

Procurement Procedures

Effective 04/04/2007

- All procurement procedures are in compliance with OMB Circular A-102 and implementing regulations, as well as WIA Policy Letter No. 05-PL-16.
- Procurement procedures are in place to assure full and open competition and obtaining these goods and services at the best possible price.
- Request for proposal (RFP's) are required for professional services greater than \$10,000 and all subawards. The RFP process incorporates bidder timelines and projects specific information. Complete and detailed records are maintained of all negotiation meetings. All requirements for legal notice and other advertising required to guarantee competitive procurement are strictly adhered to.
- Procurement is currently classified under nine (9) different types of expenditures. Please refer to *KCDEE classification of expenditure for procurement approval and payment matrix*. The matrix provides a clear process flow from requisition to payment of expenditures. Current classifications are:
 - Adult Training/Support/Career Skills
 - Books and Subscriptions
 - Conferences and Speakers
 - Contract and Lease agreements
 - Employee Travel
 - Information System
 - Office Supplies
 - RVWIB cost reimbursements
 - Subaward cost reimbursements
- Procurement in general:
 - Unless approved by the Administrator, all orders will be placed by the purchasing agent.
 - To ensure that expenditures are reasonable, necessary and allocable, an appropriate requisition must be prepared and signed by the authorized staff as listed on the requisition authorization matrix PRIOR to a purchase order or expenditure request being issued. The authorized requisition should be immediately forwarded to the administrative office.
 - **E-mail option:** Other than employee travel, these forms may be completed electronically and attached to an e-mail form authorizing staff stating the approval of the requisition.
 - Vendor procured items with a unit cost of \$50.00 or under may be sourced by either the requisitioner or the purchasing agent dependent on the nature of the order. The

order must be placed by the purchasing agent. The purchasing agent will issue a purchase order, and notify the requisitioner by e-mail.

- Vendor procured items with a unit cost of greater than \$50.00 will require the completed approved requisition, and the small procurement solicitation form. The procurement solicitation can be sourced by the requisitioner or the purchasing agent dependent on the nature of the item to be procured. The authorized and completed form should be forward to the administrative office. The e-mail option above can be used. The order must be placed by the purchasing agent. The purchasing agent will issue a purchase order, and notify the requisitioner by e-mail.
- Information systems staff can source and place orders for technical equipment using the stated thresholds, however the purchasing agent must have prior notification that the procurement is being done. The purchase order must be issued by the purchasing agent.
- All receiving documents and receipts must be forwarded to accounts payable and matched with the applicable back-up before the expenditure can be approved for payment.
- All procurement documentation is attached to final expenditure information.

KCDEE SMALL PROCUREMENT SOLICITATION FORM
 For Procurements Under \$10,000 and greater than \$50/unit cost

PO #	PO PY-03
Type of Material, Good, Service or Property Being Procured:	
Requested by:	
Independent Estimate of Cost:	

Name of Vendor Contacted	Person Spoken To	Date Contacted	Price Quote	Explanation of Service	Notification Method & Date Acceptance/Refusal

* Justification of Need for Non-expendable Personal Property (** Requests only.)	
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Vendor Selected	
Reason for Selection	

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Signature of Procurer / Date

Signature of Director of Fiscal Operations/ Date

If Applicable:

_____ Date Request for Approval Letter sent to DCEO

_____ Date Approval Letter received from DCEO

- * DCEO must pre-approve purchases of nonexpendable personal property with a unit price of \$5,000 or more. DCEO shall be notified within 30 days of the acquisition.
- ** Nonexpendable personal property is defined as equipment and other personal property of a tangible nature having a useful life of more than one year and having an acquisition cost of \$1,000 or more. DCEO shall be notified within 30 days of the acquisition.

Date Disbarred and Suspended Vendor list checked: _____

Staff responsible: _____

KCDEE Purchase Requisition

This is NOT a Purchase Order

Purchaser Information:

Name:
Department/Location:

Quantity	Item Description/Professional Service	Estimated Price	Vendor/Catalog Information if available

Special Instructions or comments:
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Requestor Signature/Date:	Department Manger approval signature/Date:
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Date Received in Purchasing	Purchasing Agent's Approval	Small Procurement Solicitation Required? **	Fund
		YES NO	

** If small procurement solicitation is required, purchasing agent will complete side two.
Requisition will be denied if budgeted funds are not available.

Purchase Orders are required for all transactions regardless of procurement method.

TERMS AND CONDITIONS GOVERNING PURCHASE ORDERS

Authorization. The Kane County Department of Employment and Education will not be responsible for articles delivered and/or services performed without a specific written purchase order.

