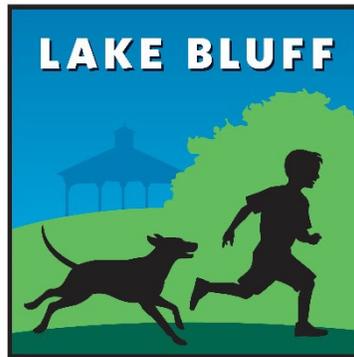


Village of Lake Bluff Purchasing Policy



**NORTH SHORE LIFE
LAKE BLUFF STYLE**

**Revised and Adopted by Village Board:
May 1, 2022**

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Purchase Methods (Section 3)	Simplified Purchasing	Open Market Purchasing (Three Quotes)	Competitive Purchasing
Less than \$5,000	X	X	X
\$5,000 to \$24,999		X	X
Exceeding \$25,000			X
Exceptions (Section 4): Emergency Purchases; Repetitive Purchases; Professional Services; Sole Source Purchases; Cooperative Purchases; Use of Federal Funds; Common Sense Exception.			

Purchase Approval (Section 5)	
Approval Authority	Purchase Amount
Department Head or designee	Less than \$5,000
Finance Director	Less than \$10,000
Village Administrator	Less than \$25,000
Village Board	\$25,000 or more

Introduction.

- 1.1 **Purpose.** This Policy provides the framework for the Village's operational purchases, including:
 - 1.1.1 The selection of vendors for Village business so as to balance fair competition, efficiency in purchasing, and transparency in the use of public funds;
 - 1.1.2 The incorporation of best practices into the terms of solicitations and contracts;
 - 1.1.3 The means of approving purchases and any changes to purchases (change orders); and,
 - 1.1.4 The administration of payments, contracts, and other essential purchasing actions.
- 1.2 **Scope.** This Policy is applicable to all purchases for goods and services of every type or nature by the Village and its employees, except that it does not apply to:
 - 1.2.1 The Lake Bluff Public Library or the Foreign Fire Insurance Board.
 - 1.2.2 Any expenditures by the Village to issue refunds of Village fees or taxes.
 - 1.2.3 Any Village payroll expenses, including any payments of earned salary, taxes, insurance and fringe benefits, pension and retirement obligations, and the like, regardless as to whether the liability to pay is the employer's or the employee's.
- 1.3 **Responsible Officer.** The Village Administrator and the Finance Director are jointly responsible for the implementation of this Policy.
- 1.4 **Home Rule Authority.** The Village of Lake Bluff is a home rule municipal corporation in accordance with Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970. The Village has exercised its home rule authority to adopt this Policy. Therefore, any provisions of this Policy that conflict with State statute control except when the General Assembly has preempted the Village's home rule authority.
- 1.5 **No Third Party Beneficiaries.** The authority and procedures provided by this Policy are to enable purchases that, in the Village's own judgment, are most favorable to the interests of the Village and the public. This Policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable against the Village. Moreover, the Village Board has the authority to expressly or impliedly waive the strict following of this Policy.
- 1.6 **Key Definitions.**
 - 1.6.1 **"Department Heads"** are the Chief of Police; the Fire Chief; the Building Codes Supervisor; the Village Engineer; and the Public Works Superintendent. This definition does not exclude the Village Administrator and Finance Director, who have powers in excess of Department Heads under this Policy.
 - 1.6.2 **"Purchase"** refers to a single project and/or contract for goods and/or services, including construction and professional services. In the case of a renewing agreement, each renewal is a separate purchase.
 - 1.6.3 **"Purchase Value"** refers to the sum of all payments to a single vendor, including any of its subcontractors, for a single project and/or resulting from a single contract. The purchase value is gross, not net, and is not reduced by credit given by a vendor for the trade-in or return of equipment. The purchase value includes all sums to be paid using grants and outside funding.
 - 1.6.4 **"Purchaser"** refers to the person engaging in a purchase on behalf of the Village in the manner provided by this Policy.

- 1.6.5 “**Vendor**” refers to any counter-party to the Village in a purchasing contract, regardless of form. Examples of “vendor” include contractors, consultants, lessors, and suppliers.
- 1.6.6 “**Contract**” refers to any written instrument between the Village and one or more vendors to purchase goods and/or services in exchange for payment, regardless of form. Examples of “contracts” include written contracts, service and maintenance agreements, professional services agreements, leases, accepted quotes and proposals, and Village purchase orders delivered to a vendor.
- 1.6.7 “**Bidder**” refers to any prospective Vendor participating in a competitive solicitation for Village business, regardless of form. Examples of “bidders” includes respondents to requests for bids, proposals, and qualifications.
- 1.6.8 “**Bid**” refers to any offer in response to a competitive solicitation for Village business by a Bidder, regardless of form. Examples of “bids” include responses to requests for bids, proposals, and qualifications.
- 1.6.9 “**Change Order**” refers to a written change in a contract term, other than as specifically provided for in the contract, which authorizes or necessitates any increase or decrease in the cost of the contract or the time to completion. (See Section 6.)

2 **Purchase Methods (Solicitation).**

- 2.1 **Simplified Purchasing.** For expenditures less than \$5,000, a purchaser may procure goods and/or services where the purchaser determines the price is reasonable. The purchaser’s determination may be based on research, experience, purchase history, or other information.
- 2.2 **Open Market Purchasing.** Open market purchasing is an option for all procurements less than \$25,000. In open market purchasing, a purchaser procures goods and/or services after comparing available options in the marketplace without a formal advertisement.
 - 2.2.1 Open market purchases should, wherever practicable, be based on at least three written quotes. However, a solicited vendor’s failure to provide a written quote within a reasonable period of time should not delay the Village’s purchasing process.
 - 2.2.1.1 Prompt open market purchase decisions are important to the Village’s operations as well as strong and responsive relationships with vendors. Open market purchase decisions should generally last no longer than 21 calendar days from inception to the selection of a vendor.
 - 2.2.1.2 Solicitations for quotes may be subject to a fixed deadline no sooner than five working days after a solicitation is sent in order to expedite the selection process.
 - 2.2.1.3 When only one quote is provided at the conclusion of a solicitation period, that fact alone does not prevent the Village from accepting that quote.
 - 2.2.2 Quotes may be solicited for open market purchases by direct mail, telephone, e-mail, public notice, online solicitation, or any other method deemed appropriate by the Village.
 - 2.2.3 Quotes solicited through open market purchasing need not be sealed or opened publicly.
 - 2.2.4 The purchaser may proceed with the vendor who provides the most advantageous cost benefit to the Village, which may or may not be the lowest price quoted.

