

## 1.26 PURCHASING POLICY

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### A. INTRODUCTION

The Illinois Fire Protection District Act, 70 ILCS 705/1 et seq. does not require the mandatory use of competitive bids or the competitive bidding process as a prerequisite to order goods or services which are not in the nature of fixed public works. However, bidding is required when a vendor has a special relationship with the fire district, and generally when for the sale of real estate. Despite these statutory latitudes, it is the policy of the Rochester Fire Protection District (RFPD) to require competitive bidding as described further herein for purchasing of products and services, and for the sale of equipment or property.

Competitive bidding is intended to secure the best price for the product or services, and discourages selection of a buyer, vendor or provider based on favoritism or familiarity.

### B. APPLICABILITY

Selection of all products or services for purchase shall be based on comparison of price for like items or services. Selection shall be made based on the lowest responsible, and best bid. The price comparison may be either informally conducted, or be a formalized bid process. An example of an informal process is selecting consumable office products or cleaning supplies.

Purchases should be based on evaluation of like services or products to permit meaningful selection based on the lowest price. Purchases, especially competitive bidding procurements, must be based on a minimum set of standards and requirements appropriate to the service or product. Such requirements will be specified in the bidding process.

The threshold for requiring a formal bidding process is any expenditure for goods or services exceeding \$2000. Expenditures should not be made piecemeal to avoid the threshold. The Chief's purchasing level of authority shall not exceed \$2000, unless otherwise approved in advance by the Board.

Any purchase must be consistent with the approved budget, and generally approved in advance by the Board. The Chief shall advise the Board on a monthly basis of purchases required in the upcoming month (or months) that are likely to exceed \$500, and seek approval to proceed. The purchasing request shall include an estimated amount, a description of the services or products, the applicable budget category, whether bidding is required, timeframe, whether the potential vendor has a special relationship with the district, whether the sale of real estate is involved, and comparison to budgeted line item. A brief form will be developed for use in

presenting the information, and documenting approval. The intent of this process is to document purchasing decisions, and to provide clear justification to the Chief to make purchases. The process is not intended to complicate purchases, and should be useful in management of budget and finances.

Bidding is required for the selling of any RFPD equipment or property.

### **C. BIDDING PROCESS**

After authorization for a purchase, or for sale of equipment or property, has been provided by the Board, a bidding process will be initiated when: (1) the goods or services are expected to cost more than \$2000, (2) the potential vendor has a special relationship with the district, and (3) when the sale of equipment or real estate is involved. The Board may elect to waive the bidding process for purchases greater than \$500 under special circumstances, but may not waive formal bidding for conditions (2) and (3) above. Waiving of bidding for purchase of services and products exceeding \$2000 is authorized under emergency conditions, as long as the vendor or service provider does not have a special relationship with the district. Examples would be emergency repairs to the building or equipment that cannot be delayed until a Board meeting can be held. In such circumstances, the Chief or other appropriate personnel shall make reasonable attempts to contact the President of the Board, or his alternate, for verbal permission to purchase. To the extent practical, the President, or his alternate, shall convene a special meeting to discuss the issue, but if time does not reasonably permit a special meeting, the President or his designee shall be permitted to expend such funds on an emergent basis which may be necessary to preserve the status quo and prevent additional damage to District property or resources.

Bidding is not required for the procurement of architectural and engineering services. Selection for such services shall be competitive based on qualification. One the most qualified firm is selected, then costs can be negotiated. If unsuccessful, then the next most qualified firm will be contacted for cost negotiations.

The bidding process for purchases shall be based on vendor-neutral specifications prepared by knowledgeable but disinterested representatives of the district. When a major purchase, such as new apparatus, is contemplated, advertising for bids should be considered. Advertisement is required for any sale of equipment or property. It is also desired to have notices of bid opportunities posted on the RFPD website.

Regardless of whether posting or advertising is used, all bid requests should clearly state instructions to the bidders, how to return the bid, sealing of bids, and the deadline. The date and time of receipt of the bids shall be recorded on the bid envelope by a RFPD representative, and the bid shall be held sealed until the next

Board meeting. All bids shall be opened at the same time and read publicly. If inadequate bid responses are received, the Board may elect to return the bids to the vendors unopened. Bids shall be sought from at least two bidders, but three is preferred.

Notice to bidders should typically state: (a) that the district retains the right to reject any and all bids, and to accept a non-conforming bid under certain circumstances; (b) that the purpose of the specifications is to obtain a quality product or service; (c) that the bids should remain open for a stated amount of time; and (d) that any variations from the specifications must be explained in the bid. The bidding documents shall describe the minimum standards and requirements for the service or product, such as quality and performance issues, warranties, service availability, etc. Generally the bids must remain open for a minimum period of 90 days.

#### **D. BID EVALUATION AND ACCEPTANCE**

If less than two bids are received, the Board may choose to return the bids unopened, or hold the bids unopened for an extended bidding period, and contact the bidders to determine why the response was limited.

After opening the bids, the Board and district personnel will evaluate the bids. The evaluations may include contacting references, review of the bid submittal and any variances, etc. The Board may choose to seek additional clarification information or documentation from bidders. Any discussion with bidders subsequent to opening the bids shall be documented and be part of the Board records for that purchase. Board action on the bid evaluation may be deferred, and the solicitation of bids by the RFPD does not constitute a decision or obligation to follow through with a purchase.

The RFPD reserves the right to reject any and all bids, to waive any and all technicalities and formalities, to alter the specifications and solicit new bids, and to consider factors other than lowest price when purchasing a service or product. Bids for services or products that fail to meet or exceed the minimum specified requirements may be considered not responsive and be rejected. If evaluation of the bids identifies that a bidder is offering significant features or services that may be desired by the RFPD but were not required in the bid notice, then new bids or negotiations with all bidders for prices based on like services and products is required. While price is the primary basis for selection, other factors may be considered.

Once the RFPD has authorized acceptance of a bid, all of the bidders shall be notified in writing of the intent of the Board to award the purchase contract to the successful bidder. If the apparent successful bidder fails to execute the agreement or to provide the required representations, such as insurance coverage documentation,

then the Board may withdraw the award, and accept the next most favorably priced bid.