

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/13/2022

SUBJECT:	SUBMITTED BY:
FY 2023 Budget Implementation Actions	Robin Lahey Finance Director

SYNOPSIS

Consistent with the FY23 budget, the following budget implementation actions have been prepared:

- An ordinance to increase the Water Rates per the Water Rate Study.
- An ordinance to increase the Stormwater Utility Rates per the Stormwater Plan.
- Motion to fund the Economic Development Corporation (EDC).
- Motion to fund the Downtown Management Corporation.

In addition, at year end staff reviews policies and proposes changes when necessary. This year changes that are being proposed include:

- Resolution amending the Employee Administrative Rules (Personnel Manual).
- Resolution amending the Purchasing Policy and Ordinance amending purchasing procedures.
- Resolution amending the Village's Non-Union Classification and Compensation Plan.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The water rates are proposed to increase revenues by 4.6% and are expected to generate \$16.9 million of revenue in the Water fund. The stormwater utility fee is proposed to increase from \$14.65 to \$15.93 per ERU and is expected to generate \$6.2 million of revenue in the Stormwater fund. There is no fiscal impact for the proposed policy changes.

RECOMMENDATION

Staff recommends approval on the December 20, 2022 agenda.

BACKGROUND

Water Rates

Per the approved FY23 budget, the water rates will be increased to align with the recommendations of the 2019 Water Rate Study. The 2019 Water Rate Study included a model projecting the total cost of owning, operating and maintaining the Village water system. The study recommends that water revenues should be increased in FY20 (effective July 1, 2020) and subsequent years by 4.6% per year.

The following table shows the proposed water rates that will go into effect for bills received after July 1, 2023. The bi-monthly fixed charges by water meter size are consistent with the proposed rates contained in the Water Rate Study.

Bi-Monthly Fixed Charge by Water Meter Size	2022	2023 Proposed
5/8"	\$14.95	\$16.30
1"	\$22.44	\$24.46
1 ½"	\$74.82	\$81.55
2"	\$119.69	\$130.46
3"	\$224.44	\$244.64
4"	\$374.07	\$407.74
6"	\$748.10	\$815.43
10"	\$1,795.44	\$1,957.03
Bi-Monthly Unit Fee	2022	2023 Proposed
Inside Village	\$6.57	\$6.82
Outside Village	\$7.53	\$7.81

The following table shows how the new water rates will impact typical users in 2023:

User Category	Typical Meter Size	Current Bi-Monthly Bill	Proposed 2023 Bi-monthly Bill
Typical Residential User	5/8"	\$113.50	\$118.60
Typical Commercial User	1.5"	\$731.82	\$763.55
Typical Industrial User	2"	\$1,433.69	\$1,494.46

Stormwater Rates

Per the approved FY23 budget, the stormwater rate will be increased to align with the recommendations of the 2012 Stormwater Study and the 2016 Stormwater Utility Report. The plan called for a stormwater fee that would cover the cost of future capital projects, debt service related to those projects, as well as operational and maintenance costs. The utility model represents an equitable method to collect revenue from those properties that place a demand on the system. Revenue is generated by charging all property owners a monthly stormwater fee, based on the property's impact on the stormwater system. At that time, the Village created a plan for establishing stormwater fees that would increase revenues over a 15-year period, allowing the Village to move from the current level of service to the recommended level within that time frame. The plan calls for annual increases in the stormwater utility fee of approximately 8.7% per year, which would increase the annual revenue available for stormwater management fees from its current level of \$5.2 million in 2021 to about \$10 million in 2029. This fee is expected to produce \$6.2 million in revenues in 2023.

The following table shows how the new stormwater rates will impact a single family resident, a typical commercial user, and a typical industrial user in 2023:

User Category	ERU	Current Bi-Monthly Bill	Proposed 2023 Bi-Monthly Bill
Single Family Residence (2,501-4000 s.f. of impervious area)	1	\$29.30	\$31.86
Typical Commercial User	20	\$586.00	\$637.20

Motion to Fund EDC

The adopted budget includes \$540,000 in funding for the Downers Grove Economic Development Corporation. This amount is consistent with the budget that was prepared by the EDC. Annually, this partner organization will be requesting funding from the Village to support their operations.

Motion to Fund Downtown Management

The proposed budget includes \$400,000 in funding for the Downtown Management Corporation. This amount is consistent with the budget that was prepared by Downtown Management. Annually, this partner organization will be requesting funding from the Village to support their operations.

Employee Administrative Rules (Personnel Manual)

From time to time, revisions to the Village's Personnel Manual are necessary in order to, among other things, respond to changes in State and federal laws and to mirror current personnel practices within the Village. The proposed revisions being presented for consideration include the following:

- New Section 1.1.5 Home Rule Authority - added home rule authority language to confirm that provisions in the Personnel Manual supersede State statutes if there is no preemption language in the statute.
- Section 2 General Provisions - added protected class of "work authorization status" to be compliant with State law.
- Section 2.9.2 Qualification Period - Promotional and Transfer - deleted prohibition on receiving credit for prior years of service if retired and hired in a new position.
- Section 5.4 Victims' Economic Security and Safety Act of 2003 (VESSA) - added category of "or any other crime of violence" to be compliant with State law.
- Other minor miscellaneous changes.

Purchasing Policy

Staff is proposing a change to the Village's Purchasing Policy and corresponding ordinance that reflect current practices and economic conditions. The original purchasing policy was adopted in 1993, and but for a few minor amendments, it has not been updated since that time. The proposed changes include:

- Increasing dollar limits for each level of approval as follows: Director up to \$7,000; Finance Director up to \$15,000; Village Manager up to \$50,000; and Village Council for purchases in excess of \$50,000.
- Formal competitive bidding will be required for purchases in excess of \$25,000; otherwise, verbal or written quotes will be required depending on the dollar amount.
- Additional changes reflect the change in the Village's decentralized purchasing procedures and updates to the current procedures being used, as well as the deletion of repetitive provisions from the policy.

