoning for the change order. However, no single change order shall exceed \$50,000.00, except where a delay in approving such change order

would result in a financial penalty or would create a serious emergency within the city that would endanger the health or safety of its citizens. In such event, the provisions of [section] 2-1147, "emergency purchases" shall be used. The city manager shall report his or her actions in making such approvals at the next regularly scheduled city council meeting.

Notwithstanding the above, any change order for a public works contract which authorizes or necessitates any increase in the contract price that is 50 percent or more of the original contract price or that authorizes or necessitates any increase in the price of a subcontract under the contract that is 50 percent or more of the original subcontract price, then the portion of the contract that is covered by the change order must be resubmitted for bidding in the same manner for which the original contract bid. Bidding for the portion of the contract covered by the change order is subject to any requirements to employ females and minorities on the public works project that existed at the bidding for the original contract, together with any later requirements imposed by law.

(Ord. No. 00-30, § 3, 7-25-2000; Ord. No. 06-12, §§ 1, 2, 5-9-2006)

Sec. 2-1134. - Bidders' list and pre-qualification.

- (a) Department heads shall solicit sealed bids from all responsible prospective suppliers who have requested their names to be added to a "bidders' list," which the departments shall maintain, by sending them a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders' list shall be limited to commodities or services typically provided by them.
- (b) The city department heads may establish pre-qualification standards and procedures and may require prospective bidders to pre-qualify themselves for bidding on city contracts. The purpose of such pre-qualification shall be to save the time of bidders who would be found unqualified before they prepare individual bids. Another purpose for such pre-qualification shall be to save the time of the city in reviewing the bids of unqualified entities and to allow for a more expeditious bidding procedure. The standards for such pre-qualification shall be the same as those used to award a bid except for the absence of any bid price. If a bidder participates in a pre-qualification process and is found to be unqualified, the bidder shall be notified in writing of this determination and shall be given an opportunity to respond in writing and may be accorded a hearing. The department heads may determine that for any purchase or class of purchases, only bidders that have been pre-qualified shall be permitted to submit bids.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1135. - Bid opening procedure.

- (a) Bids shall be submitted sealed to the city clerk and shall be identified as bids for the specific proposal or project submitted.
- (b) Bids shall be opened in public at the time and location stated in the notice inviting bids.

- (c) A tabulation of all bids received shall be made by the responsible department head and forwarded to the city council by the city manager with a recommendation on award or rejection of the bids.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1136. - Award of bid.

- (a) The city council shall award the bid to the lowest responsible bidder. In determining "lowest responsible bidder," in addition to price, the city council shall consider the following:
 - (1) The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
 - (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 - (4) The quality of performance of previous contracts or services.
 - (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
 - (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
 - (7) The quality, availability and adaptability of the supplies, or contractual services to the particular use required.
 - (8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
 - (9) The number and scope of conditions attached to the bid.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1137. - Rejection of bids.

The city council shall have the authority to reject any bids, parts of bids, or all bids for one or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1138. - Bid deposits.

Unsuccessful bidders shall be entitled to the return of bid deposits immediately after action is taken on the bids by the city council or sooner if authorized by the city manager. The city may hold the bid deposit of a bidder chosen as the alternate successful bidder until the successful

bidder has signed the contract, but no longer than 30 days after the award of the bid. A successful bidder shall forfeit any bid deposit upon failure on his or her part to enter into a contract with the city within ten days after receiving written notice from the appropriate city official of the award of the bid.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1139. - Tie bids.

If any bids are received for the same total amount or unit price, quality, service and all other pertinent facts being equal, the contract may be awarded by drawing lots in a public place.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1140. - Independent contractors agreement.

All contracts by independent contractors shall either contain therein approximately the following terms and conditions or shall, as a result of their enactment, have such terms and conditions made a part thereof as if they were contained therein:

"The independent contractor hereby agrees:

- (A) To comply with all laws, regulations and rules promulgated by any federal, state, county, municipal and/or other governmental unit or regulatory body now in effect, or which may be in effect during the performance of the work to which reference is made above. Included within the scope of the laws, regulations and rules referred to in this paragraph, but in nowise to operate as a limitation, are all forms of traffic regulations, public utility and Intrastate and Interstate Commerce Commission regulations, Worker's Compensation Laws, the Social Security Act of the federal government and any of its titles, FEPC or FEOC statutory provisions and rules and regulations.
- (B) To protect, indemnify, hold and save harmless and defend the city against any and all claims, costs, causes of action and expenses, including but not limited to attorney's fees incurred by reason of a lawsuit or claim for damages arising in favor of any person, including the claims of the employees, officers and agents of independent contractors or subcontractors 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 independent contractor, its subcontractor, officers, employees or agents hereunder, whether such loss, damage, injury or liability is contributed to by the negligence of the city.
- (C) To keep in force, to the satisfaction of the city, at all times during the performance of the work referred to above, public liability insurance and automobile liability insurance with bodily injury limits of not less than established by the city's specifications, and property damage insurance with limits of not less than established by the city's specifications. The independent contractor shall furnish proof of such insurance coverage and may be required to cause the city, its officers, agents, and employees to be

named as an additional insured prior to execution of any contract. The city may, in specific bid documents, require higher levels of insurance coverage.

- (D) To furnish any affidavit or certificate, in connection with the work covered by this agreement as provided by law.
- (E) To indemnify the city for any loss it may sustain by theft or other cause from the acts of negligence of the employees, officers or agents of the independent contractor or of its subcontractors."

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1141. - Labor and material bond required for public works contract.

