

Edwardsville Township Purchasing Policy

1. Statement of Purpose

The purpose of this policy is to provide Edwardsville Township with guidelines and directions for the acquisition of goods and services. When used with good judgement and common sense, the policies and procedures conveyed within will allow the Township to obtain required supplies and services efficiently and economically. The Township Board has adopted this policy by Ordinance No. 2016-005.

All Township personnel and officials engaged in purchasing and related activities on behalf of the Township shall conduct themselves in a manner above reproach in every respect. Township employees and officials shall strive to ensure that public money is spent efficiently and effectively and in accordance with State and Federal statutes and regulations and Township policies.

This policy is divided into sections dealing with general procedures and responsibilities, authorization levels, pricing requirements, local purchasing, emergency purchases, cooperative purchasing, and competitive bidding.

This policy is designed to be a document for reference in the case of any related purchasing practices. It serves as a general guideline and if there are any further detailed questions about purchasing agreements, an employee may contact the Township Administrator. This policy will be modified from time to time to conform to changes in any applicable legislation, technology, or preferred practices.

2. General Procedures and Responsibilities

- 2.1. The Township Board adopts a budget for the fiscal year which begins on April 1st through March 31st of each year identifying line item expenditure limits.
- 2.2. Purchases of goods and services for budgeted items to carry out Township responsibilities may be ordered by Department Heads.
- 2.3. Mailed invoices are received by the Township Staff and distributed to Department Heads for coding and approval. The Department Heads will in turn send them back to accounting for completion.
- 2.4. A Board Audit Report, which is a listing of all checks to be approved, is prepared by accounting the Friday before the Township Board Meeting and then prepared for a vote at the Board Meeting. Check Requests are due to accounting by the end of the day Thursday prior to each Township Board meeting.
- 2.5. After Township Board authorization of expenditures, administration mails out the checks to vendors unless Department Heads request the checks to be returned directly to them.

3. Authorization of Township Purchases

- 3.1. No employee shall purchase goods or services on behalf of the Township without first seeking approval as required by this policy. All purchases shall require advance approval of the appropriate Department Head or Township Board within the guidelines described below. All purchases should correspond with budget amounts.

Dollar Limits	Required Approval
\$1 to \$2,500	Department Head
\$2,501 to \$5,000	Township Supervisor
\$5,001 and above	Township Board <i>prior</i> to the purchase

4. Pricing Requirements

4.1. The Township policy is to obtain the most cost effective price available for purchases through competitive pricing. The following guidelines will determine the level of pricing required for purchases.

Dollar Limits	Requirements
\$1,000 or less	Verbal quotes are sufficient
\$1,001 to \$10,000	Minimum of 1 written quote
\$10,001 to \$19,999	Minimum of 3 written quotes Exceptions to multiple quotations may be approved by the Township Board; this waiver should be sought in advance.
\$20,000 or more	A formal RFP (Request for Proposal) and/or competitive bid are required in accordance with State Law and Township Ordinances; authorization by the Township Board prior to purchase. Certain exceptions are allowed by law.

- 4.2. A verbal quote is defined as being obtained by phone.
- 4.3. A written quote may obtained in person or via mail, email, or fax.
- 4.4. Quotes must identify the vendor, date of communication, item, and price.
- 4.5. This process may be waived if, in the opinion of the Township board, efforts to obtain quotes were exhausted or are impractical to obtain.
- 4.6. Exceptions to the pricing requirements include single source vendors, respective purchases, requirements by state statute or local ordinance, emergency purchases, contractual obligations, professional associations, or other authorized situations.
- 4.7. Township purchases are not subject to sales tax; therefore, employees shall make efforts to inform vendors of the Townships tax exempt status and to ensure that sales tax is not paid for purchases made with credit cards. Employees shall provide vendors a sales tax exemption form. The sales tax exemption form may be obtained from accounting.
- 4.8. Splitting a single purchase into two or more purchases to avoid the numeric limits herein is a violation of policy and of law (if over \$20,000).

5. Local Purchasing

- 5.1. For purchases not exceeding the formal competitive bid threshold, Edwardsville Township will, when possible, solicit quotes from Edwardsville Township businesses or businesses with a branch office within the boundaries of Edwardsville Township.
- 5.2. Edwardsville Township shall direct procurement needs locally to help stimulate local business development and foster a stronger local economy.

