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# Exhibit A

## PURCHASING POLICY

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The following definitions shall apply throughout this policy document:

**"Bid"** - Written response to a request for bid from the Village.

**"Change Order"**: A change to a contract, made after it has been approved by the Village that alters the term of the contract, the contract price, or the obligations of the parties.

**"Construction"**: The building, altering, repairing, improving, or demolishing of any public improvement.

**"Contract"**: An agreement, either oral or written, regardless of what it may be called, to procure construction, repair and maintenance projects, supplies or services.

**"Contract Price"**: The approved price for any contract, and shall be gross of (including) the value of any trade-in of Village property.

**"Employee"** means an employee, officer, or official of the Village of Bannockburn

**"Local Vendor"**: A vendor or supplier located within the corporate limits of the Village.

**"LPA"**: Local Public Agency

**"Necessary Expenditures"** means all reasonable expenditures or losses required of the employee in the discharge of employment duties and that inure to the primary benefit of Village of Bannockburn, subject to the provisions of this Policy.

**"PO"**: - Purchase Order.

**"Purchase Order"**: A written order signed and issued by the Village Manager or the Finance Director directing a business to provide goods, services, construction or professional services on behalf of the Village.

**"Procurement"**: The buying, purchasing, renting, leasing, or otherwise acquiring of any construction, repair and maintenance projects, supplies or services.

**"Professional Services"**: Services which due to their nature or complexity require a high degree of professional skill.

**"Public Improvement"**: Any public building or structure or other improvement of any kind on public property or easement or other rights of the Village in land, including without limitation water mains, sanitary sewers, storm sewers, bridges, roads, streets, street lighting, sidewalks, parkways, parking lots, parks and recreation areas.

**"Purchasing Agent"**: The Village Manager of the Village of Bannockburn or designee. In this Directive, the Purchasing Agent may also be referred to as the Village Manager who is authorized to approve all purchases.

**"Request for Bid"** - Village created list of specifications for the purchase of products or services.

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***“Request for Proposal (RFP)”*** - Village created document that requests proposal from qualified vendors to provide a service to the Village.

***“Request for Statement of Qualifications (RFQ)”*** - Village created document that requests a submittal of qualifications from potential vendors to provide a service to the Village.

***“Services”***: The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. Services shall not include services performed pursuant to employment agreements or collective bargaining agreements.

***“Supplies”***: All property, including but not limited to, equipment, materials, and printing, but excluding any interest in real estate.

***“User Department”*** - Department purchasing material or service.

***“Village”*** - Village of Bannockburn.

Please note, throughout this policy, references to the Village Manager, Finance Director, and Department Directors shall also include their designated representatives except when quoting State Statutes or Public Acts.

#### **A. Introduction and Objectives**

The Village of Bannockburn Purchasing Policy is intended to provide an effective and efficient means for purchasing materials, equipment, and services. The policy is also intended to ensure that Village purchases comply with established legal requirements as prescribed by Illinois State Statute and the Village of Bannockburn Code of Ordinances.

The objectives of the Village’s purchasing policy include:

- To ensure that materials, equipment, and services are purchased for the lowest prices without sacrificing quality and performance;
- To provide adequate control and documentation of Village expenditures and financial commitments;
- To obtain high quality goods and equipment as required by Village departments and to ensure these items are available at the place and time needed;
- To provide a standardized system of purchasing for use by all Village departments.

#### **B. Conflicting Provisions**

In the event of any conflict between any provisions of this policy and any applicable provisions in a State of Illinois Statute or Village Ordinance, the following shall apply: The provisions in any applicable State of Illinois Statute shall prevail in any conflict with any Village Ordinance that pertains to purchasing and the provisions of any Village Ordinance shall prevail in any conflict with any provision in this policy.

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### **C. Authority to Purchase**

The Village Code designates the Village Manager as the purchasing agent for the Village (Village Code, Chapter 20, Article IX Section 38J). The Finance Director has been designated by the Village Manager with the responsibility for developing and administering Village purchasing policies and procedures.

As the purchasing agent for the Village, the Village Manager is authorized to “make purchases of materials, supplies, and equipment without prior authorization of the Board, provided that 1) such funds are provided in the annual budget appropriation, and 2) no such purchase shall exceed the amount of \$25,000 in aggregate.

In addition, in connection with purchases over \$25,000, the Village Manager shall be required to receive competitive bids, bid waiver approved by the Village Board, or purchase through the State Purchasing, Joint or Other Cooperative Purchasing Arrangements. If competitive bids are required, the Village Manager shall present such bids to the Board for approval or rejection. The Village Manager shall make recommendations to the President and the Board with respect to all such bids. The Village Manager may issue rules and regulations governing requisitions and the transaction of the purchasing procedures between the Village Manager and the employees of the Village.

In accordance with Illinois State Statute (50 ILCS 510), when engaging the services of an engineering, surveying, or architectural firm that does not have an established satisfactory relationship with the Village, the Village will conduct a Request For Statement of Qualification (RFQ) process unless the fees for the service to be provided are less than \$25,000 or unless the Village Board determined by resolution that an emergency exists.

The Village Manager is also authorized to approve any change order to a Village contract which is less than \$25,000. A change order that exceeds these limits must have a written determination by the Corporate Authorities. Such communication shall include a statement that the circumstances necessitating the change in performance were not within the scope of the signed contract and the contract change is in the best interest of the Village and authorized by law. This written determination shall be preserved in the contract's permanent file which shall be open to the public for inspection in accordance with Illinois State Statute (720 ILCS 5/33E-9). All change orders at completion of the contract shall be ratified and approved by the Village Board.

### **D. Equal Opportunity/Non-Discrimination**

It is the policy of the Village of Bannockburn that all potential vendors have an equal opportunity to submit quotes, bids, or RFPs and to compete on an equal basis for Village business. The Village desires to provide equal opportunity for all potential contractors or sub-contractors without regard to race, religion, creed, color, sex, national origin, age, handicap unrelated to ability to

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perform the job, or protected veteran's status. The Village also seeks to utilize minority and women owned business enterprises (MBE/WBE) in its purchasing. MBE/WBE firms are encouraged to submit proposals to provide goods and services to the Village. The Village also encourages the use of sub-contractors who are minority or women owned business enterprises.

