

COMMITTEE OF THE WHOLE MEETING
No. 2013-10-1
TUESDAY, OCTOBER 1, 2013

6:00 P.M.

CALL TO ORDER

ROLL CALL

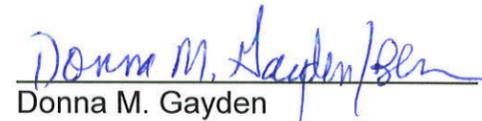
ADMINISTRATION

1. Discussion of recommendation from Economic Development Committee regarding Landauer
2. Discussion of recommendation from Economic Development Committee regarding Glenwood Oaks (Redevelopment Agreement)
3. Discussion of Travel & Business Related Expenses
4. Discussion of Purchasing Policy
5. Discussion of purchase of trees for Glenwoodie and Village Residents
6. Executive Closed Session under Section 2(c)(5) Real Estate Acquisition and Section 2(c)(1) Personnel

OPEN TO THE PUBLIC

ADJOURNMENT

Sincerely,


Donna M. Gayden
Village Administrator

Posted and distributed 10/27/13

VILLAGE OF GLENWOOD

ONE ASSELBORN WAY • GLENWOOD, ILLINOIS 60425

708.753.2400
708.753.2406 Fax



MAYOR
Kerry Durkin

CLERK
Ernestine T. Dobbins

TREASURER
Toleda Hart

TRUSTEES
Terrence A. Campbell
Ronald Gardiner
Carmen Hopkins
Richard Nielsen
Anthony Plott
Paul Styles, Jr.

September 24, 2013

The Honorable Kerry Durkin
Board of Trustees
Village of Glenwood
One Asselborn Way
Glenwood, Illinois 60425

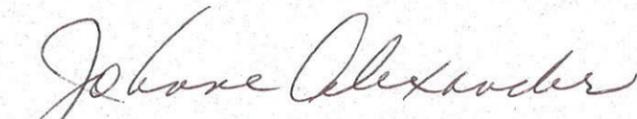
Re: Landauer, Inc. (1 Science Drive)

Dear Mayor Durkin and Trustees:

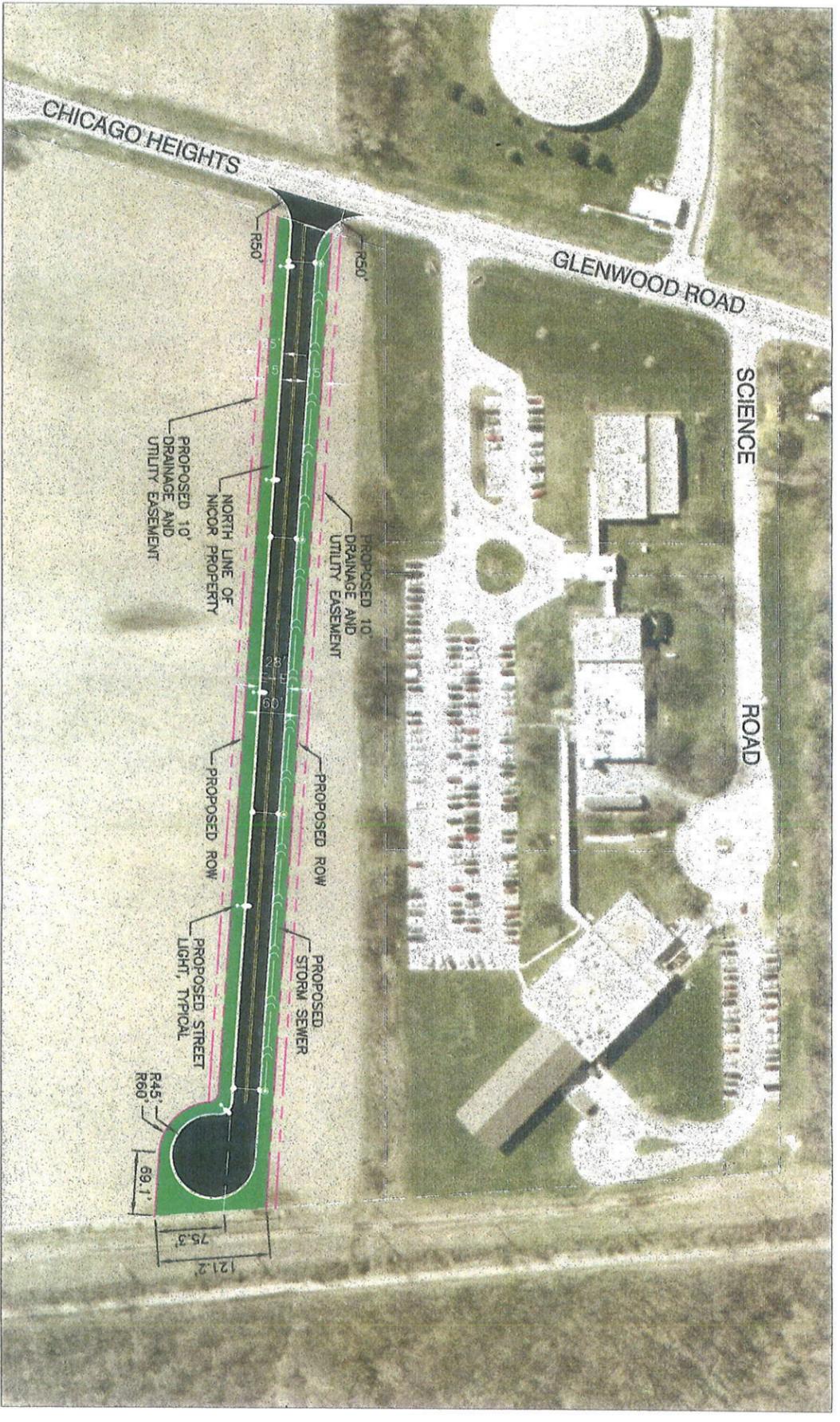
The Economic Development Committee held a meeting on Tuesday, September 24, 2013, and by a vote of 5 ayes, 0 nays, 4 absent, their recommendation is as follows:

The Economic Development Committee recommended to the Board of Trustees a **Redevelopment Agreement between the Village of Glenwood and Landauer, Inc.** (1 Science Road). The Agreement, if approved by the Board of Trustees, will grant Landauer, Inc. the improvements to their current building structures not to exceed a total cost of \$500,000 of Tax Increment Financing (TIF) eligible expenses.

Sincerely,


JoAnne Alexander, Chairman
Economic Development

VILLAGE OF GLENWOOD, ILLINOIS



ALTERNATE #3

COPY

Landauer, Inc.
TIF request – Phase 1
2013

Landauer, Inc. (“Landauer” or “Company”) has operated from its Glenwood campus since 1968. It began in a one-story building we currently refer to as Building 2. It soon expanded to a two-story building connected to its original building. The Company then acquired Building 3 and eventually added on the Morton addition to it. In the early 90s, the Company acquired Building 1. The acquisition of Building 1 was supported by the Village with Landauer’s original TIF.

This original TIF was very restrictive requiring the hiring of Glenwood residents over non-residents, posting of job listings with the Village, requiring a specific number of jobs to be maintained, not allowing for the real estate taxes to be appealed, etc. The TIF did not fully reimburse Landauer as provided in the Special Tax Increment Revenue Note dated December 31, 1994. The note provided for the \$1,917,161.59 to be paid to Landauer once a year with the payments applied first to interest and then, if applicable, to principle. Simple interest was to be calculated at a 7.5% rate. The annual payments were more than \$2.5M less than the full amount as calculated under the Note’s methodology. The following is a summary of the activity on the note:

	Interest (7.5%)	Payment Received	Note Value
12/31/1994			1,917,161.59
Interest	137,484.12		
12/15/1995		41,092.00	1,917,161.59
Interest	144,181.06		
12/15/1996		17,955.00	1,917,161.59
Interest	143,787.12		
12/15/1997		42,946.00	1,917,161.59
Interest	143,787.12		
12/15/1998		44,050.00	1,917,161.59
Interest	146,150.74		
12/21/1999		45,918.00	1,917,161.59
Interest	240,301.76		
8/22/2001		70,380.00	1,917,161.59
Interest	200,908.03		
1/14/2003		71,207.00	1,917,161.59
Interest	-		
1/14/2003		79,175.00	1,917,161.59
Interest	132,362.94		
12/16/2003		102,099.00	1,917,161.59
Interest	140,635.62		
12/7/2004		97,730.00	1,917,161.59
Interest	143,787.12		
12/6/2005		101,910.00	1,917,161.59
Interest	-		
12/6/2005		129,522.00	1,917,161.59
Interest	286,786.36		
12/4/2007		127,774.00	1,917,161.59
Interest	144,181.06		
12/4/2008		132,831.00	1,917,161.59
Interest	178,453.60		
3/2/2010		182,320.00	1,917,161.59
Interest	137,878.06		
2/15/2011		223,630.00	1,917,161.59
Interest	121,332.69		
12/20/2011		225,600.00	1,917,161.59
Interest	113,060.01		
10/2/2012		214,048.00	1,917,161.59
Interest	-		
Total	2,555,077.41	1,950,187.00	
Net Interest Owed			604,890.41
Interest and Principle Owed			2,522,052.00

The Note expired prior to sufficient TIF funds being available to satisfy it.

