

Mutual Aid Box Alarm System – Illinois Administration – Purchasing

Index #: A-04-04

Adopted: 2/18/2017

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Subject: Purchasing
Functional Area: Administration
Category: Policy
Approved By: MABAS Executive Board



PURPOSE

The purpose of this document is to formalize the Purchasing policy for MABAS, outline the responsibilities of all parties involved, facilitate communication, and enhance supervision, monitoring, and evaluation of MABAS credit card use and expenditures.

RESPONSIBILITY

This policy applies to the MABAS Elected Board, MABAS CEO and related MABAS staff.

ACCOUNTABILITY

Enforcement of this specific policy rests initially with the MABAS CEO, followed by the MABAS President, 1st Vice President, 2nd Vice President, Treasurer/Comptroller and Secretary.

REPORTING REQUIREMENT

There is no routine reporting requirement for this policy.

BACKGROUND

The Mutual Aid Box Alarm System - Illinois (herein referred to as "MABAS") is a unit of intergovernmental cooperation created under the constitutional and statutory provisions of the State of Illinois, specifically 5 ILCS 220/1 et. seq. It is governed by an Executive Board comprised of representative of the various MABAS Divisions that comprise the MABAS mutual aid network in Illinois and surrounding states. Day to day operation of MABAS is under the direction of the Elected Board (Board) that is composed of the President, 1st Vice President, 2nd Vice President, Treasurer/Comptroller and Secretary. MABAS employs staff and or contractors to execute daily administrative and financial functions of MABAS.

The Board and all fiduciaries to MABAS shall act and discharge their fiduciary duties with respect to MABAS funds solely in the interest of MABAS. In discharging their duties they shall not: deal with the assets of MABAS in their own interest; act on behalf of any other party whose interests are adverse to the interests of MABAS; or receive any consideration for their own benefit from any party dealing with MABAS in connection with a transaction involving the assets of the MABAS.

POLICY

Section 1: General Policy

- 1.01 It is hereby declared that purchases of items or services by or on behalf of MABAS be executed in compliance with the terms and/or intent of this policy. This policy shall conform to the requirements of the Federal Acquisition Regulation (FAR) at 48 CFR Subpart 2.1 and IEMA Grant policies.
- 1.02 The purchasing standards and procedures set forth herein are designed to:
 - Attain maximum economy in operations to the ultimate advantage of MABAS.
 - Provide equal opportunity for qualified vendors to serve MABAS needs.
 - Encourage purchase and use of US made products.
 - Encourage the use of recycled products.

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- Support vendors subscribing to equal employment opportunity goals.
- 1.03 Purchases shall be categorized as operations, dues, enterprise or grant related, each bearing specific responsibilities and/or requirements.
- 1.04 All purchases require the execution of a purchase order on the MABAS purchase order system. Generally, purchase orders will be executed and approved prior to the purchase, however it is recognized that smaller maintenance related items or emergency response items will require purchase order execution after the purchase has been made. Purchase orders for operations related expenses should be obtained prior to purchase. Enterprise activities do not fall under the purchase order requirements, however purchases for enterprise activities is limited to individuals with expressed authority for enterprise activities.
- 1.05 Blanket purchase orders may be issued for routinely recurring expenses on an annual basis; one purchase order for each fiscal year.

