



Procurement Policy

I. PURPOSE.

The purpose of this Procurement Policy is to establish the Region 1 Planning Council (R1) procurement standards for the acquisition of goods and services.

R1's Procurement Policy is designed to ensure timely, efficient, and economic procurement consistent with good business practice and applicable law. Unless stated otherwise, these policies apply to all procurement actions regardless of funding source and payment method. All purchases shall be reasonable and necessary, non-duplicative, and shall be made competitively, where practicable. Performance, quality, suitability, delivery, and service are factors to be considered when purchasing.

II. POLICY STATEMENT.

The R1 Policy is as follows:

- A. R1's primary objective in purchasing is to procure goods and services for the highest value appropriate to the required need.
- B. To make the most efficient use of resources available to R1 from its funding sources, both public and private.
- C. To obtain competitive pricing in the procurement of goods and services.
- D. To maintain an open and competitive process, whereby all responsible suppliers will receive proper consideration.
- E. When a bid process is utilized, the lowest responsible and responsive bidder, conforming to bid specifications, will be given greater consideration.
- F. When comparable goods and services are available, the lowest responsible and responsive supplier will be given greater consideration.
- G. When using either the bid process or standard procurement process and all other factors are equal, local vendors may receive preference when permitted by law.
- H. Employees of R1 must neither solicit nor accept gratuities, favors, or anything of monetary value from suppliers or bidders. Solicitation for or acceptance of anything of monetary value for the employee will result in disciplinary action up to and including termination of employment.
- I. R1 employees may not participate in the selection, award, or administration of a purchase or procurement contract if he or she has a real or apparent conflict of interest. Such conflict of interest would arise when the employee or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties has a financial or other interest in or tangible benefit from suppliers or firms considered for contract.
- J. All bids and quotes are subject to the State of Illinois Freedom of Information Act; however, bids, quotes, and proposals shall not be used by vendors or R1 to gain unfair competitive advantage either prior to, during, or after the competitive bidding process.

Effective :Pending board approval.

- K. Based on the federal standards contained in 2 CFR 200.321, R1, as a federal grantee agency, will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- L. Other requirements specified by the most current version of 2 CFR 200 pertaining to the procurement of goods and services.

III. APPROVALS AND AUTHORIZATIONS.

Region 1 Planning Council Board has delegated the responsibility and authority for implementing this policy to the Executive Director (or designee.) The Executive Director is authorized to develop, install, and manage the operation of appropriate business systems to accomplish the purchasing function. Any revisions or amendments to this policy must be submitted to the Board for approval.

- A. The Executive Director (or designee) shall be responsible for establishing and implementing operational procedures for procurement of goods and services, and to maintain appropriate business systems to comply with this policy and best practices.
- B. The Executive Director (or designee) has the responsibility and authority to direct the day-to-day operation of purchasing activities and the processing of procurement transactions.

IV. GOODS AND SERVICES PROCUREMENT.

- A. **Expense Pre-Approval.** It is the policy of R1 that the Expense Pre-Approval Form will be a standard document utilized for the systematic procurement of goods and services for R1; shall be the sole documentation required for the procurement and payment of goods and services with a monetary value of \$5,000 or less, as well as quotes (if required), invoice, and applicable shipping notice; and must have an authorized signature by the Executive Director prior to payment processing.
- B. Goods and services may not be received prior to the encumbrance of necessary funds in the general ledger; and goods and services that have been ordered and received on or before June 30th will have funds available in the current year's budget for payment within the first 30 days of the new fiscal year. Any items or services received after June 30th must have a new fiscal year approval completed.

- V. **VENDOR SELECTION.** R1 may evaluate prospective vendors to determine responsibility including, but not limited to: *suspension and debarment status, conflict of interest*, certifications, financial disclosures, taxpayer identification number, past performance in business or industry, references (of its choosing), compliance with applicable laws, financial responsibility, insurability, effective equal opportunity compliance, payment of prevailing wages if required by law, capacity to produce or sources of supply, and the ability to provide required maintenance service or other matters relating to the Respondent's ability to deliver in the quality and quantity within the time and price as specified in this solicitation.

