



**PURCHASING MANUAL  
SEPTEMBER 2012**

Revised – February 24, 2015

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CHAPTER 1 – INTRODUCTION

**A. Introduction/Statement of Policy**

The purpose of this purchasing manual is to provide the Lisle Woodridge Fire District staff with guidelines and directions for the procurement of goods and services. When combined with good judgment and common sense, the policies and procedures set forth will allow the District to obtain necessary supplies and services efficiently and economically. This manual, upon approval by the Board of Trustees, will replace any previous purchasing policies.

Employees are expected to read the policy manual and provide the Finance Director with feedback regarding the policies and procedures contained within. Employees who need help dealing with specific situations not covered by this policy should consult the Finance Department for assistance.

The Finance Department shall review this policy as appropriate but at least every four years to insure conformance with current statutes and best procurement practices, and to further the interests of the District. Any amendments to this policy manual will be submitted to the Board of Trustees for approval.

The Fire Chief/Administrator, under the direction of the Board of Trustees, shall be the final authority with regards to enforcement of any of the provisions of this manual. Failure to follow the procedures outlined in this manual may lead to disciplinary action in accordance with the provisions of the District's rules and regulations and Board of Trustees Policy Manual.

CHAPTER 2 – PURCHASING POLICIES

**A. Code of Ethics**

All District personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the District and the residents of the Lisle Woodridge Fire District. District employees shall strive to:

1. Ensure that public money is spent efficiently and effectively and in accordance with statutes, regulations and District policies.
2. Maintain confidentiality at all times, where applicable.
3. Not accept gifts or favors from current or potential suppliers which might compromise the integrity of their purchasing function.
4. Utilize generic description of goods wherever possible in lieu of brand names when compiling specifications.
5. Never allow splitting or stringing of purchase orders for purchasing like items or services with the willful intent to circumvent the purchasing policy.

6. Purchase without favor or prejudice.
7. Ensure that all potential suppliers are provided with adequate and identical information upon which to base their offer or quotation and that any subsequent or amended information is made available to all bidders.
8. Establish and maintain procedures to ensure that fair and equal consideration is given to each offer or quotation received and selection is based upon the lowest total cost compliant bid.
9. Offer a prompt and courteous response to all inquiries from potential or existing suppliers.
10. In addition to the items listed above, any or all actions related to this Purchasing Policy shall comply with the District's Ethics Ordinance.

It shall be the responsibility of the Fire Chief/Administrator to determine if a violation of this Code of Ethics has occurred and if disciplinary action is necessary.

**B. Gifts and Gratuities – Guidelines for Accepting**

District personnel should be aware that offers of gratitude from vendors can be designed to compromise objective judgment in product or service selection. Accordingly, it is District policy to observe the highest standards of ethics and shield the employee, the District and the vendor from any suggestion or appearance of conflict of interest.

No employee shall permit any influence by vendors which could conflict with the best interest of the District or prejudice the District's reputation. Expenditures of District funds to vendors shall not by intention personally benefit any person officially connected with the District. Employees shall strive to follow the following guidelines:

1. Tangible gifts or gratuities shall not be accepted where their value suggests something more than merely a social gesture. Such gifts should be returned with a statement of District policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable. Gifts that are capable of being shared, such as chocolates, shall be shared within the area where the recipient works.
2. Association with vendor representatives at business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps himself/herself free of obligation.
3. Personal loans of money or equipment are not to be accepted from a vendor or an individual associated with a vendor doing business with the District.
4. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. However, exceptions may be approved by the Fire Chief / Administrator.
5. Corporate discounts granted to District employees are acceptable only if they are offered to all District employees and other corporate clients of the vendor.

If there is any doubt about the propriety of accepting a gift, the matter should be referred to the employee's supervisor who will, if necessary, discuss the matter with the Fire Chief/Administrator or his designee. If there is a conflict with the purchasing manual, the District's Ethics Ordinance section on Gift Ban will control.

**C. Advance Approval of District Purchases Required**

No employee shall purchase goods or services on behalf of the District without first seeking approval as required by this policy. All purchases shall require advance approval of the appropriate supervisor and/or Fire Chief/Administrator in accordance with the guidelines described below:

<u>Dollar Limits</u>	<u>Required Approvals</u>
Under \$1,000	Supervisor or Liaison (no purchase order form is required.)
\$1,000 - \$2,499	Supervisor or Liaison and Finance (Purchase order form is required.)
\$2,500 & Above	Supervisor or Liaison, Finance, Fire Chief/Administrator and Board of Trustees (Purchase order form is required.)

Approval for purchases **shall** occur before the purchase is made. See Exhibit 1 on page 25 for the purchase order form. The purchase order form can also be found in the shared files: District Forms/Finance.

**D. Placement of Purchasing Items on Agendas**

The Finance Department shall review and approve purchasing items for compliance prior to submission for approval by Board of Trustees for items over \$2,500, as required by the Purchasing Manual. This review is required irrespective of whether the award is low bid/proposal, sole bid/proposal or not low bid/proposal.

**E. Public Access to Purchasing Information**

Procurement information shall be a public record subject to the exceptions of disclosure to the extent provided in the Illinois Freedom of Information Act, and shall be available to the public as provided by the District Policy implementing said Act. A copy of the Purchasing Manual shall be placed on the District website.

**F. Cooperative Joint Purchasing**

Subject to applicable state statutes, the District may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of goods, services, or construction with one or more public procurement units in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between public procurement units and open-ended state public procurement unit contracts, which are made available to other public procurement units after having been bid by another public procurement unit where required.

