



# FINANCIAL & ACCOUNTING POLICIES AND PROCEDURES

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## Introduction

Lee County, located in the northwest corner of Illinois, was established in 1839. Its fiscal year runs from December 1 through November 30. Lee County uses fund accounting and has approximately 40 funds in addition to numerous grants and escrow accounts.

## Purpose

The policies and procedures discussed herein address the various accounting and financial policies of Lee County. These policies are designed to enhance financial accountability and transparency, eliminate misunderstandings, and protect the assets and viability of Lee County. Key elements to achieving these objectives include:

- Sound fiscal policies and procedures
- Sound internal control policies and procedures
- Timely and accurate financial reports
- Effective use of information technology

## Finance and Accounting Responsibilities

The Lee County Finance Committee is responsible for all financial activities and reporting requirements of Lee County, including providing financial information to the County Board and various regulatory agencies. It is also the responsibility of the Finance Committee and the Lee County Board to ensure sound accounting practices and internal controls.

The Finance Committee is also responsible for making financial policy recommendations to the Lee County Board for action. Once a policy has been approved by the County Board, it shall constitute an effective policy. Thereafter, any changes to a policy shall be required to go through the established review and approval process.

All accounting and financial policies contained within this document are all inclusive and supersede all previously adopted accounting and financial policies. Furthermore, any exception to a policy, which must be approved by the County Board, must be clearly documented and shall not in any way make the exception a policy.

## Severability

The sections, paragraphs, sentences, clauses, and phrases of this Policy are severable, and if any section, paragraph, sentence, clause, or phrase of this Policy shall be declared unconstitutional, invalid, or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such

unconstitutionality, invalidity, or unenforceability shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Policy.

## Budget

### Budget Preparation

Lee County Finance Committee shall prepare the annual budget and recommend it to the County Board for approval. All budgets shall be prepared on a zero-based budgeting system with sufficient detail to identify revenue and expenditures by department and type in accordance with the Lee County chart of accounts. The budget only shall contain income and expenses for projects, programs, and activities that are well defined and planned, and for which it is reasonable to project, with a relatively high degree of accuracy, the related income and expense.

### Budget Amendments

From time to time the budget may be amended by the following approvals:

- Transfers up to and including \$25,000 from contingency funds to individual department operating budgets require County Finance Committee approval.
- Transfers greater than \$25,000 from contingency funds to individual department operating budgets require [County Finance Committee approval, and](#) County Board approval by two-thirds vote.
- Transfers of personnel or capital expenses require [County Finance Committee approval, and](#) County Board approval by two-thirds vote.
- Expenditures covered by unanticipated revenues, that may or may not be classified as grants, require County Finance Committee approval.
- [Unbudgeted capital fund expenditures, or capital expenditures which exceed the budgeted allocation, require Finance Committee approval.](#)

[Note: A budget amendment is not necessary for intradepartmental non-personnel line-items which exceed the budget, as long as the total non-personnel expenditures do not exceed the department's non-personnel budget appropriation.](#)

## Financial Statement Presentation and Distribution

Lee County Treasurer's office shall prepare monthly cash basis profit and loss statements that includes the current cash and fund balances, the Finance Committee is responsible for reviewing the statements monthly and the County Board is responsible for reviewing and approving the statements quarterly.

## Capital Asset Policy

Capital assets are tangible or intangible assets held and used in County operations, which have a service life of more than one year and meet the County's capitalization policy.

Purchases of capital assets exceeding \$20,000, and all vehicles shall be capitalized. All capital purchases less than \$20,000 (other than vehicles) shall be expensed annually.

## Annual Financial Audit

It is the policy of Lee County to ensure that its financials are audited on an annual basis by an independent certified public accounting firm, selected by the County Board. The Finance Committee shall serve as the liaison between the Board and the CPA firm.

The audit report shall cover all Lee County accounts and funds of the immediately preceding fiscal year and in accordance with generally accepted accounting principles pursuant to 50 ILCS 310/ (Governmental Account Audit Act). The audit shall also include a management letter to the County Board regarding internal financial operations and controls and recommendations for improvement, where applicable.

Once accepted by the Lee County Board, the certified public accounting firm's audit report is published on County's website and is made available to the public.

The Finance Committee shall review the performance of the CPA firm managing the County's audit. At the discretion of the Finance Committee, a Request for Proposal (RFP) may be periodically developed and distributed with the intent of seeking another CPA firm.

