

Note: These minutes are not official until approved by the Finance Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.

DeKalb County Government
Sycamore, Illinois

**Finance Committee Minutes
May 2, 2018**

The Finance Committee of the DeKalb County Board met on Wednesday, May 2, 2018, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stoddard called the meeting to order. Those Members present were Mr. Cribben, Mr. Frieders, Ms. Leifheit, Mr. Luebke, Ms. Polanco, Mr. Reid, and Chairman Stoddard. A quorum was established with all seven Members present.

Others that were present included Gary Hanson, Pete Stefan, Christine Johnson, Jim Hutcheson, Jim Scheffers, Sheila Santos, and John Mataitis.

APPROVAL OF THE AGENDA

It was moved by Mr. Luebke, seconded by Ms. Polanco and it was carried unanimously by voice vote to approve the agenda as presented.

APPROVAL OF THE MINUTES

It was moved by Mr. Luebke, seconded by Mr. Reid and it was carried unanimously to approve the minutes of the March 7, 2018 Finance Committee Meeting.

PUBLIC COMMENTS

There were no public comments.

ANNUAL FMO UPDATE

DeKalb County Facilities Management Office's Director Jim Scheffers joined the Finance Committee to present his annual FMO update. Mr. Scheffers showed a PowerPoint presentation that provided the Committee with an overview of work orders that the FMO staff accomplished in 2017, as well as pictures that detailed the major projects that FMO was faced with throughout the multiple Government Campuses over the past year. Mr. Scheffers emphasized that in 2017, FMO completed 12,702 work orders, 1,039 preventative maintenances, and setup 698 various meetings.

Sycamore Campus Projects included: Administration Building tree removal, Circuit Clerk's Office carpeting, Legislative Center compressor, Public Safety Siamese Connection, and Public Safety Jail Plug. DeKalb Campus Projects included: Bike Path, Parking Lot Cameras, and a Health Department Compressor.

Mr. Scheffers shared that they will soon be faced with a difficult choice: replace their entire air conditioning system or continue to pursue increasingly costly and hard-to-find R22 refrigerant when it's time for AC service. Standards for types of refrigerants used in air conditioning repair and maintenance are changing, and this means that this most common and least expensive refrigerant will soon be phased out. When the phase-out is complete in 2020, R22 refrigerant will no longer be available. R22 refrigerant, sometimes known as R22 Freon or HCFC-22 Freon, is an environmental danger because it contributes to the depletion of the ozone layer. The U.S.

government has placed restrictions on R22 and has issued the requirement that R22 refrigerant must be eliminated from use in cooling systems by the year 2020. At this point, R22 will no longer be manufactured and cannot be used as a refrigerant in new air conditioning systems. R22 is being replaced by R-410A, a safer material which is the current, compliant standard refrigerant in air conditioning equipment.

Mr. Scheffers noted that his ideal goal for 2019 would be to replace the rooftop units at the Health Department, Multi-Purpose Room, Courthouse and The Public Safety Building. Then in 2020, replace the rooftop units for the Legislative Center East & West, Administration Building and the Public Safety Building for the Jail Floor. He forewarned that it is going to be very expensive but if they don't do it and they lose a compressor and can't get one, now what is he going to do, Mr. Scheffers questioned. A very rough estimate of \$600,000 was given of what it would potentially cost for just four rooftop units. The Committee thanked Mr. Scheffers for joining them and providing his 2017 Annual Report.

DELINQUENT TAX LIQUIDATION PROGRAM MINIMUM BID RESOLUTION

DeKalb County Treasurer Christine Johnson presented a resolution forwarded by Joseph E. Meyer & Associates, Inc., the County Trustee, in connection with the delinquent property tax sale program increasing the minimum bid for a delinquent property sale to \$750.00 from \$600.00. The increased cost has remained at the \$600.00 level for the past eleven years although the cost of the tax deed process has increased for both the County and their firm.

It was moved by Ms. Leifheit, seconded by Mr. Reid and it was carried unanimously to forward the resolution to the full County Board recommending its approval.

ANNUAL REPORT OF COMPLIANCE WITH THE BOND RECORD KEEPING POLICY

Mr. Stefan shared that this report is an annual housekeeping item to demonstrate compliance with the Bond Record Keeping Policy so that bond interest costs can be maintained at lowest tax-exempt levels. Construction documents and bond proceed investment documents must be kept on file until three years after the last outstanding bond has been retired and investment earnings cannot exceed certain levels without triggering an arbitrage rebate requirement payable to the federal government.

Mr. Stefan reviewed that the current applicable bond issues include: 2005 PBC Lease Bonds, 2010A Building America Bonds, 2010B Recovery Zone Bonds, and the 2017 General Obligation Bonds. The figures represented in the policy that was distributed to the Committee represent that there is no rebate liability due to the U.S. Treasury for arbitrage as the 2017 General Obligation Bonds (Alternate Revenue Source) are still in the construction spend-down exception window for newly issued debt.

The Finance Committee unanimously accepted the Annual Report of Compliance with the Bond Record Keeping Policy for 2017.

