



Village of Hanover Park Administration

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JON KUNKEL
RICK ROBERTS
EDWARD J. ZIMEL, JR.

VILLAGE MANAGER
JULIANA A. MALLER

VILLAGE OF HANOVER PARK

VILLAGE BOARD REGULAR WORKSHOP MEETING

Municipal Building: 2121 W. Lake Street
Hanover Park, IL 60133

Thursday, December 20, 2012
6:00 p.m.

AGENDA

1. **CALL TO ORDER-ROLL CALL**
2. **ACCEPTANCE OF AGENDA**
3. **REGULAR BOARD MEETING AGENDA ITEM REVIEW**
4. **DISCUSSION ITEMS**
 - a. Purchasing and Procurement Card Policies
 - b. Adjustment to Fines and Fees
 - c. Hanover Square Construction Manager Contract
 - d. Waiver of Permit Fees for Little City Foundation
5. **STAFF UPDATES**
 - a. Hanover Square Update
6. **NEW BUSINESS**
7. **ADJOURNMENT**

Workshop Meeting 12/20/12



TO: Village President and Board of Trustees

FROM: Juliana Maller, Village Manager
Rebekah Flakus, Finance Director
Kay Nees, Assistant Finance Director

SUBJECT: Proposed Purchasing and Procurement Card Policy Changes for Approval

ACTION

REQUESTED: Approval Concurrence Discussion Information

MEETING DATE: December 20, 2012 – Board Workshop

Executive Summary

Proposed changes to the Purchasing and Procurement Card Policies.

Discussion

In April 2012, the purchasing authority of the Village Manager was increased from \$10,000 to \$20,000. The purchasing and procurement card policies needs to be updated to reflect this change. Additional review of these policies was done by the Finance Department and Manager's Office to update the Manager's authority, as well as make changes to the dollar thresholds and approval processes. Revisions of the two policies are summarized below.

- **Purchasing Policy** – Revisions include changes in the thresholds and quotes for vendor selection, purchase orders, blanket purchase orders and check requests.
- **Procurement Card Policy**- Revisions also include the above listed Purchasing Policy changes. Additional revisions include updates to the responsibilities of employees/management, issuance of Procurement Card including tax exempt information and changes to the Procurement Card purchasing levels.

The most extensive revisions were around the process for selecting vendors. A review of surrounding municipalities' thresholds for quotes, purchase orders and approvals was performed to ensure that staff recommendations were in line with surrounding communities. With this review in mind, Staff developed new thresholds for quotes, purchase orders and approval requirements.

Agreement Name: _____

Workshop Meeting 12/20/12

Executed By: _____

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<u>Dollar Limit</u>	<u>Requirement</u>
Under \$1,000.00	No quote or Purchase Requisition Form is required. Employees are encouraged to seek quotes whenever possible.
\$1,000.00 - \$3,000.00	Three verbal quotes are required. The quotes shall be recorded in the Check Request Form. Purchase Request Form not required.
\$3,000.00 - \$10,000.00	Three written quotes are required. The quotes shall be recorded on the Purchase Requisition Form.
\$10,000.00 - \$20,000.00	A Purchase Requisition is required. These purchases shall be competitively bid unless it falls under the exceptions listed in the purchasing manual.
Over \$20,000.00	A Purchase Requisition Form is required. These purchases shall be competitively bid unless it falls under the exceptions listed in the purchasing manual. Request requires Finance Director, Village Manager & Village Board approval.

The Purchasing Policy requires Village Board Approval. Staff requests direction to proceed in preparing the Agenda Item to be approved at the next Village Board Meeting.

The Procurement Card Policy is an internal Administrative Policy and does not require an official motion at a board meeting to approve it.

Recommended Action

Move approval of revisions to Purchasing Policy and place on next Village Board agenda.

Attachments: Village of Hanover Park Purchasing Policy, Administrative Policy Hanover Park, IL. – Village Procurement Card

Budgeted Item:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Budgeted Amount:	\$NA	
Actual Cost:	\$	
Account Number:		

INTRODUCTION

This purchasing manual has been prepared to provide the Village Board and employees with guidelines and direction for the acquisition of goods and services. All Village employees involved in purchasing activities are expected to read and follow the procedures and policies outlined in the manual. The policies included in this manual have been established to ensure the economical procurement of quality goods and services while providing fair and equitable treatment of all persons involved in public purchasing, and complying with all Village, State and Federal laws and regulations. The policies included in this document comply with the policies adopted by the Village Board included in the Hanover Park Municipal Code. They supersede all previous purchasing and related policies. Purchasing procedures have been included to provide a “how to” guide for selecting the “best vendor”, preparing a purchase requisition or check request, and other procedures relating to purchasing and vendor payment processing.

This manual is designed to be a fluid document and will be modified from time to time to conform to changes in legislation, technology and actual practice. Although it may not answer every question related to purchasing practices, it does provide general guidelines for purchasing activities. Employees who need assistance with specific situations not covered in this manual should contact the Account Technician II – Accounts Payable, Assistant Finance Director or the Finance Director.