- 2.3 **Competitive Purchasing.** Competitive purchasing is an option for all procurements, but is only required for purchases exceeding \$25,000. Before using competitive purchasing, a purchaser should weigh the benefit a competitive solicitation is expected to yield for the Village versus the resource cost of conducting a solicitation and the applicability of any purchasing exceptions provided in this Policy (such as cooperative purchasing opportunities). Competitive purchasing procedures are provided in Section 3.

3 **Competitive Purchasing Procedures.**

- 3.1 **Responsible Officer.** The Department Head responsible for a purchase is ordinarily responsible for conducting competitive purchases in the manner provided in this Section. The Village Administrator and the Finance Director may provide direction on specific details of competitive purchases.
- 3.2 **Generally.** Competitive purchasing consists of a public advertisement seeking bids to provide goods and/or services followed by a reasonable response period to allow for the submission of sealed bids.
- 3.3 **Methods.**
- 3.3.1 **Formal Bidding.** Formal bidding is appropriate where: (i) a complete, adequate, and realistic specification or purchase description is available; (ii) when two or more responsible bidders are willing and able to compete effectively; and (iii) when the procurement lends itself to a firm, fixed price contract such that an award can best be made principally on the basis of price.
- 3.3.2 **Request for Proposals (RFP).** A request for proposals may be used where competition is desirable yet where conditions are not appropriate for selections based principally on price. Most commonly, RFPs are appropriate for the procurement of professional services (except when a Qualification-Based Selection process is appropriate). Evaluation may be based on the bidder's initial written submittal as well as presentations, interviews, references, and other competitive steps, which may include all bidders or only those bidders who submit the proposals that are likely to be the most advantageous for award. Contracts are to be awarded to the bid that is most advantageous to the Village considering price and other factors.
- 3.3.3 **Qualifications-Based Selection (QBS).** Generally, the Village will use the request for proposals process for procuring design, architecture, and engineering professional services as competitive pricing information assists the Village in negotiating the most advantageous contract.¹ However, the Village may use a Qualifications-Based Selection process where it is in the best interest of the Village to do so; where required by law; or where required as a condition of outside funding.²
- 3.3.4 **Other Methods; No Limitation.** The foregoing list does not limit the Village's ability to use other lawful methods of competitive procurement.

¹ As a home rule municipality, the Village is not subject to the Local Government Professional Services Selection Act (50 ILCS 510/).

² For example, see Sections 5-5.06 of the Illinois Department of Transportation's *Bureau of Local Roads and Streets Manual* for common requirements applicable to State and Federal funding of road projects, including projects paid in part with Motor Fuel Tax revenues.

- 3.4 **Standard Forms.** The Village Attorney has prepared standard forms that are generally applicable and that satisfy all of the following requirements. Employees engaged in the procurement process should consider whether it is practical and prudent to use a form prepared by the Village Attorney prior to using a bidder's form contract.
- 3.5 **Bid Advertisement.** Each competitive purchase must be advertised to potential bidders.
- 3.5.1 **Online Publication.** A public notice and invitation to bid must be posted on the Village website. Each announcement must contain:
- 3.5.1.1 A general description of the goods or services to be purchased;
 - 3.5.1.2 The location of the work site, if applicable;
 - 3.5.1.3 The place where detailed bid documents may be found and reviewed;
 - 3.5.1.4 The deadline, place, and manner for the submission of bids;
 - 3.5.1.5 If a bid opening is to be conducted, the time and place of the bid opening; and
 - 3.5.1.6 A reservation of the Village's rights to accept any and all bids, waive irregularities and informalities; and request additional information necessary in order to evaluate the responsibility and responsiveness of bidders and their bids as described elsewhere in this Section.
- 3.5.2 **Newspaper Publication.** For public works expected to be in excess of \$50,000, the advertisement must be published in at least one newspaper of general circulation within the Village. All other procurements may also voluntarily be published.
- 3.5.3 **Direct Invitations.** A bid may optionally be shared with potential bidders by direct mail, telephone, e-mail, public notice, online publication, or any other method deemed appropriate by the Village. Direct invitations to bid may be delivered no earlier than the day notice is first published pursuant to Section 3.5.1. In issuing direct invitations, Village employees should not provide a potential bidder with any information that is not available in the bid documents to all potential bidders.
- 3.6 **Response Period.** The deadline for bids must be no sooner than 10 days after the online publication required by Section 3.5.1. Generally, the Village prefers to allow a period of 14-30 days for the submission of bids to increase competition.
- 3.7 **Bid Bond / Guarantee.** For public works expected to be in excess of \$50,000, each bidder must provide a bid guarantee equivalent to five percent of the proposed total contract price unless this requirement is waived by the Village Administrator. The Village Administrator may direct that this requirement may be added where it is not required, modified, or waived. The bid guarantee must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. Bond sureties must meet the requirements provided in Section 7.2.3 of this Policy.
- 3.8 **Opening of Bids (Formal Bidding).** All bids that are to be awarded primarily on the basis of price must be opened in public at the time specified in the bid advertisement. The opening may be done in person or by electronic means that is available to bidders who desire to witness the opening (i.e. on the Zoom platform). At least two other people, who may be employees of the Village, must witness the opening. A bid tabulation must be prepared summarizing all bids opened.