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PROCUREMENT POLICY FOR FEDERAL AND STATE GRANTS

Mr. Stefan explained that Federal Grants have numerous requirements attached to them and one specific area where a separate policy is needed is in the area of procurement. The policy must contain an ethics clause, conflicts of interest clause, purchasing procedures for various levels of expenditures, and several other items. Additionally, many State Grants are now following the Federal process as a result of the Grant Accountability and Transparency Act which aims to streamline the grant process by having a more unified, coordinated, and non-redundant process for grant oversight, and to limit fraud, waste and abuse throughout the grant life cycle. Mr. Stefan presented to the Committee for their consideration one combined Federal & State Grant Procurement Policy.

It was moved by Mr. Luebke, seconded by Mr. Cribben and it was approved unanimously to forward the Policy to the full County Board recommending its approval.

TITLE VI NON-DISCRIMINATION POLICY

Mr. Stefan continued that another grant related policy requirement to be on file is a policy on non-discrimination pursuant to Title VI of the Civil Rights Act of 1964 that prohibits discrimination based on race, color, or national origin. Some grants are requiring that a separate policy on Title VI non-discrimination be provided as part of the application/approval process which is currently the case for the Voluntary Action Center's Section 5311 Grant Agreement for Fiscal Year 2019. Accordingly, Mr. Stefan presented to the Committee a Title VI Policy that goes beyond the requirements of prohibiting discrimination based on race, color, or nation origin but also includes other protected classes as those may be amended from time to time.

It was moved by Mr. Luebke, seconded by Ms. Polanco and it was approved unanimously to forward the Policy to the full County Board recommending its approval.

ADJOURNMENT

It was moved by Ms. Leifheit, seconded by Mr. Frieders, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

Paul Stoddard, Chairman

Tasha Sims, Recording Secretary

DEKALB COUNTY FINANCE OFFICE

ANNUAL REPORT OF COMPLIANCE WITH THE BOND RECORD KEEPING POLICY

Report for 2017

The Finance Office is responsible for reporting on the County's compliance with the County's Bond Record Keeping Policy which was adopted on November 16, 2012.

DeKalb County's Chief Financial Officer (and Bonds' Compliance Officer), Peter J. Stefan, reports that all required records for all applicable bond issues, have been maintained and stored. This includes Closing Transcripts and Debt Obligations for the 2005 PBC Lease Bonds (which was the refinancing of the 1997 Health Facility Bond Issue), the 2010A "Build America Bond" Issue, the 2010B "Recovery Zone Bond" Issue, and the 2017 General Obligation Bonds (Alternate Revenue Source). This also includes true, correct, and complete counterparts of each and every document and agreement delivered in connection with the issuance of the Obligations, including without limitation (a) the proceedings of the County authorizing the obligations, (b) any offering document with respect to the offer and sale of the Obligations, (c) any legal opinions with respect to the offer and sale of Obligations delivered by any lawyers, and (d) all written representations of any person delivered in connection with the issuance and initial sale of all Obligations.

The Arbitrage Rebate Liability regarding these bonds for 2017 is indicated below:

2005 PBC Lease Bonds	Interest Paid-\$	0	Interest Earned-\$	0
2010A Build America Bonds	Interest Paid-\$	268,598	Interest Earned-\$	1,265
2010B Recovery Zone Bonds	Interest Paid-\$	310,108	Interest Earned-\$	346
2017 General Obligation Bonds	Interest Paid-\$	0	Interest Earned-\$	5,590

These figures represent that there is no rebate liability due to the U.S. Treasury for arbitrage as the 2017 General Obligation Bonds (Alternate Revenue Source) are still in the construction spend-down exception window for newly issued debt.

The DeKalb County Compliance Officer also reports that all requisitions, invoices, and receipts and other information that may be needed in order to establish that the interest paid on the Obligations is entitled to be excluded from "gross income" for federal income tax purposes has been preserved.

(Continued)

(Continued)

Report for 2017 (Continued)

All retained records are kept for as long as the Obligations relating to such records (and any Obligations issued to refund the Obligations) are outstanding, plus three years and include:

- (a) complete copies of the bond transcripts delivered when the Obligations were initially issued and sold;
- (b) copies of account statements showing the disbursement of all bond proceeds for their intended purposes;
- (c) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any Obligations have been held;
- (d) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any tax-exempt bond obligations, including any sways, swaptions, or other financial derivatives entered into with respect to any tax-exempt bond obligations in order to establish that such instruments were purchased at *fair market value*;
- (e) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;
- (f) any calculations of liability or *arbitrage rebate* that is or may become due with respect to any issue of tax-exempt bond obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and
- (g) copies of all contracts of the County, including any leases, with respect to the use of any property owned by the County and acquired or financed with the proceeds of tax-exempt bond obligations, any part of which property is used by a private person at any time when such bonds are or have been outstanding.