The Village Manager, or his/her designee, shall be the final authority with regards to the enforcement of any of the provisions of this manual. Following is a listing of sections of the Hanover Park Village Code related to purchasing:

<u>Section</u>	<u>Description</u>
2-179 (11)	Emergency Purchases
2-182	Contracts
2-183	Purchases
2-184	Sale of Personal Property
2-345	Bills; Payroll
2-373	Payment of Bills

Village of Hanover Park
Purchasing Policy

PURCHASING POLICY

A. Employee Conduct and Code of Ethics

All Village employees engaged in purchasing and related activities shall comply with all relevant laws, ordinances, policies and established Village procedures. The expenditure of public funds requires the highest degree of public trust to protect the interest of the Village and the residents of Hanover Park. Village employees shall:

1. Ensure that public funds are spent efficiently and effectively and in accordance with laws, regulations, and Village policies and procedures.
2. Ensure that all potential suppliers are provided with adequate and identical information upon which to base their proposal, quotation or bid.
3. Ensure that fair and equal consideration is given to each proposal, quotation or bid received.
4. Never allow purchases for identical or similar goods or services to be intentionally purchased separately in order to circumvent established policies.
5. Follow Village policies relating to conflicts of interest as provided in the Personnel Rules & Regulations manual and Interference with the Bidding Process as attached (Exhibit A). It is Village policy to observe the highest standards of ethics and to shield the employee, the Village and the vendor from any suggestion or appearance of a conflict of interest or violation of law.

B. Approval of Village Purchases

All purchases shall require approval of the appropriate persons as described in the guidelines below:

<u>Dollar Limit</u>	<u>Required Approval</u>
Under \$1000.00	Division and Department Head
\$1,000.00 - \$10,000.00	Division and Department Head, Finance Director
\$10,000.00 - \$20,000.00	Finance Director, Village Manager
Over \$20,000.00	Village Manager and Village Board

The Division Head, Department Head, Finance Director or Village Manager, may authorize and designate someone else to grant approval in their absence. The Finance Director or his/her designee is authorized to sign purchase orders for amounts up to \$10,000 for which funds have been budgeted. The Village Manager or his/her designee

must sign all other purchase orders and contracts. Contracts over \$20,000 require Village Board Approval, and may then be signed by the Village Manager or his/her designee. In addition, all purchases of computer and computer related equipment must be reviewed by the Information Technology Director.

The petty cash system may be used for cash purchases under \$50. These funds are NOT to be used to avoid or circumvent normal purchasing procedures of the Village. Supporting documentation must accompany all petty cash vouchers. All petty cash vouchers must bear division and department head approval.

C. Vendor Selection Criteria

1. Price

Price analysis shall include but not be limited to:

- a. Price quotes
- b. Prior price quotations and contract prices
- c. Prices published in catalogues or price lists
- d. Prices available on the open market
- e. State/Intergovernmental purchasing contracts

2. Lowest Responsible Vendor

The following factors may also be considered when making vendor selection:

- a. The ability, capacity and skill of the vendor to provide the service or materials required
- b. The ability, capacity or skill to provide the service or materials promptly, or within the time specified
- c. The qualification, experience or efficiency of the goods/services supplied by the vendor
- d. The performance of previous contracts or services
- e. The vendor compliance with the laws and/or ordinances relating to the service or materials
- f. The sufficiency of the financial resources and ability of the vendor to perform the goods/services
- g. The quality, availability and adaptability of the materials or contractual services to the particular use required
- h. The ability of the vendor to provide future maintenance and service
- i. The number and scope of any conditions attached to the proposal, quotation or bid.

3. Local Preference in Purchasing

- a. When securing price quotations, Department Heads shall ensure that qualifying local vendors are solicited. No price preference will be given to local vendors; however, if everything else is equal between two or more possible vendors, the local vendor will be given preference.
- b. Local vendor means any person, firm, partnership, corporation (including franchises or branches) licensed to conduct business within the Village, physically operating within the corporate boundaries of the Village, and subject to Village taxes.

4. Non-Discrimination

The Village of Hanover Park, in an effort to promote non-discrimination, encourages the efforts of contractors and subcontractors in providing for Equal Employment Opportunity without regard to race, religion, creed, color, sex, national origin, age or handicap or any other characteristic protected by law that is unrelated to the ability to perform the job. The Village also seeks to promote non-discrimination in its purchasing. In keeping with this policy, Village departments will not discriminate when choosing vendors for pricing information or selecting vendors.

5. Interoperable Emergency Response Equipment

The Village of Hanover Park is a partner in various mutual aid assistance programs and receives grant funds from state and federal governments. A key requirement of these agreements is that mutual aid equipment purchased by the Village must be compatible (i.e., interoperable) with the equipment of other agencies. To that end, the federal government has developed a Standardized Equipment List (SEL) that contains minimum equipment recommendations for emergency response equipment. The SEL promotes interoperability and standardization across the response community at the local, state, and federal levels by offering a standard reference and a common set of terminology. When securing price quotations, department heads shall ensure that interoperable emergency response equipment meets the requirements of the SEL unless waived by the Village Manager.

