



RESOLUTION NO. 816

**A RESOLUTION UPDATING
PURCHASING AND CONTRACT POLICIES
FOR THE
VILLAGE OF GRAYSLAKE, ILLINOIS**

WHEREAS, the Village of Grayslake has determined that it is in the best interest of the Village to establish specified policies regarding purchasing; and

WHEREAS, the Village has established an extensive privatization program to maintain and improve the level of municipal services that it provides; and

WHEREAS, the Village has elected to call upon private firms, companies, contractors, and other entities who are able to complete projects and provide personnel, equipment, and other professional services to the Village; and

WHEREAS, in order to utilize the services of these firms, companies, contractors, and other entities, the Village must enter into many contracts, work orders, change orders, and other agreements with these firms, companies, contractors, and other entities providing certain services, and;

WHEREAS, the Village has determined that to ensure proper control and oversight in these matters it is in the best interest of the Village to establish certain procedures regarding purchasing and the execution of contracts, work orders, change orders, and other agreements.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF GRAYSLAKE, LAKE COUNTY, ILLINOIS, as follows:

Section 1. Village staff are hereby authorized to purchase goods and contract for services consistent with the policies established below:

A. **Competitive Bids.** Any labor, lease goods, or services to be purchased, when the cost will exceed \$20,000, shall be purchased by a contract or agreement, bid by the Village individually or in conjunction with other municipal agency or agencies under the Illinois Intergovernmental Cooperation Act, awarded to the lowest, responsible, and responsive bidder after advertising for a competitive bid or proposal process, except that any such contract or agreement may be entered into by the Village Manager, or an authorized designee, without advertising for a competitive bid or proposal process, if authorized by a vote of two-thirds of all the Village Trustees.

B. **Exceptions to Competitive Bid Requirements.** Contracts which by their nature are not adaptable to award by competitive bidding or proposals are exempt, such as:

1. Contracts pertaining to architectural, engineering, and surveying services for which a pre-existing relationship with a company or individual already exists; and
2. Contracts for services that do not relate to public improvements or public works infrastructure improvements including, but not limited to, auditing, accounting, banking, legal services, information technology, and insurance broker services for which a pre-existing relationship with a company or individual already exists. Request for proposals for such services will be sought on a periodic basis; and
3. Contracts for services, training, and educational material where the ability or fitness of the trainer and/or the quality of the materials plays an important part; and
4. Contracts for utility services, where no reasonable competitive alternatives are available, including, but not limited to, water, sewer, local telephone, natural gas and electric services; and
5. Contracts with the Federal Government or any agency thereof or purchases under the State of Illinois Joint Purchasing Act; and
6. Contracts entered into in the event of an emergency. When an emergency occurs, a contract or agreement may be let or a purchase made, to the extent necessary to resolve such emergency, without competitive bids. Prior to making any purchase or entering into any contract hereunder, the Village Manager, or an authorized designee, shall obtain the concurrence of the Mayor or Senior Trustee, or in their absence, at least two other Trustees, that an emergency exists. The Village Manager, or an authorized designee, shall file a description of such expenditures, including amounts, in writing, electronic or otherwise, with the Village Board and shall provide appropriate details related to the emergency (date, time, nature of emergency, estimated cost, etc.).

C. Procedure for Competitive Bids or Proposals. The following procedures shall be used in the competitive bid or proposal process, hereinafter referred to as "bids":

1. Publication. All proposals to award agreements, purchase order, or contracts through a competitive bid process shall be published once at least 10 days in advance of the date announced for the receiving of bids, in a newspaper of general circulation in the Village's jurisdiction.
2. Advertisement for Bids. Advertisement for bids shall describe the character of the proposed contract, purchase, or improvement in sufficient detail to enable the bidders thereon to know what their obligation will be, either in the advertisement itself, or by reference, to detailed plans and specifications on file in the office of the Village Manager at the time of publication of the announcement. The advertisement shall also state the

date, time, and place assigned for the opening of bids, and that no bids will be accepted subsequent to the time indicated in the announcement.

3. Deposit on Bids. A cashier's check, a certified check, or a bid bond may be required of each bidder as an expression of good faith, in a reasonable amount, but not to exceed 10% of the contract or purchase amount if specified in the bid specifications.
4. Opening of Sealed Bids. All sealed bids shall be publicly opened and read by the Village Manager or Village Manager's authorized representative.
5. Bid Award. The award of any contract or agreement shall be in accordance with Village applicable resolutions and ordinances. Nothing under this policy shall preclude the rejection of all bids that may be received pursuant to a bidding process.