End

DEKALB COUNTY GOVERNMENT

PROCUREMENT POLICY FOR FEDERAL & STATE GRANTS

I. Introduction

This Procurement Policy for Federal & State Grants applies to all expenditures of monies received through a) federal grants, whether those monies come directly from a Federal agency or through an intermediary, known as a “pass-through entity”, and b) state grants. This Policy does not govern expenditure of funds received from other sources (e.g. taxes, licenses and permits, etc.). While reference may be made from time to time simply to “procurement transactions,” this Policy applies only to such transactions funded with either federal monies or with state grants.

The remainder of this policy will refer simply to federal grants but for the purposes of this Policy, federal grants and state grants are interchangeable and the provisions of this Policy shall apply both to all federal grants and to all state grants unless specific grant provisions are more restrictive than this policy in which case the specific grant provisions will govern.

Federal law imposes particular requirements on the use of federal grants. This Policy is designed to ensure that DeKalb County Government complies with those requirements. Individual federal grants may contain further requirements that are unique to those grants and in addition to the requirements of this Policy. It is therefore important for Departments to work closely with the granting agency and the Finance Office to ensure compliance with the requirements of each grant.

Failure to comply with federal requirements can result in a variety of adverse consequences, ranging from denial of reimbursement to debarment of DeKalb County Government from all federal funding. In certain circumstances, criminal charges may also be brought. Therefore federal requirements must be scrupulously observed. Violation of these procedures may result in disciplinary action, up to and including termination of employment, depending on the severity of the violation.

II. Ethics and Conflicts of Interest

A. DeKalb County Government Personnel

All conduct must comply with applicable laws, regulations, and professional best practices. Grant reports must be complete, accurate, and truthful. Promptly report observed or suspected infractions to the County’s Ethics Advisor.

Procurement Policy for Federal & State Grants

All individuals involved in expenditure of federal grant monies must avoid any actual or apparent conflict of interest. Such individuals may not derive any personal financial or other benefit from any contract or transaction using federal grant funds. This prohibition includes parents, children (biological, foster, and/or adopted) and siblings, as such close relationships could give rise to an appearance of conflict. In addition, contractors or consultants who draft bid specifications or requests for proposal on DeKalb County Government's behalf are thereby disqualified from bidding on those opportunities. While such contractors or consultants are not automatically disqualified from other opportunities, care must be taken to ensure that their work for the County does not give them unfair advantage over competitors.

DeKalb County Government personnel may not accept kickbacks, "rebates," gratuities, or other "gifts" or "tokens of appreciation" from vendors. Rebates and discounts to DeKalb County Government are permitted provided they:

- Comport with all applicable law;
- Provide a direct benefit to DeKalb County Government;
- Result from an arm's-length negotiation, which is fully documented in the file; and,
- Are consistent with vendor's standard pricing or discounting policies.

Vendors or suppliers who offer inappropriate benefits or rewards to individual DeKalb County Government employees shall immediately be reported to the County's Ethics Advisor.

Noncompliance with these requirements may result in disciplinary action up to and including termination of employment.

B. Departments of DeKalb County Government

The various departments of DeKalb County Government may not bid on contracts offered by other departments if such bidding would create an actual or apparent conflict of interest, create an appearance of favoritism, or interfere with free and open competition with bidders from outside the County.

C. Suppliers or Bidders

To avoid conflict or the appearance of conflict, contractors or consultants who prepare specifications, statements of work, or other material portions of requests for proposal shall be excluded from bidding on the underlying work. As with natural persons, parent, subsidiary and affiliated companies must also be excluded. DeKalb County Government will not accept bids based upon anti-competitive pricing or practices.

D. Reports

Suspected or observed violations of these Procedures shall be reported to the County's Ethics Advisor. DeKalb County Government strictly prohibits retaliation of any type or nature against anyone for making such reports in good faith. Immediately report any observed or suspected retaliation to the County's Ethics Advisor.

III. Procurement Processes

Federal regulations place great emphasis on securing the best value for each federal dollar and on promoting free and open competition. Consequently, all purchases using federal funds require a cost/price analysis and documentation showing that more than one vendor was considered. The detail of the analysis and documentation required increases with the amount spent. See Section III. H., below, for Purchasing Guidelines. As a general principal, DeKalb County Government is responsible for the efficient and effective administration of Federal grants through sound management practices. DeKalb County Government may not earn or keep any profit resulting from Federal monies, unless such is expressly permitted by the terms of the grant.

A. Costs

Costs must be reasonable, allowable, and allocable. A cost is “reasonable” if it is one a reasonable person would incur in the circumstances, after appropriate market research and price analysis.

B. Allowable Costs

“Allowable” costs must:

- Be necessary and reasonable for the performance of the Federal award and be allocable to that award.
 - Duplicative or unnecessary purchases are not “allowable” and are not eligible for reimbursement from Federal grant monies.
- Conform to any limitations set forth in this Policy or in the grant. Consult the granting agency or the Finance Office regarding additional requirements attached to particular grants.
- Be recorded and classified in a consistent treatment. For example, costs that are classified as indirect outside the context of a Federal grant may not be classified as direct costs when applied to a Federal grant.
- Be determined in accordance with generally accepted accounting principles (“GAAP”).
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be properly documented. Required documentation is detailed in Section III. H.