CHAPTER 3 – COMPETITIVE QUOTES & EXCEPTIONS TO THE POLICY

**A. General Policy for Soliciting Quotes**

Employees are responsible for obtaining quotes for purchases of services and/or products in the instances outlined below. When submitting a purchase request prior to purchase, quotes shall be attached to a Purchase Order Form (see Exhibit 2 on page 26) with the required approvals. Purchase order forms submitted without the required quotes or a satisfactory explanation of why quotes were not obtained (e.g. sole source, emergency, preferred vendor, etc.) will be returned to the originator without approval.

Dollar Limits

Under \$1,000	Employees are encouraged to seek verbal quotes at least once a year.
\$1,000 - \$10, 000	A minimum of three (3) verbal quotes should be obtained. The quotes should be included on the purchase order form.
\$10, 001 - \$20, 000	A minimum of three written quotes must be obtained. The quotes must be attached to the purchase order form. If three quotes cannot be obtained within a reasonable period of time, a list of vendors / contractors from which quotes were sought, shall be submitted with the purchase order.
\$20, 001 & Above	Must be competitively bid as described in Chapter 4.

Supplies purchased more than once during a fiscal year (e.g. forms, copies supplies, etc.) do not need quotes every time a purchase is made. However, competitive quotes for these items shall be sought at least once a year to ensure that vendors are competitive.

**B. Emergency Purchases Policy**

Emergencies are defined as events that could not have been foreseen where immediate action is necessary to safeguard the public’s health and safety. In the event of such an emergency, the Fire Chief/Administrator or his/her designee may authorize a vendor to perform work necessary to resolve such an emergency without formal bid solicitation. Documentation of the emergency and the need for immediate action shall be presented to the Fire Chief/Administrator following resolution of the emergency. This documentation will then be attached to the invoice.

The Battalion Chief/Chief Officer is authorized to approve purchases up to \$1,000 in the event of an operational emergency that occurs after hours, on a weekend or at any other time the administration office is closed. It is the Battalion Chief/Chief Officer’s responsibility to report the emergency and vendor to the Fire Chief/Administrator and Finance Department.

**CHAPTER 4 – COMPETITIVE BIDDING & REQUESTS FOR PROFESSIONAL SERVICES****A. When a Formal Bid is Required**

All purchases of goods or services exceeding \$20,000 shall be subject to the competitive bidding process, and shall be let by free and open competitive bidding after advertisement to the lowest responsible bidder that meets the District's established specifications, terms of delivery, quality, and serviceability requirements.

With the exception of bids for capital projects handled through a separate contract, all bids shall be issued using the District's standard bid document as approved by the District attorney. A copy of the standard bid document can be obtained from the Finance Director.

**B. Preparing the Bid Document**

1. It is the responsibility of the respective departments to prepare the bid document. When preparing the bid document, each department shall be responsible for obtaining a bid document number from the Finance Department and for ensuring that the most recent version of the bid document has been used.
2. All bid documents must contain the following information:
  1. Cover memo (includes signature line for Fire Chief/Administrator approval)
  2. Table of Contents
  3. Notice to Bidders
  4. General Terms, Conditions and Instructions
  5. Specifications of the item/service
  6. Bid Proposal Form
  7. An appropriate sample contract (required if the bid is for goods, services, construction services or goods and installation services)
  8. All contractor certification forms (e.g. sexual harassment, tax compliance, contract execution, etc.)
3. After the bid document has been prepared, it must be reviewed and approved by the applicable Chief Officer and Deputy Chief, Fire Chief/Administrator and Finance Department.
4. The Executive Secretary will be responsible for forwarding the legal notice to the newspaper for publication. A legal notice of the bid must be placed in a newspaper with a general circulation in the District at least fifteen (15) days prior to the bid opening.
5. The Executive Secretary will mail the approved document to prospective bidders. Bid documents should not be mailed to bidders before the ad is placed in the newspaper. This will help ensure that all prospective bidders have the same amount of time to complete the bid document.

**C. Additional Requirements for the Bid Document**

1. **Bid Bonds, etc.** – A bid bond, cashier’s check, certified check, or other approved security in an amount equal to 10% of the bid is required to guarantee the successful bidder will sign a contract in the following instances: a) the bid is for a construction project, b) any other bid for which the Fire Chief/Administrator deems it necessary to protect the interests of the District.
  
2. **Performance Bond** – When preparing the bid document, consideration should be given whether to require contractors to provide a performance bond if awarded the contract. In instances where the bid is for construction services or significant building improvements, it is customary to require the contractor to provide a performance bond. A performance bond, issued by a surety company, stipulates a legal, written obligation to guarantee 100% payment for any financial loss caused by the default of the contractor. When assigned to the Lisle Woodridge Fire District, it grants an assurance as to the performance and successful completion of the terms of the contract and assures payment of the taxes, licenses or assessments associated with the contract. The contractor shall provide the performance bond with the appropriate Labor and Material Bonds within ten (10) calendar days of award of the bid. Bonds required to guarantee performance and payment for labor and material for the work shall be in a form acceptable to the District and shall provide that they shall not terminate on completion of the work, but shall be reduced to ten percent (10%) of the contract sum upon the date of final payment by the District for a period of one (1) year to cover a warranty and maintenance period which the Contractor agrees shall apply to all material and workmanship for one (1) year from the date of issuance of the final payment by the District.
  