Compensation Plan

The Village maintains a Classification and Compensation Plan for its employees that are not otherwise represented by a collective bargaining unit. The wage and salary ranges that make up this plan have been adjusted annually in recent years. The amendment would increase all ranges by 3.0% and will address external and internal comparability. This increase to the salary ranges, which has been reflected in the attached Compensation Plan, will take effect on the first full pay period of May. This action will not increase actual salaries for any employee, but provides the ability for employees to receive performance- based increases to base pay. Adjustments may be made by the Village Manager at any time during the year.

ATTACHMENTS

Water Rate Ordinance
Stormwater Rate Ordinance
Motion to Fund EDC
Motion to Fund Downtown Management
Employee Administrative Rules (Personnel Manual)
Purchasing Policy
Compensation Plan



Village of Downers Grove

Official Village Policy Approved by Village Council

Description:	Purchasing Procedures	
Res. or Ord. #:	Res. 2021-932022-	Effective Date: 12/21/2112/20/22
Category:	Financial Services	
	<input type="checkbox"/> New Council Policy	
	<input checked="" type="checkbox"/> Amends Previous Policy Dated:	<u>12/21/21; 11/7/17;</u> <u>1/20/93; 11/6/01</u>
	Description of Previous Policy (if different from above):	
	<u>Purchasing Program</u>	

RESOLUTION NO. ~~2021-2022-~~

A RESOLUTION AMENDING CERTAIN PURCHASING PROVISIONS AS OFFICIAL VILLAGE POLICY

WHEREAS, the Village Manager has previously established an Administrative Regulation regarding the purchasing program of the Village, dated January 20, 1993, and amended November 6, 2001, ~~and~~ November 7, 2017 ~~and~~ December 21, 2021; and

WHEREAS, the Village Council desires to amend the Village Council Policy regarding the purchasing procedures of the Village of Downers Grove; and

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois as follows:

1. That the Village Council Policy regarding Purchasing Procedures is hereby amended as set forth in the attached Exhibit 1,
2. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.
3. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Robert T. Barnett, Mayor

Passed:

Attest: _____

Rosa Berardi, Village Clerk

I. PURPOSE

The purpose of this directive is to provide guidance and uniform procedures for the acquisition of goods and services, and for the soliciting, processing, awarding and rejecting bids, proposals and quotations. It is created to ensure competitive and unbiased selection of qualified and cost effective vendors and suppliers. This directive is based primarily on the Purchasing Ordinance, Sections 2-47.1 through 2-47.7 of the Downers Grove Municipal Code, and applies to the purchase of all goods and services by the Village.

The Village operates a decentralized purchasing approach, recognizing that individual departments are the most qualified and knowledgeable of the specialized goods and services needed to deliver services. Each Director/Chief is responsible for the procurement of goods and services for their respective departments and will review all purchases to confirm that they are in compliance with all Village ordinances and policies, and budgetary parameters.

II. DEFINITIONS

The Purchasing Ordinance sets forth various definitions that are applicable to this directive. In addition, the following terms are defined as follows:

A. BID is a written response by a vendor to a Village-created list of specified products or services. The list is made available to interested vendors and the vendor responses are compared for price and compliance to the original list of items. (See Section V: B - Bids)

B. DIRECTOR/CHIEF shall have the same definition contained in the Village's Personnel Manual.

C. LOWEST RESPONSIBLE BIDDER. In determining the "lowest responsible bidder", in addition to price, the following should be considered:

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 their 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.

- D. PURCHASE JUSTIFICATION is a description of the purchase, including budget information, a description of the material or service sought, information regarding any bids or proposals, and the basis for the recommended vendor or product. The form of a purchase justification depends upon the dollar value of the purchase and the level of approval needed.
- E. QUOTATION or QUOTES can be either a verbal or written response by a vendor to a Village inquiry on a specific product or service. (See Section V: A - Quotations)
- F. REQUEST FOR PROPOSAL (RFP) is a Village-created outline of a specific service or need. The vendor proposes a way to meet the Village-defined service or need and outlines the cost associated with the proposal. A proposal may, in the discretion of the Village, be subject to further negotiations, modifications, and rejections until the Village accepts the proposal. (See Section V: C – Request for Proposals)
- G. SOLE SOURCE SUPPLIER refers to a vendor designated as the only provider that can meet the needs of the Village, based on the nature of the materials or services, the timing of delivery, or other factors that relate to the best interests of the Village. The value-based parameters, as outlined in Section IV: Village Purchasing Procedures, are applied to the designation of sole source supplier. The Finance Director and the Village Attorney must approve the designation as a sole source supplier for all purchases.
- H. STANDARDIZED FORMS: Standardized forms and materials for use in Village-wide purchasing, including bidding and RFP checklists, documents, as well as electronic documents that will be stored on the Village’s Intranet page.
- I. USER DEPARTMENT means the department or departments purchasing material or services and from whose budget the costs thereof will be charged.

III. SELECTION OF VENDORS

- A. PREFERENCE FOR COMPETITIVE PURCHASING. Where a competitive market exists for a particular purchase, the vendor is to be the lowest responsible bidder, selected on the basis of a competitive purchasing procedure.
- B. PREFERENCE FOR LOCAL VENDORS: When soliciting pricing for goods and services, consideration should be given to qualified vendors located within the Village, where applicable. While no price preference will be given to Village vendors, if all other selection factors are equal, the Village vendor shall be afforded preference.
- C. PREFERENCE FOR RECYCLED AND ENVIRONMENTALLY SUSTAINABLE PRODUCTS: The Village has been an active leader in promoting the use of recycled materials and environmental sustainability. To that end, purchase decisions shall be made to include recycled materials and environmental sustainability, where practical.
- D. PRODUCT SPECIFICATIONS BASED ON FUNCTION. Product designation or specification must be reasonably related to the function or purpose to be served by the item selected. Specifications shall not limit the selection to a particular brand or vendor, either expressly or by effect, or exclude the use of recycled materials, unless required to serve a particular need or objective. When a brand is used as a reference, such as compatibility, the phrase “or equivalent” will be included in the specifications.