- 3.9 **Best Responsible and Responsive Bidder.** The result of a competitive purchase should be award of the contract to the best responsible and responsive bidder who has offered the most advantageous pricing or cost benefit based on the criteria stipulated in the bid documents. The responsibility and responsiveness of the bid may include an evaluation of:
- 3.9.1 The Bidder's compliance with the bid documents, including required plans and specifications, and with bidding and contract requirements including the provision of all bond security, performance and payment bonds, and certificates of insurance;
 - 3.9.2 The ability, capacity, and skill of the bidder to perform the solicited work;
 - 3.9.3 Whether the bidder has the requisite facilities, plant, capital, financial resources, organization, and staffing to enable the bidder to perform the solicited work successfully and promptly, within the time specified, without delay or interference;
 - 3.9.4 The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - 3.9.5 The quality of the bidder's performance of previous contracts or services;
 - 3.9.6 The previous and existing compliance by the bidder with other contracts and the laws or ordinances relating to said contracts;
 - 3.9.7 Where relevant, the ability of the bidder to provide future maintenance and service;
 - 3.9.8 Any material imbalance between line items in the bid, such that different items are bid significantly less and more than the vendor's cost for different items of work, which (i) gives rise to reasonable doubt that the bid will result in the lowest overall cost to the Village even though it may be the low tabulated bid; or (ii) are so unbalanced as to be tantamount to allowing an advance payment;
 - 3.9.9 The conditions placed on the bid by the bidder; and
 - 3.9.10 Any other factor that the Village may legally consider in selecting the bidder that is in the Village's best interest.
- 3.10 **Disqualifying Low Bidders (Formal Bidding).** Where award is to be made principally based on price (i.e. to the low bidder) and (i) the apparent low bidder does not qualify as a responsible and responsive bidder; or (ii) the low bidder's response is incorrect or incomplete in a manner that constitutes an unwaivable and material defect, the Village will disqualify the low bidder from consideration.
- 3.11 **Reservation of Rights.** Notwithstanding Sections 3.9 and 3.10, every bid document issued by the Village will include an express reservation of rights to the effect that the Village may accept the bid that is, in its judgment, the best and most favorable to the interests of the Village and the public; accept any item of any bid; reject any and all bids, including the low price bid; and waive irregularities and informalities in any bid.
- 3.12 **Accepting Single Bid.** When only one bid is received, that fact alone does not prevent the Village from accepting that bid or awarding the purchase to the sole bidder.
- 3.13 **No Bid Lists.** The Village does not maintain bid notification lists and does not encourage the submission of unsolicited statements of qualifications.
- 4 **Exceptions to Solicitation.** The following circumstances justify the selection of a vendor without first engaging in Open Market or Competitive Solicitation as required by Section 2. It is the responsibility of the purchaser to document the qualifying circumstances that justify the use of an exception.
- 4.1 **Emergency Purchases.** Solicitation may be waived where the public exigency or emergency necessitating a purchase will not permit delay.

- 4.2 **Repetitive Purchases.** For purchases valued under \$25,000, it is not necessary to solicit for purchases that are repetitive in nature where prices or rates are not expected to change. A purchaser may rely on Village solicitations for substantially similar work completed within either or both (i) the preceding 90 days or (ii) the same fiscal year.
- 4.3 **Professional Services.**³ Any contract for professional services, where the vendor must exhibit a high degree of professional skill and/or where the ability or fitness of the individual is important to the fulfillment of the services, may be awarded in a manner most advantageous to the Village. Specifically, and without limitation, the Village may retain any firm with which it has an existing satisfactory relationship for the same type of services without further solicitation. This exception may also extend to goods and materials purchased in conjunction with professional services.
- 4.4 **Sole Source Purchases.** Solicitation may be waived where an item or service is only available for purchase from a single source. Typically, equivalents to a “brand name” product should be accepted, and a “brand name” should not be specified solely to justify a sole source award. However, specifying a specific brand or product can be appropriate in certain circumstances, especially where doing so will ensure interoperability or uniformity.
- 4.5 **Cooperative Purchases.**
- 4.5.1 **Generally.** The Village may participate in (before or after award), sponsor, conduct, and/or administer cooperative purchases in lieu of its own solicitation. This includes, but is not limited to, the Village’s participation in contracts let by the State of Illinois, the U.S. General Services Administration, other public agencies, and other procurement associations and partnerships. Joint purchases are highly preferred as they improve the efficiency of procurement and allow the Village to realize significant economies of scale. A procurement competitively bid through a cooperative purchase initiative shall satisfy the requirements of Sections 3.2 to 3.12 of this Policy.
- 4.5.2 **More Favorable Terms.** Nothing prevents the Village from negotiating for more favorable terms from a vendor holding a cooperatively awarded contract. This Policy does not require competitive solicitation in these circumstances, even if the ultimate terms of the purchase deviate from the strict basis of the cooperative award.
- 4.5.3 **Authority to Enter Cooperatives.** The Village Administrator is authorized to enter into contracts with other public agencies as well as procurement associations and partnerships for the primary purpose of allowing the Village to access joint purchasing opportunities.
- 4.6 **Use of Federal Funds.** Any purchase that utilizes federal funds will comply with the applicable requirements of 2 CFR § 200. Nothing in this exemption prohibits the use of other available exceptions that are also permissible under 2 CFR § 200. Based on an evaluation of risk and the Village’s procurement procedures, as supported by its annual audit and history of compliance with the Illinois Grant Accountability and Transparency Act (30 ILCS 708/), the following increased thresholds apply to these procurements:
- 4.6.1 **Flexible Purchasing** procedures may be used for purchases not exceeding the Federal micro-purchase threshold currently in effect at the time of purchase (currently \$10,000), or up to any increased micro-purchase threshold (currently up to \$50,000) as may be approved by the applicable Federal agency; and,

³ As a home rule municipality, the Village is not subject to the Local Government Professional Services Selection Act (50 ILCS 510/).

