

Sauk Valley Community College
June 20, 2017

Action Item 4.2

Topic: Board Policy 305.01 Purchasing Policy – First Reading

Strategic Direction: Goal 1, Objective 3 – Be operationally efficient in order to maintain a low cost of attendance for students

Presented by: Dr. David Hellmich and Melissa Dye

Presentation:

After reviewing Federal Grant Guidelines, it was noted the College does not have requirements in the Purchasing Policy regarding quotes. As the College remains in difficult financial times, it was determined that including quotes within this policy will assist in getting the best price possible. Additionally, within this revision (see shading), bidding thresholds have been updated to mirror State Statute.

Recommendation:

The administration recommends the Board approve the revised Board Policy 305.01 Purchasing Policy, as presented for first reading.

305.01 Purchasing Policy

The administration of the purchasing policies and guidelines as set forth herein shall be the responsibility of the Chief Fiscal Officer. This document shall serve to enable responsible parties to act in the best interests of Sauk Valley Community College. An efficient, well-planned, and organized program of purchasing policies is imperative to protect the public trust relative to the expenditures of public tax monies. Because the success of the purchasing program depends on the ways and means of implementation, management, and administration, it is apparent that this written policy shall govern the purchasing program and its use.

1. Ethics: All administrators acting as purchasing agents for Sauk Valley Community College shall ever be mindful of and practice the following ethics:
 - a. To regard public service as a sacred trust giving primary consideration to the interest of the school district;
 - b. To purchase without prejudice, seeking to obtain the maximum benefit for each tax dollar expended;
 - c. To strive for knowledge of school equipment and supplies in order to recommend items that may either reduce costs or increase the efficiency of the means of education;
 - d. To insist on and expect honesty in sales representation whether offered verbally or in the sample of product submitted;

- e. To give all responsible bidders equal consideration and the assurance of unbiased judgment in determining whether their product meets specifications and the educational needs of the district;
- f. To discourage the offer of, and to decline, gifts which in any way might influence the purchase of school equipment and supplies;
- g. To accord a prompt and courteous reception, insofar as conditions permit, to all who call on legitimate business missions; and
- h. To cooperate with educational, governmental, and trade associations in the promotion and development of sound business methods in the procurement of school equipment and supplies.

2. Procedures

- a. The Chief Fiscal Officer shall have the responsibility of securing for the district its requirements for services, materials, supplies, and equipment at the lowest possible cost consistent with satisfactory standards for quality and service.
- b. Supervision and control of all purchases shall be the responsibility of the Chief Financial Officer, or his/her responsible officer.
- c. The departmental budgets will be charged for the value of the merchandise received. All purchases are to be initiated by requisition and signed by the requestor and the Chief Fiscal Officer. Additional signatures are needed as noted below:
 - i. Signature of the requestor's immediate supervisor for purchases of \$100 to \$1,000;
 - ii. Signature of President's Cabinet member for purchase of \$1,000-\$5,000; and
 - iii. Signature of the President for purchases of \$5,001 or more.
- d. Quotes will be required prior to initiating certain purchases that are not listed in the exclusions in section 3(iv.):
 - i. \$3,000 to \$9,999 require a quote from 2 vendors;
 - ii. \$10,000 to \$24,999 requires a quote from 3 vendors.

3. Policies

- a. Budgeted Expenditures: All expenditures for items of services, materials, supplies and equipment which have been budgeted for all College funds of the College shall be bid and purchased within the following guidelines and policies:
 - i. Purchases involving an expenditure of less than ~~\$40,000~~ 25,000 may be authorized by the Chief Fiscal Officer without advertising for bids, or requiring formal competitive bidding. The Chief Financial Officer shall determine the type of bidding necessary, the procedure being dependent upon the circumstances pertaining to each particular purchase.
 - ii. Purchases involving an expenditure in excess of ~~\$40,000~~ 25,000 shall be let to the lowest responsible bidder considering conformity with specifications, terms of delivery, quality and serviceability, after due advertisement, except contracts which by their nature are not adaptable to competitive bidding such as contracts for:
 - 1) services for individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part;

- 2) printing of finance committee reports and departmental reports;
 - 3) printing or engraving of bonds, tax warrants, and other evidences of indebtedness;
 - 4) materials and work which have been awarded to the lowest responsible bidder after due advertisement, but due to unforeseen revisions, not the fault of the contractor for materials and work, must be revised causing expenditures not in excess of 10% of the contract price;
 - 5) maintenance or servicing of, or provision of repair parts for, equipment which are made with the manufacturer or authorized service agent of that equipment where the provision of parts, maintenance, or servicing can best be performed by the manufacturer or authorized service agent;
 - 6) use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services;
 - 7) duplicating machines and supplies;
 - 8) purchase of natural gas when the cost is less than that offered by a public utility;
 - 9) purchases of equipment previously owned by some entity other than the district itself;
 - 10) repair, maintenance, remodeling, renovation, or construction of a single project involving an expenditure not to exceed ~~\$15,000~~ 50,000 and not involving a change or increase in the size, type, or extent of an existing facility;
 - 11) goods or services procured from another governmental agency;
 - 12) goods or services which are economically procurable from only one source, such as for the purchase of magazines, books, periodicals, pamphlets and reports, and for utility services such as water, light, heat, telephone, or telegraph;
 - 13) where funds are expended in an emergency and such emergency expenditure is approved by 75% of the members of the Board.
- iii. All competitive bids for contracts involving an expenditure in excess of ~~\$10,000~~ 25,000 (~~15,000~~ 50,000 for contracts listed in ii.(9) above) must be sealed by the bidder and must be opened by a member or employee of the Board, and witnessed, at a public bid opening at which the contents of the bids must be announced. Electronic bid submissions shall be considered a sealed document for competitive bid requests if they are received at the designated office by the time and date set for receipt of bids. Electronic bid submissions must be authorized by specific language in the bid documents in order to be considered. Bids for construction purposes are prohibited from being submitted electronically. Each bidder must receive at least three days' notice of the time and place of such bid opening.
- iv. Due advertisement includes, but is not limited to, at least one public notice at least ten days before the bid date in a newspaper published in the

district, or if no newspaper is published in the district, in a newspaper of general circulation in the area of the district.