Landauer not being allowed to appeal its real estate taxes has resulted in the Company overpaying real estate taxes for the last two decades. Landauer's real estate taxes have increased 165% since the 2007 taxes paid in 2008 (since the fiscal cliff). If we assume the 2007 real estate taxes were reasonable, but they are not due to the fact they haven't been appealed in over a decade, Landauer overpaid its real estate taxes by \$772,000 the last five (5) years:

Year	Increase in RE Tax		Overpayment
	Cumulative	Incremental	Per Year
2012	165%	65%	212,420.39
2011	152%	52%	168,919.51
2010	149%	49%	159,477.28
2009	146%	46%	152,273.02
2008	124%	24%	78,993.34
2007	100%	0%	-
			<u>772,083.54</u>

Had the real estate taxes been appealed during the previous twenty (20) year TIF, more than \$1M would have been saved. Landauer's real estate taxes provided the TIF funds that allowed for significant growth in the TIF district.

Landauer has been a major employer in Glenwood for over four (4) decades. Landauer's 207 Glenwood Campus employees support local business including Gabe's, Wal-Mart, Aldi, U.S. Post Office, Glenwoodie, etc. This doesn't factor in non-employees e.g. PricewaterhouseCoopers auditors, IT consultants, etc. that work out of the Glenwood Campus. More than 59% of Landauer's Glenwood Campus employees are residents of Glenwood and its neighboring communities e.g. Chicago Heights, Homewood, Flossmoor, Crete, etc.

Landauer is looking to transition portions of its Customer Service to Glenwood from Wisconsin. We will bring 16 Customer Service Associates and 2 Regional Sales Assistants to Glenwood. We will retrain 15 current employees as we upgrade our Customer Service. The Customer Service Associate job description is to follow. Employees were recruited via Davis Staffing, Office Team, DePaul University and Employee Referrals. Landauer is compliant with: EEO/Affirmative Action/Veteran & Disabled practices. Landauer hires the most qualified person for the position that will mesh well with our culture.

Training of Customer Service includes:

1. Classroom Training:
 - a. Product Training
 - b. Business practice training
 - c. Operations of each department & impact on process and client
 - d. Agresso (ERP) systems training

- e. Call Quality training
- 2. On-the-job/Assignment based training:
 - a. Performing account maintenance
 - b. Calling customers to determine actual needs for packing lists, FAQ's, emails, faxes
 - c. Analyzing live calls & preparations for phones

Landauer's Glenwood campus is 45 years old – all three (3) buildings were built in 1968 with Landauer's acquisition of them occurring over time. During this time technology and customer expectations have changed significantly. As a result, its facility has become functionally obsolete. Therefore, we are asking the Village for TIF funds to allow Landauer to continue to be a significant contributor to the community. Landauer's facility does not provide sufficient space to bring today's jobs to our facility without retrofitting our existing footprint.

We are asking for \$659,295.17 to support this more urgent investment to bring jobs to Glenwood. Landauer is in the process of developing a long-term solution and with this demonstration of support, will work with Glenwood to retain our operations in Glenwood.

CUSTOMER SERVICE ASSOCIATE

Landauer, the largest radiation dosimetry provider in the world with laboratories in 9 countries servicing over 100 countries is seeking customer service associates for openings at its corporate headquarters located in Glenwood, Illinois. Landauer has provided dosimetry services to industry for 59 years and is a publicly traded company on the NYSE under ticker symbol LDR. Our client focused company offers a professional and supportive working environment, fabulous team atmosphere, excellent benefit package, training and tremendous advancement opportunities for individuals that are seeking a career in client services. Landauer offers comprehensive benefits that include medical, dental, optical, and 401k. We are looking for individuals who are eager to learn, enthusiastic and motivated to join our team.

Job duties include, but are not limited to:

- Accepting and answering inbound client inquiries & requests timely and accurately.
- Maintaining and/or setting up client accounts and performing changes to customer accounts.
- Reviewing and responding to email and voice messages
- Investigate any issues the customer may have had with the product, price, shipment, etc.
- Retrieve and provide data and documentation as requested by the customer
- Making clients feel valued and appreciated
- Building relationships with clients

Education, Qualifications, and Job requirements needed for this position are:

- Bachelor's Degree preferred
- Customer Service experience preferred (especially in an inbound call center)
- Excellent communication and listening skills
- Must be confident, articulate, and professional
- Strong knowledge of MS Office
- Ability to solve problems quickly and efficiently
- Can pass a national criminal background report and drug test.
- Punctual and dependable

Landauer is compliant with: EEO/Affirmative Action/Veteran & Disabled practices. Resumes & cover letters may be forwarded to HumanResources@landauerinc.com.

Landauer, Inc.
Glenwood TIF
Summary

Eligible Redevelopment Costs

Costs of rehabilitation and repair of buildings	\$ 473,568.84
Costs of job training and retraining programs	<u>\$ 185,726.33</u>
Total	<u><u>\$ 659,295.17</u></u>

Landauer, Inc.
 Glenwood TIF
 Costs of Rehabilitation and Repair of Buildings

	<u>Eligible</u>	<u>Non-eligible</u>	<u>Total</u>
Vendor			
Zones - Phone and monitors		\$ 26,274.94	\$ 26,274.94
Warehouse Direct - Walls and Workstations	\$ 78,916.46	\$ 12,797.47	\$ 91,713.93
Warehouse Direct- Carpet	\$ 18,414.75		\$ 18,414.75
Furniture Direct - Lateral files, chairs, and labor		\$ 10,739.35	\$ 10,739.35
Electrical Solutions, Inc. - Electrical Installation	\$ 5,995.00		\$ 5,995.00
Hassberg Decorating -Patch Prime and Paint	\$ 915.00		\$ 915.00
Hassberg Decorating -Patch Prime and Paint CS	\$ 1,145.00		\$ 1,145.00
MTS Titan LLC - wiring/comm lines	\$ 15,925.00		\$ 15,925.00
Uline - wire cabinets	\$ 476.31		\$ 476.31
	<hr/>	<hr/>	<hr/>
Sub-total	\$ 121,787.52	\$ 49,811.76	\$ 171,599.28
Other			
Landauer Employees Oversight of Build-out	\$ 16,281.32		\$ 16,281.32
HVAC Bldg Customer Service Technical	\$ 37,000.00		\$ 37,000.00
Bldg 1 Replacement of Roof	\$ 120,000.00		\$ 120,000.00
Asbestos removal 2013	\$ 10,000.00		\$ 10,000.00
Window Improvements - Reception and Bldg 1 Hallway	\$ 18,500.00		\$ 18,500.00
Painting	\$ 5,000.00		\$ 5,000.00
Carpet	\$ 37,000.00		\$ 37,000.00
Kitchen	\$ 15,000.00		\$ 15,000.00
Repave Parking Lot	\$ 78,000.00		\$ 78,000.00
Restroom Improvements	\$ 15,000.00		\$ 15,000.00
	<hr/>	<hr/>	<hr/>
Sub-total	\$ 351,781.32	\$ 49,811.76	\$ 351,781.32
	<hr/>	<hr/>	<hr/>
Total Rehabilitation and Repair Bldgs	<u>\$ 473,568.84</u>	<u>\$ 49,811.76</u>	<u>\$ 523,380.60</u>

Landauer, Inc.
Glenwood TIF
Costs of Job Training and Retraining Programs

	<u>Amount</u>
Training Development - 10 Developers	\$ 69,261.37
Training Time - 33 Trainees	\$ 116,464.96
	<hr/>
TOTAL	<u>\$ 185,726.33</u>

Per Kathy Bober, Director of Human Resources.

VILLAGE OF GLENWOOD

ONE ASSELBORN WAY • GLENWOOD, ILLINOIS 60425

708.753.2400
708.753.2406 Fax



MAYOR
Kerry Durkin

CLERK
Ernestine T. Dobbins

TREASURER
Toleda Hart

TRUSTEES
Terrence A. Campbell
Ronald Gardiner
Carmen Hopkins
Richard Nielsen
Anthony Plott
Paul Styles, Jr.

July 30, 2013

The Honorable Kerry Durkin
Board of Trustees
Village of Glenwood
One Asselborn Way
Glenwood, Illinois 60425

Re: Glenwood Oaks Restaurant (106 N. Main Street)

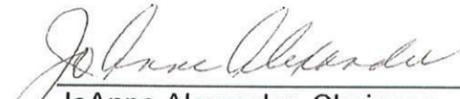
Dear Mayor Durkin and Trustees:

The Economic Development Committee held a meeting on Tuesday, July 30, 2013, and by a vote of 6 ayes, 0 nays, 3 absent, their recommendation is as follows:

The approval of a Redevelopment Agreement between the Village of Glenwood and Glenwood Oaks Restaurant (106 N. Main Street). The Agreement includes the improvements to Glenwood Oaks parking lot, landscaping and lighting as well as the Village of Glenwood's landscaping, storm sewers, design and lighting standards for the property.

The Economic Development Committee recommends that the Village Board approve a Redevelopment Agreement with Glenwood Oaks Restaurant not to exceed a total cost of \$250,000 on Tax Incremental Financing Funds (TIF) eligible expenses, with Glenwood Oaks contributing \$50,000.

Sincerely,


JoAnne Alexander, Chairman
Economic Development

Memorandum

To: Village President, Board of Trustees, Clerk and Treasurer

CC: Village Administrator

From: Ashleigh Hostert

Date: 9/25/2013

Re: Travel & Business Related Expenses

Travel & Business Related Expenses

Please review the two enclosed documents. Please provide any feed back or questions to Donna M. Gayden before the scheduled Board Meeting on October 1, 2013.

These documents will be an agenda item at the Board Meeting.



