

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.

REVIEW (as needed):
 Village Attorney XX _____
 Finance Director XX *[Signature]* _____
 Village Manager XX *[Signature]* _____
 Date 4/25/07

FISCAL IMPACT: N/A

On April 24, 2007, the Finance Committee unanimously recommended that the Village's Purchasing Manual be revised as described in the attached memo. There are several minor changes to the manual including a new paragraph on rejecting bids. In the interest of saving paper, only the proposed changes to the Manual are included in the memo. If anyone would like to view the complete manual, a copy is available in the Finance Department. Staff requests that the Village Board approve these revisions.

BACKGROUND/POLICY IMPLICATIONS:

SUBMITTED BY: Timothy Sexton, Assistant Director of Finance *[Signature]*
 TITLE: Revisions to the Village's Purchasing Manual
 DATE: April 25, 2007 (COW)(B of T): May 3, 2007
 FROM: William T. Lichter, Village Manager
 TO: President and Village Board of Trustees
 Resolution or Ordinance (Blue) _____
 Recommendations of Boards, Commissions & Committees (Green) _____
 Other Business (Pink) _____
 Waiver of First Requested _____

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

070281

**A RESOLUTION AMENDING THE PURCHASING POLICIES AND
PROCEDURES MANUAL FOR THE VILLAGE OF LOMBARD**

WHEREAS, Section 35.21 of the Village of Lombard Municipal Code states that "the Village Manager shall...have prepared and maintained a purchasing manual", and

WHEREAS, Section 35.21 further states that "said manual shall be subject to approval by the Board of Trustees", and

WHEREAS, the Village Board previously approved Resolution 95-99 adopting a purchasing policies and procedures manual for the Village of Lombard; and

WHEREAS, the Finance Committee has reviewed and recommended to the Corporate Authorities an amendment to the purchasing manual as attached hereto and marked Exhibit "A"; and

WHEREAS, the adoption of the amendment to the purchasing manual contributes to the continuity and credibility of administering public funds; and

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such manual.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

Section 1: That the amendments to the Village of Lombard Financial Policies are hereby approved.

Section 2: That the Director of Finance is hereby directed to implement said policies as approved.

Adopted this _____ day of _____, 2007

Ayes: _____

Nays: _____

Absent: _____

Approved this _____ day of _____, 2007

William J. Mueller
Village President

Thomas P. Bayer
Village Attorney

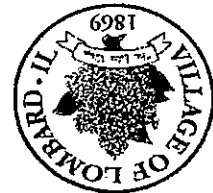
APPROVAL AS TO FORM:

Brigitte O'Brien
Village Clerk

ATTEST:

R
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EXHIBIT A



To: Finance Committee

William T. Lichter
Village Manager

From: Timothy Sexton
Assistant Director of Finance

Date: April 17, 2007

Subject: Purchasing Policy Update 2007

The Village's Purchasing Manual was initially adopted by the Village Board on January 7, 1999. The manual contains all of the Village's policies related to the procurement of goods and services and has worked well as a guide for Village employees since its adoption. There have been several revisions to the policy since it was first adopted, to include changes in state statute and changes in internal procedures. Below are proposed amendments to various sections of the Purchasing Policies.

Competitive Bidding and Request for Professional Services: The changes to this section are minor *technical changes* in policy language, and a *new paragraph*.

REVISED POLICY: Chapter 4, Section C. 6

If bid documents are to be distributed at the Village Hall, the front desk personnel must be supplied with at least 3 hard copies (or more depending on the number of bidders expected) of the bid document or an electronic version of the bid document, orange labels and the "Bid Document Distribution List" form. Exhibit 2 is a copy of this form.

NEW PARAGRAPH IN POLICY: Chapter 4, Section E

If a Department that has issued a bid desires to reject all bids, the responsible employee shall prepare a memorandum that explains the purpose of the bid, includes the names and addresses of the companies who submitted bids as well as the amount each company bid, and provides the reasons why the Village should reject all bids. Once approved by the Department Head, the memo should be included with the Request for Board Action" form. Exhibit 5 is an example of a completed "Request for Board Action" form. This form must be signed by the

applicable individuals (usually the Director of Finance and the Village Manager) and given to the Executive Coordinator in the Village Manager's Office by the Wednesday of the week preceding the week of the Village Board meeting to be placed on the Village Board's agenda.

Methods of Payment Processing: The changes to this section are minor *technical changes* in policy language, and an increase in the PD Records petty cash amount.

REVISED POLICY: Chapter 5, Section A

With the exception of purchases processed with a blanket purchase order (see Section C below), all purchases shall require the issuance of a regular purchase order to the vendor before an order for goods or services is filled. No employee shall have the authority to purchase items on the Village's behalf without first entering a purchase requisition and obtaining the required approvals from supervisory staff or the Village Board where applicable. The Village will not issue "confirming" purchase orders. Purchase orders will be required for all items exceeding \$1,000 individually or in aggregate. Employees shall be responsible for planning for purchases exceeding \$1,000 in advance and should allow sufficient time to have a requisition processed and purchase order issued and mailed to the vendor. With the exception of emergency purchase orders, the Department of Finance will not issue purchase order numbers in advance unless a requisition has been processed and has received the necessary approvals. Please note that shipping and handling charges are not to be included in the purchase order but shall be added by the AP/AR Clerk at the time the invoice is processed.

REVISED POLICY: Chapter 5, Section G. 2. b

The chart below depicts the maximum amount of petty cash allotted for each building.

DEPARTMENT	PETTY CASH	AMOUNT
Village Hall		\$3,500
Public Works		\$ 300
Police Administration		\$ 400
Police Training		\$ 400
Police Records		\$1,200
Fire		\$ 300

Leonard Flood, Director of Finance

c.