## Revenue Collections and Receipts

Each department will deposit ~~all their~~ revenue ~~collected~~~~ions~~ with the County Treasurer, at a minimum, by the end of each month. The Treasurer's Office shall follow these revenue collection procedures:

- All revenue collections will be recorded into the accounting system daily. A receipt will be given to the depositor.
- A report of the day's collection will be printed and reconciled to the cash collected.
- A deposit will be made to the bank. The bank receipt will be attached to the daily report.
- Proper safeguarding of cash will be followed.
- A Revenues Collected Report will be sent to the County Board monthly for review.

## Claims/Accounts Payable

Responsibilities and procedures for payment of County claims:

- Department staff are responsible for uploading digital copies of invoices into the accounting software and coding the entry with an accurate description of the expenditure, a unique invoice number, and the General Ledger (GL) number following guidelines issued by the Treasurer's Office.
- The department head is responsible for logging into the accounting software and reviewing and approving all applicable department claims/invoices. Upon approval, claims up to and including \$1,000 are forwarded directly to the Treasurer's Office for payment.
- The Board Claims Committee is responsible for reviewing and approving claims over \$1,000 on a bi-weekly basis. Upon approval, claims are forwarded to the Treasurer's Office for payment.
- ~~Claims paid in vacation. The Treasurer's Office is hereby authorized to issue checks in emergency cases for expenditures which are of such an emergency nature as to preclude waiting until a request is presented at the next Claims Committee meeting. Said claims shall be reviewed and approved by the Claims Committee Chair (or other designated Claims Committee member in the absence of the Chair) and approved by the Board Chair. The Claims Committee Chair is responsible for reviewing all claims paid in vacation. Upon review by the Claims Committee Chair, the Board Chairman or Finance Chair is responsible for approving claims paid in vacation.~~
- The Treasurer's Office staff is responsible for printing checks weekly upon the approval by the department head, Claims Committee, Board Chair, or Finance Chair, [as set forth in this policy](#). Authority and access to print checks is restricted to the Treasurer's Office staff. Checks are printed on blank check stock. Bank routing and account numbers are stored in the accounting software. The authorizing signature is stored on a secure server and is only accessible by Treasurer's Office staff.
- ~~Board Parent Committees are responsible for reviewing the claims for their applicable county departments.~~
- The full Board is responsible for the final approval of all claims at the monthly County Board meeting.

## Travel Expense Reimbursement

The policy and procedures for travel and expense reimbursements are documented in the Lee County Employee Handbook.

## Payroll

### Overview

Payroll is prepared biweekly by the Treasurer's Office using timesheets approved and submitted by the department head. Payroll checks are issued to employees only by direct deposit into an account specified by the employee.

The County Board is responsible for ratifying the payroll report at their monthly County Board meeting.

### New Employee On-Boarding

The department head is responsible for completing and submitting to the Treasurer's Office an Employment Hire/Change Form for each new employee, contacting any applicable Union, and providing any applicable Lee County policies to the employee.

The Treasurer's Office is responsible for completing the I-9 Employment Eligibility Verification form using the employee's identification documents, collecting the direct deposit authorization form, W-4's, EEO-4 form, and bargaining contract dues authorization forms, for the purpose of entering the new employee into the payroll system.

### Employee Termination

The department head is responsible for completing an Employment Hire/Change form for any employee being terminated, and reporting any eligible employee benefit time (~~vacation~~PTO, sick, comp time) the employee has remaining to the Treasurer's Office, unless the department is utilizing the County's payroll system for tracking employee benefit time.

The Treasurer's Office is responsible for calculating the final paycheck (including any applicable remaining benefit time), terminating the employee from the payroll system, notifying IMRF of the termination, and notifying the county health insurance staff representative.

The county health insurance staff representative will initiate the COBRA notification (if applicable) and make any changes necessary to the health insurance enrollment.

### Bank Reconciliations

Bank reconciliations shall be conducted in a timely manner (within 30 days) by the Treasurer's office or applicable county department and shall be initialed by the preparer. The reconciliation is reviewed and initialed by a reviewerthe Finance Director. ~~who is not the preparer.~~

### Professional Liability Insurance

The professional employees of Lee County, Illinois are covered under a liability policy paid for by the Lee County. Employees who wish, may also retain an individual policy at their own expense.

Lee County will insure against employee theft of Lee County assets, including cash, up to \$500,000 per employee per occurrence for the employees who handle county assets. The minimum deductible for the insurance policy will be no more than \$1,000 per occurrence.