D. Vendor Selection Requirements

1. General Policy for Vendor Selection

Employees are responsible for obtaining quotes for purchases as outlined below. Verbal quotes must be written on the Purchase Requisition Form prior to submitting the form to the Finance Department. Written quotes must be attached to the Purchase Requisition Form prior to submitting the form to the Finance Department. Requisitions submitted without the required quotes or a satisfactory explanation of why quotes were not obtained, for example, sole source, emergency purchase or standardized vendor, will be returned to the originating department. Employees shall not disclose information, including price, derived from quotes to competing vendors.

<u>Dollar Limit</u>	<u>Requirement</u>
Under \$1,000.00	No quote or Purchase Requisition Form is required. Employees are encouraged to seek quotes whenever possible.
\$1,000.00 - \$3,000.00	Three verbal quotes are required. The quotes shall be recorded in the Check Request Form. Purchase Request Form not required.
\$3,000.00 - \$10,000.00	Three written quotes are required. The quotes shall be recorded on the Purchase Requisition Form.
\$10,000.00 - \$20,000.00	A Purchase Requisition is required. These purchases shall be competitively bid unless it falls under the exceptions listed in the purchasing manual.
Over \$20,000.00	A Purchase Requisition Form is required. These purchases shall be competitively bid unless it falls under the exceptions listed in the purchasing manual. Request requires Finance Director, Village Manager & Village Board approval.

Items purchased repeatedly during the fiscal year, for example, top soil, cement, copier paper, office supplies, do not require quotes each time a purchase is made, however, competitive quotes for these items shall be sought at least once each year to ensure that vendors are competitive (See Blanket Purchase Orders).

Items between \$10,000.00 and \$20,000.00 shall be competitively bid and let to the lowest responsible bidder. The Village Manager has the authority to waive the competitive bidding requirement. Items exceeding \$20,000.00 must be competitively bid and let to the lowest responsible bidder pursuant to Illinois Compiled Statutes, Chapter 65, Paragraph 5/8-9-1.

Contracts for public improvements (permanent improvement upon real property) owned by the Village exceeding \$10,000 shall be competitively bid and let to the lowest responsible bidder pursuant to Illinois Compiled Statutes, Chapter 65, Paragraph 5/8-9-1. The Village Board may waive the competitive bidding requirement by a 2/3 vote of trustees. The Exceptions to the General Policy for Vendor Selection are exceptions to the bid requirement.

2. *Exceptions to the General Policy for Vendor Selection:*

a. Joint Purchasing

The Village may purchase supplies, personal property and services through a joint purchase agreement with one or more other governmental units. Such purchases shall be let by competitive bid as provided by the Government Joint Purchasing Act, 30 ILCS 525/1 *et seq.*

State of Illinois

Village employees are authorized to obtain goods and services using the State of Illinois Joint Purchasing Program. When available through the State program, it is not necessary for Village employees to obtain quotes or to competitively bid the goods or services which are sought. Employees shall be responsible, however, for ensuring that the goods or services are of a quality sufficient to meet the Village's needs and that pricing is competitive.

When making purchases using the State's assigned vendor, employees shall submit a purchase requisition to the Finance Department. The purchase requisition shall include the name of the vendor, the State of Illinois contract number, and the Village's assigned joint purchasing member ID number. This information will be included on the purchase order.

Other Joint Purchasing Programs

Employees are authorized to utilize the following joint purchasing programs when the price of the goods or services is competitive and the quality meets the Village's standards:

Northwest Municipal Conference
DuPage Mayors and Manager's Conference
Illinois Municipal League
Suburban Purchasing Cooperative
Others in Compliance with Government Joint Purchasing Act
US Communities

Employees should prepare a purchase requisition form for the purchase per the instructions of the agency utilized.

Other Units of Government

Employees are permitted to purchase items jointly with other units of government when the price of the goods or services sought is competitive and the quality meets the Village's standards. Prior to initiating the transaction, employees shall seek the written approval of the Finance Director.

All questions regarding joint purchasing opportunities should be directed to the Account Technician II – Accounts Payable, the Assistant Finance Director or the Finance Director.

b. Sole Source Purchases

Contracts for parts, supplies or equipment that are available only from a single source are referred to as sole source purchases. Sole source purchases may arise from the following circumstances:

- Equipment or services for which there is no comparable competitive product or service, or is available only from one vendor.
- Public utilities.
- A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer.
- An item or service where compatibility or service capability is the overriding consideration, such as computer software or maintenance agreements.
- Supplies for which the Village has developed standards for consistency, for example water meters or computers, that are available from only one vendor.

