

Operational Services

Administrative Procedure - Purchases

The Board Attorney should be consulted, as needed, regarding the legal requirements presented by this administrative procedure as well as before a contract is presented to the Board.

Requirements for Purchases and Contracts

Each of the following requirements describes the type of purchase and/or contract to which it applies; requirements in Sections B and C may also apply to a specific purchase or contract.

1. All purchases of goods or services must be made through the use of contracts or purchase orders, except for those purchases made from petty cash funds or the Imprest fund, or as otherwise specifically authorized by the Superintendent.
2. Illinois Use Tax Act compliance (105 ILCS 5/10-20.21(b) and 35 ILCS 105):
 - a. Persons bidding for and awarded a contract, and all affiliates of the person, must collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provision of the Illinois Use Tax Act.
 - b. All bids and contracts must include: (1) a certification that the bidder or contractor is not barred from bidding for or entering into a contract, and (2) an acknowledgment that the Board may declare the contract void if the certification is false.
3. All entities seeking to enter into a contract with the District must provide written certification to the District that it will provide a drug free workplace by complying with the Illinois Drug Free Workplace Act, 30 ILCS 580. All contractors must comply with the notification mandates and other requirements in the Illinois Drug Free Workplace Act, 30 ILCS 580. "Contractor" is defined in the Drug Free Workplace Act as "a corporation, partnership, or other entity with 25 or more employees at the time of letting the contract, or a department, division, or unit thereof, directly responsible for the specific performance under a contract of \$5,000 or more."
4. Before soliciting bids or awarding a contract for supplies, materials, equipment, or services, a certified education purchasing contract that is already available through a State education purchasing entity (as defined in the Education Purchasing Program, Article 28A of The School Code), may be considered as a bid.
5. All contracts must include provisions required by State or federal law, as applicable. Topics commonly requiring a provision include equal opportunity employment, prevailing wage, minimum wage, and performance bond.
6. The procurement of architectural, engineering, and land surveying services is governed by the Local Government Professional Services Selection Act, 50 ILCS 510/, implemented by 2:170-AP, *Administrative Procedure - Qualified Based Selection*.
7. All contracts in excess of \$25,000 and all contracts with an exclusive bargaining representative must be listed on the District's website, if any. 105 ILCS 5/10-20.40. Each contract with an exclusive bargaining representative must be posted on the website, if any, 105 ILCS 5/10-20.46, amended by P.A. 96-434..

- B. The following govern all purchases and/or the award of contracts for supplies, materials or work, and/or contracts with private carriers for transporting students involving: (a) an expenditure of \$25,000 or less, or (b) in an emergency, an expenditure in excess of \$25,000, provided such expenditure is approved by three-quarters of the Board.
1. Telephone quotations, verbal quotations, or catalog prices are used to purchase materials that are needed urgently, or small quantity orders.
 2. Written quotations are used to purchase materials or services when time requirements allow. Whenever possible, quotations should be received from at least 2 competitors. The Superintendent or designee may negotiate with vendors at any time, including after receiving quotations.
- C. The following govern all purchases and/or the award of contracts involving an expenditure in excess of \$25,000 for supplies, materials, or work, and/or contracts with private carriers for transporting students. 105 ILCS 5/10-20.21(a), amended by P.A. 95-990 and P.A. 96-392.
1. Contracts are awarded to the lowest responsible bidder, considering conformity with specifications, terms of delivery, quality and serviceability, except contracts or purchases for:
 - a. Services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part;
 - b. Printing of finance committee reports and departmental reports;
 - c. Printing or engraving of bonds, tax warrants, and other evidences of indebtedness;
 - d. Purchase of perishable foods and perishable beverages;
 - e. Materials and work that have been awarded to the lowest responsible bidder after due advertisement, but due to unforeseen revisions, not the fault of the contractor for materials and work, must be revised causing expenditures not in excess of 10% of the contract price;
 - f. Maintenance or servicing of, or provision of repair parts for, equipment that 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;
 - g. Use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and interconnect equipment, software, and services;
 - h. Duplicating machines and supplies;
 - i. Natural gas when the cost is less than that offered by a public utility;
 - j. Equipment previously owned by some entity other than the District itself;
 - k. Repair, maintenance, remodeling, renovation, or construction, or a single project involving an expenditure not to exceed \$50,000 and not involving a change or increase in the size, type, or extent of an existing facility;
 - l. Goods or services procured from another governmental agency;
 - m. Goods or services that are economically procurable from only one source, such as for the purchase of magazines, books, periodicals, pamphlets and reports, and for utility services such as water, light, heat, telephone, or telegraph;
 - n. Emergency expenditures when such an emergency expenditure is approved by three-quarters of the members of the Board;
 - o. Goods procured through an education master contract, as defined in the Education Purchasing Program, Article 28A of The School Code; and
 - p. Providing for the transportation of students with special needs or disabilities, which contracts must be advertised in the same manner as competitive bids and awarded by first considering the bidder(s) most able to provide safety and comfort for the students with

special needs or disabilities, stability of service, and any other factors set forth in the request for proposal regarding quality of service, and then price.