Section 2: Purchases

- 2.01 Purchases of one or more items or services with a total cost less than \$100.00 do not require a pre-approved purchase order. However, a purchase order must be completed prior to invoice processing in accordance with the purchase order section of this policy. Further, these purchases do not require any bids or quotes.
- 2.02 Purchases of one or more items or services with a total cost between \$100.00 and \$999.99 require a pre-approved purchase order. Further, these purchases do not require any bids or quotes.
- 2.03 Purchases of one or more items or services with a total cost between \$1000.00 and \$3,499.99 require a pre-approved purchase order. Further, these purchases will require a minimum of two quotes from different vendors. Telephone quotes will be considered acceptable.
- 2.04 Purchases of one or more items or services with a total cost greater than \$3,500.00 to \$149,999.99 require a pre-approved purchase order. Further, these purchases will require a minimum of two or more written quotes or proposals from different vendors.
- 2.05 Purchases of one or more items or services with a total cost of \$150,000.00 or greater require the solicitation of formal bids from vendors.
- 2.06 The following are exceptions that may be utilized to the multiple bid, quote or proposal requirements specified in Sections 2.02 through 2.05:
- 2.06.1 A product has been listed for group purchasing through Illinois Central Management Services' group purchasing and procurement program.
 - 2.06.2 A product has been listed for group purchasing through the General Services Administration's (GSA) group purchasing and procurement program.
 - 2.06.3 Sole source vendors.
 - 2.06.4 Repeat purchases of equipment when it is determined that maintaining identical equipment is beneficial or necessary for safe and efficient operations.
 - 2.06.5 Purchases necessary to facilitate emergency and disaster responses when time is of the essence and following the requirements of Sections 2.03 through 2.05 would be detrimental to safe and efficient emergency response.
 - 2.06.6 Purchases of energy, garbage disposal, telephone, water, fuel, approved employee reimbursements, tuition/seminar fees, travel related costs.
 - 2.06.7 These exceptions, if used, must be noted on the MABAS Purchase Order Request form.

Section 3: Grant Related Purchases

- 3.01 Grant related purchases must be in compliance with the guidance for the specific grant or grant year.

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- 3.02 Purchases of one or more items or services with a total cost less than \$100.00 do not require a pre-approved purchase order. However, a purchase order must be completed prior to invoice processing in accordance with the purchase order section of this policy. Further, these purchases do not require any bids or quotes.
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- 3.06 Purchases of one or more items or services with a total cost of \$150,000.00 or greater require the solicitation of formal bids from vendors
- 3.07 The following are exceptions that may be utilized to the multiple bid, quote or proposal requirements specified in Sections 3.02 through 3.05:
 - 3.07.1 A product has been listed for group purchasing through Illinois Central Management Services' group purchasing and procurement program.
 - 3.07.2 A product has been listed for group purchasing through the General Services Administration's (GSA) group purchasing and procurement program.
 - 3.07.3 Sole source vendors.
 - 3.07.4 Repeat purchases of equipment when it is determined that maintaining identical equipment is beneficial or necessary for safe and efficient operations.
 - 3.07.5 These exceptions, if used, must be noted on the MABAS Purchase Order Request form.

Section 4: Bid – Proposal Procedure

- 4.01 A formal Request for Sealed Bids or Proposals shall be prepared, when required, complete with specifications, and mailed to a minimum of three (3) qualified providers of the product of services.
- 4.02 The Request for Bids or Proposals must contain the following minimum information:
 - 4.02.1 Specifications, technical or performance based requirements for the item(s) and/or service(s) to be quoted.
 - 4.02.2 Unless a "sole source" vendor or a specific product is determined to be in MABAS' best interest, brand names mentioned in specifications should carry a notation that brands specified are only a guide to the type and quality of materials or equipment desired.
 - 4.02.3 Equivalents or alternates may be submitted if quality of the structural components and actual performance is not materially affected.
 - 4.02.4 The specifications technical or performance based must be clear, specific, complete and accurately describe the article to be purchased; the desired performance requirements; and highlight any special requirements.
 - 4.02.5 Whenever possible, products made from recycled materials shall be preferred provided cost and quality criteria are equivalent.
 - 4.02.6 Whenever possible, American and/or Illinois made or assembled products shall be preferred provided cost and quality criteria are equivalent.
 - 4.02.7 Required delivery date and location for delivery.
 - 4.02.8 Person(s) to be contacted regarding questions pertaining to specifications.