The requisitioning department should document any attempts to identify alternate suppliers and explain the uniqueness of the product or service on the requisition. It is the responsibility of the requisitioning department to justify the need for any sole source

purchase. These items shall not be subject to requirements for seeking competitive quotes or bids. However, any purchases in excess of \$20,000 shall be presented to the Village Board prior to acquisition with a request to approve and waive bid requirements by a 2/3 vote of trustees, if applicable.

c. Emergency Purchases Policy

Emergencies are defined as events that could not have been foreseen where immediate action is necessary. Equipment failure, vehicle breakdown, storm damage and anything jeopardizing public safety and welfare are considered emergencies. In the event of an emergency affecting the public health and safety, the Village Manager or his designee may authorize purchases per Section 2-179 (11) of the Hanover Park Municipal Code to address the emergency.

If the emergency expenditure occurs outside of regular business hours, the department head may authorize expenditures up to \$10,000 to alleviate the possible danger to public health and safety. Whenever possible, the Department Head should notify the Village Manager of the emergency and the need for immediate action prior to incurring the expenditure. Emergency expenditures costing \$10,000.00 to \$20,000.00 will need Village Manager or his/her designee to authorize the expenditure. Should the cost of the immediate action necessary exceed \$20,000, the Village Manager or his/her designee must authorize the expenditure and the Village Board must be notified of the emergency, the necessity for action and provided with an itemized listing of all expenditures promptly.

d. Professional Services

Professional services are exempt from the requirement of prior competitive quotes or bidding when the services require the exercise of professional and significant business judgment to the Village. Professional services include, but are not limited to, doctors, attorneys, engineers, testing services, surveyors, auditors, bond consultants, real estate appraisers, architects, or other professional consultants.

Although not required, the Village as a home rule community may comply with the Local Government Professional Services Selection Act (50 ILCS 510/0.01 *et seq.*) in the selection of architectural, engineering and land surveying services, unless it has an existing satisfactory relationship for such services with one or more firms.

E. Purchase Orders

Purchase orders are required for any purchase of goods or services over \$3,000. A check request is used to authorize payment for purchases that do not require a purchase order. A purchase order may be prepared for purchases under \$3,000 if required by the vendor.

F. Check Requests

Check request forms are used for purchases of goods and services under \$3,000 or other payments for which the purchase order process is not appropriate, for example, payroll withholding payments, bond principal and interest payments, utilities, professional services, employee reimbursements, and employee training. Check requests may also be used for construction contracts, provided the request includes the board approved contract cost, the amount paid-to-date, the amount requested and the total.

G. Blanket Purchase Orders

When, in the ordinary course of Village business, no single purchase of, or individual contract for a specific type of supply, material or service from a particular vendor by a department exceeds \$3,000 but is less than \$10,000, but the total dollar value of all anticipated purchases and/or contracts for a specific type of supply, material, or service during the Village's fiscal year does exceed said amount, a Blanket Purchase Requisition shall be prepared for the vendor and submitted to the Finance Department. The use of a blanket purchase order for these situations is required to streamline the purchasing process and ensure that competitive quotes are obtained. The required Village procedures for soliciting quotes or requiring bids or a request for proposal should be followed based on the amount of the blanket purchase requisition. Blanket Purchase Requisitions for cumulative payments to a vendor exceeding \$20,000 during one fiscal year require Village Board approval prior to the issuance of a Blanket Purchase Order. Blanket Purchase Requisitions should be submitted to the Village Board after the approval of the fiscal year's budget or if before, should clearly indicate that they are being approved pending the approval of the budget. All blanket purchase orders expire at the end of the fiscal year; therefore, a new requisition needs to be prepared each fiscal year.

Blanket purchase requisitions may also be prepared for vendors with which the Village has a Procurement Card account in an effort to simplify the processing of charge transactions. All charge transactions must be approved by the Department Head. These vendors may be used for daily operating supplies. The Village Procurement Card accounts should not be used to circumvent normal purchasing procedures. A purchase requisition is required for any purchase of an individual item over \$3,000. In addition, individual charge items purchases over \$3,000.00 will require vendor quotations as specified in the *Vendor Selection Requirements* section of this policy.

Encumbrances are not generated by the computer system when a blanket purchase order is prepared, expenditures are charged to the account when the payment is processed. Department Heads should ensure that adequate funds are available in an account to process blanket purchase order transactions throughout the fiscal year.

H. Purchases for which Funds, or Sufficient Funds, have not been Budgeted

All purchases under \$10,000 for which funds, or sufficient funds, have not been appropriated in the budget for the fiscal year require Village Manager approval prior to the issuance of a purchase order or check. The expenditure should be taken from the appropriate account based on the nature of the expenditure. The requisitioning department head should advise the Village Manager which account within the department has excess funds available to accommodate the purchase. The Village Manager has the authority to revise the budget within any fund (Hanover Park Municipal Code, Section 94-6), however, funds should be available within the requisitioning department's budget for the expenditure. The Village Manager may authorize a budget transfer to facilitate the expenditure, or authorize the over expenditure of a particular account if funds are available elsewhere in the department's budget.

Unbudgeted purchases over \$20,000 require Village Board approval. The request submitted to the board for approval should include the authorization to increase the budget if necessary. No revision to the annual budget shall be made increasing the budget in the event monies are not available to do so.