The Village is an Equal Opportunity Employer. The Village encourages contractors and subcontractors to take affirmative action in providing for Equal Employment Opportunity without regard to race, religion, creed, color, sex, national origin, age, handicap unrelated to ability to perform the job or protected veteran's status.

**E. Abuse of Purchasing Authority**

Employees of the Village who are given authority to purchase on behalf of the Village must exercise this responsibility with the utmost measure of fairness and integrity and solely to service the residents of Bannockburn. Purchases by employees should be in the best interest of the Village and not for the personal gain of the employee, either directly (e.g., purchase for the employee's personal use) or indirectly in a manner that creates a conflict of interest (e.g., a family member doing Village business).

If a more advantageous transaction or arrangement is not reasonably possible without resulting in a conflict of interest, the Village Board shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Village of Bannockburn's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Employees are required to only exercise the purchasing authority granted to them by the Village Manager and their Department Director. Employees must follow the procedures established in this policy document to ensure purchases are being made in a manner that complies with applicable Illinois State Statute and the Village of Bannockburn Municipal Code.

Employees who abuse their purchasing authority are subject to immediate disciplinary actions, up to and including termination of employment and prosecution by law enforcement.

**F. Purchasing Policies**

This section describes the Village's purchasing policies which apply to all purchases of materials, equipment, and services. There are several types of purchases made by Village staff and the following parameters define the proper authorization for making a purchase:

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#### **G. Purchase Not Requiring a Purchase Order (Less Than \$5,000)**

Purchases of goods, equipment, or services that cost less than \$5,000 may be authorized by Village Department Director with prior approval of the Village Manager, but without the processing of a Purchase Order. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

Department Directors are responsible for ensuring that proper purchasing procedures are followed, as detailed below:

- 1) *Obtain Prices* – Purchases of goods and services that cost less than \$5,000 should be made only after three telephone quotations have been obtained and documented. If three quotes cannot be obtained, the purchasing employee must be prepared to provide an explanation. Purchases are to be made from the supplier(s) offering the lowest price assuming equal quality, delivery and performance.

#### **H. Contracts, Credit Accounts, and Blanket Purchase Orders**

A second type of purchase made by the Village is the result of a relationship that has been established with a vendor. A relationship can be established by contract, establishment of credit account, or the issuance of a blanket purchase order. Service contracts can be authorized in several different ways, including:

- 1) *Contracts Approved by the Corporate Authorities* – contracts are generally approved by the Corporate Authorities by resolution.
- 2) *Credit Accounts* – These accounts are often established by Village departments with vendors with whom the Village conducts regular business.

For these types of purchases, the user department will usually receive an invoice directly from the vendor. When this happens, the user department should stamp the invoice with a purchase stamp provided by the Finance Department and complete the information required by the purchase stamp.

#### **I. Purchases Requiring a Purchase Order (Greater than \$5,000, Less than \$25,000)**

Purchases in excess of five thousand dollars (\$5,000) but less than ten five thousand dollars (\$25,000) need to be approved by the Village Manager and the Department Director prior to placing an order for the good or service. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

The purchasing cycle for materials, equipment, and services requiring a purchase order includes:

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- 1) *Preliminary Approval* – Preliminary approval for a purchase greater than \$5,000 but less than \$25,000 should be obtained from the Village Manager. The Village Manager will inform the Finance Director of his/her preliminary approval.
  - 2) *Obtain Prices* – Once the preliminary approval has been obtained, three (3) written price quotations should be obtained. Purchases are to be made from the supplier(s) offering the lowest price assuming equal quality, delivery and performance. The record of the proposals obtained will be kept by the Village Manager. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.
  - 3) *Requisition for Purchase Order* – Once a vendor has been selected, Department Directors or their designated representatives should complete a requisition for purchase order. All purchase order requisitions need to be approved by the Department Director and the Village Manager. Once approved, the Finance Department will produce the purchase order and forward a copy to the initiating department and vendor as appropriate. The Village Manager shall have the authority to waive the purchase order requirement for goods or services.
  - 4) *Ordering* – Once the purchase order has been issued, the Department Director or his/her designated representative(s) are authorized to proceed with the purchase.
  - 5) *Receiving* – User departments are responsible for receiving and inspecting items to ensure that the items are received in the proper quantities and in satisfactory condition (please see receiving on Page 12).
  - 6) *Paying* – Once the good or service has been received, the user department should attach a copy of the purchase order, attach the invoice, and submit the documentation to the Finance Department for payment.

J. **Purchases Requiring a Competitive Bidding Process (Purchase of goods, services, and public works projects in excess of \$25,000)**

The competitive bid procedure for work or other public improvements over \$25,000 is required except as provided in Section L or waived by a two-thirds vote of the Village Board then holding office (65 ILCS 5/8-9-1).:

- 1) The Department Director or designee initiates the formal bid process through a written memorandum to the Village Manager describing the project to be bid, cost estimates, amount budgeted and time schedule for both the bidding and completion of the project.
- 2) Detailed specifications are prepared. These specifications should be submitted to the Finance Department for review.
- 3) Once the specifications are prepared a "Notice of Call for Bids" will be published in at least one newspaper of general circulation in the Village, indicating the date, time and location of the bid opening. The notice shall be published at least ten (10) days prior to the time designated for the

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opening of bids. A "Qualified Bidders List" is prepared and bid packages or a notice indicating availability of bid specifications is mailed to qualified contractors.

- 4) Sealed bids and bid deposits (if required) are received. A public bid opening is held immediately following the time that bids are required to be received. Bids received after the published date and time, by which bids were to be submitted, unless extended through written addendum, shall be rejected and returned unopened to the contractor submitting said bid. A member of the initiating department and a recording secretary shall open the bids. Bids shall be read aloud and recorded on a recap sheet which is made available to the public.
- 5) Qualified bids are tabulated and analyzed by the department and a written recommendation is made to the Village Manager. The recommendation for award shall be based on the lowest, responsible bidder meeting all specifications.

