



A.P. NUMBER
01.01
EFFECTIVE DATE
____8/6/19_____
SECTION
Supervisor

ADMINISTRATIVE POLICY

SUBJECT: Purchasing Policy

Article 1. Purpose and Scope.

The purpose of this policy is to provide the City of Champaign Township with guidelines and directions for managing its finances and acquiring goods and services. The Township Board has adopted this policy by Resolution 2019-0801.

These policies may not govern every possible situation; however, all Township personnel and officials engaged in finance, purchasing, and related activities on behalf of the Township will strive to use their best judgment to ensure that public money is spent efficiently and effectively and in accordance with state, federal, and local laws and Township policies.

Issues not addressed by this policy may be decided by the Township Supervisor, in consultation with the Township Attorney and using the City of Champaign Purchasing Ordinance (Chapter 12.5, Finances and Purchases) and purchasing policies as a guide. The policy may be amended from time to time to conform to changes in any applicable legislation, technology, or best practices.

Article 2. Finances.

2.1 Fiscal year established; annual budget.

- a. The fiscal year for the City of Champaign Township shall begin on July 1 of each year and end on June 30 of each succeeding year.
- b. The Township will prepare and adopt an annual budget and appropriation ordinance in accordance with 60 ILCS 1/80-60, as amended, and the Illinois Municipal Budget Law, 50 ILCS 330/1 et seq.
- c. The Township Board may from time to time authorize transfers between the line items in any fund, or from fund to fund, in the appropriation ordinance, not to exceed in the aggregate ten percent of the total amount appropriated in such fund by the appropriation ordinance.

- d. The Township Board may amend the budget and appropriation ordinance from time to time using the same procedures required for the original adoption of a budget and appropriation ordinance.

2.2 Authority to sign checks.

- a. The Township Supervisor is authorized to sign checks against the funds of the Township.
- b. The Township Clerk must attest to all payments of Township funds. This requirement may be satisfied by signature of the Township Clerk.

Article 3. Purchasing Generally.

3.1 The Township Supervisor shall be the general Purchasing Agent for the Township.

3.2 Duties and authorities: Subject to the requirements of this policy, the Purchasing Agent is empowered to:

- a. Execute binding contracts for the purchase of goods and services when such purchases are approved as provided by this policy.
- b. Promulgate rules and procedures in relation to purchasing procedures and generally supervise all purchasing. Such rules and regulations shall be effective upon approval by the Township Supervisor.
- c. Process all claims for loss, damage, breakage, or shortage, or claims for refund and adjustment as they concern purchases.
- d. Enter into agreements with other governmental entities for joint purchasing as provided for by the Township Board.
- e. Solicit advantageous trade-in allowances for property.
- f. Exercise general supervision and control over all personal property belonging to the Township, including the development of policies and procedures and the maintenance of records relating to such personal property.
- g. Require insurance, bonding, or other such mechanisms for the protection of the Township for contracts that he or she is authorized to enter.
- h. Reject any and all bids or proposals that he or she is empowered to award.
- i. Terminate contracts for failure to submit required contract documents or breach of performance requirements.
- j. Make recommendations to the Township Board concerning all purchases.

- k. Assess such penalties or damages as are provided for in contract documents.
- l. Draw on bid, proposal, or performance bonds.
- m. Perform other duties as the Township Board may direct.

3.3 Authority to make purchases.

- a. No employee of the Township may purchase goods or services on behalf of the Township without first seeking approval as required by this policy.
- b. Purchases or agreements to purchase made without compliance with this policy shall be voidable by the Township Board or Township Supervisor on behalf of the Township, and any officer or employee of the Township who makes a purchase on the credit of the Township in any manner other than is authorized by this policy shall be personally liable for the amount of such purchase.
- c. Authority to approve Township purchases and execute contracts.
 - 1. The Township Supervisor may authorize employees to make purchases for the benefit of the Township and in accordance with the Township budget and policies in amounts under \$250.00. All such purchases must be documented and receipts promptly provided to the Township Supervisor.
 - 2. The Township Supervisor is authorized to execute contracts for or otherwise authorize purchases where the cost of such purchases is less than \$20,000.
 - 3. After Board approval, the Township Supervisor is authorized to execute contracts for or authorize purchases where the cost of such purchase is \$20,000 or greater.
 - 4. The Township Supervisor is authorized to execute contracts for or otherwise authorize emergency purchases in accordance with this policy.