- (a) In making contracts for public works of any kind to be performed in the city, the contractor for such work shall furnish, supply and deliver a bond with good and sufficient sureties to the city in the amount determined by the city council. Such bond shall be conditioned for the completion of the contract, for the payment of material used in such work and for all labor performed in such work, whether by subcontractor or otherwise. Each bond is deemed to contain the following provisions whether such provisions are inserted in such bond or not:

"The principal and sureties on this bond agree that all the undertakings, covenants, terms, conditions and agreements of the principal and the City will be performed and fulfilled and to pay all persons, firms and corporations having contracts with the principal or with subcontractors, all just claims due them under the provisions of such contracts for labor performed or materials finished in the performance of the contract on account of which this bond is given, when such claims are not satisfied out of the contract price of the contract on account of which this bond is given."

The bond required by this section may be acquired from the company, agent or broker of the contractor's choice, subject to the right of reasonable approval or disapproval by the city attorney.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1142. - Performance bond required.

In making contracts for public works of any kind to be performed in the city, the contractor for such work shall furnish, supply and deliver a performance bond in the full amount of the contract to the applicable department head. Such bond may be required to further stipulate such provisions as will guarantee the faithful performance that the general prevailing rate of wages will be paid to all laborers, workers and mechanics employed by or on behalf of the city engaged in the construction of public works, as provided by statute.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1143. - Execution of contract.

The mayor and the city clerk, or any other person designated and authorized by the city council through the passage of a resolution may execute any contract on behalf of the city.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1144. - Public works or improvements contract without bid.

- (a) Any contract for a public works or improvement may be entered into by the city council without advertising for bids as follows:
 - (1) If authorized by a vote of two-thirds of all the council members then holding office; or
 - (2) In the following manner, if authorized by a vote of two-thirds of all the council members then holding office: the director of public works or the city engineer, or other proper officer designated by the city council, shall superintend and cause to be carried out the construction of the work or other public improvement and shall employ exclusively for the performance of all manual labor thereon, laborers and artisans whom the city shall pay by the day or hour; and all material of the value of \$20,000.00 and upward used in the construction of the work or other public improvement, shall be purchased by contract let to the lowest responsible bidder in the manner to be prescribed by ordinance.
- (b) Nothing contained in this section shall apply to any contract by the city with the federal government or any agency thereof.

(Ord. No. 00-30, § 3, 7-25-2000; Ord. No. 06-12, § 3, 5-9-2006)

Sec. 2-1145. - Sale of personal property.

- (a) 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.
- (b) 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.
- (c) Notwithstanding the above, the city manager is hereby authorized to sell from time to time, in whatever manner he deems appropriate, miscellaneous personal property which has a combined fair market value of less than \$2,000.00.

(Ord. No. 00-30, § 3, 7-25-2000; Ord. No. 06-25, § 2, 7-11-2006)

Sec. 2-1146. - Records.

The city clerk shall keep a record of all bids submitted to the city and such records shall be open to public inspection.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1147. - Emergency purchases.

Where, in the opinion of the city manager, a serious emergency exists within the city that will endanger the health or safety of its citizens, the city manager may make emergency purchases that exceed \$10,000.00 in value. Prior to making such a purchase, the city manager shall attempt to notify the members of the city council regarding the pending purchase. The city manager may not undertake such a contract or purchase if a majority of the members of the city council whom he or she is able to contact indicate that they would not confirm and ratify the action of the city manager in making this purchase under emergency circumstances. The city manager shall report his or her actions in making such an emergency purchase at the next regular scheduled city council meeting and provide full details as to the purchase and the circumstances under which the purchase was made.

(Ord. No. 00-30, § 3, 7-25-2000)

Sec. 2-1148. - Joint purchase agreements.

The city may enter into joint purchasing agreements for the purchase of supplies, personal property and services with other governmental units, as provided by statute, when authorized by the city council, without individually undertaking the competitive bidding requirement set forth within this article, provided that the mechanism for the intergovernmental purchase provides for an equal or better opportunity for providers of goods and services to competitively bid for the furnishing of such goods or services to the governmental bodies.

(Ord. No. 00-30, § 3, 7-25-2000)

Secs. 2-1149—2-1160. - Reserved.

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CITY OF ROLLING MEADOWS

PURCHASING MANUAL

OBJECTIVE

The objective of this purchasing manual is to set forth a general policy and procedure, which will assist the City in Purchasing:

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

These policies and procedures are meant to serve as guidelines and may not govern every purchasing situation that may arise. When purchases of an emergency nature are necessary, they should be made in accordance with the objectives outlined above.

GENERAL POLICY

1. All purchases to be paid from the City funds are to be made through the individual departments.
2. All purchasing shall be made, if possible, on competitive bids or quotations in order to secure at the lowest total cost the highest quality commodity, material, equipment or service.
3. The department purchasing the items shall furnish tabulations of all competitive bids received for purchases of \$10,000.00 or more, along with a recommendation and explanation of major exceptions on a Council Action Summary to the City Manager. Following review, the information is forwarded to the Mayor and City Council.
4. All things being equal, the City will give all possible consideration to local business establishments, providing they are competitive in their bidding, quotations and/or services.
5. Waivers can be given due to the discretion the Council is given in determining who are “the lowest responsible bidders.” The term “responsible” has been interpreted by the State Courts to relate not only to the financial responsibility of the bidder, but also to the bidders ability to perform in accordance with the contract’s requirement and specified time limits, past records of transactions, experience, and adequacy of equipment.

CODE OF ETHICS:

All City employees making purchases for the City are expected to conform to a standard Code of Ethics as specified herein.