Whenever appropriate, the costs of leasing versus purchasing must be considered.

Departments, not the Finance Office, are responsible for ensuring that grant expenditures are accounted for in a complete, timely, and accurate manner.

C. Account Codes

Account codes are used to classify and accurately track expenses and expenditures. Use of account codes is also required by Federal law and regulation. Account codes are furnished by the Finance Office. Departments are responsible for the consistent and accurate use of account codes and are encouraged to contact the Finance Office if additional account codes are required for any particular Federal grant.

Procurement Policy for Federal & State Grants

D. Allocable costs

A cost is “allocable” to the extent that it provides a benefit to the project for which the grant was awarded. If there is no benefit, the expense is not “allocable.” If an expense is not “allocable,” it is automatically not “allowable” and cannot be paid for from grant funds.

Costs charged to Federal grants shall be the actual cost incurred by DeKalb County Government and shall therefore reflect any credits or discounts obtained by the Department.

If a cost benefits more than one project, but the proportion of benefit to each cannot be determined because of the interrelationship of those projects, then the cost may be allocated between those projects on any reasonable basis, with proper documentation as to how and why the allocation was made.

If a grant specifically authorizes the purchase of equipment or other capital assets, those costs shall be allocated to that grant, regardless of what use is made of such equipment or asset after its original purpose is completed. “Indirect” costs, such as maintenance and depreciation are discussed in Section III. E., below.

In general, costs allocable to one grant may not be charged to any other Federal grant to overcome fund deficiencies or any other reason. In certain instances, however, shifting costs under two or more Federal grants is allowed. Cost shifting between Federal grants is not permitted without the prior, written approval of the granting agency.

Whenever Cost Accounting Standards apply, those standards shall take precedence over the allocation principles above. Consult the Finance Office for guidance in these situations.

When in doubt regarding the reasonableness and allocability of any costs, consult the granting agency or the Finance Office.

Certain grants may be subject to statutory limits on allowable costs. In those cases, costs that exceed that limit may not be charged to the grant.

Any payments made for costs determined to be unallowable must be returned (with interest) to the granting agency.

E. Indirect (Facilities and Administration) Costs

Indirect (F&A) costs must be classified as “Facilities” or “Administration.”

- “Facilities” means depreciation on buildings, equipment, and capital improvement, interest on debt associated with certain buildings, equipment, and capital improvements, and operations and maintenance expenses.
- “Administration” means general administration and general expenses such as the Finance Office, accounting, and other indirect costs not defined above as “Facilities” costs.

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Indirect costs may be allocated to a grant only if they provide a benefit to that specific grant program.

Individual grants may set forth specific requirements relating to reimbursement of indirect costs, matching, or cost sharing. Please consult the granting agency for additional guidance.

F. Certifications.

Federal law requires periodic reports detailing the use of grant monies. These reports, as well as vouchers requesting payment, must be certified in writing by Departments. The required certification reads:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

Note that errors, omissions, or falsehoods may result in personal liability, including criminal prosecution.

G. Price

Price analysis is a comparison of prices offered by qualified vendors competing in the open market. Price analysis may be as simple as “comparison shopping” prices for standard goods published by a number of vendors or as complicated as written bids submitted in response to a detailed request for proposal.

H. Purchasing Guidelines

1. Micro Purchases (Less than \$3,000 or \$2,000 in the case of acquisitions for construction contracts subject to the Davis-Bacon Act)

Purchases under \$3,000 are typically standardized goods or services available from many sources. Such purchases do not require competitive bidding or detailed documentation. However pricing should be obtained from more than one supplier and this research should be documented in the file. Whenever practicable, micro purchases should be distributed equitably among qualified suppliers.

2. Small Purchases – Over \$3,000 but Less Than \$30,000 (\$35,000 for data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services).

Procurement Policy for Federal & State Grants

Purchases larger than \$3,000, but less than \$30,000 (or \$35,000 as noted above), require additional research and documentation. At minimum, written quotations should be obtained from at least two competing sources. All requests for proposals shall identify DeKalb County Government as an Equal Opportunity Employer and require the same certification from suppliers.

Minimum acceptable documentation consists of requests for proposal issued, responses received, and criteria used for final selection. There is no requirement that contracts be awarded solely on the basis of price (i.e. to the lowest bidder). Other considerations, such as the vendor's experience in the field or quality of products or services offered, may justify a higher price. Those reasons must be documented in the transaction file, however.

Consult the granting agency or the Finance Office if special circumstances arise (e.g., only one suitable supplier exists).

3. Procurement by Sealed Bids (formal advertising)

This procurement method is used for purchases over \$30,000 (or \$35,000 as noted in Section III. H. 2 above). Sealed bids are publicly solicited requests for bids or proposals at a fixed contract price. The contracts are awarded to the bidder whose bid conforms in all material respects to the specified requirements and offers the lowest price. Sealed bids are the preferred method for procuring construction contracts.

