

ORDINANCE NO. 1979-M-37

AN ORDINANCE ESTABLISHING A PURCHASING DEPARTMENT FOR THE CITY OF ST. CHARLES: CREATING THE OFFICE OF PURCHASING MANAGER: SETTING FORTH THE POWERS AND DUTIES OF THE CITY PURCHASING MANAGER: ESTABLISHING PURCHASING PROCEDURES: AND PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS

REFER TO:
MINUTES <u>10-15-79</u>
PAGE <u>1863</u>

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION 1. Definitions. For the purposes of this Ordinance the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

(1) "Administrative Services Manager" is the officer vested with the executive powers of the Administrative Services Department of the City of St. Charles, Illinois.

(2) "City" is the City of St. Charles.

(3) "City Council" is the City Council of the City of St. Charles.

(4) "City Purchasing Manager" is the Purchasing Manager of the City of St. Charles.

(5) "Contractual Services" shall mean and include all telephone, gas, water, electric light and power service; towel and cleaning service; leases for all grounds, buildings, office or other space required by the using agencies; and the rental, repair or maintenance of equipment, machinery and other city-owned personal property. The term shall not include professional and other contractual services which are in their nature unique and not subject to competition.

(6) "Supplies" shall mean and include all supplies, materials, and equipment.

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(7) "Using Agency" is any department, agency, commission, committee, bureau or other unit in the City government using supplies or procuring contractual services as provided for in this Ordinance.

SECTION 2. Establishment of the Office of Purchasing. There is hereby established an Administrative Services Department with an Office of Purchasing. This office to be a division of the Administrative Services Department, under the direct supervision of the Administrative Services Manager.

SECTION 3. Purchasing Manager. The Purchasing Manager shall be the head and have general supervision of the purchasing function. The Manager shall perform all duties required by law, and shall have the powers and duties prescribed by this Ordinance.

(1) Position Specifications. The Manager shall:

(a) Selection. Be selected by the Administrative Services Manager.

(b) Experience requirement. Have had, prior to selection, considerable experience in a purchasing office of a public or private corporation in an executive capacity, and meet all other qualifications criteria as outlined in the position job description.

(2) Scope of Purchasing Authority. The Manager shall have the power and it shall be his duty:

(a) Purchase or Contract. To purchase or contract for all supplies and contractual services needed by any using agency which derives its support wholly or in part from the City, in accordance with purchasing procedures as prescribed by this ordinance and such rules and regulations as the Manager shall adopt with the concurrence of the Administrative Services Manager, for the internal management and operation of the Office of Purchasing and such other rules and regulations as shall be prescribed

by the Administrative Services Manager and the Finance Committee.

(a-1) Exceptions prohibited. The authority of the Manager to negotiate all purchases for all using agencies shall not be abridged by excepting a particular using agency.

(a-2) Unauthorized purchases. Except as herein provided, no City officer or officers shall purchase any supplies or make any contract within the purview of this ordinance other than through the Office of Purchasing, and any purchase ordered or contract made contrary to the provisions hereof shall require the approval of the City Council.

(3) Other Powers and Duties. In addition to the purchasing authority conferred by this Ordinance the Manager shall:

(a) Minimum Expenditure. Act to procure for the City the highest quality in supplies and contractual services at least expense to the City.

(b) Encourage Competition. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases and sales.

(c) Rules and Regulations. Establish, and amend when necessary, all rules and regulations authorized by this Ordinance and any others necessary to its operation.

(d) Purchasing Analysis. Keep informed of current developments in the field of purchasing, prices, market conditions and new products, and secure for the City the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private businesses and organizations.

(e) Forms. Prescribe and maintain such forms as he shall find reasonably necessary to the operation of this Ordinance.

(f) Standard Nomenclature. Prepare and adopt a standard purchasing manual for all using agencies and suppliers.

(g) Vendor's Catalog File. Prepare, adopt and maintain a current vendor's catalog file. Said catalog shall be filed according to materials and shall contain descriptions of vendor's commodities, prices, and discounts.

(h) Bulk Purchases. Exploit the possibilities of buying "in bulk" so as to take full advantage of discounts.

(i) Federal Tax Exemptions. Act so as to procure for the City all Federal Tax Exemptions to which it is entitled.