Employees are expected to avoid activities that would compromise or give the perception of compromising the best interests of the City. They are expected to actively promote the concept of competition and obtain the maximum benefit for funds spent as agents for the City.

Employees must at all times avoid the appearance of unethical or compromising practices in relationships, actions and communications including but not limited to:

- Any private or professional activity that would create a conflict between the employee's personal interests and the interests of the City.
- Engaging in personal business with a company that is a supplier to the City.
- Business relationships with personal friends.
- Soliciting or accepting money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from present or potential suppliers (see separate Gift Ordinance) which might influence or appear to influence purchasing decisions.
- Soliciting gratuities in any form for you or the City.
- Items of nominal value offered by suppliers for public relations purposes are acceptable (\$25.00 or under) providing they cannot be perceived by the offeror, receiver or others as posing an ethical breach or violation of the City Gift Ordinance.
- Gifts offered exceeding \$25.00 shall be returned with an explanation or, if perishable, either returned or donated to a charity in the name of the City.
- In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal or in compliance with the City's Gift Ordinance, that it will not influence your buying decisions and that it will not be perceived by your peers and others as unethical.
- There are times when during the course of business it may be appropriate to conduct business during meals. In such instances the meal should be for a specific business purpose. Frequent meals with the same supplier should be avoided.

PETTY CASH FUND (including the use of the City Credit Card)

A Petty Cash Fund, including the use of a limited number of City of Rolling Meadows credit cards, has been established to expedite miscellaneous small purchases and paying small bills. All departments can use the fund for facilitating transactions of City business.

PETTY CASH ACCOUNTS

| | | | |
|--|------------------------|------------------|--------------------|
| Building & Zoning Department | Cash Box | \$ 25.00 | |
| | Petty Cash (Cash) | <u>\$ 125.00</u> | |
| | TOTAL | | \$ 150.00 |
| Finance Department | Check Book | \$ 600.00 | |
| | Petty Cash (Vault) | <u>\$ 400.00</u> | |
| | TOTAL | | \$ 1,000.00 |
| | Cashier Bag & Register | \$ 200.00 | |
| | Cash Box (Vault) | <u>\$ 150.00</u> | |
| | TOTAL | | \$ 350.00 |
| Fire Department | Cash | | \$ 200.00 |
| Police Department | Miscellaneous Cash | \$ 500.00 | |
| | Training Cash | <u>\$ 250.00</u> | |
| | TOTAL | | \$ 750.00 |
| Public Works | Check Book | \$ 300.00 | |
| | Cash | <u>\$ 200.00</u> | |
| | TOTAL | | \$ 500.00 |
| PETTY CASH TOTAL FOR ALL CITY OPERATING DEPARTMENTS | | | \$ 2,950.00 |
| Library | Check Book | \$7,500.00 | |
| | Cash | <u>\$ 250.00</u> | |
| | TOTAL | | \$ 7,750.00 |
| TOTAL PETTY CASH | | | \$10,700.00 |

This fund is not to be used to avoid or circumvent the purchasing procedures of the City.

- A. The purchase of items which are not ordinarily inventoried by the City.
- B. NOTE: This fund is not to be used for travel expenses with the exception of minor amounts for tolls, parking, mileage, and lunches. Travel expenses calculated on a monthly basis will be paid through Accounts Payable.

Petty Cash requests must be accompanied by a receipt, which includes the amount, an account number, a description, and the received by/approved, by signatures.

For Departments who have check books, it is recommended that all petty cash reimbursements will be conducted as follows:

\$30.00 and less Cash
\$30.00 and above Check

Department's are responsible for:

- 1) reviewing purchases,
- 2) authorizations,
- 3) reconciliation of their petty cash (on reconciliation forms state check numbers if utilizing checks),
- 4) replenishment, and
- 5) submitting support to the Finance Department for the above.

The Finance Department reviews, audits and authorizes replenishment of petty cash.

TRAVEL ADVANCE & EXPENSE PROCEDURES

It is the intent of the City to provide adequate advance payments and subsequent reimbursement for all travel necessitated in the course of City business. The "Travel & Expense Request Form" has been designed for that purpose. It is a two-sided form consisting of a travel and expense request on one side and an actual expense report on the other side. Please follow the travel guidelines listed below.

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 the City Manager or Finance Director determines that an emergency condition exists, the traveler will be expected to comply to the best of their ability will all reporting aspects set forth in these guidelines.

Travel Guidelines

- Plan your trip in advance to take advantage of government discounts and lower air fares and to minimize the higher prices generally charged by late registrations.
- If more than one employee is attending, group travel and accommodations should be evaluated.
- Travel with a spouse is permissible, but the City will not pay for any costs or increases in costs because of your spouse.
- Notify your department head immediately if your plans change so that cancellation costs can be minimized by sending someone else or by canceling your attendance early.

MEALS:

All meal and miscellaneous costs will be paid based on the following Per Diem basis:

\$ 6.00 Breakfast
\$ 8.00 Lunch
\$12.00 Dinner
\$ 4.00 Misc., phone, tips laundry, etc.
\$30.00 TOTAL

If the cost of meals is included in the registration fees, that cost should be subtracted at either the actual or per diem rate for that meal. Alcoholic beverages consumed as part of meals or outside of meals will not be eligible for reimbursement.

MILEAGE REIMBURSEMENT:

Rental Autos – rental rate charged plus insurance, tolls, parking, and fuel.

Lease vehicles – Persons traveling on City business, using leased vehicles, are expected to use economy, compact, or sub-compact models, unless space requirements or unavailability of these types of models prohibit compliance.