## Sensitive Data Security

It is the policy of Lee County that sensitive data, specifically credit card information and social security numbers, are to be stored and handled securely to avoid improper use or access of this information by unauthorized individuals.

All software systems (purchased and/or developed in-house) are required to encrypt sensitive data. If it is not possible to encrypt the data, access to electronic files must be restricted through the log-in program.

Printed reports that contain credit card or social security information shall display only truncated numbers. Some reports may require the display of all information for analysis purposes, and electronic access to these reports must be obtained through secure log-in procedures. These reports must be stored in locked cabinets or a locked storage area. When the reports are no longer required, they must be shredded.

The preferred methods for obtaining sensitive information are via telephone, in person, through the postal system, or the secure online system. Sensitive data is not to be requested or provided in email form. If anyone provides this information in an email, the message shall be deleted as soon as possible. Faxed information is to be kept in a secure location and when no longer needed, shredded.

Lee County department heads are responsible for the proper storage, use, and protection of sensitive information. It is not acceptable to leave sensitive information unattended. At the end of the day, all sensitive information must be secured in a locked location.

Staff with access to sensitive data electronically must use screen savers that require a password to unlock. No passwords are to be shared with any other individual.

## Records Retention and Destruction

It is the policy of Lee County that all business records shall be kept no longer than the period necessary for the proper conduct of company business and will be disposed of as indicated by the Illinois Local Records Act (50 ILCS 205).

## Disposal of Surplus Property Policy

From time to time it is recognized that the County may have accumulated surplus property that is not needed by any county department.

### Furniture and Equipment

After County departments have made a reasonable effort to make surplus property available to any other department, they are authorized to dispose of these surplus items, except real estate, by an advertised public auction or on an established online auction such as Facebook Marketplace. These

requirements shall not prohibit or prevent department heads from disposing items that have little or no value. This may include disposal at landfills or recycling agencies.

All monies received from the sale of surplus property shall be deposited into County Funds.

### Real Estate

In cases when it has been determined by the appropriate committee of the county board, certain real estate owned by the county should be disposed of, the county administrator shall attempt to obtain the best value for the county by one of following means:

- Conduct sealed bids that have been advertised in a public newspaper of general circulation within the county at least ten (10) days prior to the bid opening. The county administrator and parent committee shall report all bids received for the sale of real estate to the county board for final approval of the sale/award.
- Conduct sealed bids for the services of a real estate agent that have been advertised in a public newspaper of general circulation within the county at least ten (10) days prior to the bid opening. The county administrator and parent committee shall report all bids received for the services of a real estate agent to the county board for final approval of the contract agreement. The selected real estate agent shall report all offers for the purchase of county owned real estate to the county administrator for reporting and approval by the county board.

With the approval of the county board, the board committee may sell or trade any county owned real estate to another governmental unit.

### Grant Compliance

County departments are encouraged to seek and apply for grants to provide services whenever possible. If a grant match is ing monies are needed from County Board authorized funds, the department applying for the grant shall seek approval of the County Administrator, Board Chair, and Finance Chair Committee before submitting the grant application. Lee County will not be obligated for any grant match dollars that were not expressly approved by the appropriate parties. Finance Committee. Upon approval of the County Administrator, Board Chair, and Finance Chair, the Finance Chair shall inform the Finance Committee of the pending grant and match requirement.

When a new grant award is received or renewed, the department head is responsible for maintaining a copy of the grant award agreement and providing a copy to the County Administrator and Treasurer's Office Finance Director. The department head is responsible for all program performance and fiscal reporting and for ensuring they or their staff have the appropriate training to file any necessary grant reports.

Grant expenditures will adhere to Lee County accounting and purchasing policies, in addition to any restrictions imposed by its funders, both governmental and private. Program spending should align with and support performance goals. Wages and benefits charged to the grant will be supported by

appropriate time and effort calculations justifying the charge. [The Finance Director is responsible for ensuring compliance with financial policies, and review of program spending in alignment with the grant award.](#) Lee County employees will bring any instances of non-compliance to the attention of the County Finance Committee.

The fiscal reports will be reconciled to the general ledger maintained in the Treasurer's office. The Treasurer's office will create new grant funds and GL numbers, upon request.