Sealed bidding is appropriate in the following circumstances:

- A complete, adequate, and realistic specification or purchase description is available; and
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- The invitation for bids shall be publicly advertised; and
- Bids must be solicited from an adequate number of known suppliers, providing them sufficient time to respond; and
- The invitation for bids must fully describe the items or services sought, so that the bidder may properly respond; and
- All bids will be publicly opened at the time and place prescribed in the invitation for bids; and

Procurement Policy for Federal & State Grants

- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must 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; and
- Any or all bids may be rejected if there is a sound, documented reason.

Departments shall establish a written method for conducting technical evaluations of the proposals received and for selecting recipients before the bidding opportunity is announced. Technical specifications shall be provided to the granting or pass-through agency upon request.

4. Competitive Proposals

This procurement method is used for purchases over \$30,000 (or \$35,000 as noted in Section III. H. 2 above), requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.

5. Sole Source Procurement or Non-Competitive Proposals

“Sole source” procurement or non-competitive proposals may be used only when one or more of the following circumstances apply:

- The item is available only from a single source; or
- Public exigency or emergency will not permit a delay resulting from competitive solicitation; or
- The Federal awarding agency or pass-through entity expressly authorizes non-competitive proposals; or
- After solicitation of a number of sources, competition is determined to be inadequate.

IV. Competition

All procurement transactions must be conducted in a manner providing full and open competition. Requirements or practices that impede or obstruct such competition are not permitted and may result in disciplinary action up to and including termination of employment.

Federal grant regulations set aside preferences required by state or local law, unless the grant or applicable Federal law expressly mandates or encourages observance of such preferences. Federal preemption does not apply, however, to state licensing laws.

Procurement Policy for Federal & State Grants

To further ensure free and open competition, all solicitations shall:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Features or requirements that unduly restrict competition are not permitted. “Brand name or equivalent” descriptions may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand to be met by offers must be clearly stated; and
- Identify all requirements and all factors to be used in evaluating bids; and
- Ensure that all prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. No potential bidder shall be barred from submitting during the proposal period.

Specifications or requirements that artificially limit competition are not permitted.

V. General Requirements

The following requirements are applicable to all procurement transactions, regardless of size.

Procurement transactions shall be conducted in a lawful and ethical manner.

Unnecessary/duplicative purchases are not permitted (and are not reimbursable expenses).

Departments are responsible to ensure contractor performance in accordance with their contracts or purchase orders.

Whenever possible:

- Consider leasing versus purchasing;
- Enter into agreements to share common goods or services with other governmental entities, non-profit organizations, or educational institutions;
- Use Federal excess or surplus property in lieu of new purchases;
- Consider breaking purchases into smaller consignments, or consolidating purchases, if doing so will produce lower pricing or greater value.

In those instances in which no price competition exists, the supplier’s profit shall be negotiated as a separate line item. To establish a fair and reasonable profit, consider the:

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- Complexity of the work to be performed;
- Risk borne by the contractor;
- Contractor's investment;
- Amount of subcontracting;
- Contractor's record of past performance;
- Industry profit rates for similar work in the surrounding area.

Construction contracts may not be awarded based on a "cost plus" pricing method. The fee payable under the contract must be expressed in dollars to be paid, and not as a percentage of any cost component. In addition, value engineering should be applied to all construction contracts.

Contracts shall be awarded only to providers of known integrity and ability to fulfill the contract requirements.

Each Department must maintain records detailing the history of all procurements. At a minimum, these records will disclose the rationale for the:

- Method of procurement; and
- Selection of contract type; and
- Contractor selection or rejection; and
- Basis for the contract price.

Time and material contracts may be used only after a determination that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk.

Records of all procurement transactions, and all relevant supporting documents, shall be available upon request to the federal granting agency or the pass-through agency responsible for the funds provided to DeKalb County Government.

VI. Mandatory Contract Provisions

Each grant may require that contracts funded by that grant contain certain provisions that apply only to that grant. Generally required terms are discussed here to provide users with a basic understanding of those provisions.

A. Remedies

Contracts that exceed the Federal Simplified Acquisition Threshold, currently set at \$150,000, must provide remedies that protect DeKalb County Government in the event the contractor fails to perform as required by the contract. These remedies may include sanctions, liquidated, actual and/or realized damages, or penalties levied upon the contractor. Please consult the granting agency for assistance.

Procurement Policy for Federal & State Grants

Contracts that exceed \$10,000 must permit DeKalb County Government to terminate for cause, and for convenience, and must include a mechanism for calculating the amounts due the contractor in the event of such termination. Please consult the granting agency for assistance.

Contractor must certify that it is an “Equal Opportunity Employer.”

B. Davis-Bacon Act

The Davis-Bacon Act applies to construction contracts in excess of \$2,000. It requires contractors to pay laborers and mechanics wages not less than the “prevailing” wage, as determined by the Secretary of Labor.

- Each bid solicitation published by DeKalb County Government must contain the current prevailing wage determination.
- Any award of the contract must be conditioned on contractor’s acceptance of that wage determination.
- Suspected or reported violations of the Davis-Bacon Act shall be immediately reported to the Federal awarding agency.