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- 4.02.9 Any other special or unusual conditions affecting the bid.
- 4.02.10 Date and time the bids are due and place where the bids will be opened.
- 4.02.11 MABAS' right to reject any and all bids.
- 4.02.12 Certifications that the contractor is not barred from bidding under state law.
- 4.02.13 Instructions to Bidders (Exhibit "B" attached).
- 4.03 To the extent possible, a minimum of ten (10) business days should be provided for vendor response in the Request for Bid - Proposal process. Bids containing reservations of the right to increase the price bid will be not considered, except where the President/Elected Board finds acceptance to be in the best interest of MABAS.
- 4.04 Unless required by this policy, or by the procedural requirements of the funding source for the supplies, materials, equipment construction or services being purchased, no publication of a bid notice need be placed in local newspapers. All procedural requirements associated with the purchasing function by the funding source such as via federal or state grants, or other grant sources shall be faithfully performed.
- 4.05 Formal bids or proposals received prior to the time of scheduled opening will be kept secure and unopened. The CEO or designee whose duty it is to conduct the scheduled opening will decide when the specified time has arrived. No responsibility will attach to MABAS for the premature opening of a bid not properly addressed and identified. When such a bid is opened by mistake, the circumstances will be noted on the outside of the envelope, initialed and the envelope will be resealed by the person conducting the bid opening.
- 4.06 Formal bids or amendments thereto received by MABAS after the time of the scheduled opening will not be considered.
- 4.07 A written request for the withdrawal of a bid or any part thereof will be honored if the request is received by MABAS prior to the specified time of opening. After a bid opening, no bidder shall be permitted to withdraw or cancel his bid for a period of thirty (30) calendar days. The MABAS President/Elected Board or designee may permit withdrawal of a bid clearly in error due to improper extension or other obvious error upon written request and explanation by the bidder involved.
- 4.08 In the event MABAS receives a protest from a bidder, the protester will be advised to state and support his protest in writing. If other bidders are affected, prompt notice should be given to them so that they may likewise act in their own behalf. All supporting documents relation to the bid protest shall be forwarded to the MABAS President or designee. If an award has not been made, further purchasing action will be delayed pending a decision on the protest. The MABAS President or designee shall render a decision on this issue. Such decision may be further appealed to the Board.
- 4.09 Received bids or proposals shall be analyzed, any deviations from specifications noted and references checked to verify the lowest responsible bidder. Before awarding a contract or purchase commitment, applicable staff shall consider the skill and past performance of the vendor. In addition to price, other considerations will include an appraisal of such bidder's experience, facilities, technical and financial capabilities, capacity to complete the commitment on time, ability of bidder to provide future maintenance and service work, and assurance that the bidder meets MABAS criteria as a vendor. If two or more bids are equal, the determining factor shall be that all manufactured articles, materials and supplies have been made or produced in the United States and/or Illinois or its insular possessions.
- 4.10 MABAS is not obligated to accept the lowest bid or proposal. If the purchase or contract is awarded to a bidder other than the lowest, a written statement of reasons shall be prepared and attached to contract or purchase documentation.
- 4.11 Following successful bid and bid review, all documentation and bids or will be forwarded to the MABAS President for presentation to the Elected Board for formal action.
- 4.12 If no bids are received or none of the received bids meet specifications, the CEO or

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Designee shall contact suppliers to determine the reason. Specifications shall be reviewed and revised, if necessary, and a second solicitation for bids initiated.

No Purchase Order or contract will be awarded to any person, firm or corporation that has defaulted within the last five (5) years upon any obligation to MABAS or had been barred from bidding under Illinois law.