## Purchasing

### Purpose

The purpose of the Lee County Purchasing -Policy is to:

- Manage the procurement process in accordance with the law;
- Spend taxpayers' money wisely and fairly;
- Establish a comprehensive plan for the purchase of goods and services for the county and its departments;

### Applicability of Purchasing Policy

**Application.** This section applies to contracts for procurement of goods, services, construction, and professional services entered into by the county after the effective date of this Ordinance. It shall apply to every expenditure of public funds by a county department for public purchasing irrespective of its source, except as otherwise provided by the state law and state regulation. When the procurement involves the expenditure of state or federal assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory state and/or federal law. Lee County may adopt administrative procedures to ensure compliance with all bidding requirements and those procedures may be more restrictive than required by statute.

[Budget Appropriation. When the procurement involves the expenditure of funds under the jurisdiction of the county board, the funds shall first be appropriated.](#)

**Authority of elected officials.** Certain elected officials may have independent statutory authority to make purchases independently of this Ordinance. These officers and departments are encouraged to follow the County Purchasing Ordinance to ensure consistent county practices. Nothing in this Ordinance shall prevent any county officer or department from complying with the terms and conditions of any grant, gift, bequest, or co-operative purchasing agreement that is otherwise consistent with law. In cases when elected officials are required to comply with this Ordinance, or they have elected to comply with this Ordinance, the authority granted the department head, parent committee, and County Board Chairman shall be transferred to the elected official.

## Definitions

The terms defined in this section shall have the meanings set forth below whenever they appear in this Ordinance:

**Architect, engineer, and land surveying services.** Those professional services within the practice of architecture, professional engineering, structural engineering, or land surveying, as defined by the State of Illinois Professional Services Selection Act, 50 ILCS 510 /1 et seq.

**Blanket bidding.** Bids normally prepared and issued for purchases of commodities, supplies, food, and equipment, generally intended for usage of more than one department. These bids may be considered as purchasing contracts for a set period, generally three (3) months to three (3) years. State of Illinois Central Management Services (CMS) contracts or other joint bids (such as Sourcewell) would be considered blanket bids as long as the bidding process was conducted on a competitive open bid process.

**Business.** Any corporation, partnership, individual, sole proprietorship, joint venture, or any other private legal entity.

**Change order.** Any written alteration in specifications, delivery points, delivery terms, contract period, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

**Construction.** The process of building, altering, repairing, improving, demolishing, or making improvements of any kind to any structure, building, or real property.

**Contract.** All types of county agreements, regardless of what they may be called, for the procurement of goods, services, construction, or professional services.

**Contract file.** A record which may include a contract document, and/or related correspondence.

**Contractually required documentation.** Documents required in the contract or necessary for contract implementation that may include but are not limited to certificates of insurance and bid bonds.

**Contractor.** Any person or entity that is a party or beneficiary of a contract with the county or through a county department thereof.

**Cooperative purchasing.** Procurement conducted by or on behalf of more than one public procurement unit, such as CMS and Sourcewell.

**County administrator.** When the title of county administrator is referenced in this Ordinance it also includes acting administrator.

**County Board Chairman.** The acting county board chairman of Lee County, Illinois.

**Department head.** A county department officer.

**Design-Build Authorization.** Authorizes counties to use design-build processes to increase the efficiency and effectiveness of delivering public projects. (Illinois Counties Code 55 ILCS 5/5-45001)

## FINANCIAL & ACCOUNTING POLICIES AND PROCEDURES

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**Design-Build.** A process that provides responsibility within a single contract for the furnishing of architecture, engineering, land surveying, and related services as required and the labor, materials, equipment, and other construction services for the project.

**Direct or indirect participation.** Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request influencing the content of any specification or procurement standard, rendering advice, investigation, auditing, or in any other advisory capacity.

**Employee.** Individuals including elected and appointed officials providing services for the county and drawing a salary from the county.

**Financial interest.** Any employee, or the immediate family of an employee, having the following interest in any contractor or contract with the county: (a) any interest or relationship from which, or as a result of which an individual within the past year has received, or is presently or in the future entitled to receive, more than fifteen hundred dollars (\$1,500.00) per year, or its equivalent; (b) ownership of five percent (5%) of any property or business; or (c) holding a position in a business such as officer, director, trustee, partner, employee, or holding any position of management.

**Goods and services.** All tangible articles and services which shall be furnished to or used by any department of the county. These include, but may not be limited to, maintenance, repairs, and operation supplies, commodities, physical computer software, independent contractual services, and any equipment necessary to sustain day-to-day county operations.

**Immediate family.** Husband, wife, mother, father, son, daughter, stepfather, stepmother, stepson, stepdaughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, uncle, aunt, brother-in-law, and sister-in-law.