City Vehicle – a City car will be made available whenever possible. Vehicle should be fully fueled before leaving for a school/seminar and on return. Any additional fuel expenses or repairs will be paid in advance by reimbursement, depending on the circumstances.

Private Vehicle – if a City car is not available, the employee may be required to use his private vehicle and be reimbursed at the standard rate of \$.325 per mile (or as approved by the IRS).

Mileage will be counted from your regular work location or from home, whichever is shorter.

If the employee chooses to use his own private vehicle when a City car is available, he waives the right to the standard rate of \$.325 per mile (or as approved by the IRS). The employee will be reimbursed for “actual” fuel costs.

An estimate of cost for fuel will be included in the Travel Advance. Receipts should be kept to substantiate expenses claimed. In lieu of receipts, the employee will be reimbursed by an “average” rate of \$.13 per mile.

EXAMPLE

\$1.30 per gallon cost for fuel and vehicle gets 10 miles per gallon

For trips beyond 250 miles for one way travel, expenses for use of private vehicles shall not exceed the amount that would have otherwise been paid by the City for coach airfare plus hotel expenses. If this method of reimbursement is selected, no allowance shall be paid for bridge toll charges and other car expenses.

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

The cost of lodging, meals and other expenses enroute, that would have not been otherwise incurred if public transportation had been used, will not be reimbursed.

MISCELLANEOUS:

All items or expenses which do not fit in to the specified expense categories on the Travel Expense form will be entered in the Miscellaneous category on the form, with an explanation.

Reimbursement for reasonable laundry expenses will be allowed where personnel or officials are sent to distant points of training, where such service is necessary to permit the employee or official to properly conduct business on behalf of the City.

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.

Complete the Travel and Expense Request in detail as early as possible. Cash advances should be requested at least three (3) weeks prior to departure. There is place on this form to request advance checks to be issued for registration, transportation or lodging. Please fill in the appropriate name that the check should be issued to. Submit the completed travel request to your department head for approval. They will forward it to the Finance Director. After approval by the City Manager, the form will be returned to you.

During your trip, complete the Actual Expense Report and accumulate receipts to support your expense entries. Upon your return, make your final entries, attach your receipts and submit the form to your department head for approval. They will forward it to the Finance Department for final processing.

PURCHASING FUNCTION

It shall be the respective department's duty to:

- A. Act to procure for the City all supplies and contractual services at the lowest total cost consistent with quality services delivery price.
- B. Endeavor to obtain as full and open competition as possible on all purchases and sales.
- C. Prescribe and maintain such forms and records as shall be found necessary to maintain purchasing procedures.
- D. Cause to be prepared or prepare as necessary written specifications detailing the City's requirement on items to be purchased.
- E. Maintain a bidders list or a suppliers list.
- F. Keep purchasing records open for public inspection through the respective Departments. A Freedom Of Information (FOI) request may be necessary. All FOI's are filed with City Clerks Office.
- G. Never allow a revision in a bid after the closing time.
- H. Keep himself and members of his department free from obligation to any vendor.

It shall be unlawful for any City employee to order the purchase of any supplies or make any contract other than through the respective Department with proper approval; any purchase order or contract made in a manner not in conformance with City policies shall not be approved and the City shall not be bound.

PURCHASE AGREEMENTS

A purchase agreement is a form of contract made whereby the vendor obligates himself to supply all of the requirements of the City for a given commodity or service for a given period of time.

PURCHASING PROCEDURES

A. A purchase order must be processed in order to encumber dollar amounts or if a vendor requires one before shipping their product. "Open Purchase Orders" and "Direct Invoices" are entered from the invoice after receipt of items ordered.

B. All purchase orders must be approved by the Department Head.

C. All Purchase Orders will require approvals as follows:

1. \$1 - \$250 Department Head [or designee by
Department Head (e.g. Supervisor)]
 2. \$251-\$500 Department Supervisor & Department
Head
 3. \$501-\$1,000 Department Head & Finance
Administration
 4. \$1,000-\$9,999 Department Head, Finance
Administration & Finance Director
- MUST BE COMPETITIVELY BID PER STATE STATUTE**
5. \$10,000 & above..... Department Head, Finance
Administration, Finance Director &
City Manager

G. Purchase Order Distribution: original purchase orders sent to vendor. The department may keep copies.

H. Upon receipt of the purchased goods, the receiving/packing slip must be forwarded to the person responsible for processing the department's invoices.

I. Invoices will be mailed directly to the department making the purchase. The invoice is then entered into the computerized accounts payable system.

The purchasing function of the City of Rolling Meadows is decentralized. The department making the purchase is responsible for assuring that purchasing is done in conformity with existing policies and procedures. The City procedures allow department heads to procure items within set limits.

Purchasing should be done with two objectives in mind:

1. Have sufficient quantities on hand to facilitate timely completion of work.
2. Procure at the lowest possible cost for the quality/quantity needed.

In addition, the objectives must be accomplished with the utmost measure of fairness and integrity. The City has published a Code of Ethics (page 3 of this Manual) for purchasing that is

an integral part of the overall purchasing process.

Purchasing Guidelines:

Purchases Under \$1,000 - Subject to the review of the department head. Requests for competitive price quotes should be procured, when possible. Once approved by Department, it is forwarded to Finance for additional approval.

Purchases \$1,000 to \$9,999 - Three competitive price quotes must be received. Quotations should be in writing on the vendor's letterhead. Once approved by Department, it is forwarded to Finance for additional approval.