(j) Cooperation with Department of Finance. Cooperate with the Department of Finance so as to secure for the City the maximum efficiency in budgeting and accounting.

(k) Disqualification of Bidders. Have the authority to declare vendors who default on their quotations irresponsible bidders and to disqualify them from receiving any business from the municipality for a stated period of time.

SECTION 4. A Committee on Standardization and Specification is to be established solely to develop City specifications for supplies. The Committee shall be made up of the following:

Purchasing Manager

Comptroller

Chief of Police

Fire Chief

Director of Public Works or designate Supt. of Streets

Director of Electricity

Head Mechanic (for equipment evaluation)

(1) Capacity of Manager. The Manager shall enforce the written

specifications adopted by the Committee.

(2) Duties. It shall be the duty of the Manager:

(a) Classification. To classify all the supplies used by the various branches of the City government, and in consort to establish and maintain a coexisting inventory control and accounting program for the City.

(b) Standardization. To adopt as standards the minimum number of quantities, sizes, and varieties of supplies consistent with the successful operation of the City government.

(c) Specifications. To prepare and adopt written specifications of all such standard supplies.

(3) Effect of Adoption. After its adoption, each standard specification shall, until revised or rescinded, apply alike in terms and effect to every future purchase and contract for the supply described in such specifications.

(a) Exception. The Manager shall have the authority to exempt any using agency of the City for use of the supply described in such standard specification, if the meeting of such specification is not in the best interest of the City and is so documented.

(4) Consultation with Using Agencies. The Manager shall continually consult with the heads and other officials of the using agencies to determine their precise requirements and shall endeavor to prescribe those standards which meet the needs of the majority of such agencies.

(5) Nature of Specifications. All specifications shall be definite and certain and shall permit of competition.

(a) Exeception. Provided, however, that the provisions of this subsection shall not apply to non-competitive types and kinds of

supplies.

SECTION 5. Requisition and Estimates. All using agencies either by or with the authorization of the Head of the Department under which the using agency operates, shall file with the Manager detailed requisitions or estimates of their requirements in supplies and contractual services in such manner, at such times, and for such future periods as the Manager shall prescribe.

(1) Unforeseen Requirements. A using agency shall not be prevented for filing, in the same manner, with the Manager at any time a requisition or estimate for any supplies and contractual services, the need for which was not foreseen when the detailed estimates were filed.

(2) Revisory Power in Manager. The Manager shall examine each requisition or estimate and shall have the authority to revise it as to quality, quantity, or estimated cost; but the Purchasing Manager shall consult with the head of the requisitioning agency prior to making revision.

SECTION 6. Encumbrance of Funds. Except in cases of emergency, the Manager shall not issue any order for delivery on a contract or open market purchase until the Comptroller shall have certified, after pre-audit, that there is to the credit of the using agencies concerned a sufficient unencumbered appropriation balance, in excess of all unpaid obligations, to defray the amount of such order.

SECTION 7. Prohibition of Interest. In compliance with Illinois State Statute.

(1) Gifts and Rebates. The Manager and every officer and employee of the City are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift, money, or anything of value whatsoever, except where given for the use

and benefit of the City.

SECTION 8. Competitive Bidding Required. All purchases of, and contracts for supplies and contractual services, in excess of \$2500.00 and all sales of personal property which has become obsolete and/or unusable shall, except as specifically provided herein, be based wherever possible on competitive bids, unless otherwise authorized by the City Council.

SECTION 9. Formal Contract Procedure. All supplies and contractual services, except as otherwise provided herein, when the estimated cost thereof shall exceed two thousand five hundred dollars (\$2,500.), shall be purchased by formal, written contract from the lowest responsible bidder, after due notice inviting proposals, unless otherwise authorized by City Council. All Sales of personal property which has become obsolete and/or unusable, when the estimated value shall exceed one hundred dollars (\$100.), shall be sold by formal written contract to the highest responsible bidder, after due notice inviting proposals, unless otherwise authorized by the City Council.

(1) Notice Inviting Bids.

(a) Newspaper. Notice inviting bids shall be published once in at least one newspaper of general circulation in the City and at least fourteen (14) days preceding the last day set for the receipt of proposals.