- 4.6.2 **Open Market Purchasing** procedures may be used for purchases not exceeding the Federal simplified acquisition threshold in effect at the time of purchase (currently \$250,000), except that three written proposals must be obtained.
- 4.7 **Common Sense Exemption.** No solicitation is required prior to purchases which, by their nature, are not suited to competition. This includes, but is not limited to, the purchase of: public utility services; postage; magazines, books, periodicals, and other educational materials; membership in trade, lobbying, or professional organizations; and purchases from other units of government, including intergovernmental cooperatives.
- 5 **Purchase Approval.**
- 5.1 **Generally.** Prior to engaging in any purchase, a purchaser must obtain any approval provided in this Section 5, regardless of how a vendor was selected. Each person reviewing, recommending, or approving a purchase is responsible for ensuring the selection of a vendor is consistent with this Policy.
- 5.2 **Approval Levels.**
- 5.2.1 **Under \$5,000.** A Department Head may approve purchases with a total value under \$5,000 and may review and recommend purchases with a value over \$5,000. A Department Head may delegate this authority to others over whom they have authority.
- 5.2.2 **Up to \$10,000.** The Finance Director may approve purchases with a total value under \$10,000.
- 5.2.3 **Up to \$25,000.** The Village Administrator may approve purchases with a total value under \$25,000.
- 5.2.4 **\$25,000 and Over.** The Village Board may approve purchases with a total value exceeding \$25,000 by resolution duly adopted.
- 5.3 **Exception (Waiver of Competitive Bidding for Public Works).** Where a contract (i) for a public work or improvement (ii) is over \$25,000 in value, (iii) is not competitively solicited, whether by the Village or through cooperative purchasing; (iv) is not with the Federal government or an agency thereof; and (v) is not paid in whole or in part by special assessment or special taxation, the contract must be authorized by a vote of two-thirds of the trustees then holding office excluding the Village President.⁴ This requirement applies regardless of any purchasing exception provided in Section 4 of this Policy.
- 5.4 **Purchase Requisitions and Purchase Orders.** The Village generates electronic purchase orders internally to process and memorialize the procurement process, including how a purchase was solicited and approved. A purchase order must be generated for purchases in excess of \$5,000 and is optional in other circumstances. A purchase order does not be provided to a vendor unless required by the vendor or deemed prudent by a purchaser.
- 5.5 **Execution Authority for Contracts.** Any Department Head may execute contracts for less than \$5,000 in total value. Either the Village Administrator or the Finance Director must execute contracts for \$5,000 or more. Executed contracts may not be provided to a vendor until every necessary approval under this Policy has been obtained, including the generation of a purchase order (Section 5.4).

⁴ 65 ILCS 5/8-9-1

- 5.6 **Emergency Purchases.** An emergency purchase is one where it would not be prudent or practical to delay a purchase due to a public exigency or emergency. Notwithstanding any other provision of this Section, for emergency purchases:
- 5.6.1 **Under \$25,000.** The Village Administrator may verbally authorize emergency purchases under \$25,000.
 - 5.6.2 **Over \$25,000.** The Village Administrator and the Village President may verbally authorize emergency purchases over \$25,000. In the absence of the Village President, the chair of the Village Finance Committee may provide concurrence. In the absence of both the Village President and the Finance Committee chair, any two trustees may provide concurrence. The Village Administrator must present any emergency expense over \$25,000 for ratification by the Village Board of Trustees at its next regular or special meeting.
 - 5.6.3 **Other Procedures.** Any Department Head may sign a contract for an approved emergency purchase. A purchase order may be generated after the fact for an approved emergency purchase.

6 **Change Orders.**

- 6.1 **Generally.** The approval of a written change order is required for any change in a contract term, other than as specifically provided for in the contract, which authorizes or necessitates any increase or decrease in the cost of the contract or the time of completion.
- 6.2 **Prohibited Change Orders.** No change order concerning a public work may be approved that authorizes or necessitates any increase in the contract price, or the price of a sub-contract, by 50% or more of the original contract price.⁵ These items of work must be treated as a new procurement.
- 6.3 **Major Change Orders.** Major change orders are those that increase or decrease a contract price by \$10,000 or more, or increase the time of completion by 30 days or more. The Village Board of Trustees must, by resolution, find that one of the following circumstances exists in order to authorize a major change order:⁶
 - 6.3.1 The circumstances said to necessitate the change were not reasonably foreseeable at the time the contract was signed; or
 - 6.3.2 The change is germane to the original contract; or
 - 6.3.3 The change order is in the best interest of the Village and authorized by law.

Exception: Where both the original contract and revised contract have a value less than \$25,000, the Village Administrator is authorized to make written findings necessary to approve a major change order.
- 6.4 **All Other Change Orders.** For all change orders other than major change orders, the Village Administrator may approve a change order upon the recommendation of a Department Head or the Finance Director.
- 6.5 **Execution Authority for Change Orders.** The Village Administrator has the sole authority to execute change orders.

⁵ Public Works Contract Change Order Act (50 ILCS 525/).

⁶ Criminal Code of 2012, Article 33E: Public Contracts (720 ILCS 5/33E-9).

Contract Terms and Administration

- 7.1 **Standard Forms.** The Village Attorney has prepared standard form contracts that are generally applicable and that satisfy all of the following requirements. Employees engaged in the procurement process should consider whether it is practical and prudent to use a form prepared by the Village Attorney prior to using a bidder's form contract.
- 7.2 **Financial Assurances.** Unless waived by the Village Administrator, the following financial security requirements apply to contracts for public works in excess of \$50,000⁷ that are not emergency purchases (Section 4.1 of this Policy):
- 7.2.1 **Performance Bond.** Each vendor must provide a performance bond for 110 percent of the contract price to assure fulfillment of all the vendor's requirements under such contract.
- 7.2.2 **Labor and Material Payment Bond.** Each vendor must provide a labor and materials payment bond for 110 percent of the contract price to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
- 7.2.3 **Surety Qualifications.** The surety of any bond must be a company that is licensed and authorized by the Illinois Department of Insurance to execute surety bonds. The company must have a financial strength rating of at least A- as rated by A.M. Best Company, Inc., Moody's Investors Service, Standard & Poor's Corporation, or a similar rating agency.
- 7.3 **Liability Protection and Indemnity.** All proposed contracts for services should contain provisions requiring the vendor to defend, indemnify, and hold harmless the Village and its officials, employees, agents, and volunteers from any and all liability in the broadest terms possible.
- 7.4 **Insurance.** Each purchaser should, in consultation with the Finance Director, set insurance requirements for each purchase of services. Insurance requirements should be based on either the Village's insurance guidelines or the advice of legal counsel. Every competitive procurement must list all insurance coverage requirements applicable. Unless waived by the Finance Director, all insurance requirements must include that:
- 7.4.1 The Village and its officials, employees, agents, and volunteers must be named as additionally insured on a primary and non-contributory basis.
- 7.4.2 Policies must be in a form, and from companies, acceptable to the Village.
- 7.4.3 No change, modification in, or cancellation of any insurance can become effective until the expiration of 30 days after written notice thereof are given by the insurance company to the Village.