ADMINISTRATIVE POLICY HANOVER PARK, ILLINOIS



DIRECTIVE: 001

SUBJECT: **Village Procurement Card**

POLICY: The Village of Hanover Park has established an administrative purchasing policy and procedures manual. The Village procurement card is intended to provide for an alternative method to secure goods and services in compliance with existing purchasing policy.

PURPOSE: To provide select Village employees the opportunity to pay for preapproved Village travel, place reservations for lodging or purchase low cost items from vendors and service providers who do not honor purchase orders as approval for payment. Vendors that accept procurement card payments for regular purchases may be paid through use of the Village procurement card only after going through the proper approval process.

I. Standards of Care

A. *Employee Conduct*

1. Employees must adhere to the prescribed Ethics and Conduct Section of the Employee Handbook (Article #104) to ensure that all public funds are spent efficiently and effectively and in accordance with laws, regulations, and Village policies and procedures.
2. Although the Village procurement card lists the individual's name, the card is actually issued to the Village of Hanover Park. The cardholder acknowledges that he/she is committing Village resources whenever they use the Village procurement card. The Village procurement card has no impact on the cardholder's personal credit. The cardholder is the person responsible for all charges made on behalf of the Village on the Village procurement card. Misuse or fraudulent abuse will result in disciplinary action and recovery of all unauthorized purchases. Misuse or fraudulent abuse could also result in

4.a.

dismissal and/or criminal prosecution. The cardholder is also responsible for notifying vendor of the Village's sales tax exempt status and ensuring all applicable purchases are exempt.

3. The Human Resources Director will be responsible for including, in employee files, a completed Village procurement card Acknowledgement Form for anyone in possession of a Village procurement card. A Village procurement card will not be ordered until the Acknowledgment Form is signed.
4. The Finance Director is responsible for implementing the Village Procurement Card Program within the Village. He/she is also responsible for card issuance, cancellation and updating credit limits. He/she will order Village procurement cards for select employees once notified by the Human Resources Department that a signed Acknowledgement Form has been received.
5. The Village Manager or his/her designee will approve and set all credit limits on the Village procurement cards. The Department Head of the cardholder must request a limit to be set for a cardholder. The credit limit will be updated to the approved amount after written notification is received from the Village Manager or his/her designee by the Finance Department.
6. The Assistant Finance Director is the Village's primary representative to the Village procurement card vendor and will receive monthly billings statements and management reports. Additionally, the Village Manager and Finance Director will also receive these same reports listed above. On a monthly basis, the Village Manager, Finance Director or Assistant Finance Director will review monthly billing statements.
7. Village procurement cards will be issued to select employees, as determined by their Department Head and approved by the Village Manager or his/her designee. Examples of these employees may include:
 - Village Manager
 - Village Department Heads
 - Administrative Assistants of a Department who makes purchases for supplies and materials
 - Division Heads or Supervisors deemed necessary by a Village Department Head

B. Issuance of Procurement Card to Employees

1. To obtain a Village procurement card, an Acknowledgement Form must be completed, properly approved, and submitted to Human Resources.
2. Human Resources will advise the Finance Director when it is appropriate to issue the Village procurement card. The Village procurement card will be issued with the name of the cardholder, the Village of Hanover Park's Federal Tax Identification number and the Village of Hanover Park's name embossed on the front. Authorized use of the procurement card is limited to the person whose name appears on the face of the card. The Village procurement card must not be loaned to another person.
3. The Village procurement card, or any document containing the card account number, should be kept in an accessible but secure location. The account number on the Village procurement card should not be posted or left in a conspicuous place. Faxing of the account number should be minimized. If the Village procurement card is lost or stolen, the cardholder must immediately contact their immediate supervisor. The supervisor will immediately notify the Village's Finance Director, department head and Fifth Third Bank at (800) 375-1747.
4. Immediately upon an employee's resignation, retirement, termination of employment, or other circumstances as determined by a department head, Human Resources Director or Village Manager, Village procurement cards must be returned to the Village and canceled. It shall be the responsibility of the Department Head to collect Village procurement cards from employees to be forwarded to the Assistant Finance Director for cancellation.
5. Village Purchases are not subject to sales tax; therefore, it is the responsibility of the employee to inform vendors of the Village's tax exempt status and to ensure that sales tax is not paid for purchases made with petty cash or procurement cards. Sales tax, if charged, will be the responsibility of the employee to pay unless otherwise authorized or waived by the Department Head or Village Manager. Employees shall provide vendors a sales tax exemption form upon request (attachment 1). The form may be obtained from the Finance Department. Use of the Village's sales tax exemption number is restricted to purchases made on behalf of the Village.

- 6. Finance Department will send monthly billing statements to all cardholders with activity. Cardholders must return statements with all supporting documents and approvals within one work week. If at any time an employee fails to adhere to the procurement card policy or fails to turn in the supporting documents within the specified time frame, the Finance Director & Village Manager have the authority to suspend or cancel any cardholder’s procurement card at any time.

