

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/20/2022

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

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

UPDATE & RECOMMENDATION

This item was discussed at the December 13, 2022 Village Council meeting. Staff recommends approval on the December 20, 2022 Consent 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 1/2"	\$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	\$23.90	\$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. 2022-101	Effective Date:	12/20/22
Category:	Financial Services		
	<input type="checkbox"/> New Council Policy		
	<input checked="" type="checkbox"/> Amends Previous Policy Dated:	12/21/21; 11/7/17; 1/20/93; 11/6/01	
	Description of Previous Policy (if different from above):		
	<input type="checkbox"/> Purchasing Program		

RESOLUTION NO. 2022-101

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, 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

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

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.