⁷ By its home rule authority, the Village exempts itself from the public works provisions of the Public Construction Bond Act (30 ILCS 550/). The \$50,000 threshold provided is at the Village's own election.

- 7.5 **Prevailing Wage, Equal Opportunity, and Requirements of Law.** Numerous laws apply to vendors in the Village's employ. Every contract should state that every provision of law required by law to be inserted is deemed to be inserted therein. While not an exhaustive list, each contract should including a specific requirement that the vendor follow, as each may be applicable to the contract: The USA Patriot Act (107 Public Law 56); the Prevailing Wage Act (820 ILCS 130/); the Steel Products Procurement Act (30 ILCS 565/); the Freedom of Information Act (5 ILCS 140/); the Substance Abuse Prevention on Public Works Act (820 ILCS 265/); and any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, such as the Americans with Disabilities Act (42 U.S.C. § 12101), the Illinois Human Rights Act (775 ILCS 5/), and the Public Works Discrimination Act (775 ILCS 10/).

8 **Payment for Purchases.**

- 8.1 **Payment of Bills.** Each Department Head submitting bills for payment confirms, by doing so, that the goods or services billed to the Village were actually received and acceptable. Each bill submitted for by a Department Head must be certified as correct by the Finance Director, approved by the Village Administrator, and authorized by one of the following methods. The Finance Director make authorized payments by check or electronically, including ACH and wire transfer transactions.
- 8.1.1 **Generally.** The Village Board will consider approval in the form of a warrant report identifying each vendor, invoice, amount to be paid, and the budget line item from where payment will be drawn.
- 8.1.2 **Manual Payment.** The Village Administrator may authorize the issuance of manual payments, which must be presented for subsequent ratification by the Village Board of Trustees at its next meeting, where the payment is necessary to:
- 8.1.2.1 Correct non-substantive errors in a payment previously approved by the Village Board of Trustees.
- 8.1.2.2 Avoid interest, late payment, or similar penalties.
- 8.1.2.3 Pay emergency expenses or expenses that otherwise cannot be delayed without interfering with the Village's operations.
- 8.1.3 **Administrative Approval.** Where the Village Board does not meet on the second or fourth Monday of each month, the Village Administrator is authorized to approve and release any individual payment under \$25,000. A separate warrant report must be presented for subsequent ratification by the Village Board at its next meeting. Individual payments for \$25,000 or more may only be released with the prior authorization of the Village Board.
- 8.2 **Commercial Credit Transactions (Purchasing Cards).**
- 8.2.1 **Generally.** The Government Finance Officers of America recommends the use of purchasing cards to improve the efficiency and effectiveness of purchasing. This Section is intended to broadly allow purchasers to use Village credit to transact purchases, including: purchasing cards; credit and debit cards; and accounts and lines of credit with an individual vendor (e.g. store credit lines). Payment by card is simply an alternative form of payment and all other provisions of this Policy apply to purchases paid by card.
- 8.2.2 **Purchase Limit.** Each individual purchase transaction must be limited to no more than \$2,000. The Village Administrator may authorize transactions in excess of \$2,000 for good cause.

- 8.2.3 **Authority to Obtain Credit.** The Village Administrator may, upon the recommendation of the Finance Director, enter contracts to obtain purchasing cards, credit cards, and debit cards to be used as a general form of tender for Village business. The Finance Director may enter into contracts to obtain revolving credit with an individual vendor.
- 8.2.4 **Authority to Provide Credit Access.** From time to time, the Village Administrator may designate specific employees to hold Village purchasing cards who have purchase approval authority. Each employee to whom a card is issued is responsible for the security of the card and must take all necessary measures to ensure it is only used as permitted by this Policy. Employees may be required to sign a policy acknowledgement prior to receipt and may, on an individual basis, be subject to additional controls and restrictions beyond those provided in this Policy.
- 8.2.5 **Ownership of Rebates.** Any rebate or incentive generated by the use of Village credit is the exclusive property of the Village.
- 8.2.6 **Receipts Required.** Receipts or similar documentation are required to substantiate all purchasing card transactions, except for a transportation expense for which a receipt is not readily available. A vendor's individual purchase information included on a statement of account may serve as acceptable documentation provided that it identifies the date, time, and amount of specific goods or services received. The Village Administrator may authorize exceptions for good cause where no receipt is available.
- 8.2.7 **Presentation to Village Board.** Purchasing card transactions will result in the same level of information being presented to the Village Board as though each transaction were processed as a separate bill (Section 8.1). Transaction detail will be presented at the time that payment is requested against the credit balance.
- 8.3 **Petty Cash Transactions.**
 - 8.3.1 **Generally.** Petty cash may be used to pay or reimburse expenses not exceeding \$100. Petty cash is not a preferred means of payment and should only be used for miscellaneous expenses that are irregular in nature; where credit is unavailable; or where it is impractical to utilize credit for the expenses. Payment by petty cash is simply an alternative form of payment and all other provisions of this Policy apply to purchases paid by petty cash.
 - 8.3.2 **Receipts Required.** Receipts or similar documentation are required to substantiate all petty cash transactions, except for a transportation expense for which a receipt is not readily available. A vendor's individual purchase information included on a statement of account may serve as acceptable documentation provided that it identifies the date, time, and amount of specific goods or services received. The Village Administrator may authorize exceptions for good cause where no receipt is available.
- 8.4 **Reimbursement of Employee Expenses.** The reimbursement of employees for expenses after the fact is not a preferred means of payment. Every request for reimbursement must state the date, time, place, amount, and business purpose of each expense.
 - 8.4.1 **Receipts Required.** Receipts or similar documentation are required to substantiate all employee reimbursements unless the reimbursement is (i) made on the basis of standard or per diem rates as currently published by the Internal Revenue Service; or (ii) for a transportation expense for which a receipt is not readily available. The Village Administrator may authorize exceptions for good cause where no receipt is available.