(a-1) Scope of Notice. The newspaper notice required herein shall include a general description of the articles to be purchased or sold, shall state where bid blanks and specifications may be secured, and the time and place for opening bids.

(b) Bidder's List. The Manager shall also solicit sealed bids from all responsible prospective suppliers who have requested their names to be added to a "Bidder's List" which is made up of pre-qualified prospective suppliers. The pre-qualification process generally requires

the prospective suppliers to furnish the purchasing department with annual financial reports, credit and product references, corporate history (where applicable) and production and delivery capabilities. The Bidders List shall be maintained by the Manager, who shall send each bidder of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders' list shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.

(2) Bid Deposits. When deemed necessary by the Manager or state statute, bid deposits shall be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to return of surety where the Manager has required such. A successful bidder shall forfeit any surety required upon failure on his part to enter a contract within ten (10) days after the award.

(3) Bid Opening Procedure.

(a) Sealed. Bids shall be submitted in a sealed envelope inserted in a larger sealed envelope, clearly marked with the word "Bid".

(b) Opening. Bids shall be opened in public at the time and place stated in public notices.

(c) Tabulation. A tabulation of all bids received shall be available for public inspection.

(4) Rejection of Bids. The City Council and the Manager shall have the authority to reject all bids, parts of all bids, or all bids for any one or more supplies or contractual services included in the proposed contract.

(a) Bidders in Default to City. The Manager shall not accept the bid of a contractor who is in default on the payment of taxes,

licenses or other monies due the City.

(5) Award of Contract.

(a) Authority in Manager. The City Council and the Manager shall have the authority to award contracts within the purview of this Ordinance.

(b) Lowest Responsible Bidder. Contracts shall be awarded to the lowest responsible bidder. In determining "lowest responsible bidder", in addition to price, the Manager and City Council shall consider:

(b-1) The ability, capacity and skill of the bidder to perform the contract or provide the service required;

(b-2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;

(b-3) The character, integrity, reputation, judgment, experience and efficiency of the bidder;

(b-4) The quality of performance of previous contracts or services;

(b-5) The previous and existing compliance by the bidder with the laws and ordinances relating to the contract or service;

(b-6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;

(b-7) The quality, availability and adaptability of the supplies, or contractual services to the particular use required;

(b-8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

(b-9) The number and scope of conditions attached to the bid;

(b-10) Such other factors as the Manager or City Council

shall deem appropriate.

(c) Award to Other Than Low Bidder. When the award is not given to the lowest bidder a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the Manager and filed with the other papers relating to the transaction, showing why accepting another bid is more advantageous to the City.

(d) Tie Bids.

(d-1) Local vendors. If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to a local bidder.

(d-2) Outside vendors. Where subsection (d-1) is not in effect, the Manager shall award the contract to one of the tie bidders by drawing lots in public.

(e) Performance Bonds. The Manager shall have the authority to require a performance bond, before entering a contract, in such amount as he shall find reasonably necessary to protect the best interests of the City.

(6) Prohibition Against Subdivision. No contract or purchase shall be subdivided to avoid the requirements of this Ordinance.

SECTION 10. Open Market Procedure. All purchases of supplies, and contractual services, and all sales of personal property which has become obsolete and/or unusable with an estimated value of one hundred (\$100.) or less shall be made in the open market, without newspaper advertisement and without observing the procedure prescribed by Section 9 for the award of formal contract. In all events State statutory requirements shall be followed in connection with all sales.

(1) Minimum Number of Bids. All open market purchases shall, wherever possible, be based on at least three competitive bids, and shall

be awarded to the lowest responsible bidder in accordance with the standards set forth in subsection (5) (b) of Section 2910 above.

(2) Notice Inviting Bids. The Manager shall solicit bids by (a) direct mail requests to prospective vendors and (b) by telephone.

(3) Recording. The Manager shall keep a record of all open market orders and the bids submitted in competition thereon, and such records shall also be open to public inspection.

SECTION 11. Central Warehousing. The Manager shall control and supervise storerooms and warehouse.

(1) Inventory. The Manager shall maintain a perpetual inventory record of all materials supplies or equipment stored in storerooms and warehouse.