Purchases over \$10,000 - Must be competitively bid and approved by the City Council. (The joint purchase of vehicles, equipment and services through a public bid program pursuant to the "Governmental Joint Purchasing Act" 30 ILCS 525 and "Intergovernmental Cooperation Act" 5 ILCS 220 will be considered an acceptable alternative to the competitive bid process). Once approved by Department, it is forwarded to Finance for additional approval. Items other than "Professional Services" need additional approval of the City Manager.

COUNCIL ACTION SUMMARY STANDARDS

The Council Action Summary format is to be used for items that will be presented to the City Council at their regular meetings, i.e. the 2nd and 4th Tuesday of each month.

Council Action Summary – (date of City Council meeting)

Agenda Location: (Where does this item appear on the agenda, i.e. Public Hearing, Pending Business, Consent Agenda, New Business?; if you have a question, call the City Clerk).

Helpful Hints:

[Ordinance: 1st reading goes to the Consent Agenda, 2nd reading goes to the Pending Business, and if the first reading is going to be waived the item would go into New Business.]

[Resolution: Will go into New Business.]

[Special Presentations: Special presentations by organizations, or awards given would go into the area of "Motion to Deviate" and would require a short bio on the item.]

Topic: (How does this matter appear on the agenda, e.g. *Resolution – Authorizing the execution of a contract; e.g. Ordinance – Amending the Zoning section of the City Code*; use the title that will appear on the legislation if known).

Attachments: (List out each of attachments to the report, using a bullet point to signify each item).

Background: (Summarize in the first paragraph what Council is being asked to do; what will the passage of the legislation achieve, e.g. *The adoption of this resolution would have the effect of approving the FY ___ Budget*; provide sufficient information to allow the City Council to make a sound decision; if there is a process that has been followed, briefly describe it; maps and drawings are good; try to keep the background summary to 1-2 pages; if additional background information is required provide attachments).

Previous Council Action:

Example: 00/00/00: (Summarize in a sentence what the City Council may have previously done on the specific item, e.g. *03/17/00: Council gave first reading to the ordinance*; if there has been no Council action, type in **Previous Council Action:** Not

applicable; provide separate line for each individual previous Council action).

Recommendation: (In the first paragraph summarize your recommended action, e.g. *Adopt the ordinance as presented*; in subsequent paragraphs provide reasoning for your recommendation, e.g. *The proposed rezoning is consistent with future use provisions of the Master Plan*).

FORMAL BIDDING (including Capital Projects)

The using department is responsible for the preparation of technical specifications, standards of quality and standards of performance. Goods and professional services in excess of \$10,000 shall be formally bid, unless a bid waiver is obtained from City Council. An example for a bid waiver would be where there is only one vendor/company who can supply the particular goods/services the City is interested in obtaining.

In order to purchase services, supplies or goods in excess of \$10,000.00, approval must be obtained from City Council. This must be presented on "A Council Action Request" and submitted to the City Manager the week prior to the Council Meeting. [Note: this process is not used for engineering services, which are selected based upon qualifications. In addition, for processes requiring additional subsidies or financial assistance, before a bid is sent out, it must receive authorization/approval to formally bid from the City Council].

During the budget process, Department Heads shall provide a description of materials needed and/or a detailed explanation of the services to be provided and estimates of their requirements in supplies, materials and contractual services, subject to the review of City Council. Before a department solicits bids, contact must be made with the City Clerk at least twenty days in advance. Once contacted, the City Clerk or Deputy Clerk will place an "Invitation to Bid" legal notice in a local newspaper or trade paper. This shall be published once at least ten working days (excluding Sundays and legal holidays) prior to the bid opening date.

The Departments and City Clerk or Deputy City Clerk shall solicit sealed bids from all responsible prospective suppliers who have requested their names be placed on the bid list, which the purchasing agent shall maintain, by sending them a copy of the Invitation to Bid Notice.

Following arrangements, for public opening of bids, made by Department Heads, all bids shall be submitted on bid forms supplied by the City. Care should be exercised by the bidder that all amounts on the bid form are correct. In case of difference between unit price and extensions, the City will accept whichever is to its greatest advantage.

All sealed bids shall be publicly opened by the City Clerk or Deputy City Clerk or designated representative of the City, at the time stated in the legal notice.

The following factors shall be considered in the making of recommendations to select the lowest responsible bidder:

1. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
2. Whether the bidder can perform the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgement, experience and efficiency of the bidder.
4. The quality of performance of prior contracts or services.
5. Compliance by the bidder with laws and ordinances relating to the contract or service, past and present.

6. The sufficiency of financial resources and the ability of the bidder to perform the contract or provide the service.
7. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
8. The number and scope of deviations, if any, attached to the bid.
9. The bidder's record and experience in providing the elements, desired supplies, size and type, required in the bid specifications.
10. The lowest bids received, including discounts for cash payments.
11. The bidder's record as to the percentage of work sublet on previous contracts.

WHAT SHOULD BE INCLUDED IN ALL BIDS AND BID PROCEDURES

1) Taxes

The City is exempt from Local and State of Illinois Sales Tax and from Federal Excise Tax and these must not be included in the bid or invoice price. Our 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.

2) Delivery Date

All bids shall state 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

3) Shipping Point

All bid prices shall be Free-On-Board (F.O.B.) 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.

4) Samples

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.

5) Deposits (e.g. Bid Bonds)

A bid bond, bid and surety bond, cash or a 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 contract, but also to

save, indemnify, and keep harmless the City against all loss, damages, claims, liabilities, judgements, costs, and expenses, which may in anywise 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.

6) Submitting Bids

All bids must be sealed and marked as indicated in "Instructions to Bidders" and must be delivered personally or mailed in time to be received by the City the time stated in the bid forms.