2. **Competitive bidding process:**
 - a. An invitation for bids is advertised, where possible, by public notice at least 10 days before the bid date in a newspaper published in the District, or if no newspaper is published in the District, in a newspaper of general circulation in the area of the District. 105 ILCS 5/10-20.21(a).
 - b. The following information should be included in the advertisement for bids:
 - 1) A description of the materials, supplies or work involved;
 - 2) Completion or delivery date requirements;
 - 3) Requirements for bids, bonds and/or deposits;
 - 4) Requirements for performance, labor, and material payment bonds;
 - 5) Date, time, and place of the bid opening;
 - 6) The approximate time period between the opening of bids and the award of the contract; and
 - 7) Any other useful information.
 - c. If specifications are available, the advertisement for bids describes where they may be obtained and/or inspected.
 - d. All bids must be sealed by the bidder. 105 ILCS 5/10-20.21 (a).
 - e. A Board member or District employee opens the bids at a public bid opening at which time the contents are announced. 105 ILCS 5/10-20.21(a). With the exception of bids for construction purposes, bids may be communicated, accepted, and opened electronically. The following safeguards apply to an electronic bid opening (105 ILCS 5/10-20.21, amended by P.A. 96-841):
 - 1) On the date and time of a bid opening, the primary person conducting the electronic bid process shall log onto a specified database using a unique username and password previously assigned to the bidder to allow access to the bidder's specific bid project number.
 - 2) The specified electronic database must be on a network that: (1) is in a secure environment behind a firewall; (ii) has specific encryption tools; (iii) maintains specific intrusion detection systems; (iv) has redundant systems architecture with data storage back-up, whether by compact disc or tape; and (v) maintains a disaster recovery plan.
 - f. Each bidder is given at least 3 days' notice of the time and place of the bid opening. 105 ILCS 5/10-20.21(a).
3. Following the opening of bids, the Superintendent (and Board Attorney, if needed) determines the lowest responsible bidder and verifies the bidders' qualifications. Contracts are awarded at a properly called open meeting of the Board. If the Superintendent recommends a bidder other than the lowest bidder, the Superintendent must provide the Board with the factual basis for the recommendation in writing. The Board, if it accepts a bid from a bidder other than the lowest, records the factual basis for its decision in its minutes. A contract arises only when the Board votes to accept a bid, although written notice of the award will later be given to the successful bidder.
4. Notwithstanding the foregoing, the District is relieved from bidding when making joint purchases with other public entities in compliance with the Governmental Joint Purchasing Act (30 ILCS 525/0.01).

- D. Contractors doing \$25,000 or more in business with the district every year will fill out a Business Office Vendor Information Form.
- E. The Business Manager will report to the Board of Education the possibilities that the district may exceed any large budget line item (in excess of \$40,000) within the fiscal year.
- F. As the Village and the school district increases in size, the Board of Education encourages the use of several contractors to make repairs that are beyond the scope and expertise of our maintenance staff. This way we will facilitate the development of several HVAC/mechanical, electrical, roofing, and plumbing contractors within our district and to handle the various repairs and renovations needed. The contractors will be assigned to specific schools so they can develop a deeper working knowledge of each school.

LEGAL REF.: 105 ILCS 5/10-20.21.

ADOPTED: April 17, 2001

REVISED: July 21, 2004, June 18, 2008, March 18, 2009

1st READING: April, 2010 (February, 2010 PRESS)

2nd READING: May, 2010

REVISED: June 16, 2010

Operational Services

Purchases and Contracts

The Superintendent shall manage the District's purchases and contracts in accordance with State law, the standards set forth in this policy, and other applicable School Board policies.

Standards for Purchasing and Contracting

All purchases and contracts shall be entered into in accordance with State law. The Board Attorney shall be consulted as needed regarding the legal requirements for purchases or contracts. All contracts shall be approved or authorized by the Board.

All purchases and contracts should support a recognized District function or purpose as well as provide for good quality products and services at the lowest cost, with consideration for service, reliability, and delivery promptness, and in compliance with State law. No purchase or contract shall be made or entered into as a result of favoritism, extravagance, fraud, or corruption.

Adoption of the annual budget authorizes the Superintendent or designee to purchase budgeted supplies, equipment, and services provided that State law is followed. Purchases of items outside budget parameters require prior Board approval, except in an emergency.

When presenting a contract or purchase for Board approval, the Superintendent or designee shall ensure that it complies with applicable State law, including but not limited to, those specified below:

1. Supplies, materials, or work involving an expenditure in excess of \$25,000 must comply with the State law bidding procedure, 105ILCS 5/10-20.21, unless specifically exempted.
2. Construction, lease, or purchase of school buildings must comply with State law and Board policy 4:150, Facility Management and Building Programs.
3. Guaranteed energy savings must comply with 105 ILCS 5/19b-1 et seq.
4. Third party non-instructional services must comply with 105 ILCS 5/10-22.34c.
5. Goods and services that are intended to generate revenue and other remunerations for the District in excess of \$1,000, including without limitation vending machine contracts, sports and other attire, class rings, and photographic services, must comply with 105 ILCS 5/10-20.21. The Superintendent or designee shall keep a record of: (1) each vendor, product, or service provided, (2) the actual net revenue and non-monetary remuneration from each contract or agreement, and (3) how the revenue was used and to whom the non-monetary remuneration was distributed. The Superintendent or designee shall report this information to the Board by completing the necessary forms that must be attached to the District's annual budget.
6. The purchase of paper and paper products must comply with 105 ILCS 5/10-20.19c and Board policy 4:70, Resource Conservation.

The Superintendent or designee shall execute reporting and website posting mandates in State law concerning District contracts, and (2) monitor the discharge of contracts, contractors' performances, and the quality and value of services or products being provided.

LEGAL REF.: 105 ILCS 5/10-20.21, 5/10-22.34c, and 5/19b-1 et seq. 820 ILCS 130 et seq.

CROSS REF.: 2:100 (Board Member Conflict of Interest), 4:70 (Resource Conservation),
4:150 (Facility Management and Building Programs)

ADOPTED: March 17, 1999

REVISED: February 20, 2008, March 18, 2009

1st READING: April, 2010 (February, 2010 PRESS)

2nd READING: May, 2010

REVISED: June 16, 2010