

2-9-9 - CONTRACT AWARDS AND APPROVALS

- A. Purpose. The purpose of this Section is to establish the legal standards for the procurement of goods and services.
- B. City Council Approval. Except as set forth in subsection C, all purchases of goods and services must be approved by the City Council and accomplished pursuant to the methods set forth in either paragraph 1 or paragraph 2 of subsection D.
- C. Purchase Exceptions. As the sole exceptions to the requirement of subsection B above, the following are authorized to approve expenditures in the amounts set forth below:
  - 1. Department Head—\$2,500.00 or less.
  - 2. Finance Director—\$10,000.00 or less.
  - 3. City Manager—\$20,000.00 or less.
  - 4. City Council—\$20,000.01 or more.
  - 5. Finance Committee—Sole Source Procurement. Not less than five business days before the Finance Committee considers a request for sole source procurement of a specified good or service, the City shall publish notice of intent to use sole source procurement for a specified good or service. The Finance Committee may grant approval for sole source procurement, by two-thirds majority approval of all Alderman, if any of the following criteria apply:
    - a. Only one known source exists for supplies or services as determined by documented research;
    - b. No other reasonable alternative source exists that meets the agency requirements;
    - c. Only one source meets the business needs of the agency/state (e.g., compatibility, unique feature to meet state's business need, etc.); and
    - d. Procurement of public utility services.

Prior to presenting the request to the Finance Committee, the Department requesting the sole source procurement shall prepare a fact-based, written justification for the Finance Committee to review that addresses each applicable criteria set forth above.

Purchasing as set forth in subsections 1—4 above, may be accomplished only in accordance with the following:

- a. The annual budget provides for such purchase;
  - b. It is done pursuant to one of the selection methods set forth in subsection D; and
  - c. Procurement is not artificially divided in order to qualify for such purchasing.
- D. Source Selection Methods. Selection of a source or sources for goods and services must be accomplished in one of the following methods:
    - 1. Invitation to Bid. When the specifications are readily understood and the product and market are well known and readily obtainable, this is the preferred method of selecting a

source of goods and services for the City.

2. Request for Proposal (RFP). Requests for proposals may be used as an alternative to an invitation to bid when factors other than price are a necessary consideration. Such factors may include service, rapidly changing technology, the experience of the staff and/or potential vendors or other matters of significance to management or the City Council. This method of selection requires sealed competitive proposals in the same manner as an Invitation to Bid. However, no contract will be formed or awarded pursuant to an RFP until the staff has submitted a written recommendation to the City Manager or the City Council, whichever is required by this Section 2-9-9.
3. Informal Solicitation. An informal competitive solicitation process may be used for purchases of goods and services where it is not anticipated that the expenditure will exceed twenty thousand dollars \$20,000. The difference between this method and those set forth in (1) and (2), is that the solicitation may be made by direct contact rather than publication for bids. No contract may be awarded pursuant to this method unless at least three bids are received. In all instances, the normal procurement approval process must be followed.
4. Request for Qualifications (RFQ). Requests for qualifications may be used when a particular service; i.e. legal, architectural or engineering, requires a high degree of professional training and experience.
5. Fuel Purchase Agreements. It is recognized that the purchase of fuel for city vehicles must be purchased many times throughout the course of a fiscal year. The City does not have the storage capacity to make such purchases on an annual basis and the price for commodities may fluctuate significantly throughout the year. For this reason, the Director of Public Works may make such fuel purchases as are, from time to time, reasonably necessary and in the best economic interests of the City. Such purchases may exceed \$20,000.00. The Director must solicit proposals from not less than three sources and must report such purchases, in writing, to the City Manager within 24 hours of the purchase. The City Council may by majority vote, at any time remove such authority from the Director without prior amendment to this Code.
6. Declaration of Emergency. Upon a written declaration of an emergency, and with the written consent of the Mayor, the City Manager is authorized to expend such funds as may be necessary to address an immediate and present danger to the public health, safety or welfare or other circumstance that presents the potential for substantial loss to the City or its residents. If the Mayor is unavailable and the expenditure is \$50,000.00 or less, the written declaration and approval of any two of the following: City Manager, Police Chief, Fire Chief or Public Works Director; shall be sufficient. If the Mayor is unavailable and the expenditure does or is anticipated to exceed fifty thousand dollars (\$50,000), then the written declaration and approval of the City Manager and any two of the above stated persons is required.

E. Rules for Bid Acceptance.

1. Rejections. In all cases, the City Council shall have the right to reject any and all bids and to reject any and all staff award recommendations.
2. Sole Bidder. When only one bid is received, an award may be made to such bidder only if it is determined that: a) the price submitted is fair and reasonable; b) other prospective bidders had a reasonable opportunity to respond; and c) the bidder is both responsive and responsible. A two-thirds vote of the City Council will be required to approve such an award. In making this determination, the Council may consider whether or not there is adequate time for a re-bidding.
3. Contracts for Greater than 12 Months. Subject to state law, award of a contract for goods or services with an initial term of more than one year will also require a two-thirds vote of the City Council for approval. However, an option to renew or extend a pre-existing contract for up to one year may be approved by a simple majority vote, provided that the conditions of renewal or extension were included in the original bid solicitation and funds were available for the first fiscal period at the time of the original contract award.
4. Bidding Alternate Goods and Services. Bids that offer equivalent but alternative and more economical services, supplies or materials than those set forth in the original specification are encouraged by the City. When an alternative appears to be more advantageous to the City than the original specification, re-bidding may be recommended with the modified specifications.

F. Waiver of Competitive Selection for Contracts over \$20,000. With the approval of 2/3 of the City Council, contracts which by their nature are not amenable to the competitive selection process, including the following, may be entered into without competitive bids or proposals:

1. Utility services, including electric, gas, water or telecommunication services.
2. A purchase of goods or services from another governmental entity.
3. A purchase of goods or services through a recognized governmental cooperative joint purchasing program (i.e. State of Illinois, Northwest Municipal Conference, M.A.B.A.S., etc.)

G. Sole source procurement in excess of \$2,500.00 for non-emergency purchases of goods and services is not permitted.

H. Consistency with City Policy on Procurement Rules and Requirements.

Unless specifically stated otherwise by an appropriate resolution or ordinance; all procurement shall be consistent with the City of Park Ridge Procurement Rules and Requirements as from time to time may be published by the Director of Finance and approved by the City Council. In the case of discrepancy between such rules and this Code, this Code shall prevail.

(2014-62, 11-17-2014; Ord. No. 2016-53, § 2, 7-18-2016; Ord. No. 2018-19, § 2(Exh. A) 6-4-2018)