8.4.2 **Overnight Travel Authorization.** Regardless of the dollar value, overnight employee travel must be authorized in advance and in writing by the Village Administrator based on a written estimate of expenses to be incurred. No Village funds may be paid to an employee or a vendor for overnight travel until pre-authorization is provided. The Village Administrator may authorize exceptions for good cause, such as in an emergency when requesting pre-authorization cannot be done.

8.4.3 **Overnight Travel Advances.** The Village may, but is not required to, provide an advance to employees on overnight travel to cover costs incurred while traveling. Any advance must be requested in writing and must be reasonably calculated not to exceed estimated expenses. The amount of the advance, if any, that exceeds the amount of actual expenses must be promptly returned to the Village.

9 **Tax Exemption.** The Village is exempt from sales, use, and excise tax. It is the responsibility of every purchaser to exercise their best efforts to use the Village's tax exemption. Vendors may use the Village's tax exemption to purchase materials for project expenses,⁸ and Village contracts should state that no such taxes may be included or reimbursed to a vendor.

10 **Recordkeeping.** The Village Administrator's office will serve as the custodian of the Village's contract files. Each Department Head will serve as the custodian of files for any competitive purchase process they conduct. The Finance Department, under the supervision of the Finance Director, will serve as the custodian of all other records subject to this Policy. All records are to be maintained until both (i) they no longer have administrative, legal, research, or historical value to the Village and (ii) they may be lawfully destroyed under the Village's records retention schedule. All destruction of records must be pursuant to the Local Records Act (50 ILCS 205/).

11 **Prohibited Acts.** The following actions may carry criminal or civil penalties and may result in disciplinary action, up to and including termination, even for a first offense. No person subject to this Policy may:

- 11.1 Obligate the Village to make any purchase or to enter into any contract for purchase except in conformance with, and after having obtained all necessary approvals under, this Policy.
- 11.2 Engage in bid stringing⁹ or otherwise divide or structure any purchase with the intent to evade a threshold defined in this Policy.
- 11.3 Use the Village's tax exemption number for personal benefit or in any manner otherwise contrary to law.
- 11.4 Use Village credit or funds for personal use, even temporarily or with the intent of repaying the Village at a future date.
- 11.5 Participate directly or indirectly in a purchase in which the person has a conflict of interest.
- 11.6 Solicit or accept any kickback¹⁰ or gifts in violation of the Village's gift ban in connection with any purchase.¹¹
- 11.7 Open sealed bids other than at the advertised time or outside the presence of witnesses.¹²

⁸ 86 Illinois Administrative Code 130.2076, "Sales to Purchasers Performing Contracts with Governmental Bodies."

⁹ 720 ILCS 5/33E-18

¹⁰ 720 ILCS 5/33E-7

¹¹ Title 1, Chapter 11 of the Lake Bluff Municipal Code.

¹² 720 ILCS 5/33E-5

11.8 Disclose to interested parties any information related to the terms of a sealed bid or any bidder's responsiveness to a competitive solicitation, except as provided by law; as necessary to perform duties relating to the bid; or where also made available to the public.¹³

11.9 Otherwise intentionally violate or circumvent any provision of this Policy.

12 **Appendices.** The following attachments are provided as a reference for purchasers. They may be added to, updated, or rescinded by the Village Administrator.

Appendix A IRMA Contractual Insurance Guidelines

Appendix B Sales Tax Exemption Certificate

Appendix C Fraud Awareness

¹³ 720 ILCS 5/33E-6

IRMA

RECOMMENDED CONTRACTUAL INSURANCE GUIDELINES

I. INSURANCE REQUIREMENTS

Contractor/Service Provider shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

- A. Insurance Services Office (ISO) Commercial General Liability occurrence form CG 0001 with the **(insert Member name)** named as additional insured on a primary and non-contributory basis. This primary, non-contributory additional insured coverage shall be confirmed through the following required policy endorsements: Additional Insured Endorsements CG 20 10 – Additional Insured: Owners, Lessees or Contractors - Scheduled Person or Organization (Exhibit A) or CG 20 26 Additional Insured – Designated Person or Organization (Exhibit B) and CG 20 01 (Exhibit C) – Primary and Non-Contributory, and **CG 20 37 - Completed Operations – (Exhibit D) Required if box is checked** ; and
- B. Owners and Contractors Protective Liability (OCP) Policy with the **(insert Member name)** as insured. **Required if box is checked** (*Note: Typically recommended for very large construction projects involving many subcontractors. Only provides coverage for two risks: vicariously liability for hiring contractor and general supervision on the job site.*); and
- C. Insurance Service Office Business Auto Liability coverage form number CA 0001, Symbol 01 "Any Auto."
- D. Workers' Compensation as required by the Workers' Compensation Act of the State of Illinois and Employers' Liability insurance. **Coverage required for employee exposure to lead, if box is checked .**
- E. Builder Risk Property Coverage with **(insert Member name)** as loss payee **Required if box is checked .** (*Note: Recommended if general contractor is responsible for construction of a large property structure.*)
- F. Environmental Impairment/Pollution Liability Coverage for pollution incidents as a result of a claim for bodily injury, property damage or remediation costs from an incident at, on or migrating beyond the contracted work site. Coverage shall be extended to Non-Owned Disposal sites resulting from a pollution incident at, on or mitigating beyond the site; and provide coverage for incidents occurring during transportation of pollutants. **Required if box is checked .** (*Note: Recommended for projects which contain an exposure to risks of environmental impairment/pollution liability arising from the project.*)

- G. Cyber Liability/Response Coverage to respond to the duties and obligations as is undertaken by Contractor/Service Provider shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. **Required if box is checked .** (Note: Recommended for projects with an exposure to risks of computer information systems breaches and damages.)

MINIMUM LIMITS OF INSURANCE

Contractor/Service Provider shall maintain limits no less than the following. (if required under above Scope of Insurance).

