

PURCHASING POLICY

WHEREAS, the County has the power to purchase various goods and services under the Illinois County Code, 55 ILCS 5/5-1001 et. seq.; and,

WHEREAS, such powers are limited by a variety of statutes and common law requirements; and,

WHEREAS, it has been appropriate from time to time to set policies as reminders of various statutes and general accounting principles and the County desires to collect these policies into one purchasing policy for future reference.

Therefore, be it RESOLVED that the following is the Purchasing Policy for the County of Vermilion and shall be followed to facilitate compliance with the law and general accounting principles:

Section One: Application. This policy shall apply to all departments and divisions of the County. Recognizing that several offices have internal control statues however, the policies may be limited in some areas. However, in all cases the County and any of its departments shall follow the County Code and other statutory provisions at 55 ILCS 5/5-1001, et. seq., 55 ILCS 5/5-1022, and 720 ILCS 5/33E, as well as all Federal laws and applicable State and Federal regulations controlling purchasing by the County or any division thereof. Additionally, the County Code gives certain responsibilities to the County, the County Auditor and County Treasurer, and all purchases must conform to the minimum requirements of the statutes giving such responsibilities to those offices. The suggestions of any outside auditor with regard to purchasing practices in order to conform to generally recognized accounting principles shall also be followed and, where needed, specifically incorporated into this policy.

Section Two: Competitive Bidding or Requests for Proposals (“RFP”)
Competitive bids shall be sought when required by the Illinois Counties Code as set out at 55 ILCS 515-1022, and as may be amended from time to time. As set out in said statute, competitive bids are not required for the purchase of used equipment, professional services, purchases at auctions or similar transactions which are not suitable for competitive bidding. It is however the policy of the County that all transactions be conducted in a manner that will seek to maximize full and open competition. Requests for proposals and bid specifications shall be written to encourage competition and not to exclude bids by unduly restrictive specification or requirements that are not essential to the

needs of the County and taxpayer. A review of the applicable Code of Federal Regulations referenced below is advised.

All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of 2 CFR Part 200.319 and 200.320 and such standards are incorporated herein by reference to the extent not specifically re-stated herein. The County or department must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used, when possible, for federal grants or federally funded contracts asset out at 2 CFR Part 200.321.

All solicitations and Request for Proposals shall include a clear and accurate description of the technical requirements for the material, product, or service sought to be procured. Such descriptions shall not unduly restrict competition. Where it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or approved equal" description may be used for illustration purposes, but the essential needs or features sought shall be clearly listed. The goal is to encourage competition and to allow all bidders to have an equal opportunity to submit competitive pricing.

All Departments shall maintain a proper record of the bidding or RFP process and shall include:

1. A copy of the request for bids or proposals.
2. A rationale for the method of procurement.
3. An explanation of why one bid was chosen over others.
4. Where available, the County's independent cost estimate.

Cost plus percentage contracts are prohibited.

The County finds that sole source contracts are not suitable for competitive bidding. A sole source contract is defined as a contract involving one of the following:

1. Unique supplies or services available from only one source or only one supplier with unique capabilities; or
2. Where the existence of limited rights in data, patent rights, copyrights, or secret processes; the control of basic raw material; or similar circumstances, make the supplies and services available from only one source.

No contract may be considered a sole source contract without the concurrence of the Auditor and County Board Office and only after demonstrating that efforts to identify multiple vendors or providers of services, goods, materials, or equipment has been unsuccessful. Noncompetitive or sole source

procurements for contracts involving federal grants or federal contracts controlled by 2 CFR Part 200.319 and 200.320, can only be awarded in accordance with 2 CFR Part 200.320(c).

The participation in a joint purchasing consortium as provided for under 30 ILCS 525/1 et. seq. is considered to be in compliance with competitive bidding rules. Any department that participates in a joint purchasing consortium should notify the Auditor's Office of that association.

Reference should be made to provisions in the section concerning CONFLICT OF INTEREST IN CONTRACT PROCUREMENT AND ADMINISTRATION OF CONTRACTS below.

All bidders shall comply with the requirements of the Contractor's Certification, attached hereto and incorporated herein by reference, and as may be hereinafter amended, where applicable.

Any violation of the Public Contract statute under 720 ILCS 5/33E-1 et. seq., which enforces the competitive bidding rules, must be reported to the appropriate law enforcement official. Avoidance of competitive bids by forms of bid-stringing, collusion, improper use of 'change orders' to increase the cost of a contract, and other matters prohibited by law are forbidden and should be reported to the Auditor or directly to law enforcement. Reminders about the importance of proper bidding and contracting are encouraged to be sent out by the joint efforts of the County Board Office, Auditor, and Treasurer. Any department needing assistance in the bidding or contracting for goods, services or construction, should feel free to request assistance from the County Board Office or Auditor for direction.