C. Copeland “Anti-Kickback” Act

The Copeland “Anti-Kickback” Act also applies to construction contracts in excess of \$2,000. It prohibits “kickbacks” in construction contracts funded with Federal monies.

- Contractors and subcontractors (sometimes referred to as “subrecipients”) shall be prohibited from inducing any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.
- Suspected or reported violations shall be immediately reported to the Federal awarding agency.

D. Construction Contract Work Hours and Safety Standards Act

Construction contracts in excess of \$100,000 shall require that the wages of mechanics or laborers comply with Federal law; including:

- Wages of mechanics and laborers shall be computed on the basis of 40 hours of work per week; and
- Work in excess of forty hours per week shall be paid at a rate at least 1.5 times the basic hourly rate.

In addition, contractors shall be prohibited from requiring laborers or mechanics from working in surroundings or under conditions that are unsanitary, hazardous, or dangerous.

Procurement Policy for Federal & State Grants

E. Rights to Inventions Made Under a Contract or Agreement

If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment, or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

F. Clean Air and Water

Contractor shall be required to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

Departments shall report observed or suspected violations to the grant awarding agency and the Regional Office of the Environmental Protection Agency.

G. Energy Efficiency

Contractor shall be required to meet all applicable federal energy conservation and efficiency standards pursuant to the Energy Procedures and Conservation Act (42 U.S.C. 6201).

H. Debarment and Suspension

Contracts funded with Federal grant monies may not be awarded to contractors that have been debarred or suspended from receiving Federal monies pursuant to the Federal Excluded Parties List System.

I. Byrd Anti-Lobbying Amendment

Contractors that apply or bid for an award of \$100,000 must certify that they have not used Federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award.

J. Procurement of recovered materials.

Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

VII. Bonding Requirements

Unless the granting agency has made a separate determination accepting DeKalb County Government's bonding procedures, all contracts for construction or facility improvement contracts or subcontracts exceeding the Federal Simplified Acquisition Threshold, currently set at \$150,000, shall meet the following requirements:

- Each bidder shall provide a bid guarantee equivalent to five percent of the bid price. 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.
- Successful bidders shall, prior to contract execution, provide a performance bond for 100 percent of the contract price to secure fulfillment of contractor's obligations under such contract.
- Successful bidders shall also provide, prior to contract execution, a payment bond for 100 percent of the contract price to ensure payment to persons supplying labor and materials under the contract.
- All bonds shall be issued by reputable and financially sound bonding companies licensed to do business in the State of Illinois.

VIII. Monitoring and Reporting Program Performance

Departments, not the Finance Office, are responsible for oversight of activities supported by Federal grant monies. Departments must monitor activities under Federal awards to ensure i) compliance, and ii) that performance expectations are being achieved.

Departments are responsible for the timely completion of all required reports. As a general rule, such reports are required at least annually, and no more frequently than quarterly.

Performance reports shall be submitted using federally approved forms and standards. Please consult the granting agency for assistance in obtaining these forms or interpreting the applicable standards. Current Federal standards require that reports provide:

- A comparison of actual accomplishments to the objectives of the Federal award.
- The reasons why established goals were not met, if appropriate.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

IX. Significant Developments

Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, DeKalb County Government must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

- Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action(s) taken, or contemplated, and any assistance needed to resolve the situation.
- Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

X. Record Retention and Access

A. Retention

Financial records, supporting documents, statistical records, and all other records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. For Federal awards that are renewed quarterly or annually, however, records must be maintained from the date of the submission of the quarterly or annual financial report, respectively. The only exceptions are the following:

- If any litigation, claim, or audit is begun before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- The three-year retention period may be extended by notice from the Federal granting agency or any other agency having oversight authority.
- Records for real property and equipment acquired with Federal funds must be retained for three years after final disposition of that property or equipment.
- The three-year retention requirement does not apply when records are transferred to or maintained by the Federal awarding agency or pass-through entity.
- When the grant requires DeKalb County Government to report program income after the period of performance, the retention period starts from the end of the County's fiscal year in which the program income is earned.

The following apply to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable:

Procurement Policy for Federal & State Grants

- If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
- If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

B. Methods for Collection, Transmission, and Storage of Information

Records shall be maintained in open and machine readable formats rather than in proprietary formats, whenever possible, or on paper.

C. Access to Records

Records relating to programs funded with Federal monies shall be available to the Federal awarding agency, or any other Federal oversight agency, upon request. This provision includes timely and reasonable access to DeKalb County Government's personnel for inquiry related to such records.

XI. Project Closeout

The following timetable applies to all projects funded by Federal grants unless:

- The grant itself sets forth another schedule; or
- The granting agency agrees to extension(s) of this timetable.

The project leader shall submit, no later than 90 calendar days after the project end date, all financial, performance, and other reports required by the terms of the grant.

All obligations under the grant shall be liquidated within 90 days of the project end date.

Any funds advanced by the granting agency, but not spent in performance of the grant project, shall be refunded to the granting agency.