- A. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, and property damage and \$1,000,000 per occurrence for personal injury. The general aggregate shall be twice the required occurrence limit. Minimum General Aggregate shall be no less than \$2,000,000 or a project/contract specific aggregate of \$1,000,000.
- B. Owners and Contractors Protective Liability (OCP): \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- C. Business Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- D. Workers' Compensation and Employers' Liability: Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$500,000 per accident.
- E. Builder's Risk: Shall insure against "All Risk" of physical damage, including water damage (flood and hydrostatic pressure not excluded), on a completed replacement cost basis.
- F. Environmental Impairment/Pollution Liability: \$1,000,000 combined single limit per occurrence for bodily injury, property damage and remediation costs.
- G. Cyber Liability Insurance, with limits not less than \$1,000,000 per occurrence and breach response services of not less than \$250,000.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the (insert Member name). At the option of the (insert Member name), either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the (insert Member name), its officials, employees, agents and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expenses.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

A. General Liability and Automobile Liability Coverages

1. The **(insert Member name)**, its officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of the Contractor's/Service Provider's work, including activities performed by or on behalf of the Contractor/Service Provider; products and completed operations of the Contractor/Service Provider; premises owned, leased or used by the Contractor/Service Provider; or automobiles owned, leased, hired or borrowed by the Contractor/Service Provider. The coverage shall contain no special limitations on the scope of protection afforded to the **(insert Member name)**, its officials, agents, employees and volunteers.
2. The Contractor's//Service Provider's insurance coverage shall be primary and non-contributory as respects the **(insert Member name)**, its officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the **(insert Member name)**, its officials, employees, agents and volunteers shall be excess of Contractor's//Service Provider's insurance and shall not contribute with it.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the **(insert Member name)**, its officials, employees, agents and volunteers.
4. The Contractor's/Service Provider's insurance shall contain a Severability of Interests/Cross Liability clause or language stating that Contractor's/Service Provider's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. If any commercial general liability insurance is being provided under an excess or umbrella liability policy that does not "follow form" or provide the same coverage and the underlying policy, then the Contractor/Service Provider shall be required to name the **(insert Member name)**, its officials, employees, agents and volunteers as additional insureds.
6. All general liability coverages shall be provided on an occurrence policy form. Claims-made general liability policies will not be accepted.
7. The Contractor/Service Provider and all subcontractors hereby agree to waive any limitation as to the amount of contribution recoverable against them by **(insert Member name)**. This specifically includes any limitation imposed by any state statute, regulation, or case law including any Workers' Compensation Act provision that applies a limitation to the amount recoverable in contribution such as Kotecki v. Cyclops Welding.

B. Workers' Compensation and Employers' Liability Coverage

The insurer shall agree to waive all rights of subrogation against the **(insert Member name)**, its officials, employees, agents and volunteers for losses arising from work performed by Contractor for the municipality.

NCCI Alternate Employer Endorsement (WC 000301) in place to ensure that workers' compensation coverage applies under contractor's coverage rather than **(insert Member name)**'s, if the **(insert Member name)** is borrowing, leasing or in day to day control of Contractor's /Service Provider's employee.

Required if box is checked .

C. Professional Liability (Required if box is checked)

1. Professional liability insurance with limits not less than \$1,000,00 each claim with respect to negligent acts, errors and omissions in connection with professional services to be provided under the contract, with a deductible not-to-exceed \$50,000 without prior written approval.
2. If the policy is written on a claims-made form, the retroactive date must be equal to or preceding the effective date of the contract. In the event the policy is cancelled, non-renewed or switched to an occurrence form, the Contractor shall be required to purchase supplemental extending reporting period coverage for a period of not less than three (3) years.
3. Provide a certified copy of actual policy for review.
4. **Recommended Required Coverage (architect, engineer, surveyor, consultant):** Professional liability insurance that provides indemnification and defense for injury or damage arising out of acts, errors, or omissions in providing the following professional services, but not limited to the following:
 - a. Preparing, approving or failure to prepare or approve maps, drawings, opinions, report, surveys, change orders, designs or specifications;
 - b. Providing direction, instruction, supervision, inspection, engineering services or failing to provide them if that is the primary cause of injury or damage.

D. All Coverages

1. No Waiver. Under no circumstances shall the **(insert Member name)** be deemed to have waived any of the insurance requirements of this Contract by any act or omission, including, but not limited to:
 - a. Allowing work by Contractor/Service Provider or any subcontractor to start before receipt of Certificates of Insurance and Additional Insured Endorsements.
 - b. Failure to examine, or to demand correction of any deficiency, of any Certificate of Insurance and Additional Insured Endorsement received.
2. Each insurance policy required shall have the **(insert Member name)** expressly endorsed onto the policy as a Cancellation Notice Recipient. Should

any of the policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with an A.M. Best rating of no less than A-, VII and licensed to do business in the State of Illinois.

VERIFICATION OF COVERAGE

Contractor/Service Provider shall furnish the **(insert Member name)** with certificates of insurance naming the **(insert Member name)**, its officials, employees, agents and volunteers as additional insureds, and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the **(insert Member name)** before any work commences. The following additional insured endorsements should be utilized: ISO Additional Insured Endorsements CG 20 10 – Additional Insured: Owners, Lessees or Contractors - Scheduled Person or Organization (Exhibit A) or CG 20 26 Additional Insured – Designated Person or Organization (Exhibit B) and CG 20 01 (Exhibit C) – Primary and Non-Contributory, and CG 20 37 (Exhibit D) – Completed Operations, where required. The **(insert Member name)** reserves the right to request full certified copies of the insurance policies and endorsements.

SUBCONTRACTORS

Contractor/Service Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

ASSUMPTION OF LIABILITY

The contractor assumes liability for all injury to or death of any person or persons including employees of the contractor, any sub-contractor, any supplier or any other person and assumes liability for all damage to property sustained by any person or persons occasioned by or in any way arising out of any work performed pursuant to this agreement.