IV. VILLAGE PURCHASING PROCEDURES

- A. GENERAL: Each Director/Chief has the primary responsibility regarding specific purchasing decisions and has the duty to maintain responsible purchasing practices within the User Department, and will institute appropriate purchase review procedures for their staff, consistent with this directive. A

Director/Chief may purchase materials and services for Village operations using one of the following procedures, as appropriate:

1. STANDARD COMPETITIVE PURCHASES (Section V)
 - a. Verbal Quotation
 - b. Written Quotation
 - c. Bid
 - d. Request for Proposals (RFP)
 - e. Extensions
2. SOLE SOURCE CONTRACT (Section VI)
3. CENTRALIZED PURCHASE (Section VII)

Table 1. APPROVAL LIMITS

<u>DOLLAR LIMITS:</u>	<u>APPROVAL LEVEL:</u>	<u>COMPETITIVE PROCESS:</u>	<u>PURCHASE JUSTIFICATION:</u>
<u>\$0 to \$7,000</u>	<u>Director/ Chief Approval</u>	<u>One (1) verbal quote for purchases \$1,000 or less; Three (3) verbal quotes for purchases in excess of \$1,000</u>	<u>Purchase Order with justification report attached if over \$1,000.</u>
<u>\$7,001 to \$15,000</u>	<u>Finance Director Approval</u>	<u>Three (3) written quotes</u>	<u>Purchase Order with justification report attached</u>
<u>\$15,001 to \$50,000</u>	<u>Manager Approval</u>	<u>Three (3) written quotes for purchases of \$25,000 or less; Bid or RFP for purchases in excess of \$25,000</u>	<u>Purchase Order with justification report attached</u>
<u>In excess of \$50,000</u>	<u>Council Approval</u>	<u>Bid or RFP</u>	<u>Manager's Memo, followed by a Purchase Order</u>

V. STANDARD COMPETITIVE PURCHASING

GENERAL: All purchases, except as otherwise directed by Village Council, will be subject to the competitive purchasing process for amounts in excess of one thousand dollars (\$1,000.00) as outlined in Table 1 in Section IV.

LEGAL REVIEW: All bids and RFPs shall be reviewed by the Legal Department prior to being issued, and all contracts and agreements must be reviewed by the Legal Department prior to signature, regardless of dollar value.

APPROVAL OF CONTRACTS: The Village Manager shall execute and sign all contracts and agreements regardless of dollar value, unless another individual's signature is required.

QUOTATIONS, BIDS AND REQUESTS FOR PROPOSALS. The appropriate solicitation of verbal quotes, written quotes, bids or proposals is based on the dollar value and the type of material or service desired. The following provides guidance on the use of these purchasing procedures.

A. QUOTATIONS

1. GENERAL: Quotes are used to purchase goods and services valued less than twenty-five thousand dollars (\$25,000.00). The purchase should be made from the lowest qualified quote, (using the standards for *lowest responsible bidder* described in *Section II: Definitions*). When the award is not given to the lowest quote, the reasons for placing the order elsewhere shall be prepared by the Director/Chief and included in the purchase justification. Once quotes have been secured and the lowest qualified vendor has been identified, subsequent purchases during the same calendar year may be ordered from the same approved vendor, if the price does not change.
2. VERBAL QUOTES: Where a verbal quote is permitted, these are to be documented by the User Department and included with the Purchase Order in the accounting system. For purchases made without a Purchase Order (under one thousand dollars (\$1,000)), verbal quotes must be summarized and attached to the vendor invoice.
3. WRITTEN QUOTES: Written quotations are to include the following:
 - i. Written quotations must be presented on a vendor's letterhead.
 - ii. Written quotations must have an effective date. Expired quotations cannot be accepted.
 - iii. Duration of the written quotation (i.e. thirty (30) days) should be specified.
 - iv. All additional charges, including delivery and set-up, should be included in the written quotation.
 - v. The written quotation needs a signature by an authorized agent of the vendor. Unsigned quotations cannot be accepted.
 - vii. A faxed or E-mailed quotation from the vendor is acceptable.

B. BIDS

1. GENERAL: Bids should be used where over twenty-five thousand dollars (\$ 25,000) of specifically identified products or services are sought.
2. PREPARATION OF SPECIFICATIONS: A User Department will prepare specifications for the desired purchase using the standardized forms. For purchases where the Village will receive Federal or State grant funds, then the specifications shall also include the following: a clear and accurate description of the technical requirements for the material, product, or service to be procured, or when impractical to do so, a "brand name or equivalent" description may be used as a means to define the requirements of the procurement; all requirements which the offerors must fulfill; all factors to be used in evaluating bids.
3. ADVERTISEMENT: Solicitation for bids will be advertised on the Village website, or other online forum as determined appropriate. Except for emergency matters, this advertisement will occur not less than ten (10) days prior to bid opening. Solicitations may also be faxed, mailed or e-mailed to prospective bidders.

4. PROCESSING: The User Department will coordinate the pre-bid processing including any pre-bid conference, modifications to the specifications and bid openings.
5. REVIEW AND RECOMMENDATIONS: Following the bid opening the Director/Chief of the User Department will review the bids and shall be responsible for making the appropriate recommendations regarding acceptance or rejection of any bid. The Director/Chief will prepare a purchase justification, as required by the dollar limitations which will include a bid tabulation, the identification of the recommended vendor, budget information, and background information as may be appropriate. When the lowest bidder is not recommended, the reasons for placing the order elsewhere shall be included in the purchase justification prepared by the Director/Chief.