The Departments shall account for the disposition of any real or personal property acquired with Federal funds or received from the Federal government as part of the grant project.

The closeout of a Federal award does not affect the right of the awarding agency to disallow costs and recover funds through audit or other review.

XII. Consequences of Noncompliance

Noncompliance can result in a variety of adverse consequences for DeKalb County Government, including:

- Temporary withholding of payments pending correction of the deficiency.
- Disallowance of all or part of the cost of the activity or action not in compliance.
- Complete or partial suspension of the Federal grant.
- Suspension or debarment of DeKalb County Government from participation in federally funded programs.
- Withholding of further Federal funding.
- Suit to recover funds paid for non-compliant activity(ies).
- Criminal prosecution.

Noncompliance with these Procedures can have a variety of adverse consequences for DeKalb County Government, including loss of access to federal funding. Therefore, failure to comply with these Procedures may result in disciplinary action up to and including termination of employment.

In addition, violation of Federal requirements may expose an individual to civil and criminal prosecution.

DeKalb County Government
Statement of Policy on Providing Non-Discriminatory Services per
Title VI of the Civil Rights Act of 1964
(Board Adopted: May 16, 2018)

DeKalb County Government (the "County") is committed to a policy of non-discrimination in the conduct of its business, including its Title VI of the Civil Rights Act of 1964 ("Title VI") responsibilities - the delivery of equitable and accessible services. The County recognizes its responsibilities to the communities in which it operates. It is the County's policy to utilize its best efforts to assure that no person shall, on the grounds of race, color, national origin, or any other protected class as amended from time to time, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under its program of transit service delivery and related benefits or any other program or activity for which DeKalb County receives Federal financial assistance.

Toward this end, it is the County's objective to:

- A. Ensure that the level and quality of service is provided without regard to race, color, national origin, or any other protected class as amended from time to time;
- B. Identify and address, as appropriate, disproportionately high and adverse human health and environmental effects, including social and economic effects of programs and activities on minority populations and low-income populations;
- C. Promote the full and fair participation of all affected populations in service provision decision making;
- D. Prevent the denial, reduction, or delay in benefits related to programs and activities that benefit minority populations or low-income populations;
- E. Ensure meaningful access to programs and activities by persons with limited English proficiency.

The responsibility for carrying out the County's commitment to this Program has been delegated to the County Administrator by the DeKalb County Board. The County Administrator is responsible for the day-to-day operations of this Program and will receive and investigate Title VI complaints which come through the complaint procedure. However, all managers, supervisors, employees, and transit operators share in the responsibility for making the County's Title VI Program a success. The County Administrator shall be responsible for maintaining all records relating to this Policy including, but not limited to, this Title VI Policy, copies of all Title VI complaints or lawsuits and related documentation, all records of correspondence to and from Complainants, and Title VI investigations.

Additional information concerning the County's Title VI obligations and the complaint procedure can be obtained by contacting the County Administrator's Office by telephone at (815) 895-1630, via email at administration@dekalbcounty.org, or via mail at DeKalb County Administrator, 200 N. Main Street, Suite 280, Sycamore, Illinois 60178-1431.

TITLE VI INFORMATION DISSEMINATION & COMMUNITY OUTREACH

The Title VI public notice attachment shall be posted in the DeKalb County Legislative Center, 200 N. Main Street, Sycamore, Illinois 60178-1431. Information relating to DeKalb County's non-discrimination obligation can also be obtained from DeKalb County's website at www.dekalbcounty.org.

During employee orientation and subsequent employee trainings, information relative to the provisions of Title VI and the County's expectations of employees to perform their duties accordingly will be reviewed and discussed.

Community outreach is a requirement of Title VI recipients and sub-recipients shall seek out and consider the viewpoints of minority and low-income populations in the course of conducting public outreach. Recipients have wide latitude to determine what specific measures are most appropriate and should make this determination based on the composition of the affected populations, the public involvement process, and the resources of the recipient. As stated above, the Title VI Policy will be located on DeKalb County's website and will be available for review at the DeKalb County Administrator's Office. Additionally, all DeKalb County Board meetings are open to the public and follow the Illinois Open Meetings Act.

SUBCONTRACTORS AND VENDORS

All subcontractors and vendors who receive payments from DeKalb County where funding originates from any federal assistance are subject to the provisions of Title VI of the Civil Rights Act of 1964 as amended. Written contracts with such subcontractors and vendors shall contain non-discrimination language, either directly or through the bid specification package which becomes an associated component of the contract.

LIMITED ENGLISH PROFICIENCY POLICY STATEMENT AND AVAILABLE RESOURCES

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq., provides that no person shall be subjected to discrimination on the basis of race, color, or national origin under any program or activity that receives Federal financial assistance. Title VI and its implementing regulations require that certain federal grant recipients take responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of their programs and activities for individuals who are Limited English Proficient (LEP). To that end, the County provides translation and interpretation services free of charge upon request by calling (815) 895-1630 or by contacting the DeKalb County Administrator via email at administration@dekalbcounty.org, or via mail at 200 N. Main Street, Suite 280, Sycamore, Illinois 60178-1431.