SECTION 12. Price Agreement Contract Procedure. The Head of the using agency shall have the authority to submit requisitions to the Manager for supplies available under the terms of "price agreement" contract made by the manager.

SECTION 13. Emergency Purchases.

(1) By Manager. In case of an apparent emergency which requires immediate purchase of supplies or contractual services, the Administrative Services Manager shall be empowered to authorize the Manager to secure by open market procedure as herein set forth, at the lowest obtainable price, any supplies or contractual services regardless of the amount of the expenditure; provided such price does not exceed \$2,500.00.

(a) Recorded explanation. A full report of the circumstances of an emergency purchase shall be filed by the Manager with the Finance Committee and shall be open to public inspection.

(2) By Head of Departments. In case of actual emergency, and with the consent of the Manager and the approval of the Comptroller, the head of any using agency may purchase directly any supplies whose

immediate procurement is essential to prevent delays in the work of the using agency which may virtually affect the life, health or convenience of citizens.

(a) Recorded Explanation. The head of such using agency shall send to the Manager a requisition and a copy of the delivery record together with a full written report of the circumstances of the emergency. The report shall be filed with the Finance Committee as provided in Subsection (a) above.

(b) Emergency Procedure. The Manager shall prescribe by rules and regulations the procedure under which emergency purchases by heads of using agencies may be made.

SECTION 14. Inspection and Testing. The Manager shall inspect, or supervise the inspection of all deliveries of supplies or contractual services to determine their conformance with the specifications set forth in the order or contract.

(1) Inspection by Using Agency. The Manager shall have the authority to authorize using agencies having the staff and facilities for adequate inspection to inspect all deliveries made to such using agencies under rules and regulations which the Manager shall prescribe.

(2) Tests. The Manager shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with the specifications. In the performance of such tests, the Manager shall have the authority to make use of laboratory facilities of any agency of the City government or of any outside laboratory.

SECTION 15. Surplus Stock. All using agencies shall submit to the Manager, at such time and in such form as he shall prescribe, reports showing stocks of all supplies which are no longer used or which have become obsolete, worn out or scrapped.

(1) Transfer. The Manager shall have the authority to transfer stock to other using agencies.

(2) Sale. The Manager shall have the authority to sell all supplies which have become unsuitable for public use, or to exchange the same for, or trade in the same on, new supplies with the approval of the Administrative Services Manager, and that same will be in compliance with all State statutory requirements.

(a) Competitive Bidding. Sales under this Section shall be made to the highest responsible bidder and in conformance with Section 9 or Section 10 hereof, whichever is applicable, and are conforming to State statutory requirements.

SECTION 16. Cooperative Purchasing. The Manager shall have the authority to join with other units of government in cooperative purchasing plans when the best interests of the City would be served thereby.

SECTION 17. Severability. If any section, paragraph, clause, or provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of this Ordinance or the application of such sections, paragraph, clause or provision to persons or circumstances other than those to which it is held invalid shall not be affected hereby.

SECTION 18. This ordinance shall be in full force and effect from and after its passage approval and publication as provided by law.

PRESENTED TO THE CITY COUNCIL OF THE CITY OF ST. CHARLES this
15th day of October, 1979.

APPROVED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES this
15th day of October, 1979.

PASSED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES this
15th day of October, 1979.

M. Joseph Sekera
City Clerk

[Signature]
Mayor

STATE OF ILLINOIS)
)
COUNTIES OF KANE AND DUPAGE) SS.
)
CITY OF ST. CHARLES)

This is to certify that the foregoing is a true and correct copy of Ordinance No. 1979-M-37 entitled AN ORDINANCE ESTABLISHING A PURCHASING DEPARTMENT FOR THE CITY OF ST. CHARLES: CREATING THE OFFICE OF PURCHASING MGR.: SETTING FORTH THE POWERS & DUTIES OF THE CITY PURCHASING MGR.: ESTABLISHING PURCHASING PROCEDURES: & PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS passed by the City Council of the City of St. Charles on the 15th day of October, 1979 A.D., as morefully appears from the records and files of said City in my custody.

Given under my hand and the official seal of said City of St. Charles, this 27th day of October, 1979 A.D.


M. Joseph Sekera, City Clerk