Bids received after the designated time will not be opened, but are kept with the other opened bids for that bid/project.

All bids must be completely filled out, including those pages requiring notarization.

7) Opening Bids

Formal bids shall be opened publicly on the date and immediately following time shown in the notice. The City Clerk, Deputy City Clerk 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.

8) Tabulation and Award

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. After review, the information will be forwarded to the Mayor and City Council for consideration of awarding a formal contract on a "Council Action Summary".

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 actual 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. The successful bidder must supply required insurance forms and contract performance bonds before work can proceed.

9) RE-BID PROCEDURE

In instances when conducting a County led bid and only one bid has been received, a Council Action Summary will be prepared for Council requesting the opportunity to re-bid and rejecting the current bid. The original bid shall be returned (once opened) to the vendor with an explanation of the County's policy, 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 (i.e. cost prohibitive, not the right materials, etc.) to the City of Rolling Meadows, a Council Action Summary will be prepared for Council rejecting the bids and requesting the opportunity to re-bid.

Contracts/Purchases Not Requiring Competitive Bids

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 educational 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 supplies or services other than professional or artistic services, not exceeding \$10,000 and any procurement of construction not exceeding \$30,000 may be made without sealed bidding. Procurements shall not be artificially divided so as to constitute a small purchase....

In addition, per Article 7, Section 10 of the Constitution of the State of Illinois, Chapter 5 of the Illinois Compiled Statutes 1998 Act 220 "Intergovernmental Cooperation Act", and Chapter 30 of the Illinois Compiled Statutes 1998 Act 525 "Governmental Joint Purchasing Act", the City may participate and utilize intergovernmental and joint purchase contracts, agreements, and services when deemed, by the City Manager, in the best interest of the City. A resolution or ordinance is needed authorizing the purchase, participation, or utilization.

Sole Source Procurement

The City must procure all material, equipment, supplies and professional skills via competitive means whenever practicable. However, the City Manager may authorize a waiver of the competitive bid process and allow sole source procurement of purchasing under \$10,000 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 Mayor and City Council will judge the reasonability of sole source procurement of purchases over \$10,000.

Approval of all sole source procurements will be based on the requestor's investigation, evaluation and documentation of alternate 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 alternate sources 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 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.

While sole source justifications are subject to public review, sole source justified purchases

must be publicly posted for ten calendar days. During this time other suppliers will have the opportunity to review the justification and protest the purchase if they feel the justification is not adequate or based on valid grounds. Therefore, the justification must contain clear, in-depth and accurate information in order to avoid protests and the possibility of delaying the procurement.

To submit a request for approval of sole source procurement, for items under \$10,000 the request is to be given to the City Manager in a memorandum.

On purchases of \$10,000 or more a Council Action Summary should be forwarded to the City Manager to be included in the agenda of the next City Council Meeting for approval by the Mayor and City Council.

INFORMAL BUYING

EMERGENCY PURCHASES

In the course of City operations, it will be necessary from time to time for employees to make purchases on an emergency basis. An emergency purchase shall be considered to be warranted when the purchase of supplies, equipment or service is necessary, without strict adherence to the Purchase Order Procedure, to maintain continuation of vital City services.

For most emergency purchases a voucher for payment may be submitted, provided the material, supplies or services have been received, the invoice is in hand, and the total amount of the purchase does not exceed \$500.00. Check requests require the signatures of the head of the department.

FOLLOW-UP AND TRACING OF ORDERS/EXPEDITING

The respective departments will maintain a record of all orders placed and will, whenever practical and feasible, follow or trace each outstanding order.

The respective departments will alert Accounts Payable of any unusual circumstances or delays connected with any purchase that contains a specific delivery requirement.

ITEM STANDARDIZATION

Successful purchasing depends first on the standardization of items to be bought. The diverse functions of a local government require many items of material and supply. If each department is then permitted to order items according to personal preference for brand or color or shape, the variety is overwhelming. Lack of standardization causes many small purchases; it complicates storekeeping; it is time consuming in many ways; it makes it difficult to judge performance of products as a guide to future buying; and increases direct costs. Costs are increased by the inability to take advantage of quantity prices, by the tendency to buy deluxe items when there are no strict standards, and by the very cost of processing many purchase orders.

INVOICES AND VOUCHERS FOR PAYMENT

All invoices and vouchers for payment must be computer generated. To enter a purchase order, an invoice, or a voucher for payment see attached forms, screens, and instructions.

Helpful Hints

- 1) **Seminars and Hotel reservations should be purchase orders and should have a copy of the registration attached.****

** Be sure to attach a copy of the seminar registration form or other pertinent information for seminar, airline or hotel registration and/or reservation.

- 2) **Item(s) should appear before the item number.**
Example: Pens-PA83301-Blue
- 3) **A bill or invoice must be attached for vouchers for payment.**
For reservations, seminar registrations, etc. the registration form must be attached.
- 4) **If your account shows “over budget” on a purchase order, the Finance Director must be informed.** The Department Head must submit an “Over Budget Form” to the Finance Department. In addition, if transferring money, a “Budget Transfer Form” must be completed.

DISPOSING OF SURPLUS PROPERTY

Before disposing of equipment, furniture or any other item that is listed as a City fixed asset, a list must be furnished to the Finance Director and received by the City Manager. These items are to be brought to the attention of the Finance Director and a decision will be made as to

whether the item is suitable for auction. The Asset Tag will be taken off the item by the respective departments and sent to the Finance Director. Disposition of said items are to be made according to the direction of the City Council.