II. INDEMNITY/HOLD HARMLESS PROVISION: *(include as separate section of the contract.)*

To the fullest extent permitted by law, the Contractor/Service Provider hereby agrees to defend, indemnify and hold harmless the **(insert Member name)**, its officials, employees and agents against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in anywise accrue against the **(insert Member name)**, its officials, agents and employees, arising in whole or in part or in consequence of the performance of this work by the Contractor/Service Provider, its employees, or subcontractors, or which may in anywise result therefore, except that arising out of the sole legal cause of the **(insert Member name)**, its employees or agents, the Contractor/Service Provider shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and, if any judgment shall be rendered against the **(insert Member name)**, its officials, employees and agents, in any such action, the Contractor/Service

Provider shall, at its own expense, satisfy and discharge the same.

Contractor/Service Provider expressly understands and agrees that any performance bond or insurance policies required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the **(insert Member name)**, its officials, employees and agents as herein provided.

Optional Paragraph: The Contractor/Service Provider further agrees that to the extent that money is due the Contractor/Service Provider by virtue of this contract as shall be considered necessary in the judgment of the **(insert Member name)**, may be retained by the **(insert Member name)** to protect itself against said loss until such claims, suits, or judgments shall have been settled or discharged and/or evidence to that effect shall have been furnished to the satisfaction of the **(insert Member name)**.

III. **SAFETY/LOSS PREVENTION**

It is recommended that the following requirements be included in some form in all **(insert Member name)** bid packets and that compliance be confirmed prior to initiation of contract work:

Safety/Loss Prevention Program Requirements

- Successful bidder will provide written confirmation that a safety/loss prevention program was in place at least 90 days prior to submitting the bid proposal.
- Evidence of completed employee safety training can be provided.

Regulatory Requirements

- Successful bidder must comply with all applicable laws, regulations, and rules promulgated by any Federal, State, County, Municipal and/or other governmental unit or regulatory body now in effect or which may be in effect during the performance of the work. Included within the scope of the laws, regulations, and rules referred to in this paragraph but in no way to operate as a limitation, are Occupational Safety & Health Act (OSHA), Illinois Department of Labor (IDOL), Department of Transportation, all forms of traffic regulations, public utility, Intrastate and Interstate Commerce Commission regulations, Workers' Compensation Laws, Prevailing Wage Laws, the Social Security Act of the Federal Government and any of its titles, the Illinois Department of Human Rights, Human Rights Commission, or EEOC statutory provisions and rules and regulations.
- Evidence of specific regulatory compliance will be provided by bidder, if required by owner.

Adopted 1/2002
Revised 2/2005
Revised 1/2011
Revised 6/2011
Revised 5/2013
Revised 2/2015
Revised 6/2018

EXHIBIT A

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

EXHIBIT B

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
SAMPLE
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

EXHIBIT C

COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

SAMPLE

EXHIBIT

D

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
SAMPLE	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

Verify that all of your Illinois Sales Tax Exemption Certificate information is correct

- ✓ If not, contact us immediately.
- ✓ **Do not discard** - your Illinois Sales Tax Exemption Certificate is an important tax document that authorizes you to purchase tangible personal property for use or consumption tax-free.

OFFICIAL DOCUMENT State of Illinois - Department of Revenue OFFICIAL DOCUMENT

Illinois Sales Tax Exemption Certificate

VILLAGE OF LAKE BLUFF

40 E CENTER AVE
LAKE BLUFF IL 60044-2545

Sales Tax Exemption Certificate

Issue date: 02/10/2020	Sales Tax Exemption	E99957681
Expiration date: 03/01/2025	Organization type:	Governmental

This entity is authorized under the Retailers' Occupation Tax Act to purchase tangible personal property for use or consumption tax-free.

ILLINOIS REVENUE
[Signature]
Director

OFFICIAL DOCUMENT - DO NOT DESTROY

Village of Lake Bluff - Fraud Awareness Training for Purchasers (April 2022)

What is Fraud?

Fraud is an intentionally deceptive action designed to provide the perpetrator with an unlawful gain or to deny a right to a victim. Local governments are a common fraud target.

Common Forms of Fraud in Accounts Receivable / Accounts Payable

- **Conflict of interest:** Employees directing business to friends, relatives, or for financial gain.
- **Billing schemes:** Where someone, who may or may not be an employee, fraudulently invoices the Village for payments they are not entitled to receive.
- **Skimming:** Accepting payments from an outside party, not recording a sale, and embezzling the payment.
- **Larceny:** Embezzling cash or checks from daily receipts, cash drawers, deposit envelopes, etc. before deposit.
- **Pay-and-return:** Paying for merchandise using Village funds and then embezzling the refund or overpayment.
- **Purchasing personal merchandise:** Ordering merchandise using Village funds for personal use/benefit.

Fraud Red Flags. Watch for these indicators that a potential fraud may be underway:

Vendors

- Unfamiliar vendors.
- Vendors that have only a post-office-box address or with an address that is not publicly associated with the vendor (e.g. after an online search)
- Vendors with company names consisting only of initials (many such companies are legitimate, but fraud commonly uses this naming convention).
- Unfamiliar vendors who identify as other agencies / units of government, especially where the remittance address is not a governmental office.
- Vendor addresses that match employee addresses.

Transactions

- Transactions conducted at unusual times of day, on weekends or holidays, or during a season when such transactions normally do not occur.
 - Transactions that occur more frequently than expected – or not frequently enough.
 - Accounts with many large, round numbers or transactions that are unusually large or small.
- Transactions with questionable parties, including related parties or unrecognized vendors.

Invoices

- Sudden increases in purchases from one vendor.
- Vendor billings issued more often than once a month.
- Invoices for unspecified or poorly defined services.
- Invoices without an identifiable person responsible for placing the order / purchase.
- Large billings that are broken into multiple smaller invoices that will not attract attention.

Documents

- Missing or altered documents.
- Evidence of backdated documents.
- Missing or unavailable originals.
- Documents that conflict with one another.
- Questionable or missing signatures.

If you see something, say something!

Adapted from Marks, Jonathan, and Pete Ugo. 2012. "A Violation of Trust: Fraud Risk in Nonprofit Organizations." Crowe Horwath.