Payment Requests. In order to be paid, all invoices must include the purchase order number and be sent to: KCDEE, 719 S. Batavia, Building H, Geneva, IL 60134 Attn: Accounts Payable.

Price. The price for the product sold hereunder shall not be higher than that appearing on the face of this purchase order, or if no price appears thereon, then not higher than the last price quoted by Seller. Seller will give Buyer the benefit of any price reductions available or in effect at the actual time of shipment. When cash discounts are offered, the discount date shall begin with the invoice date or delivery date to the Buyer, whichever is later. All prices must be FOB destination. Where specific purchase is negotiated FOB shipping point, the Seller is to prepay shipping charges and add to invoice.

Tax Exemption. The Kane County Department of Employment & Education is a tax-exempt entity. If it is determined that the prices quoted and recorded on this order or the invoice rendered include any taxes, the amount of the taxes will be deducted from the total of the invoice, Illinois Department of Revenue tax exemption identification number E9996-0850-05.

Warranty. All products sold and delivered to Buyer hereunder shall be in full conformity with Buyer's specifications set forth or referred to on the face hereof or if none are set forth or referred to, shall be conformity with Seller's published specifications and samples provided to Buyer. All products sold and delivered to Buyer will be new, fit and sufficient for the use intended by Buyer and will be merchantable and of good quality and workmanship and free from defects. The foregoing warranty shall survive any acceptance of the products by Buyer and shall be in addition to any warranty expressly furnished or represented to Buyer by Seller. Seller will defend, indemnify and hold harmless Buyer and its customers from and against any and all costs (including reasonable attorneys' fees incurred), expenses, damages, losses, liabilities, penalties, and judgments attributable to any product delivered hereunder that fails to conform to the warranty set forth herein or otherwise implied by applicable law.

Inspection. All products delivered hereunder shall be subject to final inspection and acceptance by Buyer at its facility notwithstanding prior payment or inspection at Seller's facility. Where circumstances or conditions exist preventing effective inspection of the goods at the time of delivery, the Buyer reserves the right to inspect the goods at a reasonable time subsequent to delivery. Acceptance of any products shall not alter or affect the warranties of Seller referenced above. Buyer may, at its option, either hold rejected products for Seller's instructions and at Seller's risk, or return them to Seller at Seller's expense and require their correction, and Seller shall promptly reimburse Buyer for any and all damages sustained by Buyer as a result of failure of products to conform to the provisions and specifications set forth in this purchase order.

Cancellation. Buyer reserves the right to cancel this order or any part thereof, and Buyer's sole responsibility to Seller shall be to pay the agreed price for such products as have been delivered as of the time such cancellation is effective and to reimburse to Seller its actual costs of materials and direct labor expended by it in reasonable anticipation of its fulfillment of this purchase order which are not recoverable by Seller, provided that no allowance shall be made to Seller for any overhead or anticipated profit for undelivered product. Buyer's maximum liability on account thereof shall be agreed price for the products as set forth in paragraph 3 above, and Seller shall deliver to Buyer any inventory paid for by Buyer pursuant to the preceding.

Excusable Failure or Delay. Neither Buyer nor Seller shall be held responsible for the failure or delay in delivery or acceptance of products where such failure or delay is attributable to any act of God or of the public enemy, war, fire, flood, quarantine, embargo, epidemic, unusually severe weather or other causes similar to the foregoing beyond the reasonable control of the party so affected. The party seeking to avail itself of any of the foregoing excuses must promptly notify the other party of the reasons for the failure or delay in delivery or acceptance and shall exert its best efforts to avoid further delay.

Indemnity for Injury to Persons or Property. Seller will defend, indemnify and hold harmless Buyer from and against any and all costs (including reasonable attorneys' fees incurred), expenses, damages, liabilities, penalties, judgments relating to damages suffered or incurred by any individual or to any real or personal property that is attributable to the products or to Seller.

Independent Contractor. Nothing in this purchase order is intended to, or does, create any joint venture, partnership, agency or similar relationship between Buyer and Seller, other than a buyer and seller relationship. Seller shall not be, and is not authorized to represent itself as, an agent or representative of Buyer for any purposes.

Waiver. Buyer's failure to insist in any one or more instances upon the full performance by Seller of any term, covenant, obligation, covenant or condition imposed on it by this purchase order shall not be construed as a waiver of any right available to Buyer hereunder with respect to such nonperformance or as Buyer's condoning further nonperformance.