VILLAGE OF GLENWOOD

Travel & Business Related Expenses



Updated
9/25/13

TRAVEL AND BUSINESS RELATED EXPENSES

OVERVIEW

Trustees, Village Representatives, and Employees who travel on business for the Village of Glenwood must complete a Request and Authorization for Travel Form (Attachment 1) and are entitled to reimbursement for their transportation, lodging, and meal expenses. Each employee is expected to use these funds only to the extent necessary to conduct business on behalf of the Village of Glenwood. Reimbursements for transportation, lodging, and meal expenses may not be used as supplemental income to any Trustee, Village Representatives or Employee.

Directors and staff of the Village of Glenwood are responsible for communicating and enforcing all travel policy guidelines. Any exceptions to these stated policies require the written approval of the Village President or, the Village Administrator or a designee.

All travel expenses must be reconciled no later than the last business day of the month. Staff must use the Village of Glenwood Claim Reimbursement Forms to note all expenses (See Exhibits 2 and 3).

All reports must be received by the Finance Department by the 10th of the month for the previous month expense in order to be considered for payment. Expense reports received after the 10th will be processed the next month. Any expense reports received 30 days after the close of the fiscal year will not be processed.

No expense greater than \$5 will be paid without a written receipt. This includes multiple units of a similar kind (i.e., tips, tolls, and other miscellaneous). Those that exceed \$3 in total will not be paid without a receipt. Only actual and allowable expenses are reimbursable. Estimated expenses are not paid by the Village of Glenwood. All expenses must be documented with an original written receipt that provides itemized details of the total bill. Charges for hotel/motel room charges and transportation charges, gratuities, etc. must be specified on the receipt. The use of personal credit cards must also include the original customer copy charge slip with their receipts.

When traveling to a conference, seminar, event, etc. all hotel and transportation expenses will be reimbursed for not more than one day prior and one day after the conference, seminar, or event. Any exceptions require prior written approval from the Village President or Village Administrator.

Reimbursed travel expenses are subject to internal and external audits, as well as examination by the Internal Revenue Service (IRS). An IRS examination may require evidence of documentation including, but not limited to:

- Name of Establishment where expenses were incurred
- Total amount of expenses
- Business purpose of trips and/or meetings
- Business relationship

The approval shall be conducted as follows:

- In county, out of county but within state for Employees – Department Director
- Out of state, within country for Employees – Village Administrator
- Out of the country for Employees – Village President

Any travel reimbursement exceeding \$400.00 must be approved by the Village President or the Village Administrator.

AIR TRAVEL

Must be pre-approved by the Village President or Village Administrator

LAND TRAVEL

A Trustee, Village Representative, or Employee required to use a personal motor vehicle for business may be reimbursed at the current Internal Revenue Service (IRS) reimbursable rate. The Employee is required to provide detailed records of such travel, including dates, miles traveled, tolls paid, and purpose for approved travel.

As a condition of employment, Employees expect to incur commuting expenses between their residence and **headquarters**. These expenses are not reimbursable. Meals, lodging, and per diem are not reimbursable at **headquarters** or at residence. Expenses associated with Village business in excess of commuting expense are reimbursable from **headquarters** shall be reimbursed for all mileage. An Employee whose travel does include travel through **headquarters** shall be reimbursed for all mileage in excess of commuting mileage. All travel must be by the most direct route.

“Travel through **headquarters**” is defined as: Any travel to or through the corporate city limits of the Employee’s designated **headquarters** regardless of whether the Employee made a stop at the work site or changes vehicles or modes of transportation.

Trustees, Village Representatives, and Employees must have a valid driver’s license and vehicle insurance when using their personal vehicle to conduct business for the Village of Glenwood. Any Trustee, Village Representative, or Employee required to use their personal vehicle for business purposes must submit a copy of a valid driver’s license and proof of vehicle insurance. Vehicle insurance must meet the minimum required coverage mandated by the State of Illinois.

In June of each year, the Village of Glenwood will monitor and request proof of driver’s license and vehicle insurance records to ensure that requirements are met as outlined in this policy.

Employees unable to produce these documents will not be allowed to use their vehicle for business purposes and could be subject to termination if their employment is dependent upon use of personal vehicle. It is the responsibility of the Employee to immediately notify their Department Head and Human Resources of any driving privilege revocation or vehicle insurance cancellation before the annual request for proof of valid driver’s license and proof of vehicle insurance. Failure to notify the Department Head

and Human Resources of a driver's license revocation or vehicle insurance cancellation could result in immediate termination.

Vehicle rentals must have written prior approval of the Village President or the Village Administrator and the Department Head; and should be used only if there is no other practical means of transportation and the cost of a vehicle rental is less than that of any other available means, including taxi or airport car service. If vehicle rental is necessary, the primary responsible driver, as well as any secondary drivers, must meet Motor Vehicle Registration (MVR) standards and must have appropriate approval before renting any vehicle.

Since most auto rental companies require a personal credit card, staff members who do not have one should not attempt to rent a vehicle. Staff members who must rent a vehicle are authorized to choose a rental organization within the guidelines of good business decisions. Rental companies must be reputable, well established and reasonable in rates. Any Employee renting a vehicle for Village of Glenwood and its affiliates business must meet the following criteria:

- Be at least 25 years of age
- Have a current, active driver's license
- Have no suspensions or revocation regardless of date
- Have fewer than 5 traffic violation points accumulated in the past 24 months
- Provide Motor Vehicle Report (MVP) upon request

Reimbursement for rental vehicles may be made on the Employee's expense report at the end of the travel or may be requested through a cash advance.

BUS, RAIL, OR WATERWAY TRAVEL

An Employee traveling on Village business may use other transportation methods, i.e. rail, bus, or waterways and be reimbursed providing the Employee used good business judgment and the travel accommodations are reasonable and customary. First class or business travel may be used only with the pre-approval of the Village President or the Village Administrator or a designee.

CASH ADVANCES

Cash advances may be requested to cover the costs of lodging, meals, transportation, and miscellaneous costs such as taxis and tips. Cash advances must be requested at least 10 to 15 business days in advance of the travel date. To request a cash advance, fill out a check request/requisition, have it approved by appropriate supervisory staff and forward it to the Finance Department for processing. Processing of cash advance requests required a minimum of 10 business days and is processed in accordance with the established disbursement schedule. Any cash advance requested less than 10 days need prior approval from the Village President or the Village Administrator.

Cash advances must be accounted for within 10 business days after completion of travel. Failure to account for a cash advance within the allotted time will result in a payroll deduction.

LODGING

The traveler may choose a hotel or motel based on good business judgment. Lodging facilities should be well established, reasonably priced, conveniently located to the work assignment, and easily accessible. Any other considerations may be made only with the advance written approval of the Village President or the Village Administrator or a designee. Each traveler should use their best effort to obtain the Government rate. When attending a conference individuals should register in time to get the conference rate.

It is recommended that a credit card be used to confirm reservations, especially for late arrivals. Documentation of all lodging must be submitted with travel expense report. This documentation must include cost of room rates, applicable taxes, and additional charges. All additional charges must be itemized and have separated receipts as well.

MEALS

Reimbursement is allowed for meals consumed while Trustees, Village Representatives, or Employees are traveling on Village business outside of their immediate geographic work area. The Government per diem rates will apply to meals that are not provided by any other means (i.e., not included in hotel room rates, as part of seminar training, or conference, etc.) (See attached Government Per Diem Rates).

Trustees, Village Representatives and Employees who incur expenses for business meals may be reimbursed if the receipt for the meal is submitted with the following information:

- Names of all Employees/diners present;
- Date, place, and business purpose of the meal;
- Total cost of the meal, including tip and tax.

Alcoholic beverages are a disallowed expense. Where gratuities are automatically included in the price of the meal, no additional gratuity is made. If gratuity is not included in the cost of the meal, the maximum rate allowed is 20%.

NON-REIMBURSABLE TRAVEL RELATED EXPENDITURES

The Village of Glenwood is a government entity and must adhere to certain governmental regulations for reimbursable travel related expenditures. It is impossible to list all unallowable travel expenditures, but the one that is most frequently abused is the expectation to be reimbursed for traffic violations (moving or parking) while conducting Village business.

Payment of all traffic violations received when conducting Village business is the responsibility of the Trustee, Village Representative, or Employee. Any traffic violation received by an Employee in a Village vehicle (owned or rented) will be deducted from the Employee's payroll check, if he/she does not reimburse the Village in a timely manner.

SPOUSE/PARTNER TRAVEL

It is the policy of the Village of Glenwood not to reimburse any Trustee, Village Representative, or Employee for separate travel costs (airfare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between Trustee, Village Representative, or Employee and spouse/partner for purposes of this policy.

EMPLOYEE EXPENSE REPORTS

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form, or a meeting agenda attached. Expense reports will be processed for payment in the next vendor payment cycle if received by the deadline.