**Invitation for bid.** All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids.

**Invoice.** A bill for goods or services furnished by a seller to a buyer specifying one price and the terms of sale.

**Lowest cost/responsible bidder.** The bid providing the best long-term value for the county. The evaluation to determine the best long-term value may include, quality of offer, conformity with specifications, delivery date and terms, discount terms, service reputation, total cost of the item over its useful life, and conditions of warranty.

**Parent committee.** A standing committee of the Lee County Board which has been assigned to oversee the operations of a particular department.

**Person.** Any individual or group of individuals, business, union, firm, corporation, trustee, partnership association, joint venture, committee, club, or other entity.

**Procurement.** The buying, purchasing, using, renting, leasing, or otherwise acquiring of any goods, services, construction, or professional services. It also includes all functions pertaining to the obtaining of any goods, services, construction, or professional services, including descriptions of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

**Professional services.** The service of any person possessing a high degree of professional skill where the judgment, artistic or subjective talent, ability, experiences, qualifications, and fitness of the provider(s) play an important part in the selection and primary reason for the service provided, other than those described in the Illinois Professional Services Selection Act, 50 ILCS 510/1, et seq.

**Public procurement unit.** The State of Illinois, any county, city, town, and any other subdivision of the state, or public agency of any such subdivision, public authority, education, health, or other institution, any agency of the United States, and to the extent provided by law, any other entity which expends public funds for the procurement of goods, services, construction, and professional services.

**Public works.** All fixed works constructed by any public body, other than work done directly by any public utility company, as defined in the Illinois Prevailing Wage Act (820 ILCS 130/2).

**Request for proposals.** All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

**Responsible bidder or offeror.** Any bidder, vendor, contractor, supplies, or prospective bidder having the capability in all respects to perform fully the contract requirements, and the experience, personnel, integrity, reliability, facilities capacity, equipment, acceptable past performance, and credit which will assure good faith performance.

**Responsive bidder.** Any bidder, vendor, contractor, supplies, or prospective bidder who has submitted a bid conforming in all material respects to the requirements set forth in the invitation to bid.

**Services.** The furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This definition shall not apply to employment agreements, collective bargaining agreements, or to the definition of "professional services" as provided above in this section.

**Specifications.** Any description of the physical or functional characteristics or the nature of a good, service, construction item, or professional service. It may also include a description of any requirement for inspecting, testing, or preparing goods, services, construction projects, or professional services.

**Stringing.** Multiple payments and purchases of the same goods or service made within the appropriation period.

## Purchasing

### Purchases up to \$10,000

Department heads have the authority to sign any contract and/or purchase agreement for purchases up to ten thousand dollars (\$10,000.00), including commodities, supplies materials, equipment, construction, and services. Procurements may be obtained in a way that it is in the best interest of the county. The payment of these purchases shall be processed in the same manner as all other invoices.

### Purchases \$10,000 or Greater and Less than \$30,000

For purchases including commodities, supplies materials, equipment, construction, and services that are ten thousand dollars (\$10,000.00) or greater but are less than minimum bid limit as established by 55 ILCS 5/5-1022, the department head shall obtain quotations from at least three (3) vendors whenever feasible or a purchasing cooperative such as CMS or Sourcewell. Award shall be made to the vendor offering the lowest responsive and responsible quote meeting the specifications.

**Sole/single source.** Circumstances may exist where the department head determines that it is not feasible to secure three (3) quotations. In other situations, the department head may determine that it is in the best interests of the county to consider only one or two (1-2) suppliers having previous expertise relative to the procurement.

**Bid Selection.** Circumstances may exist which justify an award to a vendor who has not provided the lowest quotation including delivery requirements, quantity requirements, quality, and past vendor performance.

Contract and purchase requirements shall not be artificially divided to constitute a small procurement or evade the competitive bidding requirements.

### Purchases Over \$30,000 – Competitive Bidding

All purchases where the actual cost exceeds the limit established by 55 ILCS 5/5-1022 (\$30,000 as of 2022), shall be awarded by competitively sealed bidding following the guidance of 55 ILCS 5/5-1022, excluding professional services, and except as otherwise provided in the 1) Noncompetitive Procurement, 2) Emergency Procurements, 3) IT related Projects under thirty-five thousand dollars (\$35,000), and 4) Cooperative Joint Purchases or Blanket bid sections of this ordinance, or 5) as provided for by state statute.

Stringing is forbidden and purchases shall not be artificially divided for purposes of evading the competitive sealed bidding requirement.