The contract shall be awarded within the time specified in the bidding documents or, if no time is specified, within a reasonable time, by written notice to the lowest responsible bidder whose bid is judged to be the best bid and most favorable to the interests of the Village. In determining the lowest responsible bidder, the Village shall consider the following factors in addition to price, as applicable:

- i. The compliance of the bid, including required plans and specifications, with bidding and contract requirements;
- ii. The ability, capacity, and skill of the bidder to perform the contract;
- iii. Whether the bidder has the requisite facilities, plant, capital, financial resources, organization, and staffing to enable the bidder to perform the contract successfully and promptly, within the time specified, without delay or interference;
- iv. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- v. The quality of the bidder's performance of previous contracts or services;
- vi. The previous and existing compliance by the bidder with other contracts and the laws or ordinances relating to said contracts;
- vii. Where relevant, the ability of the bidder to provide future maintenance and service;
- viii. The conditions placed on the bid by the bidder; and
- ix. Any other factor that the Village may legally consider in determining the bid that is in the Village's best interest.

Accepting Single Bid Received. When only one bid is submitted, that fact alone shall not prevent the Village from accepting that bid.

- 6) Once the bid has been awarded, the user department should follow the purchase order process with the exception of obtaining prices, for ordering and payment.

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**K. Purchases Requiring an RFP and Qualification Based Selection Procedures**

Based upon a recommendation by the Village Manager or designated Village employee for purchases or services over \$25,000, an RFP (Request for Proposals) or RFQ (Request for Statement of Qualifications) process will be followed for products or services which requires a high degree of professional skill where the ability or fitness of the individual plays an important part in the selection process. The process is similar to a competitive bid with the difference being that the contract can be awarded according to criteria besides price. The procedures for an RFP/RFQ are generally described below:

- 1) Detailed specification, scope of work, and projected time frame are determined. These specifications should be submitted to the Finance Department for review and integration into the Village's RFP/RFQ document.
- 2) Once the specifications are prepared, a "Request for Proposals" ("RFP") or "Request for Statement of Qualifications" ("RFQ") will be solicited.
- 3) A public opening of the proposals is held immediately following the time that proposals are required to be received. Proposals received after the published date and time which proposals were to be submitted, unless extended through written addendum, shall be rejected and returned unopened to the vendor. A member of the initiating department and a recording secretary shall open the proposals. Proposals shall be read aloud and recorded on a recap sheet which is made available to the public.
- 4) Proposals are tabulated and analyzed by the department according to the criteria to be used to award the contract included in the RFP/RFQ.
- 5) A shortlist of firms is determined; and if required, interviews are conducted.
- 6) The short-listed firms shall be provisionally ranked by the reviewer or review committee.
- 7) The reviewer or review committee shall negotiate pricing with the top-ranked firm. Upon satisfactory negotiation, a recommendation shall be presented to the Village Manager. If negotiations with the top-ranked firm fail to result in a satisfactory pricing arrangement, negotiations with the top-ranked firm shall terminate upon notice, and negotiations with the next highest ranked firm shall commence.
- 8) Based on these analyses and upon satisfactory negotiations of price, a written recommendation is made to the Village Manager. The recommendation for award shall be made to the Village Board based on the proposal that most closely meets the Village's needs according to the criteria specified in the RFP/RFQ.
- 9) Once the RFP/RFQ has been approved by the Village Board, the contract shall be awarded and the user department should follow the purchase order process with the exception of obtaining prices, for ordering and payment.



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L. **Exceptions to Requirements**

Except when otherwise directed by the Village Manager, the Village Board, Federal Grant or State Grant, procedures outlined in sections J through K (Competitive Bid, RFP or RFQ Procedures) will not apply in the following circumstances, regardless of the amount of the expenditure:

- 1) Specially Authorized Waiver. Contracts for construction, repair and maintenance projects, supplies and services authorized by two-thirds of the members of the Village Board may be awarded without engaging in Competitive Bidding, RFP or RFQ Procedures.
- 2) Emergency Purchases. Emergency purchases are unforeseen purchases that include an immediate threat to public health or safety, an emergency arising from unforeseen causes which necessitates the immediate delivery of items or services, and the prevention of delays in work or construction schedules. If the emergency purchase is over two thousand, five hundred dollars (\$2,500) but less than or equal to twenty five thousand dollars (\$25,000), the Department Director or designated representative may call and create an emergency purchase order number. If it is not possible to get the emergency purchase order number prior to the ordering of the purchase, the department in all cases should request the number and complete the requisition within two (2) working days from commencement of work or the ordering of the purchase. Documentation including an explanation of the emergency must also be submitted within two (2) working days from commencement of work or the ordering of the purchase. Emergency purchases over two thousand, five hundred (\$2,500) but less than or equal to twenty five thousand dollars (\$25,000) must be approved by the Village Manager or his/her designee prior to the purchase. In the event of an emergency, if the corporate authorities of the Village are unable to hold a meeting to authorize appropriate expenditures to respond to the emergency, the Village Manager or his/her designee is authorized to approve expenditures over \$25,000. Thereafter, all emergency procurements involving expenditures of \$25,000 or more and all contracts must be presented to the Village Board for ratification at the next scheduled Village Board meeting. All emergency purchases must be thoroughly documented.
- 3) Sole Source Purchases. Contracts for construction, repair and maintenance projects, supplies and services that are produced or provided by only one supplier or vendor may be awarded without engaging in Competitive Bidding. Procurements of \$25,000 or more and whenever feasible, it is recommended that contracts be presented to the Village Board for approval.
  - i. For this exception to apply, the following steps must be followed:
    - a. The Department Head or Village Manager, depending on the level of expenditure, shall specify such supplier's or vendor's make or brand in an invitation to bid, and shall attempt to obtain competitive bids from authorized dealers or distributors of such supplier or vendor and, if possible, directly from such supplier or vendor and the contract for the construction, repair and maintenance projects, supplies and services shall be awarded to the lowest responsible bidder.



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Purchasing Alliance (National IPA) National Joint Powers Alliance (NJPA) and the Federal General Services Administration.

It is the policy of the Village to enter into cooperative purchasing agreements when:

- i. Savings will result
- ii. Quality, availability, or service will not be sacrificed
- iii. The Village will be separately billed for its purchases
- iv. Ordered items will be delivered directly to the Village (unless otherwise agreed to)

Nothing shall prevent the Village from seeking quotes and bids and making purchases from vendors who can provide lower prices than those available through joint purchasing programs for equivalent or better items. Department Directors shall have the authority to analyze the desirability of cooperative purchasing arrangements and to make recommendations to the Village Manager. Department Directors should research cooperative purchasing arrangements to ensure that competitive prices have been obtained. The Village Board encourages cooperative purchasing but maintains the right to reject any or all such agreements. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval.