Fiscal Leadership for Glenwood

This Page for Accounting Use Only

Name: _____ Phone: _____ Travel From: _____ To: _____
 Amount Due To/From Employee: \$ _____

Employee ID	Vendor ID	Handling Code	Terms	Gross \$	Acct. Date
Invoice No.	Invoice Date	Pay Date	Voucher No.	Voucher Date	Acct. Template
Effective Date	Description	Budget Year	Check #	Check Date	Location
Reference No.	Business Unit				

Line Description	Account	Fund	Org/Dept	OPB Program	Class	Funding Src.	Project	Amount
Mileage	9182				301			
					301			
					301			
Meals	9182				301			
					301			
					301			
Lodging	9182				301			
					301			
					301			
Other(Parking, Tolls, Portage)	9182				301			
					301			
					301			
Commercial Transportation	9182				301			
					301			
					301			
Voice/Data Communications Svcs	9120				307			
					307			
					307			
Registration Fees	9140				301			
					301			
					301			
Miscellaneous Expenses	9891				301			
Travel Advance	9182							
Gasoline for Rental Vehicle	9210				301			
Travel between State Orgs	9182				301			
Money Owed								

Non-Employees			
Account	Line Description	Sub-Cls	Amount
9182	Mileage	301	
9182	Commercial Transportation	301	
9182	Subsistence	301	
9182	Miscellaneous Travel Expenses	301	
	Reimbursable Expenses	312	

Processed By: _____ Date: _____

Entered By: _____ Date: _____

VILLAGE OF GLENWOOD

Purchasing Policy



Updated 9/10/13

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SECTION 1 – PURCHASING OBJECTIVES

It is the policy of the Village of Glenwood, Village President and Board of Trustees that all Village 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 Village and the residents of Glenwood. Village officials and employees shall strive to:

1. Provide a standardized system of purchasing for use by all Village Departments;
2. Purchase in an open, forthright and ethical manner to ensure that public money is spent efficiently and effectively and in accordance with local, state, and federal laws and Village policies;
3. Obtain quality goods required by Village Departments in a timely manner so that services, commodities, materials, and equipment are available when needed;
4. Establish and maintain procedures to ensure that fair and equal consideration is given to vendors and selection is based upon the lowest responsible vendor;
5. Ensure that environmental considerations are factored into purchasing decisions, consistent with such traditional factors as product safety, price, performance and availability;
6. Procure products containing recovered materials, and environmentally preferable and energy-efficient products such as those identified as Energy Star, low voc, clean fuel, and utilizing energy efficient lighting when appropriate;
7. When using either the bid process or normal procurement process, and all other factors are equal, local vendors may receive preference.

The policies and procedures set forth in the manual are meant to serve as guidelines and will not govern every purchasing situation that may arise. The successful accomplishment of the purchasing objectives depends upon the users of this manual having a thorough knowledge of its contents. By concentrating on good purchasing practices, the objectives outlined above can be reached.

SECTION 2 – PURCHASING ETHICS

2.1 GIFTS. Per the Glenwood Municipal Code,¹ “Gift” means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible item having monetary value including, but not limited to cash, food and drink and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee. No official or employee shall directly or indirectly solicit, accept or receive any gift or consideration whether in the form of money, services, loan, travel, entertainment, thing or promise which was intended to influence him to act other than impartially in the performance of his/her official duties, or was intended as a kickback in connection with a purchase or contract² reward for any such action on his part. Any employee who is offered a bribe or kickback in connection with a purchase or contract shall report such offer to his/her department head immediately.

2.2 EMPLOYEE AND ELECTED OFFICIAL OWNED BUSINESSES. To avoid the potential for or the appearance of favoritism or collusion on the competitive procurement of services, commodities, materials and equipment, the Village will not procure items or services from any firm, corporation, or business which is owned in whole or in part by someone employed by the Village or holding an elected office except in an emergency. Those responsible for administering this purchasing policy shall undertake reasonable efforts to make certain the Village is not utilizing a business owned in whole or in part by a Village employee or an elected official. This

¹ Glenwood Municipal Code Chapter 2 Ethics Policy, Sec. 2-141

² Glenwood Municipal Code Chapter 2 Ethics Policy, Sec. 2-143

restriction shall not apply to a publicly held corporation where an employee or elected official has a de minimis ownership interest. Emergency purchases made from employee or elected official owned businesses must still be made in compliance with state law.

- 2.3 INTEREST OF VILLAGE OFFICERS OR EMPLOYEES.** No official or employee, either on that person's behalf or on behalf of any other person, shall have any financial or personal interest in any business or transaction with any Board, Commission, Committee or other public body of the Village unless that official or employee makes full public disclosure of the nature and full extent of such interest and disqualifies him or herself from participating in and acting upon the resolution of the business or transaction.
- 2.4 CONFLICT.** If any portion of this manual is found to be in conflict with any federal, state or local law, the federal, state or local law shall apply. However, if this manual is more restrictive than the federal, state or local law, the manual shall apply.

SECTION 3 - PURCHASING AUTHORITY

- 3.0** The Village Administrator, per the Village Code, is the purchasing agent for the Village and is authorized to make all purchases and other expenditures authorized by the annual budget then in effect; provided that all purchases and other expenditures over five-thousand dollars (\$5,000) first shall be authorized by the Village Board. The Village Administrator is authorized to engage the services of engineers, architects, attorneys or other professional consultants for any matter that will create an obligation for such services not exceeding five-thousand dollars (\$5,000) without prior approval of the Village Board.

The Village Administrator is authorized to approve any change order to a Village contract which is less than five-thousand dollars (\$5,000). A change order that increases a Village contract by five-thousand and one dollars (\$5,001) or more must have authorization from the Village Board.

The Village Administrator has authorized the Finance Director or his/her designee to administer and oversee compliance with the purchasing policies and procedures set forth in this manual.

- 3.1 RESPONSIBILITY.** Purchasing responsibilities shall be as follows:
- A. **BOARD OF TRUSTEES.** The Village Board of Trustees shall:
1. authorize all purchases and contracts which cost more than five-thousand dollars (\$5,000);
 2. award all bids exceeding five-thousand dollars (\$5,000);
 3. approve all agreements for architectural, engineering and land surveying services where the cost exceeds five-thousand dollars (\$5,000);
 4. approve any waiver of competitive bidding requirements for purchases or contracts when allowed by state law; and
 5. reject any or all bids for purchases or contracts exceeding five-thousand dollars (\$5,000).
- B. **VILLAGE ADMINISTRATOR.** The Village Administrator shall be responsible for:
1. the overall administration of the Village's purchasing policies and procedures;
 2. approval of vendor selection and issuance of purchase orders for all purchases of services, commodities or equipment where the annual cost of the goods or services is between two-thousand five-hundred dollars and five-thousand dollars (\$2,500 and

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\$5,000);

3. approval of all agreements for architectural, engineering, consulting and land surveying services where the cost is more than two-thousand five-hundred dollars (\$2,500) but not more than five-thousand dollars (\$5,000);
4. recommending to the Board of Trustees the vendor to be selected for purchases which exceed five-thousand dollars (\$5,000).

C. **DEPARTMENTS.** Departments, under the authority of the Department Head shall be responsible for:

1. vendor selection and issuance of purchase orders for all purchases where the cost of the services, commodities or equipment does not exceed two-thousand five-hundred dollars (\$2,500) and when the same is of a technical nature and is used primarily by the department;
2. approving all agreements for architectural, engineering and land surveying services where the cost is two-thousand five-hundred dollars (\$2,500) or less;
3. recommending to the Village Administrator the vendor to be selected for all purchases in excess of two-thousand five-hundred dollars (\$2,500);
4. reviewing and evaluating all purchases for compliance with purchasing policies and procedures;
5. coordinating the preparation of bidding documents where the cost is estimated to exceed five-thousand dollars (\$5,000);
6. maintenance of all bid files with the original copies of the documents.

D. **FINANCE DEPARTMENT.** Under the authority of the Finance Director, shall be responsible for:

1. maintaining a list of vendors and rendering assistance to the operating departments in choosing and evaluating vendors;
2. working with vendors to secure discounts for the Village and notifying the operating departments of the best prices;
3. reviewing and evaluating all purchases for compliance with purchasing policies and procedures;
4. recommending to the Village Administrator and the operating departments, methods for improving the purchasing function;
5. maintaining a master list and distributing bid numbers;
6. assisting the operating departments in determining the feasibility of establishing inventories and creating policies to monitor and control usage;
7. monitoring all purchasing contracts and costs on a regular basis and recommending alternative purchasing plans or vendors;
8. payment of invoices after receipt of proof of service, supplies, etc.
9. assisting in the preparation of insurance policies assuring the correct levels of protection for the Village;
10. assisting the Department Heads with researching cooperative purchasing arrangements to ensure that competitive pricing.

SECTION 4 – PURCHASING STRUCTURE

4.1 BID PROCEDURE

The Finance Director shall prescribe the requirements to be met where free and open competitive bidding is utilized. The Finance Director shall also prescribe the Procedures by which the bids shall be received, the time limit upon receiving such bids, and the procedure by which the bids shall be opened, accepted, examined and recommendations made to the Board of Trustees for acceptance or rejection as the case may be. All purchases with or without bid must conform to Illinois complied

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statutes. All bids and quotations shall provide the following information:

1. Description
2. Quantity
3. Price
4. Delivery
5. Shipping charges
6. Quantity/payment discounts

4.2 SECURITY DEPOSITS FOR BIDS

On all contracts and purchasing wherein bidding procedures are utilized if security deposits are required of bidders, the following security deposit requirements shall be met:

- On all purchases and contracts which exceed ten-thousand dollars (\$10,000), a security deposit of five percent of the actual bid will be required.

4.3 PURCHASING PROCEDURES WHERE BIDS NOT REQUIRED

No purchases shall be authorized without prior appropriations. No contracts for goods or services shall be approved without prior appropriation of funds. Whenever competitive bidding and advertisement is not utilized, the following procedures shall be utilized:

1. Purchases of less than two-thousand five-hundred dollars (\$2,500) may be authorized by the supervisor of each department.
2. Purchases in the amount not to exceed five-thousand dollars (\$5,000) and over two-thousand five-hundred dollars (\$2,500) must be authorized by the supervisor of each department and the Village Administrator.
3. Business within the boundaries of Glenwood shall be given a preference on Village Purchases.
4. Departments shall notify the Village Board of all purchases over five-thousand dollars (\$5,000).