3.4 The Township Attorney shall approve the form of all contract documents and may develop standard contract documents for use in Township contracts, where practical.

Article 4. Competitive purchasing requirements.

4.1 The intent of the Township is to obtain goods and services for a competitive price and in the best interests of the Township.

4.2 The following guidelines will determine the purchasing methods required depending on purchasing type and amount.

- a. Purchases of less than \$2,000 may be made using the good judgment and discretion of the Township Supervisor in accordance with the Township budget and needs.
- b. Purchases of \$2,000 to \$4,999.99 may be made by the Township Supervisor after

obtaining three (3) verbal or written quotes, where possible.

- c. Purchases of \$5,000 to \$20,000.00 may be made by the Township Supervisor after obtaining a minimum of three (3) written quotes or after following a formal Invitation to Bid or Request for Proposals process.
- d. Purchases for services, materials, equipment, or supplies in excess of \$20,000 must utilize a competitive Invitation to Bid or Request for Proposal process in accordance with state law (certain exceptions are allowed by law). Township Board approval is required prior to purchase.
- e. Notwithstanding the above, vendors for architectural, engineering, legal, or other professional services may be selected based on qualifications and experience in accordance with state law.

4.3 Procedures for bids and proposals.

- a. Notice of Invitations to Bid for any construction work the estimated cost of which exceeds \$20,000 shall be published at least once in a newspaper published and having general circulation in the Township or as otherwise required by state law.
- b. Notice of Invitations to Bid and Requests for Proposals for the purchase of services, materials, equipment, or supplies in excess of \$20,000 (other than professional services) shall be published at least once in a newspaper published and having general circulation in the Township or as otherwise required by state law.
- c. Notice of other Invitations to Bid and Requests for Proposals may be published:
 - 1. In a newspaper published and having general circulation in the Township; or
 - 2. By solicitation of sealed bids or proposals from all responsible vendors the Township Supervisor knows from experience or research to be capable of providing the items to be purchased or performing the required service. Notice shall be by sending or providing the prospective vendors notice of the publicly available Invitation to Bid or Request for Proposals; or
 - 3. Utilizing the Internet, services that utilize the Internet, or their equivalent, if the Township Supervisor determines that such site or service provides public notice to a sufficient number of prospective vendors. Publication on the Township website shall satisfy the requirements of this publication method.
- d. Notice of Invitations to Bid and Requests for Proposals shall be published at least ten days before the date set for receiving bids or proposals.
- e. Notice provided by this section shall include at least the following information:
 - 1. A general description of the articles to be purchased or sold or the work to be performed;

2. The location where bid or proposal forms and specifications may be obtained;
 3. The time by which bids or proposals must be submitted;
 4. The location or method where bids or proposals must be submitted; and
 5. If a bid, the time and place for opening bids.
- f. Competitive bids shall be submitted in one of the following ways:
1. In a sealed opaque envelope to the Township Clerk. Each submission shall be addressed to the Township Clerk and shall bear on the face of the envelope the name of the vendor, a statement that it is a sealed bid to be opened on the day and hour mentioned in the public notice, and a statement of the contract for which the bid is made; or
 2. To the location and in the electronic format prescribed by the Township in the notice.
- g. Competitive proposals shall be submitted in such a manner as is provided in the notice.
- h. Bids shall be opened and publicly read, and an award shall be made to the lowest responsible bidder within fifteen days after receipt of bids. A tabulation of all bids received shall be made available for public inspection in the office of the Township Clerk within a reasonable period of time after opening of the bids.
- i. Proposals will be received by the Township and opened and evaluated at any time after the due date for receipt. Proposals shall not be open to public inspection until after the due date and time set forth in the Request for Proposals.
- j. No Township officer or employee shall disclose information contained in any submitted bid or proposal documents in advance of the opening of bids, or the due date for proposals unless such disclosure is necessary for the performance of the duties of an employee or officer. Any such disclosure shall, in the discretion of the Township Board or Supervisor, operate to void the bid or proposal in its entirety as to all bidders or proposers.
- k. Unless otherwise provided in the bid or proposal documents, no later than fourteen days after award of the contract by the Township Board or Supervisor, and prior to commencing work, the successful vendor shall submit all required contract documents fully executed and bound to the Township Supervisor. Failure to tender any required documents shall, at the option of the Township Supervisor, terminate the contract award and allow the Township Supervisor to draw on any bid or proposal bond submitted in connection with the Invitation to Bid or Request for Proposals.

