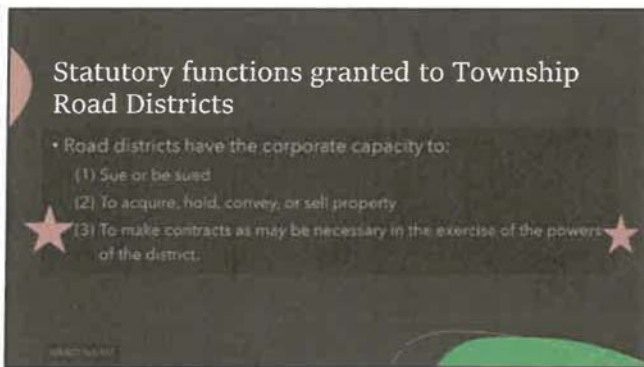
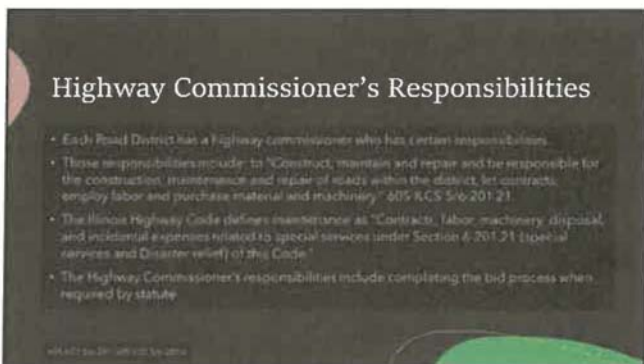


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What is the bid process?

- The bid process is a statutory process which provides for certain steps that must be taken before a Road District may let a contract.
- The bid process promotes fairness, transparency, accountability, controls for quality, and helps achieve cost effective use of public funds.
- Controlling Statute: 605 ILCS 5/6-201.7

4

When must the bid process be followed?

- The Illinois Highway Code requires that the bid process be followed when the cost of construction materials, supplies, new machinery, or equipment exceeds \$30,000 (except in the case of professional services).
- New machinery or equipment; defined as that which has been previously untitled or that which shows fewer than 200 hours on its operating clock and that is accompanied by a new equipment manufacturer's warranty.

5


Does the bid process apply to leases or other installment contracts?

- Yes, according to 605 ILCS 5/6-201.17 when the Highway Commissioner leases or finances the purchase of highway construction and maintenance equipment and that contract exceeds \$30,000 the bid process must be followed.

6

The Bid Process – Step 1

(1) You must advertise that the Road District will be accepting bids at least 10 days prior to the opening of the bidding period.



7

The Bid Process – Step 1

- The advertisement
 - The statute requires that you advertise for bids at least 10 days prior to the time set for opening of such bids.
 - The advertisement must be placed in two places:
 - (1) a newspaper published within the township or road district; and
 - (2) A newspaper published within your county.
 - If no newspaper is published in your county, then in a newspaper having circulation within the township or road district.



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The Bid Process – Step 1

- Best Practices for contents of the advertisement
 - Information on what the bid is for
 - Date, location, and time of the bid opening
 - Deadline for submitting bids
 - Any appropriate terms and conditions



9

The Bid Process – Step 2

- Review all bids submitted by the deadline
- Under 605 ILCS 5/6-201.7, the contract "shall be let to the lowest responsible bidder after advertising the bids."

605 ILCS 5/6-201.7

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Hypothetical A

- The Road District needs to acquire a tractor. The cost of the tractor is greater than \$30,000. What steps should the Highway Commissioner complete before letting a contract to the tractor supplier?

605 ILCS 5/6-201.7

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Hypothetical A

- Is the Road District required to follow the bidding process?
- Yes, if the contract is for new machinery or equipment—
 - (1) Ask whether the contract is for machinery or equipment that is "previously unused or that which shows fewer than 200 hours on its operating clock and that is accompanied by a new equipment manufacturer's warranty"
 - (2) If yes, then you must follow the bid process (advertise 10 days before in the appropriate newspaper(s) and let the contract to the lowest responsible bidder)

605 ILCS 5/6-201.7

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Hypothetical B

- The Road District needs to enter into a contract for labor and materials to improve the roads within the Road District. May the Highway Commissioner go ahead and sign a contract with Mahomet Road Improvement Team, Inc. without considering other bids?

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Hypothetical B

- It depends—
 - Ask: Will the total cost to complete the road improvements exceed \$30,000?
 - If no: you may sign the contract without following the bid process.
 - If yes: you must follow the bid process in 605 ILCS 5/6-201.7.

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Hypothetical C

- The Road District needs to complete a landscape project within the District. The project should not cost more than \$5,000 to complete. The Road District wants to hire a landscaping company it had previously retained in the same fiscal year to do similar work because the contractor did such a good job on the first project. The prior contract with the vendor called for the Road District to pay the vendor \$26,000. May the Road District hire the previously retained landscape company without putting the work out for bid.

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Hypothetical C

- No, not if the total amount of the two contracts with the existing vendor will exceed \$30,000. The Road District should either retain a different vendor or it should bid out the work if it wants the vendor who has already done work for the Road District to be eligible for the new project.

4/18/2022 10:04:41

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Hypothetical D

- The Road District needs to lease or finance a tractor. Does the bid process need to be followed to enter into a lease to purchase agreement for purposes of purchasing a tractor for Road District business?

4/18/2022 10:05:11

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Hypothetical D

- It depends—
 - You should run the same analysis as before because under 605 ILCS 5/6-201.17, Section 6-201.7's bid provisions apply to leases and financing agreements of highway construction and maintenance equipment.
 - Ask - will the contract costs exceed \$30,000?
 - If yes: follow the bid process.
 - If no: no need to comply with Section 6-201.7

4/18/22 10:05:11 (4/18/22 10:05:11)

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