3. **Insurance** – Contractor agrees to provide and maintain certificates of insurance evidencing the minimum insurance coverage and limits set forth below during the term of the contract. Such policies shall be in force and from companies acceptable and satisfactory to the Owner to afford protection against all claims for damages to public or private property, and injuries to persons, arising out of and during the contract term. A copy of the certificate of insurance shall name the Lisle Woodridge Fire District, its officers, agents, employees, representatives and assigns as additional insured. The policy of insurance shall contain no provisions that invalidate the naming of the Owner as additional insured. The insurance coverage and limits set forth below shall be deemed to be minimum coverage and shall not be construed in any way as a limitation on Contractor’s duty to carry adequate insurance or on Contractor’s liability for losses or damages under this Contract. The minimum insurance coverage and limits that shall be maintained by the Contractor and his sub-contractors at all times while providing, performing, or completing the work are as follows:
  - A. Worker’s Compensation: The Contractor is required to carry, with a company authorized under the laws of the State of Illinois, a policy for protection against liability under the Worker’s Compensation and the Occupational Disease Statutes of the State of Illinois with limits of not less than \$500,000 per claim.

- B. General Liability: The Contractor shall carry a comprehensive general umbrella liability policy for all operations with limits of not less than \$1,000,000 each accident for bodily injury liability and not less than \$1,000,000 each accident for property damage liability.
  
- C. Professional Liability Insurance: The Contractor shall carry a minimum of \$500,000.

All such insurance must include an endorsement whereby the insurer agrees to notify the Owner at least 30 days prior to non-renewal, reduction or cancellation. The Contractor shall cease operations if the insurance is cancelled or reduced below the required amount of coverage. All costs for insurance as specified herein will not be paid for separately, but shall be considered as incidental to the Contract.

- 4. **Bid Submittal** – All companies or individuals who wish to bid on a good or service must submit their bids in a sealed envelope before the deadline of the bid. Upon receipt of a sealed bid, the District will initial and stamp the date and time of receipt on the outside of the envelope. The sealed bid will be forwarded to the Finance Department. If a list of bidders is maintained, all vendors on the list should be sent a copy of the bid document. It is the responsibility of the Deputy Chief to maintain bid lists for the District.
  
- 5. **Pre-bid Conference** – If a pre-bid conference is conducted, the Notice to Bidders should specify whether attendance is a mandatory condition of bidding. At the pre-bid conference, all attendees must sign a “sign-in” sheet to ensure compliance with this requirement of bidding. Failure to attend a mandatory pre-bid conference shall disqualify a bidder from being awarded the contract unless, at the District’s discretion, bidders are allowed to not attend by signing a waiver.

**D. Bid Opening Procedures**

All sealed bids shall be publicly opened by the Fire Chief/Administrator or his/her designee at the time stated in the legal notice. At least one other employee shall serve as a witness and tabulate the bid results. All proposals shall be open to public inspection and a tabulation of all bids shall be available from the Fire Chief/Administrator. The following procedures must be completed prior to the bid opening:

- 1. The originator of the bid document shall be responsible for reserving a conference room for the date and time of the bid opening. This can be done by contacting the Executive Secretary.
  
- 2. All bids must be received before the deadline on the day of the bid opening. Each bid shall be marked with the initials of the Fire Chief/Administrator or his/her designee and a date and time of receipt of the bid document. Any bids received after the deadline for accepting bids should be labeled “Not received in time” on the bid document and initialed and marked with the date and time of receipt.

3. A bid tabulation form must be completed. The outline of the bid proposal form may be used to do this. During the bid opening, both the person opening the bids and the person tabulating the bids must sign the bid tabulation sheet as witnesses.
4. Everyone attending the bid opening must sign the bid opening sign-in sheet.

If bid deposits are required, they shall be forwarded to the Finance Department immediately following the bid opening. Procedures for depositing and returning bid deposits are described below in subsection E.

### **E. Post Bid Opening Requirements**

After the bid opening has taken place, the Fire Chief/Administrator or his/her designee shall prepare a memorandum that explains the purpose of the bid, includes the names and addresses of the vendors who submitted bids as well as the amount each company bid, and a recommendation of which vendor should be awarded the bid. The recommendation should be based on the following:

- a) The ability, capacity, and skill of the bidder to perform the contract for services required,
- b) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference,
- c) The character, integrity, reputation, judgment, experience and efficiency of the bidder,
- d) The quality of performance of previous contracts of services,
- e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service,
- f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service,
- g) The quality, availability, and adaptability of the supplies or contractual service to the particular use required,
- h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract,
- i) The number and scope of conditions attached to the bid,
- j) Responsiveness to the exact requirements of the invitation to bid,
- k) Ability to work cooperatively with the District and its administration,
- l) Past records of the bidder's transactions with the District or with other entities as evidence of the bidder's responsibility, character, integrity, reputation, judgment, experience, efficiency and cooperativeness.

The District shall accept the lowest and most responsible qualified bidder. Once approved by the Fire Chief/Administrator, the memorandum recommending the bid award should be given to the Executive Secretary by the deadline for the next Board of Trustees' monthly meeting to be placed on the board meeting agenda.

With the exception of contracts let through the Finance Department, all bid files shall be maintained by the Deputy Chief. After the bid award has been placed on the board meeting agenda, the bid file shall be sent to the Deputy Chief along with the bid packages, original bid tabulation sheet, bid opening sign-in sheet and all other documentation. After Board of Trustees approval, the bid files will be maintained for ten (10) years following the bid opening. Within fourteen (14) days following Board approval of the contract, the Executive Secretary will mail letters to all bidders notifying them of the bid results and will contact the successful bidder to have the District's contract signed and to obtain performance bonds and certificates of insurance when required. The signed contract will be forwarded to the Deputy Chief for safekeeping after it is received.