VI. PURCHASE TYPES.

Purchase Types are defined to establish the minimum requirements authorizing procurement of goods and services on behalf of R1.

Table: 1.0 –Procurement Requirement Summary

Policy Detail	Purchase Type	Threshold	Minimum Requirement
V.A.	Micro-Purchase (goods, services)	\$10,000 and under	Executive Director approval
V.A.	Micro-Purchase (construction)	\$2,000 and under	Executive Director approval
V.B.	Small Purchases	\$ 10,000 to \$100,000	Three quotes minimum required
V.C.	Large Purchases	\$100,000 and above	Formal competitive bid or RFP process Requires Board approval
V.D.	Emergency Purchases	As determined by Executive Director	Board notification

A. Micro-Purchase Procedures.

1. Purchases of non-construction-related goods or services in the aggregate amount of \$10,000 or less shall be considered micro-purchases.
2. Purchases of construction-related goods or services in the aggregate amount of \$2,000 or less shall be considered micro-purchases and shall be subject to all applicable requirements contained in the Davis-Bacon Act and Illinois Prevailing Wage Act. (FAR Subpart 2.1 Section 2.101)
3. Micro-purchases shall be distributed equitably among qualified suppliers.
4. Micro-purchases may be awarded without soliciting competitive quotations if the department head initiating the transaction and the Executive Director (or designee) consider the price to be reasonable.

B. Small Purchase Procedures.

1. Purchases for goods and services in the aggregate amount between \$ 10,000 to \$100,000 shall be considered Small Purchases.(30 ILCA 500/20-20)
2. Small Purchases shall be submitted on a R1 purchase requisition or purchase order form, and must include detailed information regarding the item or service to be purchased.
 - a. For purchases between \$10,000 to \$100,000, R1 shall obtain a minimum of three written quotes, and may use a Request for Proposals (RFP) for services, if appropriate. The purchase requisition or purchase order must include the backup documentation of the quotes obtained.

- 108 b. For purchases between \$10,000 to \$100,000, the requirement for three written
109 quotes is waived if the goods or services are available through competitively solicited
110 contracts bid and are negotiated by the State of Illinois, U.S. General Services
111 Administration, or other lead public agency or non-profit government purchasing
112 alliance in accordance with public purchasing rules and regulations as allowed by
113 Illinois State Statute (5 ILCS 220/3). The purchase requisition or purchase order must
114 include documentation regarding the contract method utilized for the purchase.
115

116 C. Large Purchase Procedures.

- 117 1. Purchases for goods and services in the aggregate amount of \$100,000 and above shall be
118 considered Large Purchases. Splitting orders and/or paying from two consecutive fiscal years
119 to avoid this limit violates this policy.
120 2. Large Purchases shall follow the Competitive Bid Procedures established by this policy.

121 a. Competitive Bid Procedures.

122 It is the policy of R1 to allow for competitive prices when practical and that the use of a
123 bid system shall be used to carry out this Policy as follows:

124 1. Bid Types:

- 125 a. Formal sealed bids (formal bid) shall be used when the projected monetary
126 value of goods and services to be procured exceeds \$100,000.
127 b. Requests for Proposals (RFP) may be used in lieu of formal sealed bid when
128 the good or services required, due to their nature, do not fall in a classification
129 for which clearly established technical specifications can be provided to
130 bidders.

131 2. Steps in the Bidding Process:

- 132 a. R1 Directors (or their designees) will prepare specifications for goods and
133 services to be bid. The Executive Director (or designee) will assist in the
134 preparation of specifications upon request; however, the final determination
135 as to the quantity, quality, and technical specifications of the goods or
136 services shall be the responsibility of the requesting Director.
137 b. Once the formal bid solicitation or RFP has been created, the Executive
138 Director (or designee) shall verify with the Executive Director that funds are
139 available to support the procurement.
140 c. The requesting R1 Director will submit the formal bid solicitation or RFP to
141 the Executive Director for review and approval prior to being released to
142 potential bidders.
143 d. Formal bid solicitations and RFPs shall include:
144 i. an introductory letter
145 ii. purchase terms and conditions
146 iii. bid specifications and requirements
147 iv. bid guidelines
148 v. bid/quote list/sheet