6. Emergency Purchases

- 6.1. Illinois State statues provide that in case of accident, disaster or other circumstances creating a public emergency, the Supervisor may authorize expenditures without complying with the bidding and pricing requirements for the purpose of meeting said emergency; but shall file

promptly with the Township Board a certificate showing such emergency and the necessity of such action, together with an itemized account of all expenditures.

- 6.2. Emergency or Special Board meetings may be called upon notice by the Supervisor per state regulations for prior approval of expenditures over \$10,001 which are not in response to a public emergency but seriously impede the Township from meeting its obligation to citizens, taxpayers, or employees.
- 6.3. Reporting to the Board would be handled through the first Board Audit Report immediately following the emergency expenditure.

7. Cooperative Purchasing

- 7.1. The Township shall have the authority to join with other units of local government in cooperative purchasing plans when the best interests of the Township would be served thereby. The Township may also participate in the Illinois Joint Purchasing Program pursuant to 30 ILCS 525/0.01 *et seq.*

8. Competitive Bidding

- 8.1. All purchases of goods and services exceeding \$20,000 shall be subject to a sealed competitive bidding process. All formal bids, RFP's and RFQ's (Request for Qualifications) are to be coordinated from the Township Supervisor's office in consultation with administration and legal counsel.
- 8.2. Sealed bids are approved by the Township Board.
- 8.3. Bids are requested for specific supplies, equipment and contractual services. Proposals are requested for services for which the desired outcome is specified but the means to achieve it are to be proposed by the vendor. For purposes of this sections, bids and proposals require the same procedures and the term bid is interchangeable with proposals.

8.4. Bid Specifications

- 8.4.1. Bid specifications shall be prepared by the department making the purchase. Bid specifications should be set up so that maximum competition can be secured.
- 8.4.2. Bid specifications must include at least the following:
 - 8.4.2.1. Description of supplies, equipment or contractual service to be bid. For bids, the description of the item and its characteristics should be as definite and precise as to eliminate the possibility of misunderstanding on the part of the purchaser, or the seller. Specifications which are considered "closed" (drawn on a piece of equipment) must not be prepared. Trade or brand names can be used to establish a generally acceptable standard, and all other brands of the same general quality will be requested to submit bids.
 - 8.4.2.2. Form for submitting pricing.
 - 8.4.2.3. Bid evaluation criteria.
 - 8.4.2.4. Price over run statement (There will be no price increases without prior consent from the Township Board).
 - 8.4.2.5. Bids security/performance bond requirements, if any.
 - 8.4.2.6. Insurance requirements, if any.
 - 8.4.2.7. Time and location of bid submissions.
 - 8.4.2.8. Anticipated award date.
 - 8.4.2.9. Notice that Edwardsville Township reserves the right to reject any and all bids submitted.
 - 8.4.2.10. Requirement that the bid specifically indicates the bid name and the date on the outside of the envelope.

8.4.3. Bid specifications must be approved by the department heads. A copy of the bid specifications must be submitted to the Township Clerk for publication of a summary in the local paper.

8.4.4. If during the bid process it becomes apparent that the bid specifications need clarification or changes, an addendum to the bid specifications will be prepared.

8.5. Distribution of Bid Specification/Advertising

8.5.1. Bidders List

8.5.1.1. The department head preparing the bid specification prepares the bidders list. The bidders list shall consist of known vendors of supplies, equipment, or contractual services, and any vendor requesting to be placed on the bidders list for this item. The bidders list should be as comprehensive as possible to ensure the most competitive pricing.

8.5.1.2. Department heads must maintain bidders list for routine purchases that contain last year's bidders and any vendor requesting to be placed on the bidders list. Any vendor who fails to bid for two consecutive requests may be deleted from the bidders list.

8.5.2. Bid Specification Distribution

8.5.2.1. The bid specifications will be mailed to all vendors on the bidders list and be made available at the Township office.

8.5.3. Advertising

8.5.3.1. The availability of bid specifications must be advertised in at least one newspaper of general circulation. The department head may choose to advertise in other newspapers or trade journals.