Suspended, Debarred, or Ineligible vendors for federal operating or capital funds or grants

The Department or County must search the Federal Government's System for Award Management (SAM) for any third-party contract or vendor using federal operating or capital funds, prior to recommendation, to ensure that the prospective contractor or vendor is not suspended, debarred, or ineligible from participating in a federally assisted procurement or transaction. Debarred or suspended vendors listed on the Excluded Party Listing System (EPLS) are not responsive contractors or vendors. This search is conducted by going to sam.gov and entering the prospective contractor or vendor into the search parameters for excluded parties. If the contractor or vendor is not an excluded party, then the recommendation to award the contract to selected vendor may be brought to the County Board. If the contractor or vendor is ineligible from participation in the contract, then the next highest rated responsive proposer/next lowest responsive bidder will then be considered and will be checked on sam.gov for eligibility as well. Documentation to check eligibility, or

for the "SAM" verification process will include a printed copy of the verification check in the procurement file as well as a screenshot or PDF of the verification check saved electronically with the electronic files for the procurement. The Grant Administrator or her/his designee will be responsible for the SAM verification process or check. County must again search the Federal Government's System for Award Management (SAM) for any third-party contract or vendor using federal operating or capital funds, after County Board approval but prior to issuance of the purchase order/contract, to ensure that the perspective contractor has not been suspended, debarred, or ineligible from participating in a federally assisted procurement or transaction in the time between approvals and issuance of the contract/purchase order. The award of a contract or purchase order cannot move forward until there is documentation that the contractor or vendor is not debarred. Additionally, multi-year contracts/vendors should be checked annually and documented in a similar manner as above.

Section Three: Purchase Orders: All County Departments and Offices shall obtain a purchasing order for all purchases of goods, materials, or services. Such purchase orders shall be detailed as to what particular items are being purchased. For example, the term office supplies by itself would be an insufficient description and should be replaced by naming the type of office supply such as pens, paper or any other specific item. Where appropriate, the Auditor may use blanket purchase orders. Purchase orders are not required in an emergency, but the Auditor's Office should be notified as possible but no later than the following business day. Purchase orders do not have to be obtained for re-occurring monthly bills (e.g., internet, telephone) until the actual monthly bill is received. Purchase orders that do not comply with Illinois or Federal law, or this County policy, will not be approved. When an invoice or statement will not be received, the non-invoice form must be used along with a purchase order. If payment is made despite any irregularity in complying with purchasing policies and laws, to protect the credit of the County, a report shall be made by the Auditor to the Finance and Personnel Committee and the County Board Office.

Section Four: Supplies: Supplies mean tangible property that facilitate the operations of the office. For example, paper, pens, a coffee pot, and such items are supplies. Tables, chairs, filing cabinets and such larger physical items are generally considered equipment. Approval should be sought from the Auditor for all orders for supplies issued by the various county officers, before the orders are to be placed. 55 ILCS 5/3-1005. As a matter of policy, approval for ground coffee and water will always be approved by the Auditor. However, non-essential items such as cups, sugar, and cream may be disallowed, unless for a training event or special meeting. It is essential therefor to seek prior approval for all purchases of supplies. No free items will be accepted in exchange for

using a particular vendor when purchasing supplies, but 'cash back' will be acceptable.

Section Five: Contracts that Obligate County Funds:

All contracts that obligate County funds shall be placed on file with the County Auditor. See 55 ILCS 5/3-1005.

As provided for at 55 ILCS 5/6-1005, "Except as herein provided, neither the county board nor any one on its behalf shall have power, either directly or indirectly, to make any contract or do any act which adds to the county expenditures or liabilities in any year anything above the amount provided for in the annual budget for that fiscal year. Provided, however, that the County Board may lease from any Public Building Commission created pursuant to the provisions of the Public Building Commission Act, approved July 5, 1955, as heretofore or hereafter amended, any real or personal property for county purposes for any period of time not exceeding twenty years, and such lease may be made and the obligation and expense thereunder incurred without making a previous appropriation therefor, except as otherwise provided in Section 5-1108. Nothing contained herein shall be construed to deprive the board of the power to provide for and cause to be paid from the county funds any charge upon said county imposed by law independently of any action of such board. Except as herein provided, no contract shall be entered into and no obligation or expense shall be incurred by or on behalf of a county unless an appropriation therefor has been previously made."

(Source: P.A. 86-962.)

To accomplish this goal, any department entering into a contract beyond the current appropriation year should advise the County Board at the time of budget preparation of future contractual obligations to be funded in future appropriations. Failure to do so may affect the department budget in the following budget year.