Annually, a list of items will be referred to the Mayor and City Council for their consideration and a decision made whether to auction off the equipment or otherwise dispose of it, with a resolution being passed by the Council.

Annually, the City will auction those items listed in a City Council Resolution, along with other unclaimed items held by the Police Department and Finance Department.

In the event of surplus vehicles, they can be part of the City auction or local municipal auction. The City will furnish to the successful bidder a certificate of title for purchase of the vehicle. All sales shall be without guarantee, as-is condition, and final. Sale items are to be removed from the premises of the City within three days after 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.

TEN GUIDELINES TO MUNICIPAL CONTRACTS

Even the smallest of Illinois municipalities enters into scores of contracts each year and many municipalities with a population in excess of several thousand enter into a hundred or more contracts a year. The following article sets out ten guidelines which Illinois municipal officials and attorneys should recognize when entering into contracts.

1. RIGHT TO CONTRACT

Chapter 24, Section 2-1-12 of the Illinois Revised Statutes permits non-home rule municipalities to enter into contracts. However, this general provision permitting governmental entities to contract does not cloak these entities with authority to contract

regarding specific matters. *City of Marquette Heights v. Vrell*, 22 Ill. App. 2d 254 (1954). If a purported contract with a local governmental body is either prohibited by law or beyond the scope of the municipality's authority that contract is void although a court may permit a party partial recovery based upon the benefits received by the municipality. *Stahelen v. Board of Education*, 87 Ill. App. 2d 28 (1967).

Home rule units of government have a broader array of contractual powers than non-home rule units. However, even these contractual powers of home rule units are circumscribed by the limits of Article VII, Section 6 of the Illinois Constitution of 1970 and cases interpreting those provisions.

2. ILLINOIS MUNICIPALITIES ARE ONLY REQUIRED TO ENGAGE IN COMPETITIVE BIDDING WHERE THAT REQUIREMENT IS CONTAINED WITHIN THE STATE STATUTES OR WITHIN ITS OWN REGULATIONS

The purposes behind requiring governmental units to engage in competitive bidding are to invite competition, to guard against favoritism, improvidence, extravagance, fraud and corruption, and to secure the best work or supplies at the lowest price practicable. *Smith v. FWD Corporation*, 106 Ill. App. 3d 429 (1983). Municipalities are not required in every instance to implement a system of competitive bidding. Where there is no statutory or ordinance requirements, competitive bidding need not be employed. *People ex. tel Adamowski V. Daley*, 22 Ill. App. 2d 87 (1959).

3. A MUNICIPALITY HAS BROAD DISCRETION IN CHOOSING THE LOWEST RESPONSIBLE BIDDER

Municipal officials may use discretion in choosing the "lowest responsible bidder." Essentially, the term "lowest responsible bidder" contemplates that the bidder will satisfactorily complete the contract. *Hallet v. City of Elgin*, 254 Ill. 343 (1912). A contract may be awarded to one who is not lowest bidder where there is a sound or reasonable basis for the award. *Cardinal Glass Company v. Board of Education*. 113 IL App. 3d 442 (1983).

4. A MUNICIPALITY SHOULD NOT SEEK BIDS WHICH INVITE QUOTATIONS ON ONLY A single NAMED ITEM

Case law in Illinois prohibits a municipality from specifying a particular article in the bidding form. *City of Rossville v. Smith*, 256 Ill. 302 (1912). Bid specifications are not invalid merely because they tend to favor one manufacturer over another, but may become improper when drawn so as to confine bids to one particular firm or item. However, it may be proper to specify a particular brand "or equal." *McQuillan, Municipal Corporation*, 3rd Ed., Vol. 10, Section 29.42 n.12.

5. A MUNICIPALITY MAY ENGAGE IN AN AFFIRMATIVE ACTION PROGRAM WHICH WILL AWARD A CONTRACT TO ONE WHO IS NOT THE LOWEST BIDDER

Affirmative action legislation creating minority set-asides in contracts permissible, *J.A. Cronson Co. v. City of Richmond*, 779 F. 2d 181 (1985). Section 132.601 of Chapter 127 of the Illinois Revised Statutes, creates affirmative action programs for both minorities and women. Various municipalities provide for affirmative action programs through local ordinance or executive order.

As a result, municipal officers may take a bidder's affirmative action program into account in determining the lowest responsible bidder. *S. N. Nielson Company v. Public Building Commission*, 81 Ill.2d 290 (1980).

6. A MUNICIPALITY MAY AWARD A CONTRACT WHERE ONLY ONE BID HAS BEEN RECEIVED (Except if it is a State or County Project)

It is also proper to award a contract based upon the bid of only one bidder if the law governing the bidding circumstances has been followed. *McQuillan, Municipal Corporations* 3rd Ed., Vol. 10, Section 29.74.

7. A MUNICIPALITY MAY REJECT ALL BIDS

A municipality may reject all bids and re-bid the contract. *Sanitary Dist. of Chicago v. McMahan*, 110 Ill. App. 510 (1903). In instances where the lowest bidder has not conformed to bid requirements, the governmental entity may award the contract to the next lowest bidder without re-advertising for bids. *Johnson v. Sanitary Dist.*, 163 Ill. 285 (1896).

8. A BID NOT GUARANTEED FOR A DEFINITE TERM MAY BE WITHDRAWN PRIOR TO ACCEPTANCE

A bid is no more than an offer, which, until accepted, does not create a contractual relationship. *Hassett Storage Warehouse, Inc. v. Board of Election Commissioners*, 69 Ill. App. 3d 1972 (1979). Therefore, absent an ordinance or provision in the bid package, a bid may be withdrawn prior to acceptance and any bid deposits returned to the bidder. *Oscar George Electric Company v Metropolitan Fair & Exposition Authority*, 3rd Ed., Vol. 10, Section 19.67.