D. Contracts or Purchases Not Exceeding Specified Sums. Purchases of \$20,000 or less shall be made consistent with the following policies:

1. Purchases between \$5,000 and \$20,000 shall be approved by the Village Manager or an authorized designee. Competitive bidding or competitive price comparison is required unless waived by the Village Manager, or an authorized designee. The reason for any such waiver shall be noted on the purchase documents if directed by the Village Manager or an authorized designee. Competitive price comparison shall mean receiving and documenting pricing information on specified goods or services from multiple potential vendors. Price information from one vendor shall not be shared with other vendors prior to purchase, unless otherwise required by law. Purchases shall be made from the responsible vendor who best meets the Village's needs. Reasons for selecting a vendor other than the vendor with the lowest cost shall be documented with the purchasing documents.
2. Purchases below \$5,000 shall be approved by supervisory personnel. Supervisory personnel may authorize employees under their supervision to make purchases on behalf of the Department, but remain directly responsible for adhering to all purchasing and contract policies.

E. Supervisory Personnel. Supervisory personnel shall mean the Deputy Village Manager, Assistant Village Manager, Director of Public Works, Assistant to the Director of Public Works, Chief of Police, Director of Finance, and any other personnel designated by the Village Manager.

F. Purchasing Regulations. Any non-supervisory department personnel who request the purchase of items in excess of \$1,000 must obtain approval from the applicable Department Head and, if applicable, the Village Manager, or an authorized designee, prior to purchasing or making any commitment, agreement, or order for any goods, services, or merchandise. This applies to all expenditures in excess of \$1,000.

The Department Head is responsible for monitoring the expenditures of all line items with respect to their department budgets.

Village staff members are hereby authorized to exempt certain normal, routine, monthly operating expenses, as approved by the Village Manager, or an authorized designee, from the requirements of this Subsection F.

G. Total Cost. The sums herein authorized to be expended shall apply to the total cost relating to a single transaction or project with a vendor, irrespective of the number of contracts or separate purchase orders entered into in connection with such project or transaction. Purchases shall not be made in such a manner as to circumvent directly or indirectly the other provisions of this policy statement providing for authorization or bidding when a larger sum is to be expended.

H. Contracts Exempt from Purchasing Regulations. The provisions of this policy statement shall not apply to contracts or purchases otherwise specifically provided for by the Illinois Compiled Statutes.

I. Invalid Purchase Contracts. Any purchase or contract executed in violation of this Resolution shall be null and void as to the Village and, unless the Village later ratifies such purchase, if public funds have been expended thereon, the amount thereof may be recovered in the name of the Village.

Section 2. The Village Manager, or an authorized designee, is authorized to make purchases or execute contracts, work order, change orders, and other agreements, (hereinafter referred to as "Contracts"), in accordance with the limits established below and in accordance with the purchasing and contract policies of the Village:

- A. Contracts that are specifically authorized by the Village Board, without limitation.
- B. Contracts for routine day-to-day operating activities and capital projects or purchases specifically included in the approved fiscal year budget up to the limits provided for each activity, project, or purchase in the budget or for other routine day-to-day operating activities, maintenance activities, equipment, projects and goods not specifically included in the budget up to \$5,000 provided funds are on hand to pay for the resulting costs.
- C. Contracts for architectural, engineering, and surveying services which are included in the approved fiscal year budget up to the limits provided for each service in the budget or for other services of the same nature not specifically included in the budget up to \$4,000, provided funds are on hand to pay for the resulting costs.
- D. Contracts for design & construction engineering, when the Village Board has formally authorized bidding of a project or approved a project for commencement, up to the amounts

for engineering included in the project cost estimate which was the basis for bidding or approval of the project.

- E. Contracts for subdivision inspection services when the developer of a subdivision, as required by Village Ordinance, has deposited funds with the Village sufficient to cover the cost of the subdivision inspections.
- F. Contract change orders or series of change orders in an amount up to \$10,000 where it is determined that extra work is required outside of the original contract where (1) the circumstances necessitating the change were not within the contemplation of the original contract as and when signed or (2) the circumstances necessitating the change are in the best interest of the Village. In order to sign contract change orders or series of change orders in excess of \$10,000, the Village Manager, or an authorized designee, must seek verbal or written approval of the Mayor or a Village Trustee. A written determination and a written change order resulting from that determination shall be preserved in the contract's file which shall be open to the public for inspection.
- G. Engineering contract change orders in an amount of up to \$9,000 greater than the amount of the original contract, but only when unforeseen difficulties outside the control of the Village Engineer give rise to such increase in the engineering contract amount that was included in the construction estimate. In order to sign engineering contract change orders in excess of \$9,000 of the original contract, the Village Manager, or an authorized designee, must seek verbal or written approval of the Mayor or Village Trustee.

Section 3. This Resolution shall be in full force and effect upon its passage in accordance with law.

Passed this 2nd day of April, 2013

Approved: 

Attest:


Deputy Village Clerk