Signed contracts, certificates of insurance and performance bonds must be obtained from the contractor before work begins. It is the responsibility of the Deputy Chief to ensure that the District's contract has been signed, and certificate of insurance and performance bond obtained before work begins.

The Finance Department shall be responsible for handling bid deposits. If a bid deposit was required, it must be returned to all except the three (3) lowest responsive and responsible bidders on each contract within fourteen (14) calendar days after the opening of the bid and within 24 hours of when the award letter is mailed. The bid deposit of the accepted bidder is to be returned only after acceptance by the District of satisfactory performance bond where such bond is required or completion of the contract where no performance bond is required. The remaining bid deposits of each contractor should be returned within fourteen (14) days after the Board of Trustees has awarded the contract.

**F. Change Orders and Contract Modifications**

All change orders and contract modifications except those under section (3) will be presented in advance to the Finance Department. If no further approval is required, as described below, the Finance Department will continue the processing of necessary documentation.

- (1)
  - a) For interim (non-final) change orders and contract modifications where the total purchase amount, including any changes, does not exceed the \$1,000 purchase level, processing may continue without further approval.
  - b) For final change orders processing may continue without further approval where there is a price increase of up to \$2,499
  - c) Processing may continue subject to Board ratification on a consent agenda for change orders that:
    - (i) decrease a contract by \$10,000 or more
    - (ii) increase or decrease the term by 30 or more calendar days
    - (iii) cancel any contract

- (2) Further approval, by the Board of Trustees, is required before further processing occurs in the following cases:
- a) where Board of Trustees approval was required for the initial contract and the change order increases the contract to an amount in excess of previously approved level, and
  - b) where Board of Trustees approval was required for the initial contract and the change order materially alters the scope of work to be performed.
- (3) Where the time required to approve and process a change order necessitated by field conditions would unreasonably interrupt contract work to the financial detriment of the District, the change order may be processed upon the agreement of the Fire Chief / Administrator or designee and Project Manager, subject to ratification by the Board of Trustees on the action agenda. The Board of Trustees shall be notified of a field condition change order at the earliest possible opportunity.
- (4) In the case of Public Works contracts, no change order, including a field condition change order can be made where the total contract value is increased to more than 25% of the initial contract price. In such case, the new or increased value goods or services must be submitted for competitive bidding pursuant to statute.

### **G. Multi-Year Contracts**

The District's policy on multi-year contracts includes the following:

- All multi-year contracts presented for approval shall contain the total value of the award for each year AND the multi-year period.
- Only the current fiscal year portion shall be encumbered.
- Multi-year contracts shall not be presented to the Board of Trustees that exceeds a total term of three (3) years, unless approved in advance by the Finance Department and the Fire Chief/Administrator.

### **H. Contract Renewals**

The following governs contract renewals:

- All contracts that contain an optional renewal clause shall be presented for approval to the Board of Trustees with the total dollar value for the initial period of award.
- All requests for contract renewals shall originate from the using department in the form of a requisition indicating the desire for the renewal, the subsequent renewal term and the total dollar value for the renewal period.
- The request shall be submitted at least ninety (90) days prior to the expiration date of the current period.
- The Department Head will obtain contractor approval and submit the necessary correspondence for approval.
- All renewals shall be for the time period specified in the original contract document.

- No contracts containing renewal clauses shall be presented to the Board of Trustees that exceeds a total term of three (3) years unless approved in advance by the Fire Chief/Administrator and Finance Department.

### **I. Waiver of Competitive Bidding – Sole Source**

The Board of Trustees, by a majority vote of all the Trustees then holding office, may waive the bidding procedures and enter into a contract or agreement. Requests for bid waivers shall be made only when goods or services are proprietary (i.e. sole source), when standardization is necessary or desirable, in emergencies as defined in this manual or when it is in the best interests of the District to do so. In any instance, a statement justifying the need for a bid waiver shall be included in the recommendation and accompany the memorandum for inclusion on the Board of Trustees agenda.

### **J. Bid Lists**

The Deputy Chief shall be responsible for maintaining current lists of bidders and for determining any prospective bidder's qualifications.

### **K. Requests for Professional Services**

Some contracts, by their nature, are not adapted to award by competitive bidding. Examples include, but are not limited to:

- Contracts for the services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part
- Contracts for the printing of finance committee reports and departmental reports
- Contracts for the printing or engraving of bonds, tax warrants or other evidences of indebtedness
- Contracts for the maintenance or servicing of, or provision of repair parts for, equipment which are made with the manufacturer or authorized service agent of that equipment where the provision of parts, maintenance, or servicing can best be performed by the manufacturer or authorized service agent, or which involve proprietary parts or technology not otherwise available
- Purchases and contracts for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and interconnect equipment, software, and services
- Contracts for duplicating machines and supplies
- Contracts for utility services such as water, light, heat, telephone or telegraph
- Contracts for goods or services procured from another governmental agency
- Purchases of equipment previously owned by some other entity other than the District itself
- Contracts for goods or services which are economically procurable from only one source, such as for the purchase of magazines, books, periodicals, pamphlets, reports, and online subscriptions

These contracts generally result from a request for proposal (RFP) solicited from consultants for "Professional Services".

Contracts for emergency expenditures are also exempt from competitive bidding when the emergency expenditure is approved by a vote of  $\frac{3}{4}$  of the board.

The District is required by the Local Government Professional Services Selection Act, (50 ILCS 510) to follow specific procedures when hiring an architect, engineer or land surveyor. The procedures must be followed unless a) an emergency situation exists and an architect, engineer or land surveyor must be selected in an expeditious manner, or b) when the cost of such services “is expected to be less than \$25,000”. If none of these conditions apply, the District must solicit proposals and adhere to the Act. A copy of the Act may be obtained from the Finance Director.