4.4 Award criteria.

- a. Purchases pursuant to the bid process shall be awarded to the lowest responsible

bidder as determined at the sole discretion of the Township Board, or the Township Supervisor, whoever has authority to approve the contract.

- b. Purchases pursuant to the competitive proposal process shall be awarded to the vendor with the best and most favorable proposal as determined at the sole discretion of the Township Board, or the Township Supervisor, whoever has authority to approve the contract.
- c. In determining the lowest responsible bidder or the best and most favorable proposal, the Township Board or Township Supervisor may consider the following, as well as other criteria:
 - 1. The ability, capacity and skill of the vendor to perform the proposed contract or provide the service required;
 - 2. The capacity of the vendor to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
 - 3. The character, integrity, reputation, judgment, experience and efficiency of the vendor including, but not limited to: past performance record; default under previous contracts; whether or not such contracts were with the Township; competency; and failure to pay or satisfactorily settle all bills due for labor and material on former contracts;
 - 4. The quality of performance by the vendor of previous contracts;
 - 5. The previous and existing compliance by the vendor with laws and ordinances relating to the contract;
 - 6. The sufficiency of the financial resources and financial ability of the vendor to perform the contract;
 - 7. The quality, availability and adaptability of the supplies, machinery, plant or other equipment or contractual services to the particular use required;
 - 8. The ability of the vendor to provide future maintenance and service for the use of the subject of the contract, including guarantees; and
 - 9. Whether the bid or proposal submitted meets the instructions, requirements, and specifications set forth in the Invitation to Bid or Request for Proposals and related documents.
- d. When the award is not recommended to be given to the lowest bidder, a statement of the reasons for such award recommendation shall be prepared by the Township Supervisor.

Article 5. Exceptions to Competitive Purchasing Requirements.

5.1 Generally. Exceptions to the competitive purchasing requirements include sole source purchases,

emergency purchases, requirements by state statute, and other purchases authorized by the Township Board in accordance with state, federal, and local law.

5.2 Emergency Purchases. Where an emergency immediately affects the public health, safety, or welfare, the Township Supervisor may authorize expenditures related to the emergency without complying with the competitive purchasing requirements in this policy. The Township Supervisor shall declare the emergency in writing and describe the nature of the emergency and the date the emergency is expected to terminate, which emergency period may be extended or abridged in writing. Upon cessation of the emergency, the Township Supervisor shall inform the Township Board by a full written account of contracts entered into or purchases made pursuant to this subsection.

5.3 Sole Source Purchases. A negotiated purchasing process may be used:

- a. When the purchase may only be made from a single source;
- b. For purchases of additions to or repairs and maintenance of personal property owned by the Township which may be more efficiently added to, repaired or maintained by a specific person;
- c. For purchases of personal property which are compatible with the existing equipment or systems owned by the Township;
- d. For contracts for professional services which can be performed by only one person due to the unique and specialized nature of the service to be performed and the unique skills of the vendor; or
- e. For purchases of personal property which, because of their unique characteristics or the needs of the Township, are not susceptible to competitive purchasing.

5.4 Purchases at Auction. A negotiated purchasing process may be used for purchases which can be made at a public auction, close-out sale, bankruptcy sale or other similar sale at a cost below the market cost in the community.

5.5 Notwithstanding any other provisions in this policy, the Township Board may approve another method of purchase provided that the method complies with applicable state, federal, and local law.