No Change Order. No change, modification or extension of this purchase order shall be effective against Buyer or Seller unless it is made in a writing making specific reference to this purchase order and is signed by an authorized representative of Buyer and Seller.

Governing Law. This purchase order shall be governed exclusively by the laws of the State of Illinois without regard to its conflicts of laws principles.

Non-Discrimination. The Seller will comply fully with the nondiscrimination provisions of the following laws: Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I financially assisted program or activity; Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin; Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities; the Age Discrimination in Employment Act of 1975 as amended, which prohibits discrimination on the basis of age and Title IX of the Education Amendment of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs; the Illinois Human Rights Act, as amended; Civil Rights Restoration Act of 1987; Americans with Disabilities Act of 1980, as amended; Nontraditional Employment for Women Act of 1991, as amended; Equal Pay Act of 1963, as amended; Executive Order 11250; U.S. DOL regulations at 29 CFR Parts 31 and 32; 28 CFR 42 Subparts F&H. The Seller also assures that it will comply with 29 CFR Part 37 and all other regulations implementing the laws listed above.

Rev. 8.2005

Requisition Authorization Matrix

Staff	Required Authorization
Administrative Department Heads	Executive Director
Marketing Coordinator	Executive Director
EEO Compliance Officer/Human Resources	Executive Director
Information Technology Staff	Manager of Information Technology & Performance
Rapid Response Staff	Director of Special Grants and Rapid Response
Youth Staff	Director of Workforce Operations
Adult and Dislocated Worker Staff	Director of Workforce Operations
Workforce Operations Support Staff	Director of Workforce Operations
Job Placement/OJT Staff	Director of Workforce Operations
Fiscal Staff	Finance Director

If the Authorized Signer is not available, the requisition may be signed by the Executive Director or her designate.

Payroll

- A personnel action/change form will be completed by the Executive Director for all new employees and changes in pay rates.
- The Human Resource Coordinator will be responsible for ensuring that all new employees complete the forms required by the County Human Resources Department. The H. R. Coordinator will also be responsible for making sure the employees receive and read all required personnel policies, insurance/benefit information, and union information, if applicable.
- All employees will comply with the agency personnel policies and additional policies as so implemented by the Executive Director.
- Employees, as directed by the Financial Department will maintain payroll period time, activity, and time bank reports.
- Each time and activity sheet must contain the employee and the supervisor's signature.
- Time and activity sheets are forwarded to the Financial Department in accordance with the County payroll processing schedule. The County currently issues payroll on the 10th and 25th of each month. The H.R. Coordinator is responsible for issuing notification of each period due date.
- The Financial Department enters the time information into the County payroll system. The H.R. Coordinator reviews the employee time banks to verify the County records reconcile with the Department's internal records. Adjustments to the official time records of the County are entered by the Staff Accountant.
- The County prepares and forwards all necessary payroll reports to the Department. Each report will be reviewed for accuracy upon receipt. All payroll reports should be treated as confidential information and filed in a secured location not available to the public.
- The H.R. Coordinator picks up the checks/direct deposit notification from the County Auditor no later than 9:00 on the pay date.
- The H.R. Coordinator prepares the checks for delivery. The employee(s) picking up the checks is required to sign for them.
- The County is responsible for all tax deposits and year end IRS reporting.
- The Staff Accountant allocates the wage and salaries and fringes per the activity reports for branch staff or by the calculated allocations for managers and support staff by the Director. A payroll allocation journal voucher is prepared for each pay period and posted to the general ledger by the deadline stated in the Staff Accountant's job description. Changes to that due date must be approved by the Director of Finance.
- The general ledger payroll expenses are compared to the cash transfer made by the County at the time the bank reconciliation is prepared. Any discrepancies are resolved with the County Treasurer.

Accruals Register Corrections

1. When there is a discrepancy in the Accruals Register, the H.R. Coordinator will give a correction notice form from the Staff Accountant.
2. The correction form will contact the following data:
 - a. Employee Name
 - b. Employee ID number
 - c. Employee hire Date
 - d. Category of the discrepancy, i.e., Comp Time, Reserved Sick, Sick/Personal, and Vacation
 - e. Hours listed on the Accruals Register
 - f. What the corrected hours should read
3. The H.R. Coordinator will date stamp the form before giving it to the Staff Accountant.
4. The Staff Accountant should submit the corrections to Payroll within a week of receiving the correction form.
5. The Staff Accountant enter put the date on the correction form was submitted to Payroll.
6. The Staff Accountant will provide a copy of the correction form to the H.R. Coordinator with her signature once the correction has been submitted to Payroll.
7. The H.R. Coordinator will put the signed copy of the form in the employee's timesheet folder.
8. The H. R. Coordinator will verify that the correction has been implemented on the following pay period Accruals Register.