As a general rule, no contract obligating County funds should be in excess of two years, which is considered the term of any one County Board. However, contracts in excess of two years may be accepted if the County has the absolute right to terminate without cause or penalty upon reasonable notice (e.g. 30 days) or if the contract is subject to the appropriation of funds each year by the County. There are specific statutory exceptions to this rule, for example:

"The county board of each county may, upon the affirmative vote of two-thirds of its members, enter into one or more leases for a period of not to exceed 5 years for computer equipment, data processing machinery, and

software, as may be required for its corporate purposes.” 55 ILCS 5/5-1130

If a contract is contemplated which is excess of two years notice should be given to the Auditor and Finance Committee prior to execution of the contract to determine the application of any exception. Most contracts in excess of two years will require approval of the County Board. Some, but not all, such contracts may require two-thirds vote of approval by the County Board as noted in the section above. The Finance Committee will determine if a County Board vote is required.

Execution of Contracts: Only a department head or elected official, or their authorized designee whose name is on file with the County Auditor, should sign a contract binding the County funds. Any contract signed by an unauthorized official will not bind the County.

Section Six: Vermilion County Credit Card Policy

A county credit card is to be used for authorized business purposes only. No personal use of a county credit card will be permitted. Personal use of a county credit card is both a violation of the law and a violation of the policy of the county. Violation of this policy or of the law may result in discipline up to and including termination of employment. The following procedures will apply to the use of office credit cards.

1. All credit card(s) will be maintained by the auditor. The office holder / department head and chief deputy shall be authorized to have access to the credit card files and history and will be authorized to have access to all information maintained by the card issuer as to their office's usage of the card. The auditor may cancel the use of a specific card holder upon advice from the department head or the county board chairman or upon the determination by the auditor that it is in the county's best interest to withdraw user privileges from any card holder.
2. A list of such credit cards will be given to the office holder / department head, including expiration dates and 3-digit security numbers from the back of each card. Any employee requiring the use of a credit card will sign the card out from the office holder / department head. Upon return of the employee, the credit card will be returned to the office holder / department head from whom they received it on the next business day along with any and all receipts relative to the use of the card. In certain cases, a credit card may be permanently assigned to one employee. That employee must turn in all receipts daily to the person charged with paying the credit card bill for matching with the monthly statement. All credit card transactions should be entered within three (3) business days after making the purchase. A P.O. will be required prior to making a

- credit card purchase, and an invoice will be required prior to the Auditor processing payment for the credit card purchase.
3. No alcohol may be purchased with a county credit card under any circumstances whether alone or in conjunction with a meal.
 4. In accordance with county policy, meals are not to be charged on a county credit card. Exceptions to this provision include reasonable meal purchases made due to unforeseen circumstances in which the employee has no other reasonable recourse due to travel issues and cannot simply return home due to job requirements or emergency circumstances encountered while on business for the county. Business for the county means travel done at the direction of the employer for any reason related to the needs of the department employing the employee or county.
 5. Use of the credit card for hotel bills is allowable provided a P.O. is obtained first.
 6. A credit card may not be used for personal purchases of any kind, including cash advances, and under no circumstances may a credit card be used with a view that the county will be reimbursed at a future date by the user.
 7. Credit cards may be used for specific purposes such as travel, software renewals, other registrations that are time sensitive, as well as goods and services. These should be cleared with the auditor's office prior to making the purchase inasmuch as purchase orders (P.O.s) will still be required. In some cases, reoccurring monthly charges for subscriptions or memberships are acceptable with documentation being turned in with the credit card statement monthly. Again, a P.O. number will be required.
 8. Any questions or concerns about the use of a credit card whether in general or in specific cases, should be addressed to the auditor prior to the use of the card. If an employee advances personal funds rather using a county credit card during a business trip or undertaking which has been authorized by the office holder / department head (or other designated person), they should seek reimbursement through the county. This reimbursement must be made through the accounts payable cycle following established county policies and procedures.
 9. Credit cards must be paid in full each month. If a credit is to be forthcoming from a vendor, the bill must still be paid, and the credit taken later. This is because the credit comes from the vendor, not the credit card company.
 10. The credit card account shall be audited at least annually if not more often by the county auditor. Questionable or undocumented use of the credit card shall be brought to the office holder / department head's attention immediately. If a satisfactory resolution is not reached in a timely manner, it shall be brought to the attention of the county board chairman. Under no circumstances is any information regarding the security information assigned by the auditor to be changed by the credit card user or holder. Any attempt to change the security

information will result in termination of any privilege to use the county credit card system.

11. Lost or stolen credit cards are to be reported first to the credit card issuer and immediately following to the auditor's office. In the event the loss is discovered when the auditor's office is closed (holiday's, weekends, after business hours), then after reporting the loss or theft to the credit card issuer, email, text or leave a telephone message with the auditor's office and follow up again during normal business hours. All thefts should be reported to the appropriate police agency immediately as well.