- 149 e. Public notice of the formal bid solicitation or RFP shall be published in at
150 least one local newspaper in the relevant city or county where the goods
151 and/or services will be needed and/or posted to a business-to-business
152 commerce application. Public notice outlet selection shall be at the
153 discretion of the Executive Director (or designee). This public notice shall
154 include:
- 155 i. a general description of the good or service to be purchased;
 - 156 ii. where bid or proposal specifications are located; and
 - 157 iii. the time and place for opening bids.
- 158 f. A public bid opening of all submitted bids.
- 159 g. The Executive Director (or designee) will prepare an analysis of bids
160 received for presentation review in advance of the meeting. Analysis
161 shall include a detailed bid summary and a history of prior awards and
162 business recently transacted between the R1 and responsive bidders.
- 163 h. The Executive Director (or designee) will make a recommendation for
164 approval by the R1 Board or Executive Committee (whichever is next
165 available to review and approve large purchase contracts and bid
166 awards.)
- 167 i. The Executive Director (or designee) will issue an order for the awarded
168 goods and services only after approved by the Board.
- 169 j. The Executive Director (or designee) will notify all bidders of the results
170 of bid award/contract.
- 171 k. After award of contract or bid, original bids, quotes, or proposals
172 submitted by vendors will be retained by the R1 for at least three (3)
173 years, or as required by law.
- 174
- 175 3. Awarding Bids and Contracts. It is the policy of Region 1 Planning Council:
- 176 i. To pursue competitive pricing in securing goods and services, including through
177 joint buying opportunities when practicable.
 - 178 ii. To make the most efficient use of all funding agency resources. When
179 comparable goods and services are available, the supplier with the lowest
180 price will be given greater consideration. When the bid process is utilized,
181 the lowest responsible and responsive bidder conforming to the
182 specifications will likewise be given greater consideration.
 - 183 iii. The R1's primary purchasing objective is acquiring the greatest value and,
184 as such, price may be, at times, a secondary consideration.
 - 185 iv. In addition to price and terms of sale, such as conditions for award of bid,
186 the following shall also be given great consideration: quality of goods bid,
187 the financial condition and proven ability of the supplier, ability to provide
188 goods and services in a timely manner, and the history of the supplier in
189 past dealings with R1.
 - 190 v. In awarding of bids, the location of the supplier will be considered only

- 191 when allowable by law, and in such case the ability to provide regional
192 assistance is advantageous.
- 193 vi. To be fair and equitable, giving all viable vendors proper consideration.
194 vii. To procure goods and services with consideration for the environment,
195 when excessive cost does not make such prohibitive.
- 196
- 197 b. Contracts.
- 198 i. The Executive Director (or designee) will obtain legal counsel review or
199 contracts prior to entering into a contract.
- 200 ii. Contracts shall be signed by the Executive Director only after all required
201 endorsements to awarded bidders insurance and proof of coverage have
202 been received for review and retention through the contract service period
203 or until goods/services have been received (or as required by law.)
- 204 iii. Contracts for goods and services may be awarded for a one-year period and
205 may be awarded with the option for renewal or extension (dependent upon
206 appropriations) for a total period not to exceed five (5) years from the initial
207 date of award.
- 208 iv. Approval of a contract by the R1 Board shall authorize the Executive
209 Director to sign the contract in the same or substantially same terms.
- 210
- 211 D. Emergency Purchases. It is the policy of the R1 that emergency purchases may be made
212 consistent with the following guidelines:
- 213 A. Emergency purchases shall be classified as those purchases which ensure employee,
214 client, or public health, welfare, or safety, protect agency property or equipment, and
215 limit the liability of R1. Exceptions to this policy may occur in order to satisfy funding
216 agency requirements and the associated provision of client services in a timely and
217 responsive manner.
- 218 B. Emergency purchases are at the discretion and approval of the Executive Director and
219 will be exempted from all provisions of this policy. The R1 Board shall be notified of any
220 emergency purchases made pursuant to this policy at their next regular meeting.
- 221
- 222 **VII. SURPLUS OR OBSOLETE PROPERTY.** It is the policy of Region 1 Planning Council that:
- 223 A. Items no longer usable for their intended purpose and/or having maintenance or repair
224 costs which are cost prohibitive, qualify as surplus property.
- 225 B. If the item has any residual value, as determined by the Executive Director, the property
226 may be sold with no guarantee of future operation or warranty provision. In all cases, if
227 an item was purchased with state or federal funds, disposition will be made in
228 accordance with grantor agency regulations.
- 229 C. If the item has no residual value and not usable for its intended function, it will be
230 disposed of or recycled appropriately and removed from inventory.
- 231 D. Any items which have an appraised value less than the cost of sale will be disposed of by
232 offering them to governmental or not-for-profit agencies or disposed of at the landfill or

