

Statement of Policy: It is the general policy of the Chicago Metropolitan Agency for Planning (CMAP) to establish an efficient procedure for purchasing supplies, services and equipment. It is the responsibility of the employee to ensure that the requested item is needed to accomplish the required work in the most efficient manner.

Statement of Purpose: The policy is to establish efficient procedures for the purchase of supplies, services and equipment; secure supplies, services and equipment at the lowest possible cost commensurate with the quality needed; to exercise positive financial control over purchases; to define authority for the purchasing functions; and to assure the quality of purchases.

Statement of Procedure:

1. **Conflict of Interest.** No employee, officer, agent, immediate family member, or Board member shall participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- (1) The employee, officer, agent, or Board member,
- (2) Any member of his/her immediate family,
- (3) His or her partner, or
- (4) An organization that employs, or is about to employ, any of the above.

Please refer to the CMAP ethics policy.

2. **Purchasing Agent.** Requests for purchases are to be submitted to the communication principal for all printing, IT principal for all IT software and hardware, publications assistant for all general office supplies, associate printer for all printing items, and procurement assistant for all other items. Other employees than those listed are not authorized to negotiate or recommend the expenditure, unless specifically approved by the appropriate deputy executive director or executive director. The person acting as purchasing agent will be responsible for investigating, negotiating and recommending the execution of a contract or the purchasing of supplies, general services and equipment. The assignment as purchasing agent depends on the type of procurement.
3. **Ensuring Most Efficient and Economic Purchase.** These procedures shall provide for a review of proposed procurements to avoid purchase of unnecessary

or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

4. **Awards to Responsible Contractors.** CMAP shall make awards only to responsible parties possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
5. **Written Record of Procurement History.** CMAP shall maintain records detailing the history of each procurement. At a minimum, these records shall include:
 - (1) rationale for the method of procurement,
 - (2) selection of contract type,
 - (3) reasons for contractor selection or rejection, and
 - (4) the basis for the contract price.
6. **Responsibility for Settlement of Contract Issues/Disputes.** CMAP will be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
7. **Contract Term Limitation.** CMAP shall enter into contracts (supply, service, leases of real property, revenue and construction, etcetera) based on sound business judgment. CMAP will be judicious in establishing and extending contract terms no longer than minimally necessary to accomplish the purpose of the contract. Additional factors to be considered include competition, pricing, fairness and public perception. Once a contract has been awarded, an extension of the contract term length that amounts to an out of scope change will require a sole source justification.
8. **Full and Open Competition.** All procurement transactions will be conducted in a manner providing full and open competition. Some situations considered to be restrictive of competition include, but are not limited to:
 - (1) Unreasonable requirements placed on firms in order for them to qualify to do business;
 - (2) Unnecessary experience and excessive bonding requirements;
 - (3) Noncompetitive pricing practices between firms or between affiliated companies;
 - (4) Noncompetitive awards to any person or firm on retainer contracts;

(5) Organizational conflicts of interest. An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to CMAP; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage;

(6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered without listing its' salient characteristics.

9. **Prohibition Against Geographic Preferences.** CMAP shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where it is expressly mandated or encouraged. This does not preempt state licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
10. **Written Procurement Selection Procedures.** CMAP shall have written selection procedures for procurement transactions. All solicitations shall:
- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient characteristics of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.
- (2) Identify all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.
11. **Method of Procurement.** The responsible party will determine the appropriate method for procurement based on the following dollar thresholds.
- a. **Procurement by Micro-Purchases.** Micro-purchases procurements are those purchases of \$2,500 or less. Purchases below that threshold may be made without obtaining competitive quotations if the purchaser determines that the price is fair and reasonable and properly documents the appropriate rationale. There should be equitable distribution among qualified vendors (in the local area, if available).

Minimum documentation is required of how it was determined that the price was fair and reasonable.