8.5.4. Errors and Omissions

8.5.4.1. Instructions will be given should any errors or omissions in the proposals be called to the attention of the Township less than three (3) working days before bids are due.

8.5.4.2. The bidders shall not be allowed to take advantage of any such errors or omissions

8.5.4.3. Instructions will be in the form of written addenda to the specifications which, if issued, will be mailed by mail to all prospective bidders (at the prospective address furnished for such purpose), not later than three (3) days prior to the date fixed for the opening of bids.

8.5.4.4. Failure of any bidder to receive any such addendum or interpretations shall not relieve such bidder from any obligation under the bid as submitted. All addenda so issued shall become part of the contract documents.

8.6. Bid Opening

8.6.1. Location of Bid Submission/Opening

8.6.1.1. All bid openings will be conducted by the Township Clerk and a representative of the department making the purchase.

8.6.1.2. Bids will be accepted in the Township office up to the time of the bid opening. Any bids received by the department making the purchase must be submitted to the Township Clerk office prior to the time of the bid opening.

8.6.2. Bid Opening Procedure

8.6.2.1. The bid is opened, checked, and read aloud by the Township Clerk.

8.6.2.2. The bid opening is open to the public. The staff present should refrain from answering any questions with regard to award, disqualification, preference on equipment, specifications being met, etc. Further, no comments of any type should

be made on any bid or vendor. Those in attendance may be informed as to when the review will take place and when the award will be made.

8.6.3. Disseminating Bid Information

- 8.6.3.1. The actual bid documents submitted are public property and available to review. During the public review, the bid document must remain in the view of the Township employee. Each bid shall be carefully reviewed. As each bid is reviewed, notes and comments should be made on the following:
 - 8.6.3.1.1. Bid tabulation sheet
 - 8.6.3.1.2. Check and note if a discount is offered for early payment
 - 8.6.3.1.3. Check if bid is signed
 - 8.6.3.1.4. Thoroughly review what bidder is bidding against bid specifications
 - 8.6.3.1.5. Make not of any specification deviations
 - 8.6.3.1.6. Note any bid qualifications such as:
 - 8.6.3.1.6.1. Escalation clause and amount
 - 8.6.3.1.6.2. "All or none" clause
 - 8.6.3.1.6.3. Freight charges if any
 - 8.6.3.1.6.4. Combined delivery restrictions, if any
 - 8.6.3.1.6.5. Change in bid acceptance period
 - 8.6.3.1.6.6. Any alternate items, which may be bid
 - 8.6.3.1.6.7. Contract period extensions
 - 8.6.3.1.7. Bid bond – signed from a company authorized in State of Illinois
 - 8.6.3.1.8. Addendum (if required) – changes to bid
 - 8.6.3.1.9. Samples (if required) – if no samples are submitted, bid is considered non-responsive and bid is normally rejected
 - 8.6.3.1.10. Reducing bid prices to common units – when bids are received in different units of measure, they must be reduced to a common denominator in order to be properly evaluated
 - 8.6.3.1.11. Certificate of insurance (if required) – correct amounts and coverages
 - 8.6.3.1.12. Obvious mistakes brought to the attention of the Township Clerk and mistakes confirmed with the vendor. The vendor will not be allowed to change the bid amount. Example: Five bidders quote \$10.00 per foot and one bidder quotes .10 cents per foot. In the case of a mistaken extension of a price, the unit price shall govern.

8.7. Security Deposit and Performance Bonds

- 8.7.1. Generally a bid security deposit is to be required at the discretion of the Township Board. The amount of the security deposit shall be expressed in terms of percentage of the bid submitted.
- 8.7.2. The Township Board shall fix the amount of the performance bond, and in the case of construction contracts, the amount of labor and material bond to be required of the successful bidders.
- 8.7.3. If the bid specifies the bidder must provide a bid security deposit, the bidder must file a bid bond, a certified check, cashier's check or bank draft in the amount of and in the form specified in the bid specification or the bid will not be considered.
- 8.7.4. If a bidder is not the successful bidder, the certified check, cashiers check, or bank draft will be returned to that bidder as soon as possible after the award is made. The successful bidders check will be returned as soon as possible after the contract is awarded or as soon as such bidder has filed a performance bond, if one is required.