C. REQUEST FOR PROPOSALS (RFPs)

1. GENERAL: A request for proposal (RFP) is used to make a purchasing contract for services or materials in the amount of twenty-five thousand dollars (\$ 25,000) or more, and when detailed specifications are not reasonable (i.e. professional services, etc.).
2. PREPARATION OF REQUEST: A User Department will prepare RFPs for the desired purchase using the standardized forms. For purchases where the Village will receive Federal or State grant funds, then the specifications shall also include the following: a clear and accurate description of the technical requirements for the material, product, or service to be procured, or when impractical to do so, a "brand name or equivalent" description may be used as a means to define the requirements of the procurement; all requirements which the offerors must fulfill; all factors to be used in evaluating proposals.
3. ADVERTISEMENT: RFPs will be advertised on the Village website, or other online forum, as determined appropriate. Except for emergency matters, this advertisement will occur not less than ten (10) days prior to the due date for proposals. Requests may also be faxed, mailed, or E-mailed to prospective proposers.
4. PROCESSING: The User Department shall coordinate the processing of all RFPs including any modifications to the requests and negotiations for final proposals.
5. REVIEW AND RECOMMENDATIONS: Following the due date for proposals, the Director/Chief of the User Department will coordinate the review of the proposals, including evaluating the product and interviewing vendors as necessary, and shall be responsible for making the appropriate recommendations regarding acceptance or rejection of any proposals. The Director/Chief may enter into further negotiations with one (1) or more of the proposed vendors to secure the most favorable terms for the Village. The Director/Chief will prepare a purchase justification which will include a summary of the proposals received, any negotiations, the recommended vendor, budget information, and background information, as may be appropriate. When the lowest proposal is not recommended, the reasons for placing the order elsewhere shall be included in the purchase justification prepared by the Director/Chief.

- D. EXTENSIONS: Contract extensions may be granted for previously approved contracts if the contract price does not increase by more than two percent (2%) over the originally approved contract. Contracts may be extended twice, under this constraint. Contracts must be re-bid, or new Requests for Proposals must be made after a contract has been extended twice, unless the vendor is sole source.

VI. SOLE SOURCE CONTRACTS

- A. GENERAL: When it is determined that a particular product, service or work is not subject to competitive bidding due to limitations arising out of the nature of the product, service or work or its

availability, the Village may be required to negotiate and enter into contracts for materials or services with a sole source supplier. The approval of the Finance Director and the Village Attorney is required to designate a vendor as a "sole source supplier", however, any purchase determined by the Village Manager to be inappropriate for a sole source contract shall be purchased according to the Village's standard competitive purchasing procedures. The approval of the sole source purchase is subject to the guidelines in Section IV, Table 1.

B. SOLE SOURCE SUPPLIER CONTRACT. In addition to the purchasing justifications required in this directive, based on the dollar value and type of purchase, any recommended contract from a sole source supplier must be supported by submitting the following:

- 1 The basis for concluding that the product or service sought is limited to a particular sole source, including specifying how it is in the best interests of the Village to use the vendor as a sole source supplier.
2. The options, such as product substitution, which are available, including a discussion of the impact of each option.

VII. CENTRALIZED PURCHASING PROGRAMS

Centralized purchasing has been established for certain commonly shared materials or services, such as cellular phone services. Purchases of such materials or services will be coordinated through a designated Village budgetary program. The Director/Chief responsible for the designated program will be responsible for applying these purchasing policy guidelines to the Village-wide centralized purchasing of the designated material or services.

VIII. CHANGE ORDERS

A. GENERAL: A Change Order means and includes a change in a contract term other than as specifically provided for in the contract which authorizes or necessitates any increase in the cost of a contract or the time of completion and which was not reasonably foreseeable at the time the contract was entered into, was not within the contemplation of the original contract or is in the best interests of the Village.

B. PROCESSING: The Village Manager may approve change orders up to fifty thousand dollars (\$50,000), even if the original contract was approved by the Village Council. Any change order in excess of fifty thousand dollars (\$50,000) shall be submitted to the Village Council for approval. The Village Manager is authorized to execute change orders above fifty thousand dollars (\$50,000) in instances where the change order falls within a contract contingency authorized by the Village Council.

IX. PROCESSING PAYMENTS FOR MATERIALS AND SERVICES

A. DOCUMENTATION: Where purchasing justification is required, evidence of this compliance will be attached to invoices presented for payment. For example, invoices for contractual purchases that have received Council Approval will include the Manager's Memo, the approved contract and the date of Council approval.

B. PURCHASE ORDER NUMBERS: The User Department will advise vendors to reference purchase order numbers on the invoice, when purchase orders are required by this directive.

~~I. — PURPOSE~~

~~The purpose of this directive is to provide procedures for soliciting, processing, awarding and rejecting bids, proposals and quotations as well as change orders. These guidelines are for purchases of equipment, materials, supplies, and services for the operational requirements of the Village of Downers Grove, excluding the Downers Grove Public Library, and are created to ensure competitive and unbiased selection of qualified and cost effective vendors and suppliers. This directive is based primarily on the Purchasing Ordinance, Sections 2-47.1 through 2-47.7 of the Downers Grove Village Code, copy attached. This directive applies to all Village general operations purchases and additional procedures may be required of Public Works engineering contracts for capital improvements.~~

~~Purchasing decisions involve the Finance Department as well as one or more User Departments. Generally, the Finance Director, or designee, and the Director/Chief will review the purchases to confirm that they are in compliance with Village, fiscal, and budgetary parameters. All legal documents will be reviewed by the Legal Department prior to the Village Manager review. In addition, the Director/Chief shall review the purchases to confirm that they meet the goals and objectives sought to be addressed with the purchases.~~

~~The following topics are addressed in this Policy:~~

- ~~— I. PURPOSE~~
- ~~— II. DEFINITIONS~~
- ~~— III. SELECTION OF VENDORS~~
- ~~— IV. VILLAGE PURCHASING PROCEDURES~~
- ~~— V. STANDARD COMPETITIVE PURCHASING~~
- ~~— VI. SOLE SOURCE CONTRACTS~~
- ~~— VII. CENTRALIZED PURCHASING PROGRAMS~~
- ~~— VIII. CHANGE ORDERS~~
- ~~— IX. PROCESSING PAYMENTS FOR MATERIALS AND SERVICES RECEIVED~~