If a contract is used other than the District’s standard contract, the following items should be included: indemnification, insurance and venue. If after reviewing the procedures required under this Act, employees have questions regarding which services are exempt, they should contact the Fire Chief/Administrator for clarification.

#### **L. Authorization for the Use of Electronic Transmissions**

The use of electronic media for all procurement procedures, including acceptance of electronic signatures, is authorized consistent with Illinois law for use of such media. The Finance Department shall determine which solicitations are suitable for electronic transmissions, giving consideration to:

- Appropriate security to prevent unauthorized access to the bidding, approval and award processes; and
- Accurate retrieval or conversion of electronic forms of such information into a medium that permits inspection and copying.

#### **M. Contractor Record Retention**

For all contracts, the contractor and all sub-contractors shall be required to maintain adequate records appropriate to the type of contract, to retain such records for a minimum of three (3) years from final payment unless otherwise specified in the solicitation, and to make such records available for inspection by the District upon reasonable terms consistent with state law. For contracts subject to the Illinois Prevailing Wage Act, the retention period shall be five (5) years and the Contractor shall be required to submit certified payroll affidavits and to make such payroll records available for inspection by the Illinois Department of Labor.

#### **N. Preferred Vendors / Service Providers**

The District shall establish a list of Preferred Vendor / Service Providers that will be utilized in the care and maintenance of facilities or apparatus. Each department shall, every two years, perform due diligence to assure the vendor/service provider is providing the most competitive cost to the District and report such findings to the Finance Director. Preferred service providers include, but are not limited to, the following areas:

Facilities

- Plumbing
- HVAC
- Electrical
- Roofing
- Overhead Doors
- Generator
- Triple Trap Cleaning

Fleet

- Apparatus
- Tires
- Emergency Lighting

Emergency Medical Services

- Stretchers
- Cardiac Monitor/AED

Training & Safety

- Uniforms
- Personal Protective Ensemble (PPE)
- SCBA

CHAPTER 5 – DECLARATION OF NON-RESPONSIBILITY

**Part A – Declaration Process**

**Authority to Issue a Declaration of Non-Responsibility**

After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Finance Director is authorized to declare the person non-responsible for purposes of supplying goods, services and construction to the District. The declaration shall be in effect for a period of not more than two years, for all solicitations. The causes for such a declaration include:

- (1) Conviction for commission of a criminal offence as an incident to obtaining or attempting to obtain public or private contract or subcontract, or in the performance of such contract or subcontract;
- (2) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offences indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a District Contractor;
- (3) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
- (4) Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Director to be as serious as to evidence non-responsibility

- a) Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
  - b) A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance is not caused by acts beyond the control of the contractor.
- (5) Any other cause the Finance Director determines to be as serious and compelling as to affect responsibility as a District Contractor, including suspension by another governmental entity for any cause listed in this Ordinance.

**Decision to Declare Non-Responsibility**

The Finance Director or designee shall issue a written determination, which shall state the reasons for the action taken, and inform the affected person involved of his rights concerning administrative review.

**Notice of Decision**

A copy of the decision required by the “Decision to Declare Non Responsibility” shall be mailed by certified return receipt.

**Finality of Decision**

A decision shall be final or conclusive, unless fraudulent, or the affected person within ten (10) business days after receipt of the decision by certified mail makes an appeal to the Board of Trustees.

**Part B – Appeals and Remedies**

**Authority of the Chief Procurement Officer to Settle Bid Protests and Contract Claims,  
Subject of Statutory Provisions**

- (1) Authority. The Finance Director or designee is authorized to resolve any procedural protest regarding the solicitation or award of any bid under his purview.
- (2) Right to Protest. Any actual or prospective bidder, offeror, or contractor who believes they have been adversely affected in connection with the solicitation or award of a contract may, within seven calendar days of the solicitation, bid opening or award, by mail, fax or have served, a letter of protest to the Finance Director. The Finance Director or designee must submit a response in writing to the protesting entity, within five (5) business days from receipt of the protest.
- (3) Delay of Procurement during Protest. In the event of a timely protest under subsection (2) of this section, the District shall determine whether it is in its best interest to proceed with the solicitation of the bid, bid opening or award of the contract.
- (4) Notice to the Protestor of the Finance Director’s or designee Decision. If the protest or claim is not resolved by mutual agreement, the Finance Director or designee shall promptly issue a decision in writing, and it shall be immediately mailed or otherwise furnished to the protesting entity. The decision shall state the reasons for the decision reached, and shall inform the protestor of their option to appeal under subsection (5) of this section.

- (5) Protestor Right to Appeal. The Finance Director or designee decision shall be final and conclusive unless, within five (5) business days from the date of receipt of the decision, the Board of Trustees receives a written appeal regarding the Finance Director or designee decision. The Board of Trustees shall, in writing, render a decision within ten (10) business days.
- (6) Failure to Render Timely Decision. In the event the Finance Director or designee does not issue a written decision within the specified time period prescribed under subsection (2) of this section or within such longer period as may be agreed upon between the parties the protesting entity may proceed as if an adverse decision had been received.