II. Procurement Card Levels

A. Purchasing Policy

- 1. No employee shall purchase goods or services on behalf of the Village without first seeking approval as required by this policy. The Division Head, Department Head, Finance Director or Village Manager, may authorize and designate someone else to grant approval in their absence. The Finance Director or his/her designee is authorized to sign purchases for amounts up to \$10,000 for which funds have been budgeted. The Village Manager or his designee must sign all other purchase orders and contracts. Contracts over \$20,000 require Village Board Approval, and may then be signed by the Village Manager or his designee. In addition, all purchases of computer and computer related equipment must be reviewed by the Information Technology Director. All purchases shall require advance approval of the appropriate persons as described in the guidelines below:

<u>Dollar Limit</u>	<u>Required Approval</u>
Under \$1,000.00	Division and Department Head
\$1,000.00 - \$10,000.00	Division and Department Head, Finance Director
\$10,000.00 - \$20,000.00	Finance Director, Village Manager
Over \$20,000.00	Village Manager and Village Board

B. Credit Limit Guidelines

- 1. The Village has also established credit limit guidelines for Village procurement card holders. The credit limits will be maintained by the Finance Department and will only be changed or updated with the Village Manager’s written approval.

2. Temporary increases for one-time larger approved purchases may be allowed with the Village Manager's written approval. The credit limit will return to the previous limit in the next billing cycle.

III. Training

A. All Village employees authorized and approved to receive a procurement card must complete required training prior to receiving their procurement card. The Human Resources Department will be responsible for conducting the training.

1. The required training will include the following:
 - a. Review of the Village Procurement Card Policy
 - b. Review of the Ethics & Conduct section (Article #104) of the Employee Handbook
 - c. Completion of the Procurement Card Acknowledgement Form
 - d. Additional review of any department specific guidelines as necessary
 - e. Step by step instruction manual with a member from the Finance Department reviewing all steps with each cardholder.



TO: Village President and Board of Trustees

FROM: Juliana Maller, Village Manager
Rebekah Flakus, Finance Director

SUBJECT: Fines and Fees

ACTION

REQUESTED: Approval Concurrence Discussion Information

MEETING DATE: December 20, 2012 – Board Workshop

Executive Summary

Review and approval to proceed with increases in the Village's Fines and Fees

Discussion

Staff put together a listing of all fines and fees assessed within the Village. The list was then broken down and reviewed by the appropriate Departments. Each Department analyzed surrounding municipality fines and fees and assessed whether or not increases needed to be made. Many of the Village's fines and fees have not been updated in several years, some as long ago as 1988. Other fines and fees were seen as comparable to the surrounding municipalities and staff is not requesting any adjustment to those.

Attached is a listing of the fines and fees staff is requesting changes to. Proposed Fee increases include:

- Commuter lot Fees
- Liquor License Fees
- Business License Fees
- Plan Review Fees
- Building Permit Fees
- Inspection Fees
- Development Applications Fees
- Cost Recovery Fees
- Miscellaneous Fees

All of the proposed increases to the Fees attached are comparable to surrounding municipalities and will generate additional revenue. Currently, the cost of staff time in the field is not being offset by the revenue generated. The increases will help to offset some of the expenses incurred and will help to diversify the Village's revenue sources.

Recommended Action

Approve proposed increases to fines and fees and direct Village Attorney to draft necessary ordinance and place on the January 10, 2013 Village Board agenda.

Attachments: Fines and Fees Spreadsheet

Agreement Name: _____

Workshop Meeting 12/20/12

Executed By: _____

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Fines and Fees			
	<u>Current Fee</u>	<u>Proposed New</u>	<u>Rationale</u>
FEE, PARKING LOT METER	\$1.25/per day	\$1.50	study data
FEE, PARKING LOT PERMIT (Per Month)	\$25	30.00	study data
FEE, PARKING LOT PERMIT (3 or more months)	\$30	\$90	Study Data
TRANSFER TAX	Exempt \$10 or based on sale price (\$1.50 per \$500)	Exempt \$25 or based on sale price (\$2.50 per \$500)	
KENNEL FEES	\$35 & up	\$45	2004 last ordinance
Business Premise Inspections/ Health inspections	\$35.00 or \$50.00	All \$50	Actual cost
<u>Liquor Licenses</u>			
Class A	\$1,900	\$1,995	5% increase
Class AA	\$2,100	\$2,205	5% increase
Class AAA	\$2,100	\$2,205	5% increase
Class B	\$1,700	\$1,785	5% increase
Class C	\$1,000	\$1,050	5% increase
Class E	\$1,200	\$1,260	5% increase
Class F	\$1,200	\$1,260	5% increase
Class G	\$25 per day	no change/	
Class H	\$100	\$105	5% increase
Class J	\$1,000	\$1,050	5% increase
<u>Additional Fees</u>			
<u>Business License Fees (based on Square Feet):</u>			
Food establishments	\$95-\$375	\$100-\$394	5% increase
Service establishments	\$40-\$125	\$42-\$131	5% increase
Retail & Wholesales	\$40-\$300	\$42-\$315	5% increase
<u>Taxicab:</u>			
Per cab	\$25	\$50	study data
Cab driver's permit	\$20	\$50	study data
<u>Contractor registration:</u>			
General contractor	\$100	\$105	5% increase
Solicitors (see section 58-386).	\$10	\$25	Processing Fee
PLAN REVIEW FEES			
Accessory structures	10% of the permit fee - no less than - \$25	10% of the permit fee - no less than - \$50	Study data
Commercial remodel	10% of the permit fee - no less than - \$75	10% of the permit fee - no less than - \$100	Study data
Mechanical/Electrical/Plumbing - new	25% of base plan review	25% of base plan review for all permits (not just new)	Study data