4.4 WHEN BIDS ARE REQUIRED

All purchase orders or contracts of whatever nature, for labor, service or work, the purchase, lease or sale of personal property, material, equipment or supplies involving amounts in excess of ten thousand dollars (\$10,000) made on behalf of the Village, shall be let free and competitive bidding after advertisement, to the lowest responsible bidder, on in the appropriate instance to the highest responsible bidder, depending upon whether the Village is to expend or to receive money. All bidding shall be in conformance with Illinois Compiled Statutes. Village Administrator and/or Department Heads shall recommend the acceptance or rejection of bids for their approval to the Board of Trustees.

4.5 EXEMPTIONS FROM BIDDING REQUIREMENTS

The following purchases are exempt from the requirements set forth in open and competitive bidding:

1. Purchase orders or contracts, for either labor, materials or both, which by their nature are not adaptable to award by competitive bidding, such as, but not limited to, contracts for the services of individuals possessing a high degree of professional skill where the

ability of the individual plays an important part, contracts for supplies, materials, parts or equipment which are available only from a single source.

2. All purchase orders or contracts of whatever nature for labor services or work, the purchase, lease or sale of personal property, materials, equipment or supplies, wherein the price is to be paid by the Village is equal to or less than the price established by open and competitive bidding through either an agency or federal government or agency of the state, within one year immediately preceding the letting of the proposed contract by the Village.

4.6 EQUAL OPPORTUNITY/NON-DISCRIMINATION POLICY

It is the policy of the Village of Glenwood that all potential suppliers shall have an equal opportunity to submit bids or quotations and to compete on an equal basis for the Village business.

The Vendor agrees that in performing under this purchase order with the contracting municipality, he shall not discriminate against any worker, employee or applicant, or any member of the public because of race, religion, color, national origin or sex, ancestry, age, marital status, physical or mental handicap, or unfavorable discharge from the military service. The vendors further agrees that this clause will be incorporated in all contracts entered into with suppliers of materials or services who may perform any such labor or services in connection with this contract.

4.7 AUTHORIZED SIGNORS

All transactions for purchases or reimbursements that are initiated by a department head must be approved by the Village President or a member of the Board. The Board of Trustees will have the authority to approve transactions but cannot initiate any transactions.

4.8 PETTY CASH DISBURSEMENTS

The Finance Department will be allowed to pay out petty cash reimbursements up to fifty dollars (\$50). All receipts for the expense must be attached to the Petty Cash form. Signatures will be required for the employee requesting the reimbursement, the Department Head for approval of the reimbursement and the clerk in the Finance Department that is disbursing the funds. If a Department Head requests reimbursement, the Village Administrator must sign as the approval signature. If the Village Administrator requests reimbursement, the Village President must sign as the approval signature. Any request for reimbursement over fifty dollars (\$50) will be paid by check at the next regularly scheduled Board meeting. From time to time there may be a need to disburse funds over fifty dollars (\$50) in cash, this will be accepted as long as the Village President has approved the transaction.

SECTION 5 – COMPETITIVE PURCHASING AND EXCEPTIONS

5.0 It is the policy of the Village of Glenwood to procure needed materials, equipment, and services at the lowest responsible cost. The only **exceptions** to these competitive purchasing guidelines are as specified in the Municipal Code;

1. Emergency Purchase
2. Sole Supplier
3. Equipment Standardization
4. Technical Nature of Item Makes Competition Impractical
5. Joint Governmental Purchasing Program

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Each Department should periodically conduct a request for proposals or request for qualifications process for all professional services providers who routinely provide their services to the Village in order to ensure that the Village is utilizing the provider who will maximize the benefits to the Village.

5.1 EMERGENCY PURCHASE. Emergency purchases are those unforeseen purchases where there is an immediate threat to public health or safety, or to meet emergencies rising from unforeseen causes which necessitate the need for immediate delivery of items or services, or to prevent delays in work or construction schedules. Documentation including an explanation of the emergency must be submitted to the Village Administrator within five (5) working days from commencement of work or the ordering of the purchase. Emergency purchases over five-thousand dollars (\$5,000) must be approved by the Village President or his/her designee prior to the purchase and reported to the Village Board at the earliest opportunity for their approval. All emergency purchases must be thoroughly documented.

5.2 SOLE SUPPLIER. Contracts for parts, supplies or equipment that are available only from a single source are referred to as sole source purchases. Sole source procurements may arise from the following circumstances:

1. Equipment for which there is no comparable competitive product or is available only from one supplier;
2. Public utility services from natural or regulated monopolies;
3. A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer;
4. An item where compatibility is the overriding consideration, such as computer software.

These items shall not be subject to requirements for seeking competitive quotes or bids. However, purchases in excess of ten-thousand dollars (\$10,000) shall be presented to the Village Board prior to acquisition with a request to waive bids, approve the purchase and enter into a formal contract. Formal bidding for work or public improvements over ten-thousand dollars (\$10,000) may be waived by two-thirds vote of the Village Board.

5.3 EQUIPMENT STANDARDIZATION. Occasionally, because of the technical nature of certain items, standardization of a particular supplier's specifications may be desirable upon the user department director's documentation. In such a case, the final determining body for standardization will be the Board of Trustees. A decision to standardize must be weighed against:

- A. the problems associated with having only one supplier available; and,
- B. the economy of the alternative of non-standardization.

5.4 TECHNICAL NATURE OF ITEM. In instances where the Village already has software, machinery or other technical equipment, the purchaser will not attempt to purchase something incompatible with what the Village already has in place. It is impractical to purchase something that would not be attuned to material already in place.

5.5 JOINT PURCHASING PROGRAM (COOPERATIVE). Cooperative purchasing between the Village of Glenwood and the State of Illinois and other local governments, can result in significant savings on the purchase price of many items. It is the policy of the village to enter into cooperative purchasing agreements where:

1. substantial savings will result;
2. quality, availability or services will not be sacrificed;
3. the Village will be billed separately for its purchases;
4. ordered items will be delivered directly to the Village (unless otherwise agreed upon).

SECTION 6 - BID PROCESS

6.0 FORMAL BIDS. Unless otherwise noted, all purchases of goods or services exceeding ten-thousand dollars (\$10,000) shall be let by free and open competitive bidding after advertisement, to the lowest responsible bidder the Village Board deems to be in the best interest of the Village, except that any such contract may be entered into without advertising for bids by a vote of two-thirds of the Trustees elected. Whenever the requirement for advertising for bids is waived by the Village Board, the reason for the waiver must be stated publicly. Acceptable reasons for waiver of the bid requirements include but are not limited to:

1. Emergency Purchase
2. Sole Supplier
3. Equipment Standardization
4. Technical Nature of Item Makes Competition Impractical
5. Joint Governmental Purchasing Program

6.1 RESPONSIBILITY. It shall be the responsibility of the operating department to prepare bid specifications for the material or service required, attach general bid conditions to the bid specifications, review the specifications for clarity and accuracy, develop a bidder list and distribute the bids. (See Appendix A for required attachments).

It shall be the responsibility of the Finance Department to assign a bid number to the bid documents and keep a master copy of the bid for records. The Village Administrator shall cause for the bid to be brought to the Village Board of Trustees. Upon approval by the Village Board, the Village President and Village Clerk, or their designee, will sign said contract.

6.2 CHANGE ORDERS. Once a contract has been approved by the Village Board, the Village Administrator is authorized to approve any change order to a Village contract which is less than five-thousand dollars (\$5,000). A change order that increases a Village contract by five-thousand and one dollars (\$5,001) or more must have authorization from the Village Board.

SECTION 7 - MISCELLANEOUS PURCHASING POLICIES

7.1 ON-GOING COMMODITY REQUIREMENTS. When commodities such as office supplies, automotive parts, and computer or copy machine supplies are needed and;

- a. relatively exact requirements can be determined in advance, the item will be let for bid in compliance with this policy.
- b. when items purchased are of a varying nature and quantity, standard discounts will be negotiated with supplier(s) by the Finance Department. All departments will be advised to purchase their requirements from the designated suppliers. Any purchase made from other than a designated supplier when a purchase agreement has been negotiated, shall be justified in writing.

7.2 BLANKET PURCHASE ORDERS. Blanket purchase orders are used for those vendors from whom many repetitive purchases are made as supplies are required, i.e., stone, asphalt, etc. Rather than issue a purchase order for each purchase, one purchase order is issued for a specified period (one month, six months, one year) to cover all purchases made during that period. Copies of proof of receipt must be maintained by the supervisor of the operating department and a copy attached to each invoice when submitting to the accounting department for payment. Blanket purchase orders are permitted only after a price has been predetermined which is generally secured through the bidding process.

7.3 CREDIT CARD PURCHASES. In the course of daily workings of the Village of Glenwood, there are instances when a credit card must be used to charge Village expenditures. The current Purchasing Policy must be complied with when using a credit card and an original receipt for the merchandise or services must be obtained and delivered to the Accounts Payable Department.

Credit cards will only be issued to Department Heads. The credit card is not to be used for personal use or borrowed by another individual.

The Department Credit Card can be used with any vendor that accepts MasterCard and the single purchase is under two-thousand five-hundred dollars (\$2,500), unless approved by the Village President or Village Administrator.

As with all purchases made on the Village's behalf, goods purchased with the credit card are exempt from sales tax. Therefore, the vendor shall be provided with a sales tax exemption form in order to avoid being charged sales tax. The Department Head requesting the purchase with the credit card is responsible for indicating to the supplier that the Village is Tax Exempt.