- 4.13 MABAS may at its option, prior to the award of a Purchase Order or contract, require the probable successful bidder to submit current financial statements, record of past performances or examples of similar work or permit inspection of facilities to enable MABAS to satisfy concerns beyond any reasonable doubt as to the bidder's qualifications and ability to meet MABAS specifications within the time stated.
- 4.14 Bidders on projects estimated to be in excess of \$25,000 shall, at MABAS' option, furnish either a 100% performance bond from a MABAS approved bonding company or a cashier's check in the minimum amount of 10% of the bid. All such projects shall solicit bids by legal notice placed in news media serving MABAS in addition to direct notification to qualified contractors. All projects utilizing State, Federal or local funds must follow the specific guidelines applicable to the funding source regardless of the estimated cost.
- 4.15 The successful contractor shall agree to save, hold harmless and defend MABAS, its Board officials and employees from and against any or all claims, demands, suits, liability and costs of defense (including attorney fees) for injury or death to any person or damage to or loss of property, which injury, damage, loss or expense is caused or arises out of performance of the work pursuant to the purchase commitment or contract.
- 4.16 No payment shall be made for any extra material or work than was stipulated to be paid in the contract or included in project plans and specifications unless such changes are expressly supported by a formal change order.
- 4.17 Change to any purchasing arrangement shall be governed by the same standards as apply to original purchases except:
 - 4.17.1 The MABAS CEO or Designee may approve substitutions of materials or services of equivalent value and utility to that originally specified.
 - 4.17.2 Changes that involve additions, such as units measured in place as part of construction projects may be approved by the MABAS President or Designee, provided the costs involved are accommodated by authorized project contingencies but not more than \$10,000.00.
 - 4.17.3 Changes which substantially alter the nature or scope of a purchase, contract or which exceeds \$10,000.00 shall be subject to the review and approval of the MABAS Elected Board prior to implementation.
- 4.18 Professional services (engineers, attorneys, architects, consultants, or other individuals or organizations possessing a high degree of technical skill) for total amounts under \$5,000 may be negotiated without quotation following purchasing procedures.
- 4.19 Professional services for amounts over \$5,000 shall utilize the Request for Proposal procedure. Where there is an established professional relationship with MABAS, the MABAS Elected Board may waive this procedure and determine to contract without a formal Request for Proposal.
- 4.20 To the extent specific use allows, each Request For Proposal should include a summary background of the problem or need; define the scope of services desired; suggest a project schedule complete with tasks and activities; relate receivables to a payout schedule; require identification and resumes of personnel to be assigned and applicable rate of pay and work allocation; itemization of all other costs; and examples of prior work experiences and references.
- 4.21 As a result of proposal analysis, a number of those responding may be invited to return for direct interviewing by an appropriate team of elected and staff officials. The interviewing team would then forward its recommendation to the MABAS President for presentation to the Board for formal action.

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- 4.22 Assistance may be required in developing specifications, assembling bidder lists and evaluating potential bidder qualifications. A conference prior to bidding may assist in clarifying specifications for the mutual benefit of both potential bidders and MABAS. Should such assistance be required, a representative number of potential bidders should be invited to participate in a joint review of draft specifications. The prime purpose of the conference should be to identify ambiguities and to improve, complete, correct or refine specification presentation.

Section 5: Purchase Order Processing Procedure

- 5.01 Step 1: Initial Request: An individual responsible for a specific grant or other area of responsibility that desires to make a purchase must complete the appropriate purchase order request (POR) form. Details including quantity, description and pricing must be completed, as well as vendor information and shipping instructions. When possible, specific grant information may also be included. Supporting documentation including price quotes, proposals, state-bid or GSA pricing information should be attached.
- 5.02 Step 2: Initial Approval: PORs must be submitted to the CEO electronically for initial review, processing and approval. Approved Grant related PORs proceed to Step 5.3. Approved non-grant PORs proceed to Step 5.4.
- 5.03 Step 3: Grant PORs: Grant PORs are entered into the online MABAS Grant Purchase Order System operated by ILEAS. Entered Grant PORs are then forwarded electronically to IEMA for approval. Once approved by IEMA, the approved POR is returned electronically to MABAS for final processing.
- 5.04 Step 4: Final Purchase Order: Approved PORs are transferred to final Purchase Order (PO) documents. Final POs require the final review and signature of the CEO. Once signed, the PO can be returned to the original requestor and/or released to the vendor for product/service acquisition.

Note:

- For POs in excess of \$150,000, signature approval of both the CEO and MABAS President are required.
 - For POs in excess of \$500,000, signature approval of both the CEO and MABAS President are required. Prior to the MABAS President approving these POs, consent of at least two additional Elected Board members is required.
- 5.05 Continuity of Operations: To maintain a fluid and dynamic operation, the following procedures may be implemented if one or more individuals is unable to fulfill the duties as related to and required in this policy:
- **CEO:** Back-up to the CEO, in order are, the Operations Section Chief, Administrative Section Chief and Deputy Administrative Section Chief.
 - **MABAS President:** Back-up to the MABAS President, in order are, the 1st Vice-President and 2nd Vice-President.
 - **MABAS Elected Board:** In the event 2 or more of the MABAS Elected Board are incapacitated, approval of purchases in excess of \$500,000 must receive affirmative approval of the simple majority of a quorum at a regular or special MABAS Executive Board meeting.