Fines and Fees			
	<u>Current Fee</u>	<u>Proposed New</u>	<u>Rationale</u>
Health	25% of the permit fee - no less than - \$25	25% of the permit fee - no less than - \$50	
Fire - New	25% of base plan review	25% of base plan review for all fire (not just new)	Study data
Consultants	pass- thru		
Multiple Units	50% of 1st Review		
BUILDING PERMIT FEES			
Residential and Commercial	\$10/ \$1000 valuation/ Minimum - \$35	\$12/ \$1000 valuation/ Minimum - \$50	Study data
MISCELLANEOUS FEES			
Fences	\$35	\$50	Study data
Fireplaces	\$35	\$100	Study data
Heating and Air Conditioning Units	\$35	\$75	Study data
Gasoline or Fuel Dispensing Hose	\$35	\$50	Study data
Hydraulic or Air Lift Unit	\$35	\$50	Study data
Underground Storage Tank			
1-1,000 gal	\$35	\$50	Study data
Each additional 1,000 gal	\$20		
Shoring, raising or underpinnings			Study data - All fees for shoring to be under this line item
0-100 lineal feet	\$35	\$100	
Each additional 100 lineal feet	\$20	Remove This Fee - Covered under general shoring fee	
House and building moving			
Moving a structure within present lot	\$75	\$100	Study data
Fire Protection			
Water supply line inspection	\$60	\$100	Study data
INSPECTION FEES			
Reinspection Commercial	\$35	\$50	Actual Cost
Reinspection Residential	\$25	\$50	Actual Cost
Misc. Inspection	\$35	\$50	Actual Cost
Elevator Inspections			
New Installation - Current consultant fee			
Certificate of Occupancy			
Final Certificate of Occupancy (Not currently a separate fee)	\$0	\$100	Study data
COST RECOVERY			
Medical			
Basic Life Support with non-emergent transport to area hospital	\$500	\$200	
Fire			
Extrication	\$350	\$500	

Fines and Fees			
	<u>Current Fee</u>	<u>Proposed New</u>	<u>Rationale</u>
Extinguishing motor vehicle fire	\$350	\$500	
Salvage Operation	\$350	\$500	
Development Applications			
Annexation	1,000, plus \$50/acre	\$1,200, plus \$75/acre	Study data
Variance	\$150 residential, \$350 other	\$225 res, \$525 comm	Study data
Special Use (including Amendment)	\$500	\$750	Study data
Text Amendment	\$350	\$525	Study data
Rezoning/Map Amendment	\$350	\$525	Study data
Planned Unit Development (including Amendment)	\$750	\$1,125	Study data
Subdivision/Consolidation	\$750, plus \$150/acre over 5 acres	\$1,125, plus \$200/acre over 5	Study data
Appeal	\$250	\$375	Study data



TO: Village President and Board of Trustees

FROM: Juliana A. Maller, Village Manager
Howard A. Killian, Director of Engineering and Public Works

SUBJECT: Hanover Square Construction Manager

ACTION

REQUESTED: Approval Concurrence Discussion Information

MEETING DATE: December 20, 2012 – Board Workshop

Executive Summary

Staff is recommending the President and Village Board approve the contract documents with Innovative Construction Solution, Inc. of Brookfield, Wisconsin in an amount not to exceed \$250,000 for Construction Manager Services for the Hanover Square Shopping Center.

Discussion

Staff has been working to enter into a contract with a Construction Management firm to oversee both the white box build outs and possible major projects such as façade improvements and parking lot improvements. Staff prepared Request for Qualification statements, with seven firms submitting their proposals. The Village Manager, Planner, Director of Engineering and Public Works, and two representatives from Schermerhorn Commercial Real Estate reviewed the submittals and interviewed the top two firms. Based on the submittal, and the interview, staff is recommending that the Village work with Innovative Construction Solutions, Inc. of Brookfield, Wisconsin. Staff and the Village Attorney are currently finalizing the draft contracts.

The recommendation is for the Village Board to approve a Master Construction Management Agreement with Innovative Construction Solution, Inc. for upcoming white box work. When leases are signed, the Village Manager would be authorized to sign an addendum that falls within the Master Contract for a not to exceed amount for that particular space. The Construction Management firm would be paid a percentage of this cost for overhead, general conditions, and profit.