- 6) Matching Funds. Where a condition of a grant or loan of funds to the Village requires the Village to provide Village funds as matching funds or for other purposes related to the grant or loan, the full amount of the grant or loan contract must be approved by the Village Board.
- 7) Procurements for Resale. Contracts for procurements of supplies for the purpose of resale (t-shirts, golf balls, etc.) may be awarded without engaging in Competitive Bidding, RFP or RFQ Procedures.
- 8) Trade or Professional Organizations, Lobbying Groups and Governmental Services. Membership in trade or professional organizations, lobbying groups and governmental services (e.g., the Northern Illinois Regional Crime Lab) are not subject to the Competitive Bidding, RFP or RFQ Procedures. Whenever feasible, it is recommended that contracts be presented to the Village Board for approval and invoices explicitly noted on the Bill Submit List.
- 9) Private/Public/Educational. Membership in private, public or educational groups are not subject to the Competitive Bidding, RFP or RFQ Procedures.
- 10) Existing Relationship. If the Village already has a satisfactory existing relationship with a firm providing the services or the vendor has been approved by the Village Board during the annual approval of the vendor listing. New or amended contracts will require Village Board approval.

#### **M. Payments**

The payment process is the responsibility of the user department and the Finance Department. The user department is responsible for ensuring and verifying receipt of the goods or services,

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verifying the correct amounts were invoiced to the Village, providing the proper coding of the invoice for payment, and ensuring that all appropriate approvals were obtained prior to submitting the invoice to the Finance Department for payment. The Finance Department is responsible for ensuring appropriate approvals were obtained, the invoice is coded correctly, and sufficient budgeted funds are available. The Finance Director shall only disburse Village funds for vouchers, bills, or purchase orders that have been properly approved by the Village Board. All Warrants must be signed by the Village Manager (65 ILCS 5/8-1-8). User departments should realize the payment of invoices can only be completed through a Village Board meeting and submit invoices to the Finance Department in a timely manner to get the invoice on the Warrant for the next Village Board meeting. The Finance Director may issue funds prior to formal approval by the Village Board for authorized pre-issues including payroll and 125 plan employee reimbursements and for any other services authorized by the Village Board.

#### **N. Payment by Check**

There are two ways to request a payment by check. The first method of paying by check is to use a payment stamp on an invoice received from a vendor. The information included in the payment stamp should be completed to the fullest extent possible.

The second method of paying by check is through a check request form. This form should be used to process a payment when the invoice or documentation is not self-explanatory and additional information would expedite processing. Examples of an appropriate use of a check requisition include:

- 1) Payment for approved contracts or purchase orders
- 2) Advance payment for conference registration.
- 3) Mail-order items for which no invoice is available so the ad or brochure is attached to the check request;
- 4) Membership dues for professional organizations (clarify where the payment is to be sent);
- 5) Refunds - No invoice is available, but the background information can be attached to the check request and the name and address can be clarified;
- 6) A very small receipt that could easily get lost if not attached to a check request.

The Check Request form shall include as much descriptive information as possible including dates, times, places and descriptions of products or services.

#### **O. Special Vendor Bill Checks**

There are certain situations where it may be necessary for the Village to process and issue a check to a vendor before it is approved by the Village Board through the regular Bill Submit List process. Resolution No. 2018-36, "Authorizing the Finance Director to Pay Certain Vendors Prior to Submitting the Bills to the Village Board of Trustees" provides a list of pre-approved vendors that provide services or goods to the Village on a regular basis have a billing cycle that will come due

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each year after the Village Board meetings in March, July, August and December, as well as those months where there is a fifth Monday. Also, only with the Village Finance Commissioner's and Village Manager's approval, other situations which would necessitate the issuance of a check are those instances where critical Village services may be interrupted, or unforeseen circumstances where a vendor will require payment before goods or services will be delivered or received. A check may also be issued when the Village Board has approved a contract, which as part of that contract, includes a provision requiring a down payment before commencing the production and/or procurement of such goods or services. In order to avoid late fees, to meet debt service payment requirements, to maintain good payment history, and to facilitate emergency services a check may be issued. In such instances, a check that is issued will be included on the next Bill Submit List for ratification of approval by the Village Board.

**P. Payment by Village Credit Card**

The Credit Card may be used only for purchases in accordance with the purchasing procedures and limits established by the Village. Charges must not be split to avoid exceeding the individual transaction limit of the card. The Credit Card must NEVER be used for cash advances, standard merchant category exclusions (liquor stores, jewelry, etc.), or for personal use. The following procedures should be followed when using the Credit Card:

- 1) *Administration of Program* – The Finance Director will be responsible for administering the Credit Card program. The Finance Director will not be issued a Credit Card to avoid any conflict of interest in the administration of the program. The Finance Director is responsible for reviewing all charges for appropriateness and recommending the revocation of cards and/or disciplinary actions for the abuse of the Credit Card. The Finance Director will refer cases of abuse to the Village Manager or the Village Board as appropriate.
- 2) *Positions Authorized to Use a Village Credit Card* – Credit Cards will not be issued to or be used by elected officials. The following Village employees are authorized to use a Village Credit Card:
  - i. Police Chief
    - a. Lieutenants and Sergeants
  - ii. Village Manager
  - iii. Assistant to the Village Manager
- 3) *Approved Cardholder* – The Police Chief is the only approved cardholder whose name is embossed on the card; however, others as listed in item #2 above are authorized to use the card.
- 4) *Safekeeping* – The approved cardholder is responsible for keeping the Credit Card issued to them safe. Cardholders are encouraged to keep their cards in a locked drawer or cabinet in a Village facility