ACCRUALS REGISTER CORRECTION FORM						
Name	EE#	Hire Date	Category	Accruals Register	Correction Should Read	Date Submitted to Payroll
Jane Doe	20020000	01/01/01	Resv Sick	21.50	15.00	

Cost Allocation Plan

The Kane County Department of Employment and Education is the administrative entity and fiscal agent for the WIA Title IB Funds in the workforce investment area known as LWIA 5. LWIA 5 is a three county area encompassing Kane, DeKalb, and Kendall counties. Kane County has been designated as the "lead" county and grant recipient for LWIA 5 through an interlocal agreement between the CLEO's of the three counties. As such, Kane County accepts all liability arising from the management of the WIA Title IB grant allocation.

In addition to the above mentioned roles, KCDEE also works with the local workforce investment board. In LWIA 5, this board is called the River Valley WIB. The board is composed of private and public sector members of the three county area. This board has oversight of the three one-stop centers in LWIA 5, and determines the local policy decisions needed to be implemented under the Workforce Investment Act.

KCDEE also acts as the administrative entity, fiscal agent and grant recipient for several other state and federal grants. Such grants include the Trade Adjustment Assistance grant, High Speed Internet grant, and various supportive service grants through the Department of Human Services.

Accounting System and Chart of Accounts

KCDEE utilized the MIP computerized fund accounting software. Revenue and expenditures are recorded in compliance with GAAP, and OMB circular A-87, Cost Principles for State, Local and Indian Tribal Governments. The following are the accounting segments used to record costs and revenue.

- Fund
- General Ledger classification
- Branch
- Cost Category

Branch coding is used to maintain reportable expenditures by one-stop and county location. The current Char of Accounts is attached. See Appendix

Indirect Costs

KCDEE does not have an indirect cost rat plan approved by the federal government, and does not use an indirect cost rate in its accounting practices.

Schedule of Revenues

Please see Appendix 1 for the schedule of grants, allocations and grant duration that are administered by KCDEE.

Cost Pools

KCDEE's accounting policy is to directly charge the cost objective for expenditures that are clearly defined. Such costs include administrative and WIB expenses as defined by WIA laws and policies, staff and related costs that are performing 100% of their duties for a specific cost objective. When the law does not define it, direct coding is support by activity sheets or other such documentation.

Cost which are incurred and benefit multiple cost objectives are charged to a pool and then allocated to the related cost objectives. KCDEE utilizes two cost pools. They are:

1. Operating Pool
 - Program staff travel
 - Program staff supplies
2. Space Pool
 - telephone
 - data lines
 - branch office equipment
 - rent, if applicable
 - disposal/recycle/trash removal

These pools are treated as funds and are fully allocated to the cost objectives.

Allocation Basis

The traditional base for the Space and Utilities pools would be on a cost per square foot basis. This method was not used due to fluctuating space plans, constant staff turnover and dynamic costs. Space and utility costs only apply at the One-Stop locations as they related to the negotiated leases. In lieu of cost per square foot, staff time was used as the allocation base for all three pools. The use of staff time by funding stream and cost category more accurately reflects the way expenditures should be charged to the cost objectives, and provides a consistent method of application.

Methodology

Each pay period, individual staff costs are coded directly to the related cost objective expense per the authorized activity sheet. KCDEE is on a bi-monthly pay cycle. After all the individual data is coded, a summary of each location/branch is created for that pay period. Each monthly's activity is then summarized by locations, and at the end of each quarter, the three months summary is used to create allocation percentages by location. All work is documented and maintained via excel spreadsheets. Please see the Cost Pool allocation folder for complete work and documentation.

Allocation Schedule

The cost pools are allocated on a quarterly basis for the following reasons:

1. Quarterly analysis smoothes variances on a monthly basis, and serves concurrently as a modification process.
2. The value of these pools is not material enough to warrant the intensive staff time needed to perform the allocations on a monthly basis.

In order to provide monthly reporting updates to the state grant reporting system, allocation estimates based on current payroll analysis are made by funding stream. The grant reporting system is adjusted to actual at the end of each allocation period. Documentation of the monthly expense reporting to the GRS is maintained in the files.

Summary

KCDEE has implemented its cost allocation plan in accordance with OMB Circular A-87, and ASMB C-10.