**Remedies for Solicitations or Awards in Violation of Law**

- (1) Prior to Bid Opening or Closing Date for Receipt of Proposals. If, prior to the bid opening or the closing date for receipt of proposals, the Finance Director, after consultation with the legal counsel, determines that a solicitation is in violation of federal, state or local law, then the solicitation shall be canceled or revised to comply with applicable law.
- (2) Prior to Award. If after bid opening or the closing date for receipt of proposals, the Finance Director determines that a solicitation or a proposed award of a contract is in violation of federal, state or local law then the solicitation or proposal award shall be canceled in accordance with this Ordinance.
- (3) After Award. If, after an award, the Finance Director determines that a solicitation or award of a contract was in violation of applicable law, then:
  - a) If the person awarded the contract has not acted fraudulently or in bad faith, the contract may be terminated in accordance with the terms and conditions of the contract.
  - b) If the person awarded the contract has acted fraudulently or in bad faith, the contract may be declared null and void.

**CHAPTER 6 – METHODS OF PAYMENT PROCESSING**

**A. Regular Purchase Orders**

With the exception of purchases processed with a blanket purchase order (see description below), all purchases shall require the issuance of a regular purchase order to the vendor before an order for goods or services is filled. No employee shall have the authority to purchase items on the District’s behalf without first obtaining the required approvals. The District will not issue “confirming” purchase orders. Employees shall be responsible for following the procedures in this manual and should allow sufficient time to have a purchase order processed. With the exception of emergency purchase orders, the Finance Department will not issue purchase order numbers unless the necessary approvals have been received.

Packing slips, etc. need to be turned into the Finance Department as soon as possible after the item or items are received with the receiving date clearly marked.

## **B. Change Orders to Regular Purchase Orders**

After a regular purchase order is issued to the vendor, it may become necessary to change it to include additional quantities, shipping costs, etc. When this occurs, the employee who originated the purchase order shall process a change. The employee shall **note the original purchase order number** for which the change is being made and briefly explain the need for the change. The employee must follow the procedures as outlined in Chapter 2 – Purchasing Policies, Section C – Advance Approval of District Purchases Required as found on Page 6 of this manual.

## **C. Prepayments and Manual Checks**

The District will not pay for goods and services until the goods are received or the service is rendered and the invoice has been approved at a Board of Trustees board meeting. The only exception to this is if the vendor offers a minimum discount of 1% on the purchase. A check will then be issued, with notice given to the Board of Trustees at their next regularly scheduled board meeting.

The Finance Department will not issue manual checks in instances where reasonable means could have been taken to process the payment following normal payment methods. Upon authorization by the Fire Chief/Administrator or designee, the Finance Department can issue a manual check for an approved expense or reimbursement.

## **D. Petty Cash**

A Petty Cash box is in the Finance Department located at Station 1 – Headquarters. The petty cash is subject to audit and is accountable for any non-compliance with petty cash procedures or shortage of funds.

1. Requests for petty cash may be made to the Finance Department during regular office hours.
2. There is a \$50 limit per petty cash request. Any amount above \$50 must be submitted through the accounts payable process. Reimbursable expenses under \$50 incurred by an employee should be reimbursed from petty cash rather than through the accounts payable process. Reimbursement will not be made for sales tax paid for tax-exempt purchases, as the District is tax exempt.
3. No one is allowed to take money from petty cash without a petty cash request form which must be signed by the Finance Assistant, Finance Director or Fire Chief/Administrator. The petty cash form must also be signed by the employee who receives the money. An original receipt must be attached to the petty cash form in order to receive reimbursement.
4. All petty cash request forms must contain the following information: date, detailed description of the expense, name of person(s) to receive money, department and approvals. (See Exhibit 3 on Page 27 for the petty cash form.)

5. The petty cash box must be reconciled on a periodic basis and replenishment requests must be made by the payables deadline each month, as needed. The maximum amount of petty cash in the Finance Department is \$1,000.

### **E. Credit Cards**

In Resolution #12-10, the Board of Trustees authorized commercial credit cards for the Fire Chief/Administrator, Finance Director and Finance Assistant. These individuals are responsible for the security of the credit card and should not permit its use for means other than those permitted by this policy. In addition, specialty commercial credit cards for specific stores (ex: Home Depot, Sam's Club, Fuel Cards) have been issued to certain Officers. District authorized credit cards are **not** to be used for personal use or for the purchase of goods or services not authorized under normal procedures (e.g. alcohol, etc.).

Credit card use shall be limited to the purchase of items where a purchase order cannot be used. Credit cards shall not be used to circumvent the normal purchasing and payment processes. As with all purchases made on the District's behalf, goods purchased with a credit card are exempt from sales tax. Therefore, employees shall provide vendors with a sales tax exemption form in order to avoid being charged sales tax.

The credit card receipt and the backup detailed receipts and/or packing slips for goods or services purchased with a credit card shall be obtained and submitted to accounts payable within 48 hours. Payment will not be made unless receipts are included with the credit card statement.

The Finance Department shall maintain a list of the credit cards issued to each employee and shall confirm receipt of the credit card prior to termination of employment. Returned cards shall be forwarded to the Finance Department and shall be cancelled.

### **F. Accounts Payable (purchases made without purchase orders)**

Purchase orders are the preferred method of payment for most District transactions. However, in the following instances, payments will be made without purchase orders, after required approvals for recurring monthly bills (i.e. phone and utility bills, etc.) and payroll related transactions.

The District will make every effort to pay invoices in a timely manner in order to receive any discounts available.

## **CHAPTER 7 – MISCELLANEOUS PURCHASING POLICIES & GUIDELINES**

### **A. Fixed Asset Policy**

A fixed asset policy has been adopted by the Board of Trustees to ensure compliance with governmental financial reporting standards and to safeguard District assets.

Fixed assets shall include land, buildings, machinery, equipment and vehicles with a life expectancy of one year or more. To be included in this definition, the capitalization threshold of the asset or minimum value of the asset at the time of acquisition is established at \$5,000.