At a minimum, all bid documents shall include:

- Instruction to bidders and/or offerors.
- General conditions.
- Bid and/or proposal forms.
- Special or supplemental conditions.
- Affidavits or certificates required by statute.
- Language indicating specific state statutes relating to the procurement function.
- Bonds and insurance requirements, and
- Prevailing Wage Requirements, as applicable.

### County Design-Build Projects

The County may elect to enter into design-build contracts pursuant to 55 ILCS 5/5-45001.



### **Bid security/bonding/requirements.**

A performance bond shall be required for all competitive sealed bidding for contracts of public works. It shall be in the form of a bond conditioned for the completion of the contract and shall be provided by a surety company authorized to do business in the State of Illinois. An irrevocable letter of credit may also be accepted for contracts under one hundred thousand dollars (\$100,000.00) other than contracts funded by motor fuel taxes, federal-aid funds, or funds received from the state. All security, whether in the form of a performance bond or irrevocable letter of credit, shall be deemed to contain the mandatory language in the Illinois Procurement Code, 30 ILCS 500/1-1 et seq,

**Amount of bid security or bid bond.** Bid security shall be in an amount not to exceed five percent (5%) of the amount of the bid. Bid security or bid bond need not be required unless the parent committee or elected official requests the bid instructions include a bid security or bid bond.

**Delivery of bonds, when required.** When a contract is awarded the required bonds or security in the amount stated in the bid document shall be delivered to the county and shall become binding on the parties upon the execution of the contract.

**Insurance requirements.** In some cases, the parent committee or department head will require the contractor and all subcontractors to maintain adequate insurance coverage for the duration of the contract. The department head shall determine, in consultation with the parent committee, the types and amounts of coverage that shall be required. The contractor shall have the county named as an additional insured as its interest may appear and furnish the parent committee with satisfactory evidence of said insurance.

**Bid acceptance and bid evaluation.** Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Ordinance. The department head, based on the requirements set forth in the invitation for bids, shall evaluate bids for responsiveness and recommend to the parent committee the vendor that is the lowest responsible bidder. Those criteria affecting the bid price and considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, total or life cycle costs, maintenance costs, and resale value. The invitation for bid shall set forth the evaluation criteria to be used. No criteria may be used in the evaluations that are not set forth in the invitation for bid. Alternative bids may be considered and accepted only if they are specifically provided for in the invitation for bids and meet the evaluation criteria set forth.

The parent committee shall evaluate the recommendation of the department head and approve/accept the bid from the lowest responsible bidder, subject to, and upon verification of:

- 1) Compliance with the county's Financial Policy, and
- 2) Compliance with the provisions of 55 ILCS 5/5-1022 (Competitive Bids), and
- 3) Availability of budget/appropriated funds.



## Correction or withdrawal of bids; cancellation of award.

**Bids withdrawn prior to opening.** Bids may be withdrawn prior to the bid opening upon written request of the bidder and in accordance with the terms and conditions contained in the bid document.

**Correcting bid totals.** After the bid opening, no changes in prices or other provisions shall be permitted, except to correct calculations, as stated in the terms and conditions contained in the bid document. If the vendor incorrectly extends their bid totals, the unit cost shall be used to correctly establish the vendor's bid response. The department head shall be responsible for reviewing all bid forms.

**Bid withdrawal after bid opening.** If the bidder alleges a material error or mistake of fact, he may be permitted to withdraw the bid if the bidder submits evidence, which clearly and convincingly demonstrates that an error was made. The withdrawal of the bid shall be supported by written documentation provided by the bidder that shall be presented for approval to the parent committee. When State or Federal Funds are used bid withdrawal conditions shall be subject to the respective fund requirements.

**Tie bids.** Should tie bids between equally responsive responsible bidders be received, the award shall be made by a coin toss or otherwise by random selection by the department head or parent committee. The department head shall notify all parties involved of the time and request that a representative of each party be present.

**Right of rejection.** The Parent Committee reserves the right to accept or reject any and all bids and the right to waive any technical errors found in any document.

**Award.** Federal, State or locally funded contracts shall be awarded by the Parent Committee with reasonable promptness by appropriate written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids and/or request for proposals. After the bid is awarded, the department head shall issue notices of awards and notices to proceed. All contractually required documentation is required prior to any notice to proceed.