~~II. — DEFINITIONS~~

~~The Purchasing Ordinance sets forth various definitions that are applicable to this directive. In addition, the following terms are defined as follows:~~

- ~~A. DIRECTOR/CHIEF shall have the same definition contained in the Village's Personnel Manual.~~
- ~~B. USER DEPARTMENT means the department or departments purchasing material or service and from whose budget the costs thereof will be charged.~~
- ~~C. LOWEST RESPONSIBLE BIDDER. In determining the "lowest responsible bidder", in addition to price, the following should be considered:~~
 - ~~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 their 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 he subject of the contract.~~
9. ~~The number and scope of conditions attached to the bid.~~
- D. ~~SOLE SOURCE SUPPLIER refers to a vendor designated as the only provider that can meet the needs of the Village, based on the nature of the materials or services; the timing of delivery; or other factors that relate to the best interests of the Village of Downers Grove. The value-based parameters, as outlined in Section IV: Village Purchasing Procedures, are applied to the designation of sole source supplier. The Finance Director must approve of the designation as a sole source supplier for all purchases over one thousand dollars (\$1,000.00), additionally, the Village Manager must approve the designation for purchases over seven thousand dollars (\$7,000.00) and Council's approval is required for the designation as a sole source supplier for purchases in amounts over fifteen thousand dollars (\$15,000.00).~~
- E. ~~PURCHASE JUSTIFICATION is a description of the purchase, including budget information, a description of the material or service sought, information regarding any bids or proposals, and the basis for the recommended vendor or product. The form of a purchase justification depends upon the dollar value of the purchase and the level of approval needed.~~
- F. ~~QUOTATION can be either a verbal or written response by a vender to a Village inquiry on a specific product or service. (See Section V: A – Quotations)~~
- G. ~~BID is a written response by a vendor to Village-created list of specified products or services. (See Section V: B – Bids)~~
- H. ~~REQUEST FOR PROPOSAL (RFP) is a Village-created outline of a specific service or need. The vendor proposes a way to meet the Village-defined service or need and outlines the cost associated with the proposal. A proposal may, in the discretion of the Village, be subject to further negotiations, modifications, and rejections until the Village accepts the proposal. (See Section V: C – Request for Proposals)~~

III. ~~SELECTION OF VENDORS~~

- A. ~~PREFERENCE FOR COMPETITIVE PURCHASING. Where a competitive market exists for a particular purchase, the vendor is to be the lowest responsible bidder, selected on the basis of a competitive purchasing procedure.~~
- B. ~~PREFERENCE FOR LOCAL VENDORS: Purchase recommendations are to be made using vendors located within the corporate limits of the Village where two or more bids, quotes, or proposals are substantially equal in~~
- ~~▪ Quality,~~
 - ~~▪ Other material elements, and~~
 - ~~▪ Price (equal to or less than a difference of 4.5%, which is equal to the rate of Sales Taxes, currently 1%, plus Utility Taxes, currently 3.5%, collected by Downers Grove).~~

~~—However, preference for local vendors cannot be utilized when the Village will be receiving Federal or State grant funds for the purchase of materials, products or services; unless an applicable Federal or State statute expressly mandates or encourages geographic preference.—~~

~~C. PREFERENCE FOR RECYCLED PRODUCTS: The Village has been an active leader in promoting the use of recycled materials. To that end, purchase decisions shall be made to include recycled materials where practical.~~

~~D. PRODUCT SPECIFICATIONS BASED ON FUNCTION. Product designation or specification must be reasonably related to the function or purpose to be served by the item selected. Specifications shall not limit the selection to a particular brand or vendor, either expressly or by effect, or exclude the use of recycled materials, unless required to serve a particular need or objective. When a brand is used as a reference, such as compatibility, the phrase “or equivalent” will be included in the specifications.~~

~~IV. VILLAGE PURCHASING PROCEDURES~~

~~A. IN GENERAL: Village-wide purchasing for operational purposes is a cooperative effort involving the input and assistance of the various User Departments and the Finance Department. Although the Finance Department will administer and coordinate Village purchasing procedures, each Director/Chief has the primary responsibility regarding specific purchasing decisions and has the duty to maintain responsible purchasing practices within the User Department. The Director/Chief will institute appropriate purchase review procedures for their staff, consistent with this directive. The Finance Director will work with the Director/Chief to provide assistance and direction, and to answer questions, regarding the Village-wide purchasing procedures. In reviewing and approving purchases, the Finance Department will focus upon compliance with fiscal issues, applicable laws, accounting procedures and the approved budget. A Director/Chief may purchase materials and services for Village operations using one of the following procedures, as appropriate:~~

- ~~1. STANDARD COMPETITIVE PURCHASES (Section V)

 - ~~a. Verbal Quotation~~
 - ~~b. Written Quotation~~
 - ~~c. Bid~~
 - ~~d. Request for Proposals (RFP)~~
 - ~~e. Extensions~~~~
- ~~2. SOLE SOURCE CONTRACT (Section VI)~~
- ~~3. CENTRALIZED PURCHASE (Section VII)~~

~~B. STANDARDIZED FORMS: The Finance Department will develop, and periodically update, forms and materials for use in Village-wide purchasing, including bidding and RFP checklists, documents, as well as electronic documents that will be stored on the Finance Department Edge Page.~~

~~C. FISCAL REVIEW AND RECOMMENDATIONS: The Finance Department will review purchase orders, Manager’s Approval Reports and Council Workshop Item Reports, prior to submission for final approval, for compliance with the Village Purchasing Ordinance, this Purchasing Policy, grant requirements, budget considerations, accounting procedures. The Legal Department will review all legal documents prior to the Village Manager review. The Finance Department may request additional information and offer suggestions and modifications related to any purchase to ensure that the purchase complies with the above. The Finance Department has the authority to reject any purchase that it determines is not in conformance with this directive, applicable law, grant requirements, or approved budgetary limits. The Finance~~