Responsibility for control of fixed assets rests with the Finance Department and the area where the asset is located. The Finance Department shall ensure that such control is being maintained by establishing a fixed asset inventory that is updated on an annual basis and which documents all additions and deletions to the fixed asset inventory. The disposal or relocation of a fixed asset shall be promptly reported to the Finance Department. Assets acquired during the year shall be recorded as an expenditure against the appropriate account. In the Comprehensive Annual Financial Report, these expenses are depreciated over the useful life of the asset.

Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers and all available information in the Fixed Asset accounting software as well as the updating of records through the District's asset appraisal firm. Tagging of all assets will not be required. Assets not capitalized under this policy but which may in the aggregate, account for a substantial asset group (i.e. computers, equipment on apparatus, maintenance shop tools, etc.), shall be inventoried by the appropriate personnel and submitted to the Deputy Chief and Finance Department.

### **B. Disposal of District Property**

District property may not be sold or traded without prior approval of the Board of Trustees.

If it is determined that District property with value needs to be removed from the District's records, the Finance Department must be notified with the following information: name of item, name of manufacturer, model and/or serial number, location of item, and an estimate of salvage value if applicable. The Deputy Chief shall prepare the necessary documents for the Board of Trustees agenda recommending disposal of the property.

In instances where District property no longer has value, departments must notify the Finance Department to determine if the item needs to be removed from the District's records. Include information identifying the equipment to be disposed, name of manufacturer, model and/or serial number, and location of item.

Under any circumstances, District property may not be disposed of without prior approval of the Deputy Chief.

### **C. Purchases near the End of the Fiscal Year**

When purchases are made near the end of the fiscal year (December 31), departments/programs shall be responsible for ensuring that they are expensed or charged against the fiscal year in which they were received. The date goods are received or services performed determine which fiscal year they are expensed in. Consequently, goods and services will be expensed in the current fiscal year only if they are received or performed by December 31<sup>st</sup>. This is true regardless of when the purchase order is issued. Items not received by December 31<sup>st</sup> will be expensed in the following fiscal year.

The Finance Department shall issue a reminder notice regarding year end purchases to all employees in the fourth quarter of each year.

## **D. Use of Sales Tax Exemption Number**

District purchases are not subject to sales tax; therefore, employees shall make efforts to inform vendors of the District's tax exempt status and to ensure that sales tax is not paid for purchases made with petty cash or credit cards. Sales tax, if charged, will be the responsibility of the purchaser to pay. Sales tax exemption forms may be obtained from the Finance Department.

Use of the District's sales tax exemption number is restricted to purchases made on behalf of the District. State law prohibits use of the District's sales tax exemption number to secure exemptions for personal reasons and such use will subject the responsible individual and all guilty parties to a fine of not more than \$10,000 or to imprisonment for not more than five years or both, together with costs of prosecutions.

## **CHAPTER 8 – TRAVEL POLICIES & GUIDELINES**

### **A. Travel Policy**

Travel can play an important role in accomplishing the District's mission and vision to provide fire protection, emergency medical services and other related services designed to protect the lives and property of those people within the District. When conducting business on behalf of the District, employees are expected to arrange travel to serve the best interest of the District and be within the limitations of this policy. The best interest of the District is served by that combination of expense, time and convenience which proves to be the most economical overall.

All District personnel traveling or incurring business expenses on behalf of the District and those responsible for the approval of these expenses are expected to use measures to assist in maintaining control over travel expenditures. Good judgment and ethical practices on the part of each traveler remain the most important factors in controlling travel expenses. The policies detailed here apply to all funds under District control and are superseded only in those instances where funding agencies apply specific and more restrictive rules and rates.

In all cases, reimbursement for travel expenses will be limited to actual expenses which are reasonable and necessary, but not to exceed the limitations set forth.

### **B. Travel Authorization**

It is District policy that all travel be approved in advance by the employee's supervisor/liaison, Fire Chief/Administrator and the Finance Department. Requests for travel authorization shall be submitted using the District's *Per Diem & Travel Reimbursement Report* (see Exhibit 4 on page 28) before any travel arrangements have been made. Receipts are required for all expenses other than per diems and mileage reimbursement.

### **C. Travel Arrangements**

Travel arrangements shall be made by the Finance Department. Employees should submit all information regarding the travel, (i.e. dates and times, conference brochures, hotels, itinerary) to the Finance Department. Travel will be arranged using the least expensive means possible.

Information should be submitted as far in advance as possible to take advantage of special airfare savings and early registration discounts. Failure to do so could limit or negate the travel.

1. Air Travel – Flights will be arranged according to 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 including baggage fees. 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. In order to take advantage of available discounted fares, travelers are requested to make reasonable adjustments in their travel plans. Be aware that some discounts have travel restrictions and/or cancellation penalties, and therefore good business judgment should be exercised. All air travel at District expenses must be by coach. A receipt is required for reimbursement of this expense.
2. Ground Transportation – It is expected that employees use the most effective ground transportation available, considering cost, time, and availability and scheduling. 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. Rental cars may be used as necessary, but must be approved in advance. Rental cars should be limited to standard size passenger cars, unless a larger vehicle is needed due to the number of personnel or size of equipment carried. A receipt is required for reimbursement of these expenses.

Expenses of travel by personal vehicle are reimbursable at **\$.45** per mile when pre-approved and a district vehicle is not available. The mileage reimbursement allowance covers all automobile related costs; gasoline, insurance, maintenance, etc. Toll charges and parking fees when supported by receipts, are reimbursable in addition to mileage allowance. The total personal automobile expenses shall not exceed the lowest available transportation. Employees using personal vehicles on District business must have adequate automobile insurance coverage. The District's insurance does not cover use of personal vehicles.