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- 5) *Types of Purchases* – The Credit Card allows the Village to prohibit purchases from certain types of vendors. If a cardholder attempts to purchase something from a vendor that has been prohibited by the Credit Card, the attempted charge will be denied. The cardholder should contact the Finance Department to unblock the vendor if purchasing from that vendor is necessary for Village operations.
  - 6) *Documentation and Billing* – the Cardholder is responsible for providing all sales invoices/register receipts and collecting them from the user. The amount charged must match the sales invoice/register receipt exactly. The cardholder is responsible for completing an expense report or check request form provided by the Finance Department. The following documentation must be submitted to the Police Chief immediately after purchase who will provide the information to the Finance Department:
    - i. Original copy of each receipt for each transaction (keep a copy for your records);
    - ii. Printed expense report signed by the Department Director or Village Manager.
  - 7) *Sales Tax Exemption* – Purchases made with the Credit Card are sales tax exempt. The cardholder and/or its user are responsible for ensuring tax has not been charged. In the event a vendor charges unallowable sales tax, the cardholder must immediately contact the vendor and request a credit to the card in the amount of the tax. A copy of the credit invoice is also required and must be attached to the statement showing the credited amount. The cardholder or user will have one month to resolve the issue. At the discretion of the Finance Director exceptions may be made; however, if an exemption is not granted, the card will be revoked or the user not allowed to use the card in the future if the issue is not resolved within the next month, or if there are reoccurrences of sales tax being charged.
  - 8) *Late Statements and Missing Receipts* – If a statement is received by the Finance Department and receipts are missing, the cardholder or user will have one month to resolve the issue. At the discretion of the Finance Director, the card will be revoked or the user will not be allowed to use the card in the future if the issue is not resolved within the next month, or if there are reoccurrences of late statements or missing receipts. The Finance Director may also refer the matter to the Village Manager or Village Board for disciplinary action if late statements or missing receipts reoccur on a regular basis.
  - 9) *Credit for Returns or Errors* – If an item is returned, a credit must be received and documentation must be submitted with the monthly statement.
  - 10) *Disputed Charges* – If a dispute is discovered with a charge on the card, the cardholder is responsible for contacting the vendor and having them issue a credit to the card. If the disputed charge is not resolved by the vendor, the cardholder is responsible for contacting the bank to dispute the charge and receive further instructions.
  - 11) *Lost or Stolen Card* – It is the cardholder's, users, and the Finance Director's responsibility to document the phone number to call in the case of a lost or stolen card. If a Credit Card is lost or

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stolen the cardholder must immediately notify the bank that issued the Credit Card (open 24 hours a day). Also, immediately notify the Finance Department.

- 12) *Changes in Employment* – If a cardholder ends his/her employment with the Village, the Credit Card must be returned to the Finance Department. The cardholder is responsible for providing all outstanding receipts and related documents to their supervisor prior to ending employment.
- 13) *Questions* – If you have any questions about how to make purchases with the credit card or regarding payment of charges, please contact the Finance Director.
- 14) *Education* – New cards shall be approved by the Village Manager and distributed by the Finance Department. New cardholders are required to meet with the Finance Director to discuss proper use of the card and billing procedures. Cards will be distributed when the educational session has been completed.

**Q. Payment by Petty Cash**

Small dollar purchases, under \$25.00, may be made from established petty cash funds. The Finance Director shall establish procedures for purchases that may be reimbursed from the petty cash fund.

**R. Governmental Prompt Payment Act**

Payments shall be made in accordance with the Illinois Local Government Prompt Payment Act (50 ILCS 505). Public Act #84-731, (50 ILCS 505/1-6) "Prompt Payment Act" states that the appropriate local government official or agency receiving goods or services must approve or disapprove a bill from a vendor, within thirty days after receipt of the bill or receipt of goods or services, whichever is later. If quality assurance testing of goods by the Village is necessary before the approval or disapproval of a bill and such testing cannot be completed within thirty days after receipt of the goods, approval or disapproval of the bill must be made immediately upon completion of the testing or within sixty days after receipt of the goods, whichever occurs first. A written notice shall be mailed to the vendor immediately if a bill is disapproved. Any bill approved for payment shall be paid within 30 days after the date of approval to avoid incurrence of interest. If the local government official or agency whose approval is required for any bill fails to approve or disapprove that bill within the period provided for approval the penalty for late payment of that bill shall be computed from the date 60 days after the receipt of that bill or the date 60 days after the goods or services are received, whichever is later. The time periods specified as they pertain to goods or services, are superseded by any greater time periods agreed to by the local government agency and the vendor or contractor.

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**S. Sales Tax Exemption**

The Village of Bannockburn is exempt from paying all local and state sales taxes. When reviewing and approving invoices, Department Directors and/or their designees shall verify that the vendor has excluded any sales taxes from the amount due from the Village. The Finance Department will provide the necessary information regarding the Village's State Sales Exemption Certificate to any vendor upon request.

**T. Employee Reimbursements**

The Finance Department will process a reimbursement to an employee for goods and services, purchased by the employee with the employee's money on behalf of the Village, when the Department Director submits the paid receipt and appropriate expense reimbursement form with his or her approval.

**U. Other Purchasing Guidelines**

*1) Fiscal Year End Requirements*

The Village's fiscal year begins on May 1 and ends April 30. To charge an expense to the current fiscal year, goods and services must be incurred no later than April 30. Therefore, requisitions for purchase orders should be initiated at least three (3) weeks prior to April 30<sup>th</sup> to allow ample time for the purchase order to be approved and issued, and for the goods or services to be ordered by the Village before April 30. Requisitions for purchase orders for goods which are made-to-order or which take a long time to procure may need to be initiated several weeks or even months prior to April 30<sup>th</sup>. Department Directors should be aware of the amount of time necessary to receive Village Board approval to procure goods and services so they may be ordered before the end of the fiscal year. Goods and services ordered by the Village after April 30<sup>th</sup> will be charged to the budget for the new fiscal year and the user department available budget in the new fiscal year will be reduced.

If a budgeted item is not ordered during the fiscal year, the amount budgeted for that item will not carry forward to the next fiscal year. If it is anticipated that certain budgeted items will not be ordered during the fiscal year, the Department Director will need to request funding as part of the budget process for the upcoming fiscal year for that item or service. It is the responsibility of each department to request that the budget for certain items be carried over to the next fiscal year, subject to approval as part of the budget process. It is also incumbent on the department to notify any vendor who may not deliver or invoice a product or service before the end of the fiscal year that the funds will have to re-appropriated in the following fiscal year. The vendor should also be notified that there is always a chance that the Village Board will choose not to appropriate monies for a good or service that was ordered in the prior fiscal year. If this occurs, the Village does not have an obligation to accept those goods or services.