- b. **Procurement by Small Purchases.** Small purchases are for securing services, supplies, construction or other property that cost more than \$2,500, but does not cost more than \$10,000. Price or rate quotations shall be obtained from an adequate number of qualified sources (usually three or more).
- c. **Procurement by Large Purchase Procedures.** Large purchases are those procedures securing services, supplies, construction or other property that exceed \$10,000. The formal bid procedure shall be used. It is encouraged that reoccurring purchases or services that are predictable for a year use this procedure; such as copy paper, printing services, etc. If the procurement is for services, the formal bid procedure is required if it is an on-going activity that will exceed over \$10,000 in a 12-month period.

12. Methods of Formal Purchase Procedures. The grant/contract officer will assist the project manager with the formal bid procedure, selection process and contract development. The grant/contract officer will maintain an "Interested Party" list of all vendors and contractors who have asked to receive notices of bids.

If the funding for the contract is in the UWP through IDOT, the grant/contract officer will submit a request for contract approval to IDOT before the contract may be awarded.

- a. **Procurement by Sealed Bids/Invitation for Bid (IFB).** Bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid confirms with all the material terms and conditions of the invitation for bids and is the lowest in price.
 - (1) In order for sealed bidding to be feasible, the following conditions should be present:
 - A complete, adequate and realistic specification or purchase description is available.
 - Two or more responsible bidders are willing and able to compete effectively for the business.
 - The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - No discussion with bidders is needed.
 - (2) If this procurement method is used, the following requirements apply:

- The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time to prepare bids prior to the date set for opening the bids.
- The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services sought in order for the bidder to properly respond.
- All bids will be publicly opened at the time and place prescribed in the invitation for bids.
- A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. When specified in bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest.
- Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
- Any and all bids may be rejected if there is sound documented business reason.

- b. **Procurement by Competitive Proposal/Request for Proposals (RFP)**. The competitive proposal method of procurement is normally conducted with more than one source submitting an offer, i.e., proposal for which a technical evaluation is required. Either a fixed price or cost reimbursement type contract is awarded. This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. If this procurement method is used the following requirements apply:

- (1) Requests for proposals will be publicized. All evaluation factors will be identified along with their relative importance.
- (2) Proposals will be solicited from an adequate number of qualified sources.
- (3) CMAP will have a method in place for conducting technical evaluations of the proposals received and for selecting awardees. This method is to be determined at the time the proposed notice is posted. The contract/grant officer will assist with determining the price factor.
- (4) Discussions and negotiations may be conducted with offerors in a competitive range. However, award may be made without discussion or negotiation.

- (5) Awards will be made to the responsible firm whose proposal is most advantageous with price and other factors considered.

c. **Procurement by Noncompetitive Proposals (Sole Source).** Sole source procurements are accomplished through solicitation or acceptance of a proposal from only one source, or if, after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that shall comply with this subparagraph.

- (1) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:
 - The item is available only from a single source.
 - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
 - After solicitation of a number of sources, competition is determined inadequate.
- (2) The following are examples of circumstances that could necessitate sole source procurement:
 - where the compatibility of service is a paramount consideration;
 - where public utility regulated services are to be procured;
 - where the item is copyrighted or patented and the item or service is not available except from the holder of the copyright or patent;
 - the procurement of the media for advertising;
 - the procurement of art or entertainment services; and,
 - changes to existing contracts.
- (3) A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required.
- (4) Documentation of the circumstances for the noncompetitive proposal must be presented and approved before the procurement will be awarded.

- d. **Intergovernmental Agreement.** Intergovernmental Agreements between CMAP and State political subdivision, or other governments, or State agencies, or State Universities and Colleges, may be initiated for any dollar amount by direct award after approval by the executive director.
- e. **Procurement Of Architectural and Engineering Services (A&E).** CMAP shall use qualifications-based competitive proposal procedures (i.e., Brooks Act procedures) when contracting for A&E services as defined in 40 U.S.C. §541 and 49 U.S.C. §5325(d). 31.5 Services subject to this requirement are program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services. Qualifications-based competitive proposal procedures require that:
- (1) An offeror's qualifications be evaluated;
 - (2) Price be excluded as an evaluation factor;
 - (3) Negotiations be conducted with only the most qualified offeror; and
 - (4) Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the grantee.
- These qualifications-based competitive proposal procedures can only be used for the procurement of the services listed above. This method of procurement cannot be used to obtain other types of services even though a firm that provides A&E services is also a potential source to perform other types of services.
- These requirements apply except to the extent the State of Illinois adopts or has adopted by statute a formal procedure for the procurement of these services.
- f. **Options.** Options may be included in contracts. An option is a unilateral right in a contract by which, for a specified time, CMAP may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract. If CMAP chooses to use options, the requirements below apply:
- (1) Evaluation of Options. The option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the awards, the exercise of such options will be considered a sole source procurement.
 - (2) Exercise of Options:
 - The contract officer must ensure that the exercise of an option is in accordance with the terms and