~~Department may modify the accounting to conform to Village accounting methods and with Village budgetary procedures, after discussing the changes with the Director/Chief.~~

~~D. PURCHASE JUSTIFICATIONS: The Director/Chief shall provide purchase justifications for any purchase in excess of one thousand dollars (\$1,000.00). A "purchase justification" is defined as a description of the purchase, including budget information, a description of the material or service sought, information regarding any bids or proposals, and the basis for the recommended vendor or product. The form of this justification will depend upon the level of approval needed. (Please see Table 1. Purchasing Procedures below, in Section IV: F – Approval Limits)~~

~~E. APPROVAL PROCESS: The Director/Chief must approve all purchases and change orders within budgetary limits. The approval of the Finance Director is required for any purchase over the amount of four thousand dollars (\$4,000.00). The approval process is outlined in Table 1, Section IV:F. To designate a vendor as a "sole source supplier", the Finance Director's approval is required for purchases over one thousand dollars (\$1,000.00). (See Section VI: Sole Source Contracts)~~

~~The Village Manager's approval is also required for any purchase which exceeds seven thousand dollars seven thousand dollars (\$7,000.00), any change orders which cause the total cost of the purchase to exceed seven thousand dollars (\$7,000.00), or any purchase or change order exceeding budget. In addition, the Finance Department may refer a change order to the Village Manager for approval of any purchase where special or unusual circumstances exist.~~

~~The approval of the Village Council must be given for any purchase of fifteen thousand dollars (\$15,000.00) or more. The Village Council must approve any change order that would cause the total cost of a purchase contract to exceed one hundred five percent (105%) of the original contract. The Village Council must approve any change that would cause the total cost of a purchase contract to exceed the original contract by fifteen thousand dollars (\$15,000.00) dollars.~~

~~To obtain Village Manager or Council approval, a purchase justification, and supporting documents, including bid tabulations if applicable, shall be submitted to the Finance Director for review, who will then submit it to the Village Manager. (The Village Manager will refer the issue to the Village Council, as appropriate, based on these guidelines.) The Finance Department will coordinate presentation of such matters to the Manager and Village Council in cooperation with the User Departments. The User Department should submit the request for a change order to the Finance Director via email.~~

~~F. APPROVAL LIMITS: Separate purchases or contracts shall not be entered into for the purpose of avoiding the cost limits. Table 1 outlines the purchase approval limits, outlined in items F.1 through F.5, and the recommended purchase processing.~~

- ~~1. PURCHASES UNDER ONE THOUSAND DOLLARS (\$1,000.00): For purchases under one thousand dollars (\$1,000.00), a Director/Chief may purchase materials or services in the open market.~~
- ~~2. PURCHASES OF ONE THOUSAND DOLLARS (\$1,000.00) BUT UNDER FOUR THOUSAND DOLLARS (\$4,000.00): For purchases of one thousand dollars (\$1,000.00) or more, but under four thousand dollars (\$4,000.00), a Director/Chief may purchase materials or services in the open market by submitting a purchase order, with three written quotations, to the Finance Department. The Finance Department will provide any requested assistance in obtaining quotes and will review the purchase order for compliance with this directive and the current budget.~~
- ~~3. PURCHASES OF FOUR THOUSAND DOLLARS (\$4,000.00) BUT UNDER SEVEN THOUSAND DOLLARS (\$7,000.00): For purchases of four thousand dollars (\$4,000.00) or more, but under seven thousand dollars (\$7,000.00), a Director/Chief may purchase materials or services in the open market~~

by submitting a purchase order and required purchase justification, to the Finance Department. The Director of Finance must approve such purchase orders.

4. ~~PURCHASES OF SEVEN THOUSAND DOLLARS (\$7,000.00) BUT UNDER FIFTEEN THOUSAND DOLLARS (\$15,000.00):~~ For purchases of seven thousand dollars (\$7,000.00) or more, but under fifteen thousand dollars (\$15,000.00), a Director/Chief may purchase materials or services in the open market by submitting a purchase order and required purchase justification to the Finance Department. The Director/Chief will submit a standard Manager's Approval Report, with appropriate purchase justification, to the Finance Department for initial review. The Finance Director will submit the Manager's Approval Report for approval by the Village Manager.
5. ~~PURCHASES OF FIFTEEN THOUSAND DOLLARS (\$15,000.00) OR MORE:~~ For purchases of fifteen thousand dollars (\$15,000.00) or more a Director/Chief may purchase materials or services in the open market following the Village guidelines for obtaining a Bid or RFP (see *Section V B—Bids and C—Requests for Proposals*). The Director/Chief will submit a Workshop Item Report, with appropriate purchase justification, to the Finance Department for initial review. The Finance Director will submit the Workshop Item Report to the Village Manager for inclusion on the Council Workshop Agenda and approval by the Village Council.

Section IV: VILLAGE PURCHASING PROCEDURES

Table 1. APPROVAL LIMITS

Dollar Limits:				
0 to \$999	\$1,000 to \$3,999	\$4,000 to \$6,999	\$7,000 to \$14,999	\$15,000 and over
Approval Level:				
Director/Chief approval	Director/Chief approval with 3 quotes. Finance Director if sole source vendor	Finance Director approval	Manager approval	Council Approval
Purchase Justification:				
<u>No justification report required</u>	Purchase Order with justification attached	Purchase Order with justification attached	Manager Approval Report followed by a Purchase Order	Council Work-Shop Item Report, followed by a Purchase Order
Competitive Process:				
1 quote (or 3 quotes if over budget)	3 quotes	3 written quotes	3 written quotes	Bid or RFP

V. STANDARD COMPETITIVE PURCHASING

IN GENERAL: All purchases, except as otherwise directed by Village Council, will be subject to the competitive purchasing process for amounts in excess of one thousand dollars (\$1,000.00) as outlined in Table 1 in *Section IV.F, Approval Limits*.