## Noncompetitive Procurement

A contract may be awarded without competition when a department head determines after conducting a good faith effort by reviewing the available sources, that the contract by its very nature is not suitable to competitive bids or proposals. When a department head determines that an award of a contract should be made by noncompetitive procurement, they shall submit copies of their determining factors in writing to the parent committee. Examples of contracts, which may not be suitable for competitive bids or proposals, are as follows:

- There is only one source for the required supply, equipment, service, construction item, or professional service.
- Patented or proprietary items with only one manufacturer, contractor, or dealer in the area.
- Used equipment.
- Auction purchases.
- IT related projects under thirty-five thousand dollars (\$35,000.)

- Certain maintenance contracts that are limited to only one source for the highest qualified provider.

### Emergency Procurement

In emergency situations, the county board chairman, in consultation with the parent committee chair, shall have the authority to waive the bidding procedures set forth in this Ordinance pursuant to the following procedures:

- Emergency situation for the purpose of this subsection shall be defined as an imminent disruption of essential operations or conditions adversely affecting the safety, health or security of persons or property, where it is unfeasible to remedy such disruption or conditions through the use of normal competitive bidding procedures. The reason for the determination of the emergency shall be indicated in writing. Failure of the county department to a timely compliance with this Ordinance shall not prima facie constitute an emergency.
- When the county board chairman has declared an emergency, and when time allows, they shall request the effected department head obtain two (2) or more competitive quotes for all emergency services, equipment, repairs, and supply purchases.
- All emergency purchases approved by the County Board Chairman shall be reported in writing to the full County Board as soon as practicable. Emergency purchase reports shall contain the: (a) nature of the emergency, (b) vendor(s) name and address, (c) total amount expended, and (d) items or services provided.

### Cooperative Joint Purchasing and Blanket Bids

County departments are not required to (a) conduct local sealed bids for purchases requiring competitive sealed bids; or (b) obtain quotes for purchases under the minimum required bidding threshold established by 55 ILCS 5/5-1022, if purchases are made following 30 ILCS 525/1 et seq., which includes joint purchasing consortiums, such as CMS and Sourcewell.

### Bidder/Offeror Qualifications and Duties

**Vendor information required.** For any vendor to conduct business with Lee County, it shall first provide the county with certain information as required by this Ordinance, as well as all applicable state and federal law. All vendors shall provide the county with any additional information requested by the department head or parent committee. Any vendor who fails to submit requested information may be disqualified as an approved county vendor. The department head and parent committee are authorized to withhold payments to any vendor that fails to provide the necessary requested information.

## Contract Execution [For Competitive Bid Projects](#)

**Fiscal responsibility.** Prior to the approval of a contract, change order, or contract modification, the county parent committee shall certify that sufficient budgeted funds are available.

## Change orders and contract modifications.

The department head, in cooperation with the parent committee, shall have the authority to approve and authorize change orders as authorized by Illinois Public Works Contract Change Order Act, 50 ILCS 525/1 et seq. or change order specifications dictated by the Federal or State Funding Source.

Compliance with Criminal Code of 1961 and Public Works Contract Change Order Act. All change orders shall comply with section 33E-9 of the Illinois Criminal Code of 1961, 720 ILCS 5/33E-9, now in effect or as hereafter amended.

## Contract Renewals

All requests for contract renewals, when the cost exceeds the limit established by 55 ILCS 5/5-1022 (\$30,000 as of 2022), shall be presented to the appropriate parent committee. The department head shall indicate the desire for the renewal, the subsequent renewal term and the total dollar value for the renewal period.

Unless otherwise provided by law, a contract renewal clause may be entered into for any specified period of time deemed to be in the best interests of the County, not to exceed a total term of ten (10) years provided the term of the contract and conditions of additional renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting.

## Illinois Prevailing Wage Compliance

All department heads, bidders and contractors contributing to a Lee County public works project shall comply with the Illinois Prevailing Wage Act (Act), 820 ILCS 130/1 et seq.,

## Developing Specifications

**Department Head - Responsibility for Specifications.** The department head shall issue, revise, maintain, and monitor specifications for goods, services, construction, and professional services required by the county, except that, specifications for any public work involving professional engineering shall be prepared by a professional engineer. The department head may use established bid specifications issued by named brand vendors. However, when doing so the department head shall issue notice within those specifications that any item or equipment that is like or equal to the name brand specifications shall be considered for award.

**Highway Department.** The highway department may prepare specifications for construction and maintenance of highways, bridges, and culverts pursuant to IDOT standards.

**Parent Committee Role.** The parent committee shall provide advice and assistance to the department head in the development of specifications.

**Maximum practicable competition.** All specifications shall be drafted to promote overall economy for the purposes intended and encourage competition in satisfying the county's needs and shall not be unduly restrictive. The policy applies to all specifications including those prepared for the county by architects, engineers, designers, and draftsmen.