The Department Head making the request for the purchase with a credit card is responsible for ensuring receipt of materials and resolving any discrepancies or damaged goods issues with the supplier. The Village Administrator or Finance Director shall be notified immediately of any problems with a supplier or defective purchase.

Items such as office supplies, computer supplies, online registrations, and emergency purchases are examples of purchases that can be used with the credit card.

If a Department Credit Card is lost or stolen, the Department Head must immediately notify the Financial Institution that issued the credit card and the Finance Department.

SECTION 8 - PLANNING AND SCHEDULING

8.1 INVENTORIES. All goods purchased by the Village shall be reviewed to determine the feasibility of establishing inventories. If an inventory is feasible for any given goods, then written records shall be maintained.

All goods for which a written inventory is maintained will be physically counted at least annually and the physical inventory and the written inventory will be balanced. If a significant discrepancy in the physical inventory is discovered, an investigation will be instituted and necessary additional controls will be established. The Village Administrator, through the Director of Finance, will be advised of the discrepancy, the results of the investigation and the controls established.

8.2 SHIPPING AND FREIGHT. All bid prices and price quotations shall be Freight on Board (F.O.B.) Village of Glenwood with delivery to a point or points within the Village.

It is the policy of the Village to avoid paying shipping charges whenever possible. If the Village is to pay shipping charges, it must be noted at the time the invoice is received by the Village. Department Heads should inquire into applicable shipping charges when obtaining price quotations. Any shipping charges to be paid by the Village will be regarded as part of the price quotation when selecting the successful vendor. Unless otherwise stated, all formal bid proposals shall include freight and delivery charges, if any.

8.3 RECEIVING AND INSPECTION. Department Heads (or their designates) are responsible for receiving and inspecting all deliveries to their departments to ensure that items received conform to the specifications and quantities set forth in the purchase order. All deliveries should be thoroughly inspected to ensure that materials are received in satisfactory condition, and the invoice price is compared to that on the purchase order. Only after all items on a purchase order have been delivered in an acceptable condition should the departments submit the appropriate forms to the Finance Departments so bills may be paid. Each vendor must accept returned items for full credit. All bills will eventually appear on the Vendor list for monthly Board approval.

8.4 INVOICES

- A. All invoices shall be mailed directly to the Accounting Department. If an invoice is mailed to the department, it should be forwarded to the Accounting Department with any necessary paperwork to accompany.
- B. All deliveries should be F.O.B. Glenwood, Illinois. Freight charges should be billed on the invoice. No receiving person should pay any freight charges (except postage due).
- C. The Village is exempt from the payment of sales tax. Invoices should not include sales tax. Should a vendor request a copy of the tax-exempt letter, one can be obtained in the Finance Department.

SECTION 9 – RULES FOR USE OF VENDORS

9.1 VENDOR COMPLIANCE WITH LAWS / NON-DISCRIMINATION. It is the policy of the Village of Glenwood that all potential bidders have an equal opportunity to submit bids and to compete on an equal basis for Village business. Also, under Illinois law, the Village is obligated to require all its contracts and bid specifications to include mandatory language on matters such as fair employment practices, collusion, bid rigging, tax evasion, Prevailing Wage, and other matters. These requirements may change from time to time and persons preparing such documents are required to keep up to date with Federal and State guidelines for current requirements and to determine which are applicable to the contract concerned (for example, Prevailing Wage requirements only apply to public works contracts, not to commodities purchases). At a minimum, all bid specifications, purchase orders and contracts to which the Village of Glenwood is party, must contain the standard recitals as set forth in Appendix A of this policy.

9.2 OPENNESS. All reports detailing the reasons for selection of a vendor shall be made available to the public upon request.

9.3 VENDOR DISCOUNTS. It is the policy of the Village to take advantage of all available vendor discounts. The following points should be kept in mind:

- A. cash discounts may be offered for prompt payment
- B. trade discounts or special municipal pricing levels are sometimes offered to municipalities for the purpose of attracting their business. In many cases, the Village will not be offered such discounts unless the purchaser asks if one is available. Therefore, it is essential that Department Heads, when obtaining price quotations, ask if such discounts are available.

Village of Glenwood Purchasing Policy

- 9.4 VENDOR USED BY MORE THAN ONE DEPARTMENT.** When the Village has negotiated a standard discount with a vendor, such as office supplies or printing, the purchaser need not obtain competitive quotes before purchasing from said vendor.
- 9.5 LOCAL VENDORS.** When possible, purchasing should be of a competitive nature, either through the formal bidding or quoting system. If two vendors offer the same or similar pricing, the contract shall be awarded to the local responsible vendor, quality and service being equal.

When used in this section, the term "local vendor" shall mean a person submitting prices who regularly maintains an office open for business within the corporate limits of the Village of Glenwood.

- 9.6 VENDORS USED ON A REGULAR BASIS.** There are many vendors used by Village staff on a regular basis. Purchases with these vendors often occur in amounts less than one-thousand dollars (\$1,000). However, over the course of the year, or over the years, the amount of business given to these vendors is substantial. In instances such as this, it may be required that a Department Head submit reports to the Village Administrator on at least an annual basis explaining the reasons for using particular vendors. Department Heads are expected to ensure that the Village is paying a reasonable amount for the items involved.

Appendix A

Bidding Procedures

1. **DEFINITION.** All other contracts or purchases for materials, equipment commodities, labor or public improvements, where the cost thereof exceeds ten-thousand dollars (\$10,000) shall be let to the lowest responsible bidder in a manner and form as is prescribed by the purchasing policy.
2. **RESPONSIBILITY.** It shall be the responsibility of the department to prepare bid specifications for the material or service required, attach general bid conditions to the bid specifications, review the specifications for clarity and accuracy, develop a bidder list and distribute the bids. It shall be the responsibility of the Finance Department to accept the bid documents.
3. **ADVERTISEMENT FOR BIDS.** Where required by state or local law or this policy, the Village shall advertise by publication in newspaper or trade journal for sealed bids for any proposed work, materials, commodities or equipment. Such advertisement shall be inserted not less than 7 working days nor more than 30 working days before the date set for opening of bids.

The published notice for bids need only give a general description of the work to be done or the materials to be furnished, but detailed drawings, plans, profiles and specifications as prescribed by the operating department for such improvement shall be made and placed in the office of the operating department prior to the publication of such advertisement and shall at all times be open to public inspection.

Such notice shall also contain such conditions and restrictions related to bids, pre-requisites related to bidders, place to obtain plans and specifications, security, deposits, withdrawal or rejection of bids, proposals, contracts and performance bonds as determined by the department director.

In all advertisements, the right to reject any and all bids shall be expressly reserved.

The public notice shall be in substantially the following form:

LEGAL NOTICE
VILLAGE OF GLENWOOD
COOK COUNTY, ILLINOIS
ADVERTISEMENT FOR BIDS

The Village of Glenwood, Illinois will receive sealed bids or proposals for the construction of (*insert public improvement or equipment, service*) at the Clerk's office, One Asselborn Way, Glenwood, IL 60425, until ___ (am/pm) on the ___ day of ___, 20___. Proposals will be publically read aloud at ___ on the ___ day of ___, 20___. No bid shall be withdrawn after the opening of the proposals without the consent of the President and Board of Trustees for a period of forty-five days after the scheduled time of closing bids.

All proposals shall be sealed in an envelope, addressed to the Village of Glenwood, attention Clerk's Office. The name and address of the bidder and the name of the project shall also appear on the outside of the envelope. Proposals must be submitted on the forms provided by the Engineer.

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The Bid Documents, including specifications, are on file at the office of the Engineer, (*insert the Engineer's name and address*), and may be obtained from the Engineer's office upon payment of \$ ____ for each set. The bid documents will be issued until ____ (am/pm) on the ____ day of ____, 20____. No refunds will be made for documents received from the Engineer.

A certified check/bank draft drawn on a solvent bank or bid bond, payable without condition to the Village of Glenwood in an amount not less than ten percent (10%) of the bid shall be submitted with each proposal, as a guarantee that, if the proposal is accepted, a contract will be entered into and the performance of the contract is properly secured.

A performance bond in a sum equal to one hundred percent (100%) of the amount of the bid, with sureties to be approved by the President and Board of Trustees for the faithful performance of the contract, must be furnished by the successful bidder. All bids or proposals shall contain an offer to furnish bond upon acceptance of such bid or proposal.

The right is reserved to reject any or all proposals, to waive technicalities, to postpone the bid opening, or to advertise for new proposals, if in the judgment of the President and Board of Trustees their best in interests will be promoted thereby.

The Contactor will be required to pay not less than the prevailing wage rates on this project as established by the United States Department of Labor. He shall also comply with all applicable Federal, State and local regulations.

Prequalifications will be required to be submitted to the engineer by all potential buyers. If in the opinion of the Engineer and the President and Board of Trustees, an applicant would not be able to serve the best interest of the Village of Glenwood, a proposal will not be issued to the applicant.

PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF GLENWOOD
COOK COUNTY, ILLINOIS

4. **BID SPECIFICATIONS.** The operating department will prepare bid specifications for the construction, material or service required. The specifications or scope of work is the heart of the document and can do more for the success of the contract than any other part of the contracting process. The principal characteristics of a successful scope of work are clarity, completeness, and logical development. The development, selection and use of a particular type of specifications are dependent on the situation, time, information available and needs of the user. Care must be taken not to make the specifications so specific as to eliminate qualified vendors and also not to make them too generic so as to encourage responses from unqualified vendors.