Once under contract, the process would work as follows:

1. A potential tenant discusses a proposed lease and size of space desired.
2. The Construction Manager, working with the Village and the Management Company, will develop a scope of work and proposed cost estimate of build out.

Agreement Name: _____

Workshop Meeting 12/20/12

Executed By: Juliana Maller

Page 24

3. After cost estimate is agreed upon, the Construction Manager will proceed with obtaining competitive pricing for all work to be completed. A guaranteed maximum price contract, falling under the provisions of the main contract, will be reviewed by the Village and Management Company.
4. If acceptable, the Village Manager will authorize the Construction Manager to proceed with the build out.
5. All trades, including the architect, will work directly for the Construction Manager.
6. Construction Manager, for their services, will be paid 5 percent for overhead and 4 percent for profit.

For any major improvement to the center, staff will bring a new contract to the Village Board for consideration. Staff is currently finalizing the contracts and will send them to the Village Board prior to the meeting.

Recommended Action

Motion to approve contract documents with Innovative Construction Solution, Inc. of Brookfield, Wisconsin in an amount not to exceed \$250,000 for Construction Manager Services for the Hanover Square Shopping Center and authorize the Village Manager to execute the necessary documents.

Attachments:

Budgeted Item:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Budgeted Amount:	\$0	
Actual Cost:	\$250,000	
Account Number:	033-0000-465-13.21 (TIF)	



TO: Village President and Board of Trustees

FROM: Juliana A. Maller, Village Manager

SUBJECT: Approve the Waiver of Permit Fee for the Little City Foundation Group Home located at 1826 Grosse Pointe Drive

ACTION

REQUESTED: Approval Concurrence Discussion Information

MEETING DATE: December 20, 2012 – Board Workshop

Executive Summary

The Little City Group Home at 1826 Grosse Pointe Drive, is participating in the DuPage County Weatherization program. This program is funding the installation of a forced air, induced draft furnace at the Little City Group Home.

Discussion

The attached letter was received from Lisa Averill, Nortek Environmental, Inc., requesting the Village waive the permit fee associated with installation of the furnace.

Permit fees total \$360, with the breakdown being as follows:

- \$35 (minimum permit fee)
- \$75 (plan review fee)
- \$100 (cash bond)
- \$50 (Contractor registration fee)
- \$100 (\$10,000 Surety Bond)

Recommended Action

Waiver of the permit fees is not recommended.

JM:smk

Attachments: Letter of Request

Agreement Name: _____ **Workshop Meeting 12/20/12**

Executed By: _____ **Page 26**



November 30, 2012

Village of Hanover Park
 2121 West Lake Street
 Hanover Park, Illinois 60133
 Attn: Chief Hess

Per our conversation I am asking you to consider the following:

We are an HVAC contractor has been chosen through the Du Page County Weatherization program to install a furnace for Little City Foundation, 1826 Grosse Pointe Circle. I am attaching a letter from my supervisor from DuPage County that explains the guidelines of this program.

I am asking you that the board waives the fees associated with the install since this is a program that offers financial assistance. We currently are not registered in the Village of Hanover Park and do not work regularly in your village, only through the weatherization program and these fees are quite excessive.

You had stated the fees were:
 \$35 minimum permit fee
 \$75 plan review fee
 \$100 cash bond
 \$50 Contractor registration fee
 \$10,000 Surety bond (Our Cost \$100)

These amounts total \$360

Several other cities waive these fees and I am hoping you will do the same. I understand that the board meets on the 20th of December and a decision will be made.

I thank you for your time and considering my request.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Averill", written in a cursive style.

Lisa Averill
 President

630-548-1500-Phone 600 Industrial Dr. #102, Naperville, IL 630-548-1526-Fax
 100 S. Illinois Street, Suite 200, St. Charles, IL
 www.nortekenvironmental.com



DuPage County
DANIEL J. CRONIN
 COUNTY BOARD CHAIRMAN

DEPARTMENT OF COMMUNITY SERVICES

CLIENT
 SERVICES
 (630) 407-6500

COMMUNITY
 DEVELOPMENT
 (630) 407-6600

FAMILY
 CENTER
 (630) 407-2450

PSYCHOLOGICAL
 SERVICES
 (630) 407-6400

SENIOR
 SERVICES
 (630) 407-6500

November 29, 2012

To Whom It May Concern:

This letter is to inform the code enforcement office of Hanover Park, IL that the Little City Group Home at 1826 Grosse Pointe Dr., is participating in the DuPage County Weatherization program. This program is funding the installation of a forced air, induced draft furnace at the Little City Group Home. Little City is a non-profit organization that offers assistance to disabled/special needs individuals. This work is being funded by a federal entitlement program geared towards low-income individuals. Nortek Environmental is the HVAC contractor that has been assigned the installation. If there are further questions, please contact me at (630) 407-6466 or david.stuckey@dupageco.org.

Thank you,

David Stuckey
 DuPage County Weatherization Supervisor

E-mail: csprograms@dupageco.org

JACK T. KNUEPFER CENTER • 421 N. COUNTY FARM ROAD • WHEATON, IL 60187