conditions of the option stated in the initial contract award.

- An option may not be exercised unless the contract officer has determined that the option price is better than prices available in the market or that the option is the most advantageous offer at the time the option is exercised.

g. **Amendments.** Changes to an existing contract that are germane and reasonable in scope and cost in relation to the original contract or program, that are necessary or desirable to complete the contract or program, and that can be best accomplished by the contract holder may be procured when the deputy executive director of finance and administration determines that the cost of delay or disruption to the contract or program, and the cost of a new solicitation, clearly indicate that the existing vendor is the sole economically feasible source.

- (1) A program manager desiring an amendment to an existing contract shall submit two unsigned copies of the amendment and a memorandum justifying the change to the deputy executive director.
- (2) The memorandum shall summarize the reasons for the change and shall identify the contract by funding source.
- (3) If the proposed amendment changes the current contract to the extent that it can be considered an independent project, the deputy executive director shall recommend that it be treated as such, in accordance with the procedures established in this policy.

13. Professional Services Award of Contract Based Upon Competence. In contracting for professional services, such contracts shall only be awarded to firms or persons who have demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required. Once determined to be a competent firm, cost of service may be considered. The information needed for determining competence, qualifications and procedure for selecting such services shall be established by each CMAP project leader responsible for recommending the professional service contract.

14. Cooperative Purchasing with Other Governmental Agencies. The bidding requirements stated above shall not apply to the purchasing of any equipment or supplies when the purchasing agent determines to obtain the procurement through a cooperative competitive bidding procedure which is being prepared by and processed through another local, state or federal governmental agency.

15. **Staging of Purchase Prohibited.** Purchases and service contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive bidding requirements as stated in this policy.
16. **Contract Cost and Price Analysis for Every Procurement Action.** The responsible party must perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals.
- a. **Cost Analysis.** A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost, (e.g., under professional consulting and architectural and engineering services contracts, etc.). A cost analysis will be necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.
 - b. **Price Analysis.** A price analysis may be used in all other instances to determine the reasonableness of the proposed contract price.
 - c. **Profit.** CMAP will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
 - d. **Cost Principles.** Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with cost principles.
 - e. **Cost Plus Percentage of Cost Prohibited.** The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.
17. **Contract Provisions.** All contracts shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions or conditions that allow for:

- a. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate. (All contracts in excess of \$2,500, the small purchase threshold.)
 - b. Termination for cause and for convenience by the CMAP including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000.)
18. **Pre-Proposal Conference.** A pre-proposal conference, if appropriate, may be conducted to enhance understanding of the procurement requirements. Such a conference may be held at anytime prior to the date established for submission of proposals. A site inspection, in appropriate, may be conducted to allow potential vendors to inspect a particular work location.

The pre-proposal conference/site inspection shall be announced as part of the RFP notice. The conference/site inspection may be designated as “attendance mandatory” or “attendance optional.” The conference/site inspection should be held long enough after the RFP has been issued to allow respondents to become familiar with it, but sufficiently before proposal opening to allow consideration of the conference/site inspection results in preparing their proposals. Nothing stated at the pre-proposal conference/site inspection shall change the RFP unless a change is made by written modification to the RFP. Amendments shall be supplied to all those prospective respondents known to have received a RFP and shall be published on the CMAP website. If the conference/site inspection is mandatory, all attendees must be present for any discussion regarding the proposal and only proposals submitted by those in attendance will be considered. Amendments to the RFP will be supplied to attendees only for mandatory pre-proposal conference.