- v. All requests for competitive bids shall be issued through the Office of the Chief Financial Officer.
 - b. Non-Budgeted Expenditures: Purchases of services, materials, supplies, and equipment which have not been specifically budgeted for in any of the College funds or shall be purchased according to the policies and guidelines as set forth in Section A, with the exception that responsibility for approval to purchase under this Section B, rests with the Board of Trustees.
 - c. Cooperative Purchasing Arrangements: The Chief Fiscal Officer may pursue cooperative purchasing arrangements with other public institutions and the State of Illinois Department of General Services, in accordance with Paragraph 3-27.2 Joint Purchases, of the Illinois Public Community College Act. The Board Secretary is authorized to sign the appropriate resolution for the State of Illinois Department of General Services.
 - d. Miscellaneous: The Chief Fiscal Officer will exercise discretion in determining the responsibility of each bidder. The lowest responsible bidder will be awarded the contract, provided he/she meets the specific requirements set forth in the bidding document. Preference will be given to persons or firms located in the college district so long as they provide the needed service on a substantially equal basis with the persons or firms located outside the district.
4. Equal Employment Opportunity Clause: All contracts to which the College is a party shall be conditioned upon the requirement that the supplier of materials or services of the contractor and his/her subcontractor, and all labor organizations furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or services, as the case may be, shall not commit an unfair employment practice in this State as defined in Section 853 of Chap. 48, IL. Rev. Stats. All such contracts shall have incorporated therein the "Equal Employment Opportunity Clause" required under the Rules and Regulations of the Illinois Fair Employment Practices Commission as follows:

EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

In the event of the contractor's noncompliance with any provision of this Equal Employment Opportunity Clause (EEOC), the Illinois Fair Employment Practices Act of the Fair Employment Practices Commission's (IFEPC) Rules and Regulations for Public Contracts, the contractor may be declared non-responsible and therefore ineligible for future contracts or sub-contracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.

During the performance of this contract, the contractor agrees as follows:

1. That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

2. That, if it hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability (in accordance with the Commission's Rules and Regulations for Public Contracts) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
3. That in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, age, national origin or ancestry.
4. That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement of understanding, a notice advising such labor organization or representative of the contractor's obligations under the Illinois Fair Employment Act and the Commission's Rule and Regulations for Public Contracts. If any such labor organization or representative fails or refuses to cooperate with the contractor in its efforts to comply with such Act and Rules and Regulations, the contractor will promptly so notify the IFEPC and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations thereunder.
5. That it will submit reports as required by the IFEPC's Rules and Regulations for Public Contracts, furnish all relevant information as may from time to time be requested by the Commission or the contracting agency, and in all respects comply with the Illinois Fair Employment Practices Act and the Commission's Rules and Regulations for Public Contracts.
6. That it will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the IFEPC for purposes of investigation to ascertain compliance with the Illinois Fair Employment Practices Act and the Commission's Rules and Regulations for Public Contracts.
7. That it will include verbatim or by reference the provisions of paragraph 1 through 7 of this clause in every performance subcontract as defined in Section 2.10 (b) of the Commission's Rules and Regulations for Public Contracts so that such provisions will be binding upon every such subcontractor; and that it will also so include the provisions of paragraphs 1, 5, 6 and 7 in every supply subcontract as defined in Section 2.10 (a) of the Commission's Rules and Regulations for Public Contracts so that such provisions will be binding upon every such subcontractor.

In the same manner as with other provisions of this contract, the contractor will be liable for compliance with applicable provisions of this clause by all its subcontractors; and further it will promptly notify the contracting agency and the IFEPC in the event any subcontractor fails or refuses to comply therewith. In addition, no contractor will utilize any subcontractor declared by the Commission to be non-responsible and therefore ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.

With respect to the two types of subcontracts referred to under paragraph 7 of the Equal Employment Opportunity Clause above, following is an excerpt of Section 2 of the FEPC's Rules and Regulation for Public Contracts:

1. Section 2.10: The term "Subcontract" means any agreement, arrangement or understanding, written or otherwise, between a contractor and any person (in which the parties do not stand in the relationship of an employer and an employee):
 - a. For the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, which, in whole or in part, is utilized in the performance of any one or more contracts; or
 - b. Under which any portion of the contractor's obligations under any one or more contracts is performed, undertaken or assumed.
 - c. This Clause may be incorporated in the College's contracts by reference to this purchasing policy.
2. Sexual Harassment Clause: Each party submitting a proposal must certify that they have complied with the requirement of section 2-105 of the Illinois Human Rights Act (PA 87-1257) effective July 1, 1993, with respect to sexual harassment policies. The terms of the law as applicable are hereby incorporated into this contract.

2/12/79	11/23/92	11/28/94	1/25/99	3/27/00	6/28/04
11/22/10	8/23/13	10/26/15			