Article 6. Cooperative Purchasing.

6.1 The Township shall have the authority to join with other governmental units in cooperative purchasing programs in accordance with the Governmental Joint Purchasing Act, 30 ILCS 525 et seq. This includes but is not limited to participation in the Illinois Joint Purchasing Program pursuant to 30 ILCS 525/0.01 et seq. The Township may also participate in non-governmental cooperative purchasing programs provided that the program meets the competitive purchasing requirements in this policy.

6.2 The Township Supervisor is authorized to execute any documents necessary for the Township to join or participate in such cooperative purchasing programs, unless Board approval is required by law or purchasing program requirements.

Article 7. Rejection of Bids or Proposals.

7.1 The entity authorized to approve a purchase, the Township Board or the Township Supervisor, as the case may be, may reject any and all bids or proposals received, may waive any procedural formality in the bidding or proposal process if in the best interest of the Township and in compliance with applicable law, and may:

- a. Abandon the project;
- b. Readvertise;
- c. Provide for the contract to be negotiated in the open market;
- d. Find that the contract may be performed more reliably or more economically by Township employees and determine that the contract shall be performed by Township employees; or
- e. Determine that the contract may be performed by any combination of the above.

Article 8. Change Orders.

8.1 The Township Supervisor is authorized to execute the following types of change orders without prior approval of the Township Board:

- a. Change orders which do not alter the scope or cost of the project;
- b. Change orders which result in a reduction in cost, but do not alter the overall scope or quality of the project;
- c. Change orders which provide for a substitution of services or goods of similar quality for services or goods specified in the contract;
- d. Change orders which result from emergency situations; provided, however, that he or she shall report such change orders to the Township Board. Emergency situations are defined as situations that present clear and present danger or hazard to health, safety, or welfare, or a condition that would require the cessation of work on the project if the change order is not immediately executed;
- e. Change orders which result in an additional project cost not exceeding the greater of ten thousand dollars (\$10,000) or ten percent of the original project cost, provided that if the Township Board approves a change order approving a new project cost, the ten percent figure shall be measured from the latest contract cost approved by the Township Board; and
- f. Change orders which result in an additional project cost exceeding:
 1. The greater of ten thousand dollars (\$10,000) or ten percent of the original project cost, and the resulting project cost does not exceed \$20,000; or

2. The greater of ten thousand dollars (\$10,000) or ten percent of the latest contract cost approved by the Township Supervisor, and the resulting project cost does not exceed \$20,000.

8.2 All change orders not included in 7.1 shall be effective only after prior approval of the Township Board. If such approval is given, the Township Supervisor is hereby authorized to execute such change orders.

Article 9. Sale Or Disposition of Property.

9.1 Property valued at two thousand five hundred dollars (\$2,500) or less. The Township Supervisor may authorize the sale or disposition of the Township's personal property where the estimated value of such property is two thousand five hundred dollars (\$2,500) or less. Prior to such sale or disposition, the Township Supervisor shall declare in writing that the personal property is no longer necessary or useful to the Township. The sale may be by negotiated sale, bid, trade, or by auction or in such a manner authorized by the Township Supervisor as is in the best interest of the Township. The Township Supervisor shall report periodically to the Township Board about such sales or dispositions.

9.2 Property valued at more than two thousand five hundred dollars (\$2,500). Personal property valued at over two thousand five hundred dollars (\$2,500) shall be sold or disposed of pursuant to the provisions of Paragraph 11-76-4 of the Illinois Municipal Code (65 ILCS 5/11-76-4), or in any other such manner as is authorized by the Township Board.

Article 10. Real estate.

This policy shall not apply to purchase, sale, or lease of real property to which the Township is a party. Provisions governing such transactions shall occur in accordance with applicable law.

Article 11. Intergovernmental Agreements.

The Township Supervisor is authorized to execute intergovernmental agreements between the Township and other governmental units in order to share resources or to undertake joint projects for which the anticipated cost of such undertaking is within the limits authorized for the Supervisor to make purchases under this policy.

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