



AGENDA ITEM EXECUTIVE SUMMARY

Title:	Proposed Changes to Purchasing Code of the City of St Charles
Presenter:	Chris Minick, Finance Director

Please check appropriate box:

<input checked="" type="checkbox"/>	Government Operations (03/18/13)	Government Services
<input type="checkbox"/>	Planning & Development	City Council
<input type="checkbox"/>	Public Hearing	

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

Staff has been working on an update of the Purchasing section of the St Charles Municipal Code to reflect current practice within the division. Statutory requirements are followed for all purchases and projects. However, State statutes do not cover every purchase and contracting situation that we encounter. The City has devoted a section of its Municipal Code, Section 2.33, to address these situations. Section 2.33, the Office of Purchasing, was last updated in 2008. While most of the provisions, requirements, and practices still apply, staff would like to update certain aspects of the code to reflect recent changes.

The most substantive change involves a competitive bidding process requirement as indicated at Section 2.33.160. Staff would like the flexibility to follow a competitive pricing (CP) process without incurring the expense and delay of going through a formalized bidding process if not required by statute. While competitive quotes are solicited for nearly every purchase and contract, a formal bid procedure is not always warranted for every purchase, particularly those that are unique in nature or involve some degree of professional service, technical expertise, a certain level of effort for the response, or advanced skill.

Under the changes proposed City staff would follow a competitive pricing (CP) process to award the purchase of goods or contract for services in these situations. During a CP process staff will devise specifications for the goods or services and typically solicit quotes from a universe of 5-7 (or more vendors if possible) having the requisite skills and resources to provide the goods or perform the services requested in accordance with the specifications. A minimum of 3 quotes is specified in the proposed changes whenever possible. This process results in selection of a qualified firm at a competitive price while minimizing expense and time delay for award of service and purchase contracts.

The proposed changes also include a provision that increases the level of purchase requiring City Council approval to \$25,000 (from \$20,000) in cases where the State Purchasing Statutes do not apply. In instances where State Statutes require a bid process or the cost of the purchase or contract exceeds \$25,000, staff will present the results of bidding and the proposed award of the contract to the City Council as is current practice. In cases where State statutes do not apply if the purchase price or contract amount is greater than \$5,000 but does not exceed \$25,000, staff would award the purchase or procure the relevant services administratively based on the results of the competitive pricing (CP) process outlined.

There are also various updates to the titles and language that reflect staffing changes that have occurred in the interim. In addition, the proposed changes include a provision that bids be posted on the City's website for at least 14 days prior to the opening of bids as well as changes to the open market purchasing procedures followed. These changes update the Code to allow open market quotes to be provided for purchases of goods or services that do not exceed \$5,000.

The updates to the Code requested will provide the requisite level of assurance that we are receiving a competitive price for goods or services acquired while minimizing the costs and time requirements of obtaining the relevant goods and services.

Attachments: *(please list)*

Ordinance (Post to Inet next week)

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance Amending Title 2 "Administration and Personnel, Chapter 2.33 "Office of Purchasing" of the St Charles Municipal Code."

<i>For office use only:</i>	<i>Agenda Item Number: 4a</i>
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City of St. Charles, Illinois
Ordinance No. 2013-M- _____

**An Ordinance Amending Title 2 “Administration and Personnel,”
Chapter 2.33 “Office of Purchasing,”
Of the St. Charles Municipal Code**

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

1. That Title 2, “Administration and Personnel,” Chapter 2.33, “Office of Purchasing” of the St. Charles Municipal Code, is hereby amended by deleting Section 2.33.010D and in lieu thereof the following language shall be substituted:

“D. ‘City Purchasing Manager’ is the Purchasing and Inventory Control Division Manager of the City.”

2. That Title 2, “Administration and Personnel,” Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code is hereby amended by deleting Section 2.33.080, “Manager-Committee related duties,” in its entirety and in lieu thereof, the following language shall be substituted:

“2.33.080 Manager Duties.

It shall be the duty of the Manager:

- A. 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. To adopt as standards the minimum number of quantities, sizes and varieties of supplies consistent with the successful operation of the city government;
- C. To prepare and adopt written specifications of all such standard supplies;
- D. In consort with the heads and other officials of the Using Agency to prepare and adopt written specifications for the procurement of contracts and agreements for Contractual Services as required by this Chapter.”