- recycling center.
- E. R1 will not sell any excess property, which is determined to be dangerous or contain toxic or hazardous components, but rather will dispose of said equipment/property in the manner prescribed by the manufacturer.

VIII. CREDIT CARD POLICY.

R1 may obtain credit cards in order to advance operational efficiency with specific focus on charging and payment of business and internet expenses such as air fares, lodging, car rental, hotels, other ground transportation, meals, and other miscellaneous items that cannot be conveniently paid for by other means.

A. Eligibility. The Executive Director will determine the number and assignment of business credit cards to be issued and will monitor usage of those cards. Cardholders will be advised of the serious fiscal and ethical responsibilities of managing the business credit card.

B. Policy. R1 credit cards are for authorized business-related purchases only, such as:

- a. Hotel expenses
- b. Conference or meeting registrations
- c. Business meals
- d. Car rentals, rental car motor fuel
- e. Supplies and equipment that can be more efficiently purchased by credit card and whereby tax-exempt purchases can be accomplished

R1 funds may not be used for expenditures in excess of approved budget, motor fuel for personal vehicles, to make loans, for alcohol, goods or services for personal use or benefit, or any other use prohibited by law or R1 policy.

C. Procedures.

1. Purchasing Limits. R1 credit card limits will be determined necessary by the Executive Director for the purchase goods and services consistent with R1 policies and grantor guidelines.
 2. Tax Exempt Status. Tax-exempt status will be applied in the procurement of all goods and services.
- A. Receipts. Receipts for all purchases made on R1 credit cards are to be submitted with the monthly payment requisition for reconciliation with account statements within 10 days of the month following the purchase.

IX. ALLOWABLE EXPENDITURES AND FUNDING.

- A. As a government agency, R1 is held to a high level of accountability for its business practices. Accordingly, every reasonable effort will be made to ensure that funds are used in a responsible and appropriate manner.
- B. R1 receives significant funding from a variety of federal and state agencies; those

agency requirements and good business practices establish both general and specific restrictions on expenditures.

- C. R1 may incur expenses in accordance with established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance. Such expenses may include food, non-alcoholic beverages, and related equipment and supplies, tangible gifts and awards to employees for recognition programs, such as official retirement events or employee recognition or life events with an individual item value of less than \$500 and with the prior approval of the Executive Director.

X. EXCEPTIONS.

It is the policy of R1 that:

- A. Although R1 procurement policy is designed to be flexible enough to accommodate most situations, there will be occasions that require techniques or solutions outside the established guidelines. In order to ensure internal consistency, however, some control must be maintained by the R1 Board over exceptional situations. Purchases beyond the R1 established procurement policy will be referred to the R1 Board for review and approval. Exceptional circumstances will be defined by the Executive Director, and they will make the final determination for forwarding the exception to the Board for approval.
- B. The formal bidding process, as prescribed in the purchasing policies, shall not be required for all items purchased through competitively solicited contracts bid and negotiated by the State of Illinois, U.S. General Services Administration, or other lead public agency or non-profit government purchasing alliance in accordance with public purchasing rules and regulations as allowed by Illinois State Statute (5 ILCS 220/3.)