~~PURCHASING ASSISTANCE: The Finance Department will provide administrative support when requested by User Departments for obtaining quotes, preparing and/or reviewing bids and requests for proposals (RFP's), arranging for appropriate advertising, conducting pre-bid conferences, and bid openings.~~

~~QUOTATIONS, BIDS AND REQUESTS FOR PROPOSALS. The appropriate solicitation of quotations, written quotes, bids or proposals is based on the dollar value and the type of material or service desired. The following provides guidance on the use of these purchasing procedures:~~

~~A. QUOTATIONS~~

- ~~1. IN GENERAL: Quotes are used to purchase goods and services valued less than fifteen thousand dollars (\$15,000.00). The purchase should be made from the lowest qualified quote, (using the standards for *lowest responsible bidder* described in *Section II: Definitions*). When the award is not given to the lowest quote, the reasons for placing the order elsewhere shall be prepared by the Director/Chief and included in the purchase justification. Once quotes have been secured and the lowest qualified vendor has been identified, subsequent purchases during the same calendar year may be ordered from the same approved vendor, if the price does not change.~~
- ~~2. VERBAL QUOTES: Where a verbal quote is permitted, these are to be documented by the User Department and included with the Purchase Order in the accounting system. For purchases made without a Purchase Order (under one thousand dollars (\$1,000)), verbal quotes must be summarized and attached to the vendor invoice.~~
- ~~3. WRITTEN QUOTES: Written quotations are to include the following:

 - ~~i. Written quotations must be presented on a firm's letterhead or preprinted quotation form. Quotation forms are available on the Village's Intranet Home Page, under Village Hall Finance Department.~~
 - ~~ii. Written quotations must have an effective date. Expired quotations cannot be accepted.~~
 - ~~iii. Duration of the written quotation (i.e. thirty (30) days) should be specified.~~
 - ~~iv. All additional charges, including delivery and set-up, should be included in the written quotation.~~
 - ~~v. The written quotation needs a signature by an authorized agent of the firm. Unsigned quotations cannot be accepted.~~
 - ~~vii. A faxed or E-mailed quotation from the vendor is acceptable.~~~~

~~B. BIDS~~

- ~~1. DEFINITION. Bids should be used where over fifteen thousand dollars (\$15,000) of specifically identified products or services are sought. A bid is a written response by a vendor to Village-created list of specified products or services. The list is made available to interested vendors and the vendor responses are compared for price and compliance to the original list of items.~~
- ~~2. PREPARATION OF SPECIFICATIONS: A User Department will prepare specifications for the desired purchase. The specifications shall include approved provisions regarding insurance, bidding procedures and other related items as established on standardized forms available from the Finance Department. For purchases where the Village will receive Federal or State grant funds, then the specifications shall also include the following: a clear and accurate description of the technical~~

requirements for the material, product, or service to be procured, or when impractical to do so, a “brand name or equivalent” description may be used as a means to define the requirements of the procurement; all requirements which the offerors must fulfill; all factors to be used in evaluating bids. Variations from these standard provisions are permitted where appropriate; provided such variations are approved by the Finance Department and, as appropriate, the Legal Department.

3. ~~ADVERTISEMENT: Solicitation for bids will be advertised on the Village web, in local newspapers, or in such publications as the User Department or the Finance Department determine are appropriate, based on the material or service involved. Except for emergency matters, this advertisement will occur not less than ten (10) days prior to bid opening. Solicitations may also be faxed, mailed or e-mailed to prospective bidders in the discretion of the Finance Department or the Director/Chief.~~
4. ~~PROCESSING: The Finance Department and the User Department will coordinate the pre-bid processing including any pre-bid conference, modifications to the specifications and bid openings.~~
5. ~~REVIEW AND RECOMMENDATIONS: Following the bid opening the Director/Chief and the Finance Director, will review the bids and make appropriate recommendations regarding acceptance or rejection of any bid and the lowest responsible bidder (see Section II: DEFINITIONS). The Director/Chief will prepare either a Manager’s Approval Report or a Council Workshop Item Report, as required by the dollar limitations outlined in Section IV F—Approval Limits. A purchase justification will be attached, including bid tabulation, the identification of the recommended vendor, budget information, and background information as may be appropriate. When the lowest bidder is not recommended, the reasons for placing the order elsewhere shall be included in the purchase justification prepared by the Director/Chief.~~
6. ~~AWARD/REJECTION: The Chief/Director is responsible for recommending the award or rejection of bids according to Section IV: E—Approval Processing and F—Approval Limits.~~

C. ~~REQUEST FOR PROPOSALS (RFP’s)~~

1. ~~IN GENERAL. A request for proposal (RFP) is used to make a purchasing contract for services or materials in the amount of fifteen thousand dollars (\$15,000) or more, and when detailed specifications are not reasonable (i.e. architectural services to design a building).~~
2. ~~DEFINITION. An RFP is a Village-created outline of a specific service or need. The vendor proposes a way to meet the Village-defined service or need and outlines the cost associated with the proposal. A proposal may, in the discretion of the Village, be subject to further negotiations, modifications, and rejections until the Village accepts proposal.~~
3. ~~PREPARATION OF REQUEST: Requests for proposals (RFP's) are to be prepared and submitted by the User Department for review and comment by the Finance Department and Legal Department prior to advertising or soliciting of bids. All requests shall include approved provisions regarding insurance, response procedures and other related items as established on standardized forms available from the Finance Department. For purchases where the Village will receive Federal or State grant funds, then the specifications shall also include the following: a clear and accurate description of the technical requirements for the material, product, or service to be procured, or when impractical to do so, a “brand name or equivalent” description may be used as a means to define the requirements of the procurement; all requirements which the offerors must fulfill; all factors to be used in evaluating proposals. Variations from these standard provisions are permitted where appropriate; provided such variations shall be approved by the Finance Department and, as appropriate, the Legal Department.~~
4. ~~ADVERTISEMENT: Requests for proposals will be advertised on the Village web, in a local newspaper, or in such publications as the User Department or the Finance Department determines as~~

appropriate, based on the material or service involved. Except for emergency matters, this advertisement will occur not less than ten (10) days prior to the due date for proposals. Requests may also be faxed, mailed, or E-mailed to prospective proposers at the discretion of the Finance Department or the Director/Chief.