8.8. Contract Award

- 8.8.1. The successful bidder will be notified of the contract award by a written notice from a Township representative.
- 8.8.2. Because the responsibility of the individual bidder is an essential element of the contract with the Township, a person to whom such a contract has been awarded may not assign their interest in the contract without the written consent of the Township Board.
- 8.8.3. In any of the following cases, the Township shall have the right to cancel any signed contract:
 - 8.8.3.1. In the event the successful bidder fails to furnish a satisfactory performance bond within the time specified.
 - 8.8.3.2. In the even the vendor fails to make delivery within the time specified I the contract or order.
 - 8.8.3.3. In the event any supplies, materials or equipment delivered under the contract are rejected (because they do not meet specifications, do not conform to sample, or are not in good condition when delivered) and are not promptly replaced by the vendor. Repeated rejections of the vendor’s supplies or equipment shall be grounds for cancellation, even though the vendor offers to replace the items promptly.
 - 8.8.3.4. In the event of any other breach of contract of the vendor.
 - 8.8.3.5. Failure to provide appropriate insurance documents.
- 8.8.4. Contracts shall be awarded to the lowest responsible bidder on the basis of the bid that is in the best interest of the Township to accept. In awarding the contract, in addition to price, the Board of Trustees shall consider regarding the bidder and the goods, services, materials, equipment, or supplies to be purchased
 - 8.8.4.1. Ability, capacity, and skill;
 - 8.8.4.2. Experience and ability in providing similar goods or services promptly, or within the time specified, without delay or interference;
 - 8.8.4.3. Character, integrity, reputation, judgement, experience, and efficiency;
 - 8.8.4.4. Quality of previous performance;
 - 8.8.4.5. Previous and existing compliance with laws and ordinances relating to the contract or service;
 - 8.8.4.6. Sufficiency of the financial resources and ability;
 - 8.8.4.7. Quality, availability, and adaptability to the particular use required;
 - 8.8.4.8. Ability to provide future maintenance and services for the use of the subject of the contract;
 - 8.8.4.9. The number and scope of conditions attached to the bid;
 - 8.8.4.10. Default on the payment of taxes, licenses, or other money due the Township, Madison County, a municipality wholly or partially within the Township or the State of Illinois;
 - 8.8.4.11. Compliance with federal, state and municipal requirements.

8.9. Conflict of Interest

8.9.1. Township Employees

- 8.9.1.1. No employee will participate directly or indirectly in procurement when the employee knows that:
 - 8.9.1.1.1. The employee or any member of the employees immediate family has a financial interest pertaining to the procurement
 - 8.9.1.1.2. A business or organization in which the employee, or any member of the employees immediate family, has a financial interest pertaining to the procurement

8.9.1.1.3. Any other person, business or organization with whom the employee or any member of the employees immediate family is negotiating or has an arrangement concerning prospective employment is involved in procurement.

8.9.1.2. Upon discovery of an actual or potential conflict of interest, an employee shall promptly file a written statement of disqualification and shall withdraw from further participation in the transaction involved. The employee may, at the same time, apply to the Township Board for an advisory opinion as to what further participation, if any, the employee may have in the transaction.

8.9.2. Township Board Members

8.9.2.1. A Township board member can enter into a contract with a vendor with which a Township board member has a conflict of interest, as defined above. In entering into a contract with this vendor, the Board member must not vote on the contract and disclose any pecuniary interest. Two thirds of the full Township Board must approve the contract.

8.9.3. Exceptions

8.9.3.1. Competitive bidding is subject to the following exceptions to the extent permitted by law, and the waiver of competitive bidding shall be approved by vote of the Board. The above bidding procedures may be waived in the case of:

8.9.3.2. A good faith emergency that requires immediate work or purchase of goods, services, materials, equipment, or supplies if authorized by the Township Board.

8.9.3.3. When the nature of the goods, services, materials, equipment, or supplies is such that it is available from only one source.

8.9.3.4. Contracts for professional or artistic services, including but not limited to attorneys, engineers, real estate appraisers, architects, or other professionals.

8.9.3.5. Regular employment contracts

8.9.3.6. When the work, improvement, good, or services is received from another governmental agency or body, such as the federal government, State of Illinois, the City of Edwardsville, or the Village of Glen Carbon.

Adopted September 27, 2016 by Ordinance 2015-O05.