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2) *Purchasing from Bannockburn Vendors*

The Village encourages purchasing from vendors within the Village of Bannockburn to support local businesses. If equal quality, service and delivery are provided, and the pricing is competitive, additional consideration shall be given to the purchase of such goods or services from local businesses. This section is not applicable to projects which are subject to the public bidding requirement.

3) Shipping & Freight

All bid prices and price quotations shall be Freight on Board (F.O.B.) Village of Bannockburn with delivery to a point or points within the Village. It is the policy of the Village to avoid paying shipping charges whenever possible. If the Village is to pay shipping charges, they must be included at the time the invoice is received by the Village. Department Director or their designees, when obtaining price quotations, should inquire into applicable shipping charges. Any shipping charges to be paid by the Village will be regarded as part of the price quotation when selecting the successful vendor. Unless otherwise stated, all formal bid proposals shall include freight and delivery charges, if any.

4) Receiving & Inspection

Department Directors (or their designated representatives) are responsible for receiving and inspecting all deliveries to their departments to ensure that items received conform to the specifications and quantities that were ordered. All deliveries should be thoroughly inspected to ensure that materials are received in satisfactory condition. If an unsatisfactory item is accepted by a department, the department is responsible for that item. If the item cannot be used for its intended purpose then the department will have to request budgetary authority to purchase a new item. The department may attempt to negotiate with the vendor to obtain a replacement that will fulfill the originally intended purpose. However, the replacement cannot obligate the Village to spend further monies without the pre-authorization of the Finance Director. Inspecting the quantity and quality of items ordered before they are accepted is a critical component of the purchasing process. The Village has the right to reject any substandard item before it is accepted by a Village staff member; after acceptance the Village may be obligated for payment even if the item is not satisfactory. Each department should check the items received against the receiving slip, and forward the receiving slip along with the invoice to the Finance Department once the invoice has been properly approved.

**V. Travel and Expense Reimbursement Policy**

It is a policy of the Village of Bannockburn to reimburse employees for all necessary expenditures or losses incurred by the employee within the employee's scope of employment and directly related to services performed for the Village of Bannockburn. The Village of Bannockburn is not responsible for losses due to an employee's own negligence, losses due to normal wear or losses due to theft unless the theft was a result of Village of Bannockburn's negligence.

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Travel can play an important role in accomplishing the Village's mission to provide superior and responsive governmental services to the residents of Bannockburn. It is the policy of the Village of Bannockburn to reimburse officials and employees for authorized expenses incurred by them in the performance of their duties. Rates may be revised by the Village Manager from time to time to reflect current pricing.

The Village's elected officials shall follow the approved reimbursement policy Resolution No. 2013-R-29 "Resolution Acknowledging Procedures for Reimbursement of Village Related Expenses Incurred by Village Officials".

Employees, when conducting business on behalf of the Village, are expected to use good quality services and accommodations appropriate for the business to be conducted. Good judgment and ethical practices on the part of each traveler remain the most important factors in controlling travel expenses.

Control of travel authorization is the responsibility of each Department Director. Travel authorization is a two-part process including: 1) approval of all travel in advance; and 2) expense reporting following completion of the trip. All travel for Village-related business must be approved in advance by the employee's Department Director; the Village Manager in the case of Department Directors; or the Village President in the case of the Village Manager, within the constraints of the annual budget.

All claims for the reimbursement of travel expenses shall be submitted on authorized reimbursement forms within 30 calendar days after travel has been completed. Abuse of the travel regulations, including falsifying expense reports to reflect costs not incurred by the employee, may be subject to disciplinary action, up to and including termination of employment. Travel authorization and travel reimbursement forms may be obtained from the Finance Department and shall be itemized in accordance with the following regulations. Approval of travel expense reports is more than a formality. It indicates that expenses submitted have been reviewed and have been found to comply with Village regulations regarding travel and authorized business expenses. The policies detailed here apply to all funds under Village control and are superseded only in those instances where funding agencies apply specific and more restrictive rules and rates.

- 1) *Travel Authorization* - It is Village policy that all travel requiring an overnight stay must be approved in advance by the employee's Department Director and the Village Manager. This applies to all travel of this nature even in instances where the travel has been budgeted or a travel advance is not requested. Requests for travel authorization shall be submitted using the Village's travel authorization form.
- 2) *Travel Arrangements* - Village employees should arrange travel using the least expensive means possible. Employees should use good judgment when determining logical routes for arriving at the intended destination. Travel outside the State requires the approval of the Village Manager prior to such travel. Requests shall be made in writing with approval or disapproval based on necessity.

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- 3) *Air Travel* - Employees are required to request flights according to approximate arrival and departure time, rather than by specific carrier or flight number, in order to obtain the lowest available fare with logical routing for all trips. In general, lowest available fare is defined as the least costly fare available at the time of ticketing, and may include one stopover or connecting flight. (This is not intended to limit travelers who may wish to arrange air fare using more than one stopover or connecting flight as savings and time permits.) In order to take advantage of available discounted fares, travelers are requested to make reasonable adjustments in their travel plans. Employees should make air travel arrangements as far in advance as possible to take advantage of special fare savings. Travelers should be aware that some discounts have travel restrictions and cancellation penalties, and therefore good business judgment should be exercised. All air travel at Village expense must be by coach. First Class travel is not permitted.
- 4) *Ground Transportation* - It is expected that employees use the most effective ground transportation available, considering cost, time, availability and scheduling. Ground transportation, which includes bus, train, taxi or airport shuttle services, is limited to travel between airport, hotel, and conference center or between the Village and the destination at which the official Village business will be conducted. Ground transportation could include the cost of a rental vehicle.
- i. Taxi and Airport Transportation – Whenever practical, airport or hotel ground transportation should be the preferred method of transportation to hotels or meeting sites. Taxis may be used as necessary taking into consideration the cost of other means of transportation. A receipt is required for reimbursement of these expenses.
  - ii. Rental Passenger Automobiles – Rental automobiles may be used as necessary but must be approved in advance by the Department Director. Rental vehicle costs shall be identified as part of the documentation submitted prior to the travel, as well as the reason for retaining such transportation. Receipts are required for reimbursement of all expenses related to rental automobile use.
  - iii. Personal Vehicles – Direct travel by personal vehicle at the rate authorized year-to-year by the Internal Revenue Service or at an amount equivalent to round trip airfare, whichever is less. Visit [www.irs.gov](http://www.irs.gov) to obtain the current rate. If the employee departs from their home to the official destination, the Village will not reimburse the employee for the equivalent miles between the employee’s home and where they normally report to work. The mileage reimbursement allowance covers all automobile related costs; gasoline, insurance, maintenance etc. Employees using personal vehicles on Village business must have adequate automobile coverages in effect in compliance with Village policy.
  - iv. Other - Toll charges and parking fees, when supported by receipts, are reimbursable in addition to mileage allowance.
- 5) *Meals* - The per diem allowance for meals including taxes and tips while on Village business shall not exceed the Internal Revenue Service (IRS) standard allowance for the locality, as found in Publication 1542 of the IRS. If the location traveled to is not included in the IRS list, the standard