5. ~~RFP PROCESSING: The Finance Department and the User Department shall coordinate the processing of all RFP's including any modifications to the requests and negotiations for final proposals.~~
6. ~~REVIEW AND RECOMMENDATIONS: Following the due date for proposals, the Director/Chief of the User Department, and the Finance Director, will coordinate the review of the proposals, including evaluating the product and interviewing vendors as necessary, and shall make appropriate recommendations regarding acceptance or rejection of any proposals. The Director/Chief and Finance Director may enter into further negotiations with one (1) or more of the proposed vendors to secure the most favorable terms for the Village. For purchases in excess of fifteen thousand dollars (\$15,000), the Director/Chief will prepare a Council Workshop Item Report, attaching a purchase justification which will include a summary of the proposals received, any negotiations, the recommended vendor, the budget, options, and background information as may be appropriate. The recommendation should be made from the lowest qualified proposal using the standards for lowest responsible bidder (described in *Section II—Definitions*, above). When the lowest proposal is not recommended, the reasons for placing the order elsewhere shall be included in the purchase justification prepared by the Director/Chief.~~
7. ~~AWARD/REJECTION: The Chief/Director is responsible for recommending the award or rejection of proposals according to *Section IV*, which outlines *E—Approval Processing* and *F—Approval Limits*.~~

~~D.—EXTENSIONS~~

1. ~~IN GENERAL. Contract extensions may be granted for previously approved contracts if the contract price does not increase by more than two percent (2%) over the originally approved contract. Contracts may be extended twice, under this constraint. Contracts must be re-bid, or new Requests for Proposals must be made after a contract has been extended twice.~~

~~VI.—SOLE SOURCE CONTRACTS~~

- A. ~~IN GENERAL: When it is determined that a particular product, service or work is not subject to competitive bidding due to limitations arising out of the nature of the product, service or work or its availability, the Village may be required to negotiate and enter into contracts for materials or services with a sole source supplier. The approval of the Director of Finance is required to designate a vendor as a "sole source supplier", however, any purchase determined by the Village Manager to be inappropriate for a sole source contract shall be purchased according to the Village's standard competitive purchasing procedures.~~
- B. ~~SOLE SOURCE PURCHASING: A Director/Chief may purchase materials or authorize work from an approved sole source supplier by submitting purchase justification to the Finance Department for approval. The approval of the sole source purchase is subject to the guidelines in *Section IV E—Approval Process* and *F—Approval Limits*.~~
- C. ~~SOLE SOURCE SUPPLIER CONTRACT. In addition to the purchasing justifications required in this directive, based on the dollar value and type of purchase, any recommended contract from a sole source supplier must be supported by submitting the following:~~

1. ~~The basis for concluding that the product or service sought is limited to a particular sole source, including specifying how it is in the best interests of the Village to use the vendor as a sole source supplier.~~
2. ~~The options, such as product substitution, which are available, including a discussion of the impact of each option.~~

~~VII. CENTRALIZED PURCHASING PROGRAMS~~

~~Centralized purchasing has been established for certain commonly shared materials or services, such as cellular phone services. Purchases of such materials or services will be coordinated through a designated Village budgetary program. The Director/Chief responsible for the designated program will be responsible for applying these purchasing policy guidelines to the Village-wide centralized purchasing of the designated material or services.~~

~~VIII. CHANGE ORDERS~~

- A. ~~IN GENERAL: A Change Order means and includes a change in a contract term other than as specifically provided for in the contract which authorizes or necessitates any increase in the cost of a contract or the time of completion and which was not reasonably foreseeable at the time the contract was entered into, was not within the contemplation of the original contract or is in the best interests of the Village.~~
- B. ~~The approval of change orders, in addition to that outlined in *Section IV E Approval Process* and *F Approval Limits*, is limited by the percent of change. The approved change orders which, when added to the original cost and any previous change orders, may not cause the total cost of a purchase contract to exceed one hundred five percent (105%) of the original contract or fifteen thousand dollars (\$15,000), whichever is greater. The Council must approve all change orders that would cause the total cost of a purchase contract to exceed one hundred five percent 105% of the original contract or fifteen thousand dollars (\$15,000).~~
- C. ~~PROCESSING: A Director/Chief may authorize a change order that is within budget limits and does not cause the total cost of the purchase to exceed four thousand dollars (\$4,000). For change orders over the amount of four thousand dollars (\$4,000), the Director/Chief shall send a change order explanation, via email, to the Finance Director for approval. This explanation will describe the need for the change, the cost and the budget information. Upon approval by the Finance Director, those items over the amount of seven thousand dollars (\$7,000) will then be submitted to the Manager for approval. In the event a proposed change order would cause the total cost of a purchase contract to exceed one hundred five percent (105%) of the original contract or fifteen thousand dollars (\$15,000), whichever is greater, the change order explanation shall be submitted to the Village Council for final approval.~~

~~IX. PROCESSING PAYMENTS FOR MATERIALS AND SERVICES~~

- A. ~~DOCUMENTATION: Where purchasing justification is required, evidence of this compliance will be attached to invoices presented for payment. For example, invoices for contractual purchases that have received Council Approval will include the Council Workshop cover memo and the date of Council approval.~~
- C. ~~PURCHASE ORDER NUMBERS: The User Department will advise vendors to reference purchase order numbers on the invoice, when purchase orders are required by this directive.~~