A. **Types of Specifications**

- Performance specifications communicate what a product is supposed to do, rather than how it is to be built. These would include the operating parameters required to perform a specific function.
- Design specifications employ dimensional and other physical requirements and concentrate on how a product is made, rather than what it should do. These would include dimensions, tolerances, drawings, and specific construction processes.
- "Brand name or equal" is used when a specification mentions a manufacturer's brand name or model number. Brand names may only be used to describe a standard of quality or performance, and may not be used to limit or restrict competition. The term "or equal" must be used when referencing brand names.

- Scope of work for services is used for the procurement of professional or other services. Service related specifications should clearly state the specific tasks to be performed, performance milestones, time limitations, and a definition of the final project deliverables.

5. **INVITATION TO BID.** The operating department will prepare the Invitation to Bid (general conditions) which include: applicability, questions concerning bids, withdrawing of bids, closing time, bid opening time, bid award, right to reject bids, default, price, examination of site (if applicable), bid bond (if applicable), performance bond (if applicable), bid forms, references, extension of contract (if applicable), pre-bid conference (if applicable), informalities and irregularities, and qualifications of bidders.
6. **GENERAL CONDITIONS OF THE BID.**
 - A. Certificates and licenses. State requirements for certification, business licenses, occupational licenses, professional licenses, exterminating licenses, hazardous waste hauling licenses, asbestos removal licenses and any other licenses required of the contractor are covered by the certificates and licenses clause.
 - B. Employment discrimination. An employment discrimination clause is included in every public contract.
 - C. Ethics in public contracting. This clause is included to advise the contractor of regulations covering gifts, inducements, or kickbacks to government employees.
 - D. Oral statement. This clause states that written modifications are the only acceptable method for changing the contract.
 - E. Price adjustments based on the Consumer Price Index.
 - F. Renewal of Contract. This clause allows a contract to be renewed for an additional period under the original terms and conditions. The offer of renewal should always be at the discretion of the local government, although the contractor may not be required to accept the offer. If the contractor agrees to renew at the same price, there is no need for a re-bid. The renewal of contract clause must be included in the bid documents whenever a renewal is contemplated.
 - G. Termination. Termination clauses cover either termination for default or termination at the convenience of the government.
7. **BID PROPOSAL FORM.** The operating department will prepare the Bid Proposal form which must include the name and address of the Village, time, and date of bid opening, and title. Also include the wording "late, fax or phone bids will not be accepted."

Each bid proposal form is structured to incorporate the pricing structure that applies to the contract:

Lump Sum Pricing: The bidder enters a lump-sum price in the blank space provided for the first year of the contract term or for each year, if multi lump-sum prices are requested.

Unit Pricing: Provide space in the contract for prices for units of service rendered (price per square foot for sidewalk, per curb mile for street sweeping, per tree for trimming or

When applicable the Bid Proposal should include at the bottom: "The prices submitted in this bid proposal are effective from _____ to _____."

Bid Proposal forms should include: "The undersigned agrees to start work within day(s) after notification by the Village of its acceptance of the bid."

All Bid Proposal forms must include signature lines at the bottom of the form that include Signature, Title (printed), Company (printed), Address (printed) City, State and Zip, and Area Code/Phone.

The person signing the Bid Proposal form must be a person authorized to bind the vendor contractually. Unsigned bids will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the vendor or the vendor's representative is present at the bid opening. No signatures shall be in pencil.

8. **BID DISTRIBUTION.** Bid documents will be distributed to all interested vendors by the operating department and a bidder list prepared with names and addresses of vendors kept in the bid file. If the bidder list is exceptionally long or the bid document exceptionally large, do not mail the complete bid document; mail a notice of the bid, which is usually just a copy of the cover page of the solicitation.
9. **BID RECEIPT.** All bids should be received by the date and time and at the location specified in the bid documents. Bid responses are usually stamped with the date and time received, which is an effective way to establish exactly when a late bid response was received. At the time and location noted in the legal notice and bid documents, the bids will be opened and read publicly.
10. **BID OPENING.** Bids are opened and read publicly at the date, time and location specified in the legal notice and bid documents. Bid responses are opened and read aloud to a second staff person who acts as a witness and who may also be responsible for recording the information on the tabulation form. Bid openings are open to the public and expect one or two bidders to attend the opening. The names of all those who attend and the Village representatives should be recorded.

Advise any bidders attending that the tabulations state only what was observed at receipt of bids, and that no award recommendation will be made until staff has analyzed each bid response.

11. **EVALUATION OF COMPETITIVE SEALED BIDS.** Evaluation of the bid is undertaken by the department involved. The bidders are ranked by price. If the contract contains multiple unit prices, the award formula described in the solicitation determines price ranking. The bid is generally awarded to the lowest responsive and responsible bidder.
12. **DETERMINATION OF LOWEST – RESPONSIBLE BIDDER.**

Some criteria to use when determining the lowest responsible bidder:

- a) The ability, capacity and skill of the bidder to perform the contract or provide the service required.
- b) The ability of the bidder to perform the contract or provide the service promptly or within the time specified, without delay or interference.
- c) The character, judgment, experience and efficiency of the bidder.
- d) The quality of performance on previous contracts or service.
- e) The previous and existing compliance by the bidder with laws and ordinances relating to

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contracts, bidding or service.

- f) The sufficiency of the financial resources of the bidder to perform the contract to provide the service.
- g) The quality, availability and adaptability of the bidder's supplies, equipment or personnel to the particular use or service required.
- h) The ability of the bidder to provide future maintenance and service, if required.
- i) The number and scope of conditions attached to the bid.
- j) Any monies owed to the Village by the bidder which have remained unpaid for a period of more than 45 days, whether for bills, taxes, licenses or otherwise.

13. REJECTION OF RESPONSES. A number of conditions can warrant rejection of a response; among them are the following: the firm is suspended or debarred; the response violates conflict of interest laws; the respondent fails to submit the required bid bond or suitable alternative surety; the response lacks requested information; the bid is received late; failure to use the response form.

14. AWARD OF CONTRACT TO LOWEST RESPONSIBLE BIDDER. The following procedure will be used by the department head:

- a) Prepare and forward to the Village Administrator a report recommending the vendor from which the item or service should be procured. The report should also include a tabulation of bids received, the budgeted amount for the item or service, and the applicable account numbers.
- b) Notify any vendor who inquires of the recommended purchase award.
- c) The Village Administrator will forward the department report with his comments to the Village Board for action.
- d) If the Village Board approves the request for purchase authorization, all original documents will be forwarded to the department head for filing and issuance of a purchase order. If the purchase authorization includes a contract document, the operating department shall forward copies to the Village Administrator's office for signature(s).

15. LEGAL FORMS INCLUDED IN THE INVITATION TO BID. Certificate of Eligibility, Sexual Harassment Policy Certification, Equal Employment Opportunity, Compliance with Laws, Hold Harmless, Competition, Drug Free Workplace Certification, Certificate of Authorized Dealer, Insurance Requirements, Required List of Equipment (if applicable), Compliance with Laws, Licensing, Safety, Prevailing Wage Certification.

- A. Certificate of Eligibility: Each bidder must submit with the bid a certification that he is not barred from bidding on this contract as a result of a violation of either Section 33E-3 or 33E-4, Article 33E of the Illinois Criminal Code.
- B. Sexual Harassment Policy Certification: Each bidder must submit with the bid a sexual harassment policy certification as required by Section 2/105 of the Illinois Human Rights Act, 775 ILCS 5/2-105 *et seq.* The certification form is included herein.
- C. Drug Free Workplace Certification: Each bidder must submit with the bid a drug free workplace certification in accordance with Section 3 of the Illinois Drug Free Workplace Act.
- D. Compliance with Safety Standards Certification: Each bidder must submit with the bid a

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compliance with safety standards certification.

- E. Prevailing Wage Certification: Each bidder must submit with the bid a compliance with prevailing wage certification.
- F. Fair Employment Practices: The BIDDER assures the VILLAGE that he is an "Equal Opportunity Employer" as defined by federal and state laws and regulations. He agrees to comply with the Illinois Employment Practice Commission Equal Opportunity clause as required
- G. Certificate of Prequalification: Required as part of all IDOT associated bids, and can be used for Village bids. A certificate issued by the Illinois Department of Transportation indicating the applicants financial rating, work rating, and the effective period of prequalification.

16. ADDITIONAL CLARIFICATION OF BID (if applicable) REQUIREMENTS.

- A. **Bonds.** Bonds protect the Village by compelling the qualifying bidder to guarantee the execution of a contract and the successful performance of the services outlined in the contract. Bonds are also used to insure that payments to workers, suppliers, and subcontractors will be made.

Certain bonds are required by law; other types may be required as a matter of good business practice to assure proper protection.

- a) **Bid Bond.** A bid bond, cashier's check, certified check or other approved security in an amount equal to 5% to 20% of the bid can be 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 director of the operating department deems it necessary to protect the interest of the Village.

A bid bond is not always required. This bond is included when a contractor submits a bid and guarantees that the contractor will enter into a contract should their bid be accepted by the Village of Glenwood. Instead of a bid bond, a certified check may be provided as a guaranty that the contractor will enter into a contract should their bid be accepted by the Village of Glenwood. Certified checks are often provided as security for the purchase of equipment and supplies.

There shall be no duty on the part of the Village, or its officers, to convert said check or bond into cash, and the bidder shall accept all responsibility for failure of the bank to pay or honor sums.

- b) **Performance/Contract Bonds and Labor & Material Payment Bonds** are mandated by Illinois Law for public construction projects in excess of \$5,000, and are written for 100% of the contract price. They may, however, be required for other installed services.