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meal allowance for the nearest municipalities shall apply. Meal expenses exceeding the standard allowance are the responsibility of the employee. The Village Manager may approve greater amounts on a case-by-case basis in situations where these amounts do not adequately cover the actual cost of meals. Tips and gratuities are not to exceed 15% of expenses actually incurred.

When traveling on Village business, employees should select restaurants which are reasonably priced for the locality. In addition, employees shall be aware that the Village will not pay for alcoholic beverages consumed with meals and that receipts are required for meals purchased during the course of the business trip. Per diem allowances for partial days traveled shall be based on the per meal allowances outlined below. These allowances shall also apply to employees attending in-state seminars and conferences not requiring an overnight stay. In either event, employees will not receive a per diem allowance but will be reimbursed for meals not included in the registration costs. The following limits shall apply to meals purchased while conducting Village business:

- i. Breakfast – Breakfast will be allowed whenever the incurred travel begins earlier than a normal breakfast (or concludes following breakfast) and no meal is served at the seminar or conference. The per diem meal allowance for breakfast shall be \$10.
  - ii. Lunch – Lunch will be reimbursed provided that the trip begins before the lunch hour (or concludes following the normal lunch hour) and lunch is not included as part of the conference or seminar. The per diem meal allowance for lunch shall be \$20.
  - iii. Dinner – Dinner will be reimbursed when the employee is away from the Village for the evening meal or does not return until after the normal dinner hour and no meal was provided as part of the conference or seminar. The per diem meal allowance for dinner shall be the balance of the IRS per diem allowance for the locality. For example, if the per diem allowance for the locality is \$63, the allowance for dinner shall be \$33.00 (calculated as \$63 minus \$10 for breakfast and \$20 for lunch).
- 6) *Hotels* – Employees are expected to use reasonably priced lodging. When making reservations or registering, the employee shall ask for and use the single room rate, or government/conference rate, whichever is less. Lodging expenses are reimbursable only when it is impractical to commute as determined by the Department Director or Village Manager. Otherwise, good judgment should be used in selecting hotels which provide comfortable lodging at reasonable prices. Accompaniment by an Immediate Family Member - The Village will not reimburse employees for travel costs of immediate family members traveling with employees on official Village business. Should a family member accompany the employee for personal reasons, only those costs related to the employee's travel may be reimbursed.
- 7) *Combined Business/Personal Travel* – Whenever an employee, for his/her convenience, travels by an indirect route or interrupts Village travel for personal travel, the additional expenses related to the personal travel are the responsibility of the employee.

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- 8) *Special Events* - Fees for special events are reimbursable only when the event is directly related to the conference or for public or professional relations and otherwise approved in advance by the Department Director or Village Manager.
- 9) *Non-Allowable Expenses* – The Village's policy is to reimburse its employees for all reasonable and necessary expenses incurred while transacting the affairs of the Village. However, there are specific types of expenses which are considered personal, and are therefore not reimbursable. These include but are not limited to:
- i. Cleaning, pressing, and laundry;
  - ii. Personal entertainment including movies, videos or pay per view services in a hotel room;
  - iii. Airline and other trip insurance;
  - iv. Beautician, barber, manicurist and shoe shine;
  - v. Personal telephone calls except to report changes in schedule, or to talk with family members once per day (15 minute per day maximum);
  - vi. Repairs on personal automobiles damaged while on company business, if covered by insurance;
  - vii. Traffic violations and court costs;
  - viii. Membership fees in airline clubs;
  - ix. Home internet service;
  - x. Personal cell phone & internet services except for pre-approved required international charges;
  - xi. Alcoholic beverages.
- 10) *Approved Forms of Payment* - Payments will not be made unless a travel expense report has been approved by the Finance Department. Employees that have Village issued credit cards may use them to pay for travel related expenses. However, employees shall still be responsible for obtaining receipts and submitting a complete expense reimbursement form to the Finance Department when the travel has been completed.
- i. *Advances* - Travel advances may be issued to employees to cover travel expenses that cannot be paid in advance by the Village. The advance will be established at an amount that is reasonable. All travel advances are issued and maintained subject to timely reporting of all travel expenses. A travel advance will be issued upon receipt of a completed travel expense report containing the following information:
    - a. Name, title and department of employee receiving the travel advance
    - b. Account number the expenses will be charged to
    - c. Purpose of the trip
    - d. Destination
    - e. Beginning and ending dates of the trip
    - f. Estimate of all expenses including transportation, lodging, meals, registration and miscellaneous expenses including items paid directly

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Advance requests require the signature of the applicable Department Director and the Finance Director. Travel advance forms must be completed and submitted to the Finance Department at least thirty (30) days before the date needed. Employees are responsible for ensuring that the completed travel advance form is received by the Finance Department prior to the accounts payable deadline for the date the funds will be needed. Travel advances must be settled within five (5) days after completion of the travel. A travel advance will not be issued if any prior advance is outstanding. Completed travel advance forms are to be forwarded to the Finance Department with all receipts attached. Any unused travel advance money must accompany this form.

- ii. Expense Reporting - the expense form should be filled out in accordance with the instructions noted on the form. Travelers should provide as much detailed information of all expenses on the statement as possible including the cost of registration, books, meals, hotel, airfare, etc. regardless of whether it was paid directly to a vendor (e.g. registration fees) or by credit card (e.g. hotel bill). Original receipts must be included except when it is impractical to do so or when specifically exempted by this policy (e.g. cost of public transportation, tips, parking meters, etc.). For payment involving the use of personal vehicles, the expense reimbursement form shall show in the space provided, the dates and times of travel, the points of departure and destination, the mode of transportation and the cost of transportation secured.