CONCLUSION

Acceptance and compliance with this policy should insure appropriate management of purchases for MABAS-IL.

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Appendix A

Grant Specific Purchasing Requirements

Federal Acquisition Regulation (FAR) at 48 CFR Subpart 2.1

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Appendix B

Instructions to Bidders

INSTRUCTIONS TO BIDDERS:

1. All items contained in these instructions are applicable to this quotation.
2. Envelope containing bid shall be marked plainly, "Sealed Bid" with material or service description, sealed, dated, and delivered in person or mailed in advance to be received before the time stated for opening of bids.
3. All bid proposals must be signed with the firm name by an authorized officer or employee of the company. Your signature attests that is bid is genuine and not collusive.
4. The city and state sale tax are not applicable to sales made to MABAS and must be excluded.
5. Bid price to be freight on board MABAS with delivery to local government unless otherwise stated in this call for bids. Title to the purchased goods does not pass until the items actually have been received by the purchaser. Prices shall be stated in units. In case of a computation conflict, the unit price shall govern.
6. All prices and notations must be in ink or typewritten. Mistakes may be crossed out and corrections typed adjacent but the correction must be initialed in ink by the person signing the proposal.
7. Bidder must state brand name and/or manufacturer of each item proposed in his/her bid. Guarantee and/or warranty must also be stated.
8. Parts and materials must be of current date (latest model) and meet specifications. This provision excludes surplus, re-manufactured, and used products except as alternate bid.
9. Bids will be considered on equipment or material complying substantially with the specifications. Each deviation shall be stated and the substitution described, including technical data when applicable, in a letter attached to the bid. Bidder will be required to notify MABAS of any subcontracting. Failure to note deviations from specification will invalidate your bid.

MABAS reserves the right to determine whether such substitutions or deviations are within the intent of the specifications and will reasonable meet the service requirements of the using department.

In addition to price and applicability, consideration for award may be given to engineering design which adds safety, energy savings, convenience, or adaptability for the use intended. Brand names mentioned in specifications do not indicate a preference, and are used only as a reference to the type and quality of materials or equipment desired.
10. All articles must be delivered at the prices bid. Bids containing reservations of the right to increase the price bid will not be considered, except where MABAS finds it in their best interest to do so.
11. Time of delivery is a major part of the award consideration and must be stated in definite terms. If time varies on different items, the bidder shall so state
12. Items of foreign origin must be so indicated. Your signature to the bid proposal will be taken as your certification that all manufactured articles, materials, and supplies not so indicated, have been made or produced in the United States or its insular possessions.
13. Unless otherwise specified, materials and equipment purchased will be inspected by the receiving authority as to meeting the quality requirements of the quotation.

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14. Bidders must be sure to specify any terms which they wish to offer. Cash discounts will be deducted from the base bid in determining the low bidder except those cash discounts based on payment in less than an acceptable number of days, which may not be considered.
15. The vendor shall hold the MABAS, its officers, agents and employees, harmless from liability of any nature or kind of account of us of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnish or under this bid call. The vendor, upon award of a contract, may be required to furnish a Certificate of Insurance prior to the signing of any purchase agreement.
16. The successful bidder is specifically denied the right of using in any form or medium the name of MABAS or its subdivisions for public advertising unless express permission is granted by MABAS.
17. All contracts to which MABAS is party, shall contain non-discrimination in employment clause which provides, "The contractor shall not discriminate against any employee or applicant because of race, creed, sex, color or national origin through the contract period."
18. No MABAS employee either on their own behalf or on behalf of any other person shall have any financial or personal interest in any business or transaction with any public body in MABAS unless they shall first make public disclosure of the nature and extent of such interest.
19. No MABAS employee or contract staff member shall be interested directly or indirectly in any contract with MABAS, in the compensation for work done, the materials or supplies furnished or any contractor or any other person furnishing same; nor shall they participate in any result of profits of such contractor or other person or receive any compensation, gift or reward to services unless they shall first make full public disclosure of the nature and extent of such interest and the contract is competitively let.