TITLE VI COMPLAINT PROCEDURES

If you believe that you have been excluded from participation in, denied the benefits of, or subjected to discrimination based on race, color, national origin, or any other protected class as amended from time to time, under the County's programs or related benefits, you may file a complaint with the DeKalb County Administrator by telephone at (815) 895-1630, via email at administration@dekalbcounty.org, or via mail at 200 N. Main Street, Suite 280, Sycamore, Illinois 60178-1431. We encourage you to make your complaint in writing.

All complaints will be investigated promptly. Reasonable measures will be undertaken to preserve any information that is confidential. The County Administrator will review every complaint, and when necessary, assign a neutral party to investigate. At a minimum the investigating officer will:

- Identify and review all relevant documents, practices, and procedures;
- Identify and interview persons with knowledge of the Title VI violation, i.e., the person making the complaint; witnesses or anyone identified by the Complainant; anyone who may have been subject to similar activity; or anyone with relevant information.

Upon completion of the investigation, the County Administrator will complete a final report for the DeKalb County Board. If a Title VI violation is found to exist, remedial steps as appropriate and necessary will be taken immediately. The Complainant will also receive a final report together with any remedial steps. The investigation process and final report should take no longer than twenty-five (25) business days to complete. If no violation is found and the Complainant wishes to appeal the decision, he or she may appeal directly to the DeKalb County Board at 200 N. Main Street, Suite 280, Sycamore, Illinois 60178-1431.

Complaints may also be filed with the Federal Transit Administration's Office of Civil Rights, no later than 180 days after the date of the alleged discrimination via the following contact information:

Federal Transit Administration
Office of Civil Rights
200 West Adams Street, Suite 320
Chicago, Illinois 60606
Phone: (312) 353-3770

The DeKalb County Administrator shall maintain a log of Title VI complaints received from this process which log shall include the date the complaint was filed; a summary of the allegations; the status of the complaint; and actions taken by the County in response to the complaint. Should the County receive a Title VI complaint in the form of a formal charge or lawsuit, the DeKalb County State's Attorney shall be responsible for the investigation and maintaining a log as described herein.

Appendices

1. Title VI Public Notice
2. Title VI Complaint Form

Non-Discrimination Rights Under Title VI of the Civil Rights Act of 1964

DeKalb County Government (the “County”) operates its programs and services without regard to race, color, national origin, or any other protected class as amended from time to time in accordance with Title VI of the 1964 Civil Rights Act (“Title VI”). Any person who believes that she or he has been aggrieved by any unlawful discriminatory practice under Title VI may file a complaint with the County. Any such complaint must be in writing and filed with the County within 180 days following the date of the alleged discriminatory occurrence. For information on the County’s non-discrimination obligations or how to file a complaint, please contact the DeKalb County Administrator, who is the designated Title VI Officer, by any of the methods listed below.

DeKalb County Administration Department
200 N. Main Street. Suite 280
Sycamore, Illinois 60178-1431

815-895-1630 (Phone)
815-895-7129 (Fax)
administration@dekalbcounty.org (email)
www.dekalbcounty.org (website)

If this information is needed in another language, please contact the DeKalb County Administrator via the above contact information.

**DeKalb County Government
Title VI of the Civil Rights Act of 1964
Discrimination Complaint Form**

DeKalb County Government (the "County") is committed to ensuring that no person is excluded from participation in or denied the benefits of its services on the basis of race, color, national origin, or any other protected class as amended from time to time, as provided by Title VI of the Civil Rights Act of 1964, as amended. Title VI complaints must be filed within 180 days from the date of the alleged discrimination.

The following information is necessary to assist us in processing your complaint. If you require any assistance in completing this form, please contact the DeKalb County Administrator by telephone at (815) 895-1630, via email at administration@dekalbcounty.org, or via mail at DeKalb County Administrator, 200 N. Main Street, Suite 280, Sycamore, Illinois 60178-1431. This completed form must be returned to the DeKalb County Administrator via any of the contact methods indicated above.

Your Name: _____

Street Address: _____

Phone: _____ Alternate Phone: _____

Person discriminated against (if someone other than complainant):

Name(s): _____

Street Address, City, State & Zip Code: _____

Which of the following best describes the reason for the alleged discrimination that took place?

- Race
- Color
- National Origin (Limited English Proficiency)
- Other Protected Class (please list): _____

Date of Incident: _____

Complainant's Name: _____ Date of Incident: _____

Have you filed a complaint with any other federal, state or local agencies? Yes No

If yes, list agency/agencies and contact information below:

Agency: _____ Contact Name: _____

Street Address, City, State & Zip Code: _____

Agency: _____ Contact Name: _____

Street Address, City, State & Zip Code: _____

I affirm that I have read the above charge and that it is true to the best of my knowledge, information, and belief.

Complainant's Signature _____ Date _____

Print or type name of Complainant: _____

For County Use Only

Date Received: _____ Received By: _____