9. A CONTRACTOR MAY BE ABLE TO CORRECT MINOR ERRORS IN A BID AFTER SUBMISSION OR ACCEPTANCE

It is permissible, though not advisable; to allow a bidder to alter a bid after it has been submitted and/or approved. The Courts will look to whether such an alteration constitutes a "material variance" between the original and modified proposal. A "material variance" is one which gives a bidder a substantial advantage or benefit not enjoyed by any other bidder. *Leo Michuda & Sons Company v. Metropolitan Sanitary District of Greater Chicago*, 97 Ill. App 3d 340 (1981). The key to any necessity for rebidding is not whether a bid is modified or altered, but whether such amendment creates a special advantage not enjoyed by other bidders.

10. RIGHTS OF UNSUCCESSFUL BIDDERS

An unsuccessful bidder usually challenges an award of a contract through an action for injunction or declaratory relief. *Stanley Magic-Door, Inc., v. City of Chicago*, 74 Ill. App. 3d 595 (1979) although in the recent Illinois Appellate Court case of *State Mechanical Contractors, Inc. v. City of Pleasant Hill*, 132 Ill. App. 3rd 1027 (1985), an unsuccessful bidder sought compensation for lost profits it would have received had it been awarded the contract. The Illinois Appellate Court refused to extend the remedy of lost profits to unsuccessful bidders, but held that the challenging bidder might recover from the

municipality its expenses incurred in preparing and presenting the bid.

CONCLUSION

Municipal officials and attorneys should recognize that a municipality's ability to contract is subject only to limited restrictions. Many contract decisions need not be made on the basis of competitive bidding. Furthermore, Illinois Courts have been relatively restrained in their review of municipal contract decisions whenever disputes arise. With these ten guidelines to municipal contracts clearly in mind, governmental officials and attorneys should have no difficulty in achieving a municipality's contractual expectations.

CITY OF ROLLING MEADOWS FINANCE DEPARTMENT

OVER BUDGET FORM

TO: Finance Director

FROM: _____

RE: Budget FY _____

DATE: _____

This is to verify the expenditure for funds in Account _____
in the Division of _____ in the amount of
\$_____.

Explanation: _____

_____.

*** Reminder: A "Budget Transfer Form" must be completed and submitted to the Finance Department.**

Department Head Authorization/Signature: _____

**CITY OF ROLLING MEADOWS
TRAVEL AND EXPENSE REQUEST**

Fill out this form and submit to the Finance Department for funding approval. The sheet will be returned to your department after approval by the City Manager. See second side for instructions upon your return.

Employee Name(s): _____ Dept.: _____

Seminar/Meeting : _____ Destination: _____

Dates: Departure: _____ Return: _____ Number of Days: _____

ESTIMATED EXPENSE

| | <u>Acct. #</u> | <u>Advance Required</u> | <u>Total Expense</u> |
|------------------|----------------|-----------------------------|--------------------------|
| * REGISTRATION | _____ | | \$ _____ |
| TRANSPORTATION | _____ | | |
| Specify: (Type:) | _____ | \$ _____ | \$ _____ |
| | _____ | | |
| LODGING | _____ | \$ _____ | \$ _____ |
| | _____ | | |
| MEALS | _____ | \$ _____ | \$ _____ |
| | _____ | | |
| MISCELLANEOUS | _____ | | |
| Specify: | _____ | \$ _____ | \$ _____ |
| | _____ | | |

Cash Advance to Employee : _____ \$ _____ \$ _____

Advance Payment/Deposit to be paid to (Vendor):

*For Registration: _____ P.O.# _____

APPROVAL:

Department Head: _____ Date: _____

Finance Director: _____ Date: _____

City Manager: _____ Date: _____

**CITY OF ROLLING MEADOWS
ACTUAL EXPENSE REPORT**

During your trip, complete this form and attach receipts. After your trip, submit this report to the Finance Director within (5) five calendar days of your return.

| Day | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Total |
|-----------------------|--------|--------|---------|-----------|----------|--------|----------|-------|
| Registration | | | | | | | | |
| Transportation | | | | | | | | |
| Lodging | | | | | | | | |

| Meals | Per Diem | Yes _____ | No _____ | | | | | |
|-----------|----------|-----------|----------|--|--|--|--|--|
| Breakfast | | | | | | | | |
| Lunch | | | | | | | | |
| Dinner | | | | | | | | |

Misc. Specify: (i.e. fax, copier, phone)

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| | | | | | | | | |
|----------------------|--|--|--|--|--|--|--|--|
| Daily Totals: | | | | | | | | |
|----------------------|--|--|--|--|--|--|--|--|

Amount Due City of Rolling Meadows: \$ _____
 - or -
 Amount Due Employee: \$ _____

| MILEAGE LOG | | | |
|-------------|-----------|--------|-------|
| DATE | Beginning | Ending | Total |
| | | | |
| | | | |
| | | | |

I certify the foregoing expenses were incurred in the conduct of City business.

Signature: _____ Date: _____
 Department Head: _____ Date: _____
 Finance Director: _____ Date: _____
 City Manager: _____ Date: _____

| | |
|---------------------------------------|-----------|
| (To be filled out by Finance Dept.) | |
| Grand Total of Expenses: | \$ _____ |
| Less: Amount prepaid (Check#(s) _____ | -\$ _____ |
| | -\$ _____ |
| | -\$ _____ |