



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: February 10, 2025

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Agenda Item: Procurement Policy Spending Limits

Explanation: Staff was recently directed to review spending limits as set forth in the procurement policy. The current spending levels are attached as a red-lined version, along with the revised levels based on Staff recommendation.

The last revision to the procurement policy was done in 2019. This policy established a \$15,000 threshold when City Council approval is necessary as well as triggering competitive bidding requirements for relevant public works projects. Staff had indicated in an earlier conversation that the competitive bidding requirements had increased from \$25,000 to \$35,000 and that may be a consideration in revising the policy. Upon further research (confirmed by the IML) it was found that the increase to \$35,000 applies to school districts and the \$25,000 limit still applies but it is for non-home rule municipalities only with no limit for home-rule municipalities except in the case of change orders.

Staff is not recommending that the City follow state statute and dispense with any competitive bidding; however, we would suggest considering applying the competitive bidding requirements only in the case of an engineered capital project. Staff believes that it is much more efficient and cost effective to obtain three written quotes from vendors in the case of smaller projects over (the proposed limit of) \$20,000 that do not involve engineering or complex specs, for example a roof replacement.

In addition, Staff recommends increasing spending limits in light of the fact that the consumer price index has increased in excess of 20% since 2019 and purchasing power has been reduced accordingly. This additional authority will help employees in the field to make the decisions necessary to complete work in an efficient and expedient manner. Keep in mind that all such spending decisions are still reviewed by the Department Head who is ultimately responsible for all transactions affecting their budget.

Fiscal Impact: N/A

Recommendation: Approval of the revised spending limits/provisions.

Action Requested: Staff will continue to formulate a comprehensive procurement policy for consideration at a future meeting but does request discussion about the proposed changes to the spending limits and competitive bidding requirements that would be incorporated in the policy.

Current and proposed changes

Estimated Value	Method	Quotes	Solicitation	Approval
\$1,000-\$1,500	Phone Quotations	3	Supervisor	Supervisor
\$1,500 - \$2,500	Phone Quotations	3 2	Supervisor	Supervisor
\$2,501 - \$5,000 \$7,500	Written Quotations	3 2	Supervisor	Department Head/ Public Works- Manager/Deputy Chief of Police
\$5,001 - \$15,000 \$7,501 - \$20,000	Written Quotations	3	Department Head/ Public Works- Manager/Deputy Chief of Police	City Administrator
Over \$20,000 \$15,000	Written Quotations	3	Department Head/ Public Works- Manager/Deputy Chief of Police	City Council
Engineered Capital Projects	Competitive Sealed Bid	N/A	Department Head/Deputy Chief of Police	City Council
Architect-Engineer and Land Surveying Services	Qualifications-Based Selection (QBS)	N/A	Department Head/ Public Works- Manager/Deputy Chief of Police	Determined by final contract price
Sole Source	Documentation	N/A	Supervisor	Determined by price
Emergency Procurement	Documentation	N/A	Department Head/ Public Works- Manager/Deputy Chief of Police	Determined by price

Proposed

Estimated Value	Method	Quotes	Solicitation	Approval
\$1,500 - \$2,500	Phone Quotations	2	Supervisor	Supervisor
\$2,501 - \$7,500	Written Quotations	2	Supervisor	Department Head/Deputy Chief of Police
\$7,501 - \$20,000	Written Quotations	3	Department Head/Deputy Chief of Police	City Administrator
Over \$20,000	Written Quotations	3	Department Head/Deputy Chief of Police	City Council
Engineered Capital Projects	Competitive Sealed Bid	N/A	Department Head/Deputy Chief of Police	City Council
Architect-Engineer and Land Surveying Services	Qualifications-Based Selection (QBS)	N/A	Department Head/Deputy Chief of Police	Determined by final contract price
Sole Source	Documentation	N/A	Supervisor	Determined by price
Emergency Procurement	Documentation	N/A	Department Head/Deputy Chief of Police	Determined by price