3. That Title 2, “Administration and Personnel,” Chapter 2.33, “Office of Purchasing,” Section 2.33.120, “Manager –Powers and duties generally”, of the St. Charles Municipal Code is hereby amended by adding Section 2.33.120L consisting of the following language:

“ L. Determine the most beneficial method of obtaining competitive pricing if the Competitive Bidding procedure is not required by Illinois Compiled Statutes or by this Chapter of the St. Charles Municipal Code.”

4. That Title 2, “Administration and Personnel, “ Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code is hereby amended by deleting Section 2.33.160, “Competitive bidding required”, in its entirety and in lieu thereof, the following language shall be substituted:

“2.33.160 Competitive bidding or pricing required.

The City shall comply with all requirements of Illinois Compiled Statutes “Purchasing and Public Works Contracts in Municipalities of Less than 500,000” (65 ILCS 5/8-9) requiring competitive bidding. All other purchases of, and contracts for supplies and contractual services, in excess of (\$25,000) twenty-five thousand dollars and all sales of personal property which has become obsolete and/or unusable shall, except as specifically provided in this chapter, be based wherever possible on competitive bids unless otherwise authorized by the City Council. In all events state statutory requirements shall be followed in connection with all sales and purchases.

For purchases of goods or services exceeding \$5,000 or if, in the determination of the Purchasing Manager, a specific purchase, contract, or contractual service involves a high level of vendor response, service effort or resource allocation, specialized technical knowledge, expertise, or skill and ability, the Purchasing Manager shall, in consultation with the heads and other officials of the Using Agencies, determine the specifications and/or qualifications necessary to provide the goods or services required. The Purchasing Manager shall utilize a competitive pricing (CP) process by soliciting quotes from qualified vendors to procure the goods or services necessary at the most beneficial terms to the City. In such instances, the Purchasing Manager shall use his best efforts to obtain at least 3 independent proposal responses from qualified potential vendors. If the purchase or contract amount is greater than \$25,000 the results of the CP process shall be submitted to the City Council for approval. In all events state statutory requirements shall be followed in connection with all sales and purchases.”

5. That Title 2, “Administration and Personnel, “ Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code is hereby amended by deleting Section 2.33.170, “Formal; contract procedure – required when”, in its entirety and in lieu thereof, the following language shall be substituted:

2.33.170 Formal: contract procedure – required when.

“When the estimated cost of supplies and or contractual services exceeds twenty-five thousand dollars (\$25,000) they shall be purchased by formal written contract from the lowest responsible bidder or quote provider after notice inviting proposals except as otherwise specified in this chapter or otherwise authorized by the City Council.”

6. That Title 2, “Administration and Personnel, “ Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code, Section 2.33.180, “Formal; contract procedure – inviting bids” is hereby amended by adding Section 2.33.180C consisting of the following language:

2.33.180 Formal; contract procedure – inviting bids.

“C. Website. Notice inviting bids shall be published on the City’s website for the fourteen-day period immediately preceding the last day set for receipt of bids. The notice required in this section shall include a general description of the articles and/or services to be purchased or sold, shall state where the blanks and specifications may be secured, the time and place of any pre bid conferences or meetings, and the time and place for opening bids.”

7. That Title 2, “Administration and Personnel, “ Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code is hereby amended by deleting Section 2.33.280, “Open market procedure – Required when”, in its entirety and in lieu thereof, the following language shall be substituted:

2.33.280 Open market procedure – required when.

“All purchases of supplies and contractual services and all sales of personal property which has become obsolete and /or unusable that shall be made in the open market, without newspaper advertisement and without observing the procedure prescribed by Sections 2.33.170 through 2.33.270 for the award of formal contract. In all events state statutory requirements shall be followed in connection with all sales and purchases.

8. That Title 2, “Administration and Personnel, “ Chapter 2.33, “Office of Purchasing,” of the St. Charles Municipal Code is hereby amended by deleting Section 2.33.300, “Open market procedure – Notice inviting quotations”, in its entirety and in lieu thereof, the following language shall be substituted:

2.33.300 Open market procedure – Notice inviting quotations.

“The manager shall solicit open market pricing from prospective vendors by direct mail, telephone, electronic communication, or other means the City Purchasing Manager deems acceptable. The City Purchasing Manager shall use his best efforts to obtain at least three (3) open market pricing proposals prior to award of the purchase of goods or services.”

9. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the city of St. Charles.

PRESENTED to the City Council of the city of St. Charles, Illinois, this ____ day of _____ 2013.

PASSED by the City Council of the city of St. Charles, Illinois, this ____ day of _____ 2013.

APPROVED by the Mayor of the city of St. Charles, Illinois, this ____ day of _____ 2013.

Donald P. DeWitte, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____