3. Meals – When traveling on District business overnight, meal allowances are limited to the following maximums including taxes and tips:
  - **Breakfast - \$10.00.** To receive this, an employee must be on travel status and leave from the place at which official travel begins prior to 6:00 a.m.
  - **Lunch - \$15.00.**
  - **Dinner - \$25.00.** To receive this, an employee must be on travel status and arrive back at the place at which official travel ends after 7:00 p.m. If travel begins after the close of business, but before 6:30 p.m., reimbursement is allowed if the traveler would be ineligible for a per diem.

No meal allowance will be provided for a day meeting or for meals included in a conference or registration fee. Meal expenses exceeding the standard allowance are the responsibility of the employee. Employees shall be aware that the District will not pay for

alcoholic beverages consumed with meals.

If an employee requests a per diem in advance of the travel and it is approved by the Board of Trustees prior to the travel, no receipts are required for meals and the meal allowance will be based on the above per diems. However, if the request is received after the travel, reimbursement will only be provided with detailed receipts up to the maximum meal allowances noted above.

4. Hotels – Employees are expected to use reasonably priced lodging. When making reservations or registering, the employee shall ask for and use the government or corporate rate.

The District will not reimburse employees for travel costs of immediate family members traveling with employees on official District business. Only those costs related to the employee's travel may be reimbursed. Whenever an employee, for her/her convenience, travels by an indirect route or interrupts District travel for personal travel, the additional expenses related to the personal travel are the responsibility of the employee.

5. Non-Allowable Expenses – The District's policy is to reimburse its employees for all reasonable and necessary expenses incurred while transacting District business. However, the District will not reimburse for the following items, considered to be personal in nature, while traveling for District business:
  - a. Cleaning, pressing and laundry;
  - b. Personal entertainment including movies, theatre tickets, videos or pay per view services in a hotel room, magazines, sightseeing fares, etc;
  - c. Airline and other trip insurance;
  - d. Beautician, barber, manicurist and shoe shine;
  - e. Personal telephone calls
  - f. Repairs on personal automobiles damaged while on District business;
  - g. Traffic violations and court costs;
  - h. Membership fees in airline clubs;
  - i. Family members traveling with employee;
  - j. Additional expenses related to personal travel;

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EXHIBIT 2- QUOTE FORM

LISLE WOODRIDGE FIRE PROTECTION DISTRICT

PRICE QUOTATION

(For single item purchases between \$5,000 and \$20,000)

Vendor Name {Please print}: \_\_\_\_\_ Vendor Phone#: \_\_\_\_\_

Vendor Address: \_\_\_\_\_

\_\_\_\_\_ City State Zip

Person Contacted: \_\_\_\_\_

Item/Service	Quantity	Unit Price \$\$/per	Total Price

Details (Specifications, delivery costs, delivery time, comments, etc.):

**EXHIBIT 3-PETTY CASH FORM**

PETTY CASH DISBURSEMENT		
Date _____	Amount\$ _____	
Given to _____	_____	
Explanation _____	_____	
_____	_____	
_____	_____	
Fund _____	Acct _____	Dept _____
Approved by _____	& _____	
Maximum Limit \$50.00		

EXHIBIT 4-PER DIEM & TRAVEL FORM

LISLE-WOODRIDGE FIRE DISTRICT PER DIEM & TRAVEL REIMBURSEMENT REPORT					NAME				DEPT								
NAME OF MEETING, CONFERENCE OR FUNCTION					PLEASE MARK THE TYPE OF REPORT YOU ARE SUBMITTING:												
					<input type="checkbox"/> PER DIEM		<input type="checkbox"/> REIMBURSEMENT										
DATE	DEPARTED FROM/ ARRIVED AT	TIME	AIR TRAVEL AMOUNT	CAR RENTAL AMOUNT	# OF MILES	MILEAGE AMOUNT 0.45	LODGING (DAILY COST)	MEALS (DAILY COST)	MISC/OTHER DESCRIPTION	MISC AMOUNT	TOTAL EXPENSES						
S			0.00	0.00		0.00		B L D	0.00 0.00 0.00		0.00						
M			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
T			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
W			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
T			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
F			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
S			0.00	0.00		0.00	0.00	B L D	0.00 0.00 0.00		0.00						
TOTALS			0.00	0.00		0.00		B L D	0.00 0.00 0.00	0.00	0.00						
PURPOSE & LOCATION OF TRIP			5555	5555	NUMBER	5555	5555	AMOUNT	5555								
					5550			0.00	TRAVEL RECAP								
					5555			0.00	Conference/Seminar Fee		0.00						
					5555			0.00	Air Travel Charges		0.00						
					5555			0.00	Car Rental Charges		0.00						
					5555			0.00	Mileage Charges		0.00						
					5555			0.00	Lodging Charges		0.00						
					5555			0.00	Meal Charges		0.00						
EMPLOYEE SIGNATURE				DATE				0.00	Miscellaneous Charges (Parking, Tolls, etc.)		0.00						
					<b>RECEIPTS MUST BE ATTACHED FOR A REIMBURSEMENT REPORT</b>						<b>TOTAL REIMBURSEMENT</b>	\$ -					
LIAISON APPROVAL				DATE							<b>PER DIEM RECAP (5555)</b>						
											Breakfast (\$10.00)						-
											Lunch (\$15.00)						-
CHIEF APPROVAL				DATE	Dinner (\$25.00)						-						
					<b>TOTAL PER DIEM</b>						\$ -						
					<b>AMOUNT DUE EMPLOYEE</b>						\$ -						

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