### Declaration of Non-Responsibility

**Authority to issue a declaration of non-responsibility.** After reasonable notice to the vendor involved and reasonable opportunity for that person to be heard, the Parent Committee is authorized to declare a vendor non-responsible for purposes of supplying goods, services, construction, and professional services to the county. The declaration shall be in effect for a period of not more than two (2) years, for all solicitations. The causes for such a declaration include:

- Conviction for commission of a criminal offence as an incident to obtaining or attempting to obtain public or private contract or subcontract, or in the performance of such contract or subcontract.
- Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or any other offenses indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a county contractor.
- Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
- Violation of contract provisions, as set forth below, of a character regarded by the county department as evidencing non-responsibility:
  - Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
  - A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance is not caused by acts beyond the control of the contractor.
  - Any other cause the department head determines to be so serious and compelling as to affect responsibility as a county contractor, including suspension by another governmental entity for any cause listed in this Ordinance.

**Decision to declare non-responsible.** The department head shall issue a written determination stating the reasons for the action taken and informing the affected vendor involved of his rights concerning administrative review. This shall not prevent the adversely affected vendor from appealing the department head's decision to the County Board pursuant to this Ordinance.

**Notice of decision.** A copy of the decision required by subsection (2) of this section shall be mailed by certified return receipt.

**Finality of decision.** A decision under subsection (2) of this section shall be final or conclusive, unless properly appealed pursuant to this Ordinance.

## Appeals and Remedies

Authority of the county administrator to settle bid protests, contract claims, and declarations of non-responsibility subject to statutory provisions.

- **Authority.** The county administrator is authorized to resolve any procedural protest regarding the solicitation or award of any bid, contract claims, and declarations of non-responsibility under the county board's purview.
- **Right to protest.** Any actual or prospective bidder, offeror, or contractor who believes he has been adversely affected in connection with the solicitation or award of a contract (protesting entity) may, within ten (10) calendar days of the solicitation, bid opening or award, by mail, fax or have served, a letter of protest to the county administrator.
- **Notice to the protestor of the county administrator's decision.** If the protest or claim is not resolved by mutual agreement, the county administrator shall mail or otherwise furnish a written decision to the protestor within ten (10) calendar days from the date of receipt of the protest. The decision shall state the reasons for the decision reached, and it shall inform the protestor of his option to appeal under subsection (d) of this section.
- **Protestor right to appeal.** The county administrator's decision shall be final and conclusive unless, within ten (10) calendar days from the date of receipt of the decision, the protesting entity sends, via certified mail, the County Board Chairman a written appeal challenging the county administrator's decision. The County Board Chairman, with the consent and approval of the state's attorney, shall render a written decision no later than ten (10) calendar days after receiving the written appeal.
- **Failure to render timely decision.** In the event the county administrator does not issue a written decision within the specified time prescribed under subsection (d) of this section, or within such longer period as may be agreed upon between the parties, the protesting entity may proceed with an appeal to the County Board Chairman as if an adverse decision had been received.
- **Delay of procurement during protest.** In the event a protesting entity timely submits a protest under subsection (d) of this section, the county administrator shall determine whether it is in the county's best interest to proceed with the solicitation of the bid, bid opening, or award of the contract

## Remedies for solicitations or awards in violation of law.

- **Prior to bid opening or closing date for receipt of proposals.** If, prior to the bid opening or the closing date for receipt of proposals, the parent committee, after consultation with the state's attorney, determines that a solicitation is in violation of federal, state, or local law, then the solicitation shall be canceled or revised to comply with applicable law.

## FINANCIAL & ACCOUNTING POLICIES AND PROCEDURES

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- **Prior to Award.** If after bid opening or the closing date for receipt of proposals, the parent committee, after consultation with the state's attorney, determines that a solicitation or a proposed award of a contract is in violation of federal, state, or local law, then the solicitation or proposal award shall be canceled in accordance with this Ordinance.
- **After Award.** If, after an award, the state's attorney determines that a solicitation or award of a contract violates federal, state, or local law, then, pursuant to Illinois law, the contract is void ab initio.

If the person awarded the contract has not acted fraudulently or in bad faith, the parent committee, after consultation with the state's attorney, may enter into a new contract, if necessary and feasible, correcting the federal, state, or local law violations.

If the person awarded the contract has acted fraudulently or in bad faith, the state's attorney's office may take whatever action it deems necessary and proper against the person or entity.