Section Seven: Conflict of Interest in Purchasing, Contract Procurement and Administration of Contracts

It is the policy of Vermilion County, Illinois, that all expenditures of public money be based upon the best interests of the taxpayer and that they be free from any conflict of interest or impropriety. To achieve this goal, the following rules are adopted:

1. The Illinois Statutes, including but not limited to Competitive Bidding, 55 ILCS 5/5-1022, the Public Officer Prohibited Activities Act, 55 ILCS 105/1, and following, (including 50 ILCS 103/3 regarding board member voting on contracts in which they may have a financial interest) and any relevant ordinances of the County of Vermilion are to be followed in the management of public money. Tax revenue or any form of public funds should be used for public purposes.
2. No employee, officer, or agent of the County, may participate in the selection, award, or administration of a contract supported by a Federal award, if he or she has a real or apparent conflict of interest. A conflict of interest arises when an officer, employee, elected official, or agent of the same, or any member of his or her immediate family or his or her spouse or partner, or any organization which employees or is about to employ any of the parties indicated herein, has a financial or other interest in or tangible personal benefit from a firm or County being considered for a contract from the County. The officers, employees, elected officials, or agent of the same, may not accept or solicit, gratuities, favors, or anything of monetary value from contractors or subcontractors seeking or currently engaged in providing contractual services for the County, provided however, that an unsolicited item, as described in the Gift Ban Act, 5 ILCS 430-10-15, and not in violation of the Gift Ban Act, 5 ILCS 430/10-10, et. seq. and any County Ordinance relevant to that Act, will not be a violation of this policy.
3. Officers, employees, elected officials, and the agents of the same shall act in the best interests of the public. Unnecessary or duplicative purchases

are to be avoided. An analysis of the most economic method of purchasing items should be made prior to any purchase. Shared goods and equipment, where feasible, should be employed rather than purchasing duplicate items, by use of intergovernmental or intra-County or intra-County agreements. The use of surplus equipment where feasible is encouraged. The rules regarding competitive bidding shall be followed and the Contractor's Addendum, as may be amended from time to time shall be used when contracting for public works, purchase of substantial goods or services.

4. Compliance with all required federal laws as may be appropriate in each case shall be required of any party contracting with the County. Where Federal money, grant or otherwise, is used, no vendor on the Federal Debarment list shall be used.
5. Any goods or services purchased with County funds shall be delivered to the appropriate County office and under no circumstances be delivered to the home of any County employee or County official. This does not prevent an employee or County official from using equipment such as a laptop or other items to work from home. The County Auditor may refuse to authorize a purchase where the delivery address is a private residence and/or report the same to the County Finance and Personnel Committee.

SECTION Eight: NONCOMPLIANCE WITH PURCHASING POLICY OR LAWS/WHISTLEBLOWER PROTECTION

In accordance with the duties of the County Board to properly levy and budget public funds for public purposes, the County Auditor or County Treasurer is directed to refer to the Finance- Personnel Committee for review and discussion any purchase, request for a purchase order, payroll issue, or other financial transaction involving the use of tax revenue from any source, State, local, or Federal, which raises potential concerns and may not be in accord with the purchasing policies of the County or best financial government practices. It shall be reported to and discussed by the Finance Personnel Committee and if validated as a concern, reported to the full Board at the next monthly Board meeting by the County Auditor and County Finance Chairperson. In the event the Finance Committee and County Auditor disagree or are not able to meet prior to the County Board meeting, then either may report the concern to the full county board as deemed appropriate.

Any apparent violation of the law should be reported to the Vermilion County Sheriff's Department as well.

Federal funds may not be used to lobby an officer or employee of any federal agency.

No employee shall be disciplined for reporting or disclosing information to a government or law enforcement agency if the employee has reasonable cause to

believe that the information discloses a violation of a State or federal law, rule, or regulation. The terms of 740 ILCS 174/5, et. Seq., are also incorporated herein by reference. Complaints of retaliation may be made to a supervisor, or the County Auditor, Human Resources Director, or the County Sheriff, or any other law enforcement personnel.

SECTION NINE: EMERGENCY PURCHASE

Emergency purchases may be made without strict compliance with the purchasing policy where required to avoid loss to the public where an emergency exists. An emergency is defined as a real and present threat to County property, the public, or safety of employee(s), such that failure to act and expend funds or make a purchase of required goods or services will result in harm to the County, employee(s), or public that must and can be reasonably avoided by taking action that may be noncompliant with this purchasing policy. Such action and the rationale for such action must be reported to the Auditor and County Board Chair immediately for initial approval where feasible, and then in all events documented and presented to the Finance Committee and Auditor for review and approval at the first opportunity after the emergency is resolved.

Attempts to use the Emergency Purchase process inappropriately or as a means to evade state or federal law or county policy must be reported under Section Eight.