When preparing the bid document, departments should consider whether to require contractors to provide a performance/contract bond if awarded the contract. In instances where the bid is for construction services or significant building improvements, it is mandatory to require the contractor to provide a performance/contract bond. A performance bond, issued by a surety company, stipulates a legal, written obligation to guarantee 100% payment for any financial

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loss caused by default of the contractor. When assigned to the Village of Glenwood, it grants an assurance as to the performance and successful completion of the terms of the contract and assures payment of taxes, licenses or assessments associated with the contract. The contractor shall provide the performance/contract bond with the appropriate labor and material bond within ten (10) calendar days of the 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 Village. At the discretion of the Village, depending on the scope and nature of the project, the performance/contract bond shall provide that they shall not terminate on completion of the work, but shall be reduced to a minimum of ten percent (10%) of the contract sum upon the date of final payment by the Village 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 Village.

- c) **Lien Bond/Waivers:** When securing waivers of lien on construction projects, the Village is assured that additional money will not be required after the job is completed and payments are made in accordance with the contract. The Village is assured that neither the general contractor nor any of the named subcontractors can collect additional money for unpaid creditors.

17. **INSURANCE.** Sound purchasing practice dictates that sellers or contractors who come onto Village property have adequate insurance coverage for damage and personal injury to themselves and others. Recommended coverage includes commercial general liability, automobile insurance, workers' compensation and employer's liability insurance to appropriate limits, designed to fit potential hazards. Subcontractors should be similarly insured, and the department head should assure that the appropriate coverage is in place before issuing a contract.

- A. **Insurance Requirements:** Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
- B. **Minimum Limits of Insurance.** Contractor shall maintain limits no less than the following:
 - a) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury and property damage, and \$1,000,000 per occurrence for personal injury. The general aggregate shall be twice the required occurrence limit. Minimum General Aggregate shall be no less than \$2,000,000 or a project/contract specific aggregate of \$1,000,000.
 - b) Village and Contractors Protective liability (OCP): \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
 - c) Business Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - d) Workers' Compensation and Employers' Liability: Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$500,000 per accident.
 - e) Builder's Risk: Shall insure against "All Risk" of physical damage, including

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water damage (flood and hydrostatic pressure not excluded), on a completed replacement cost basis.

- f) Environmental Impairment/Pollution Liability: \$1,000,000 combined single limit per occurrence for bodily injury, property damage and remediation costs.

C. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the Village. At the option of the Village, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the member, its officials, agents, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expenses.

D. **Other Insurance Provisions.** The policies are to contain, or be endorsed to contain, the following provisions:

- a) General Liability and Automobile Liability Coverage –Additional Insured's.
The Village, its officials, agents, employees and volunteers (if applicable) are to be covered as additional insured's as respects liability arising out of the Contractor's work, including activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the member, its officials, agents, employees and volunteers.
- b) The Contractor's insurance coverage shall be primary as respects the member, its officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the Village, its officials, agents, employees and volunteers shall be excess of Contractor's insurance and shall not contribute with it.
- c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the member, its officials, agents, employees and volunteers.
- d) The Contractor's insurance shall contain a Severability of Interests/Cross Liability clause or language stating that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e) If any commercial general liability insurance is being provided under an excess of umbrella liability policy that does not "follow form," then the Contractor shall be required to name the Village, its officials, agents, employees and volunteers as additional insured's.
- f) All general liability coverages shall be provided on an occurrence policy form. Claims-made general liability policies will not be accepted.

E. **Workers' Compensation and Employers Liability**

- a) Workers compensation shall provide according to the provisions of the Illinois Worker's Compensation Act, as amended. Notwithstanding the rating and

Village of Glenwood Purchasing Policy

financial size categories stated in this Article, coverage may be provided by a group self-insurer authorized in Section 4(a) of the Act and approved pursuant to the rules of the Illinois Department of Insurance.

- b) Employers Liability.
 - i. Each Accident \$500,000
 - ii. Disease-policy limit \$500,000
 - iii. Disease-each employee \$500,000

F. **All Insurance Policies.** All insurance shall remain in force during the period covering occurrences happening on or after the effective date and remain in effect during performance of the work and at all times thereafter when the Contractor may be correcting, removing or replacing defective work until notification of the date of final inspection. Termination or refusal to renew shall not be made without 30 days prior written notice to the Village by the insurer and the policies shall be endorsed so as to remove any language restricting or limiting liability concerning this obligation.

Certified copies of the original policies or certificate(s) of insurance by the insurer(s) issuing the policies and endorsements setting forth the coverage, limits and endorsements shall be filed with the Village before the Village will execute the contract.

G. **Acceptability of Insurers.** Insurance is to be placed with insurers with a Best's rating of no less than A-, VII and licensed to do business in the State of Illinois.

H. **Subcontractors.** Contractors shall include all subcontractors as insured's under its policies or shall furnish separate certificates and endorsement for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

I. **Assumption of Liability.** The contractor assumes liability for all injury to or death of any person or persons including employees of the contractor, any subcontractor, any supplier or any other person and assumes liability for all bodily injury and property damage sustained by any person or persons occasioned by or in any way arising out of any work performed pursuant to the agreement.

18. **INDEMNITY/HOLD HARMLESS PROVISION – (should be included as separate section of the contract.)**

To the fullest extent permitted by law, the Contractor hereby agrees to defend, indemnify and hold harmless the member, its officials, agents and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in anywise accrue against the member, its officials, agents and employees, arising in whole or in part or in consequence of the performance of this work by the Contractor, its employees, or subcontractors, or which may in anywise result therefore, except that arising out of the sole legal cause of the member, its agents or employees, the Contractor shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and if any judgment shall be rendered against the member, its officials, agents and employees in any such action, the Contractor shall, at its own expense, satisfy and discharge the same.

Contractor expressly understands and agrees that any performance bond or insurance policies required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the member, its officials, agents and employees as herein provided.

Village of Glenwood Purchasing Policy

Optional paragraph: The Contractor further agrees that to the extent that money is due the Contractor by virtue of this contract as shall be considered necessary in the judgment of the Village, may be retained by the Village to protect itself against said loss until such claims, suits or judgments shall have been settled or discharged and/or evidence to that effect shall have been furnished to the satisfaction of the member.

19. **AWARDING BIDS.** The Village Administrator shall cause for the bid to be brought to the Village Board of Trustees. Upon approval by the Board, the Village President and Village Clerk, or their designee, will sign said contract.
20. **CONTRACT PREPARATION.** The final step in the award process is the preparation of the contract, the only document that governs performance and price during the contract term. There are three types of contracts:
 - a) the purchase order contract;
 - b) the short form contract, standard contract provided by the contractor;
 - c) formal contract.

Purchase Order Contract: The simplest contract format is the purchase order, which is used primarily for uncomplicated, moderate cost, competitive sealed bidding contracts. Documents incorporated into the purchase order by reference include the scope of work, the general terms and conditions of the bid document, bid form and any sections of the bid document or the contractor's bid response that have a direct bearing on the performance or price.

Contractor's Standard Contract Form: Architects, engineers and other professionals often request the use of a standard contract form. Whenever possible, avoid pre-printed or standard contract provided by the vender without legal review. Such contracts frequently contain clauses favoring the architect, engineer or corporation, for example, clauses governing mandatory arbitration, indemnification of the contractor by the local government, the contractor's ownership of materials produced and delivered to the local government, and the granting of broad powers of decision to the contract.

Formal Contract: The formal contract is the type usually preferred by local government. The content of a formal contract document is specific to the service. The contract should include at a minimum the name and address of the Village, contract (bid) title, bid number, scope of work, time and date for completion of the contract, total amount of contract, and a signature block for the contractor and a signature block for the Village. Because contract events are often based on the contract date, it is more prudent to use the date of execution by the Village as the official contract date – after all bonds, insurance, licenses and other required submissions have been received and approved.



PO BOX 488
MINOOKA, IL
60447
815-475-4665

PROPOSAL

Date
9/18/2013

Name / Address
Glenwoodie Golf Club 19301 S State St. Glenwood, IL 60425

Job Name/Address
Rudis Offner Rd. Crete

Description	Qty	Size	Unit Price	Total
Transplant Oaks and Cypress off-site (price includes mileage, tie up and backfill) from Offner Rd. in Crete to Glenwoodie Golf Club and various places around Glenwood.	100	various	425.00	42,500.00
Total				\$42,500.00

We guarantee all plant material to be true to name, sized to A.A.N. specifications and in healthy growing condition when installed. All Work will be done in a workmanlike manner according to standard practices. Any alteration from the above specifications involving extra work will become an additional charge over & above the proposal.

Absolutely no digging will take place without first having the site(s) checked by the Joint Utility Locating Information for Excavators (JULIE) or Digger in the City of Chicago. We cannot be held responsible for damage to underground utilities such as, but not limited to, well & septic systems, irrigation systems, private electric lines which are not under JULIE's (or Diggers) jurisdiction.

All trees purchased from Big Trees have a 100% warranty for one year if the tree dies completely within the first year. There is no warranty on replacement trees. This warranty is not in effect if: 1. The plants are not cared for & our maintenance instructions are not followed; 2. Final invoice is not paid upon completion of the job, unless otherwise specified; 3. Death is caused by drowning from improper drainage or overwatering by sprinkler systems, construction work, vandalism, vehicular or pedestrian traffic, "acts of God" or pet/animal damage. Watering & routine care are the owner's responsibility.

There is no warranty on trees not purchased from Big Trees, i.e. trees that you own that we are transplanting.

Signature _____

Date _____