The expense report shall be submitted to the Finance Department within 30 days following completion of the trip. Questions regarding any aspect of this policy shall be directed to the Finance Director or their designee.

#### **W. Surplus Property Policy**

Village "personal property" is declared surplus when it is no longer necessary, practical, or economical to be retained by the Village. Department Directors are responsible for identifying surplus furniture and equipment in their departments. Before the surplus property can be sold or otherwise disposed of, a list of items with descriptions must be submitted to the Village Board for their approval to declare the items surplus. The corporate authorities shall declare personal property surplus by ordinance, which ordinance shall also direct the manner of disposing such property.

#### **X. Qualifications-Based Selection (QBS) Written Policy and Procedure**

The Village of Bannockburn receives federal funds, which may be used to fund the engineering and design related consultant services. Our written policies and procedures as describe herein for QBS will meet the requirements of 23 CFR 172 and the Brooks Act.

- 1) Initial Administration - The Village of Bannockburn's QBS policy and procedures assigns responsibilities to the Village Manager, Village President and Board of Trustees within the Village of Bannockburn's organization for the procurement, management, and administration for consultant services.
- 2) Written Policies and Procedures - The Village of Bannockburn intends that these adopted QBS

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written policies and procedures substantially follow Section 5-5 of the *BLRS Manual* and specifically Section 5-5.06(e), therefore; approval from IDOT is not required.

- 3) Project Description - The Village of Bannockburn will use the following five items when developing the project description and may include additional items when unique circumstances exist.
  - i. Describe in general terms the need, purpose, and objective of the project;
  - ii. Identify the various project components;
  - iii. Establish the desired timetable for the effort;
  - iv. Identify any expected problems
  - v. Determine the total project budget.
- 4) Public Notice - The Village of Bannockburn will post an announcement on our website, <http://www.bannockburn.org/>, and/or publish an ad in a newspaper with appropriate circulation. The item will be advertised for at least 14 days prior to the acceptance of proposals, and at least twice in the newspaper and/or on continuous display on our website.
- 5) Conflict of Interest - The Village of Bannockburn requires consultants to submit a disclosure statement with their procedures. The Village of Bannockburn requires the use of the IDOT BDE DISC 2 Template as their conflict of interest form.
- 6) Suspension and Debarment - The Village of Bannockburn will use SAM Exclusions, IDOT's CPO's website and the three other state CPO's websites to verify suspensions and debarments actions to ensure the eligibility of firms short listed and selected for projects.
- 7) Evaluation Factors - The Village of Bannockburn allows the Village Manager to set the evaluation factors for each project, but must include a minimum of five criterion and stay within the established weighting range. The maximum of DBE and local presence combined will not be more that 10% on projects where federal funds are used. Project specific evaluation factors will be included at a minimum in the Request for Proposals.
  - i. Criteria and weighting per the Village of Bannockburn's QBS Procedures:
    - a. Technical Approach (10- 30%)
    - b. Firm Experience (10- 30%)
    - c. Specialized Expertise (10 - 30%)
    - d. Staff Capabilities (Prime/Sub) (10 - 30%)
    - e. Work Load Capacity (10- 30%)
    - f. Past Performance (10- 30%)
    - g. Local Presence\*
    - h. Participation of Qualified and Certified DBE Sub-consultants\*

Note: \* The combined total of these two items cannot exceed 10%
  - ii. Price and cost related items, including cost proposals; direct salaries/wage rates; indirect costs (overhead), and other direct costs shall not be used as a factor in the evaluation, ranking and selection. Any sealed cost proposals submitted in response to the announcement will be returned to sender unopened.

- 8) Selection - The Village of Bannockburn requires a three-person selection committee. Typically, the selection committee members include the Village Manager, a Village Board member and one other appointed member. The selection committee members must certify that they do not have a conflict of interest. Selection committee members are chosen by the Village Manager for each project. The Village of Bannockburn requires each member of the selection committee to provide an independent score for each proposal using the form below prior to the selection committee meeting.

Criteria	Weighting	Points	Firm 1	Firm 2	FirmX
Criterion 1					
Criterion 2...					
Criterion X					
Total	100%				

The selection committee members' scores are averaged for a committee score which is used to establish a short list of three firms. The committee score is adjusted by the committee based on group discussion and information gained from presentations and interviews to develop a final ranking. If there are other firms within 10% of the minimum score, the Village Manager or the selection committee may choose to expand the short list to include more than three firms.

- 9) Independent Estimate - The Village of Bannockburn will prepare an independent in-house estimate for the project prior to contract negotiation. The estimate is used in the negotiation.
- 10) Contract Negotiation - The Village of Bannockburn's Village Manager shall negotiate with firms, keep the Village Board apprised of all contract negotiations and seek their approval of all negotiated contracts. The Village Manager may delegate this responsibility to staff members. If a contract cannot be negotiated with the selected consultant, the Village Manager shall attempt to negotiate a contract with the second-ranked consultant. If this negotiation also fails, the LPA shall recommence the QBS process.
- 11) Acceptable Costs - The Village of Bannockburn requires the Village Manager, Appointed Elected Official or Finance Director to review the contract costs and the indirect cost rates to assure they are compliant with Federal cost principles prior to submission to IDOT.
- 12) Invoice Processing - The Village of Bannockburn requires the Village Manager and Appointed Elected Official assigned to any project using federal funds to review and approve all invoices prior to payment and submission to IDOT for reimbursement.



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13) Project Administration - The Village of Bannockburn requires the assigned Project Manager to monitor work on the project in accordance with the contract and to file reports with the Village Manager and Appointed Elected Official. The Village of Bannockburn procedures require an evaluation of the consultant's work at the end of each project. These reports are maintained in The Village of Bannockburn's consultant information database. The Village of Bannockburn follows IDOT's requirements and the required submission of BLRS Form 05613 to the IDOT district at contract close-out along with the final invoice.

Y. "Notwithstanding the terms of this policy, under appropriate circumstances, purchasing activities that vary from the strict terms of this policy may be approved or ratified (i) by the Village Manager for purchases under \$25,000, or (ii) by the Village Board for purchases of \$25,000 or more."