

PROCEDURE 2.53.0: PURCHASING

These procedures accompany Policy 2.53: Purchasing supplies, materials & equipment.

This administrative procedure governs the process for procurement of goods and services to support the activities and functions of Sandburg. These procedures also conform to the obligations and responsibilities outlined in the relevant sections of the Community College Act, Professional Services Selection Act, the Governmental Joint Purchasing Act, and other applicable federal and state laws relating to procurement.

The business and finance team will coordinate purchasing within the framework of state statutes and rules and regulations of the board of trustees (hereafter identified as the board). Procedures are based upon the objective of being fiscally responsible to the constituents as the college procures services, materials, supplies and equipment within a consistent standard for quality.

All administrators acting as purchasing agents for Sandburg are mindful of and practice the following ethics:

- To regard public service as a sacred trust giving primary consideration to the interest of the school district.
- To purchase without prejudice, seeking to obtain the maximum benefit for each tax dollar expenditure.
- To strive for knowledge of college equipment and supplies to recommend items that may either reduce costs or increase the efficiency of the means of education.
- To insist on and expect honesty in sales representation whether offered verbally or in the sample product submitted.
- 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 college.
- To discourage the offer of, and to decline, gifts that in any way might influence the purchase of college equipment and supplies.
- To cooperate with educational, governmental and trade associations in the promotion and development of sound business methods in the procurement of college equipment and supplies.

Procedures

Authorization to expend funds

Committing the college to a course of action, particularly with an associated expenditure of funds, is not a duty of most positions at the college. Entering into an agreement, especially when signed documents are required, must be done by the appropriate level of management as described in the following procedures.

Only authorized staff positions can commit the institution's funds or commit the college to contractual obligations using the authorized limits below.

APPROVER	APPROVAL LIMIT
Budget manager	Less than \$1,000
Vice president	\$1,000-\$9,999
President	\$10,000-\$24,999
Board of trustees	\$25,000+

Purchases that exceed \$25,000 require the college to obtain formal, sealed bids or proposals, unless a statutory exemption applies and is approved by the president, CFO or designee. The procedures for purchases using formal, sealed bids or proposals are as follows and as set forth under *Bids, requests for proposal (RFP) & requests for qualification (RFQ)* and *Bid, RFP & RFQ submission process*:

- a) Departments must allow at least a three-month lead time.
- b) The department will create a request for proposal (RFP) draft with verbiage for item(s) being purchased. The request must be signed by the appropriate VP and must include:
 - i. A description of the item(s) to purchase.
 - ii. A brief explanation of the need and benefit of the purchase.
 - iii. The General Ledger (GL) fund account and amount.
- c) The business & finance team will work with the requesting department to develop the scope and specifications required for the bid. The business and finance team will create formal bid packet(s) based on the requesting department's specifications.
- d) The college board of trustees must approve the purchase before a purchase order and or contract may be issued.
- e) Depending on the timing of the initiation of the process, board approval can take up to four months, and departments should plan accordingly.

Certain GL funds and object codes require additional approvals regardless of the amount of the expenditure. The additional approval classes, regardless of dollar amount, include but aren't limited to:

- The CIO (chief information officer) must approve all computer hardware, software and applications that will be supported by the college.
- The CFO (chief financial officer) must approve all expenses for purchases using Fund 12, Liability Protection and Settlement.
- The Perkins grant administrator must approve all purchases using funds from Perkins grants.
- The CIO must approve all expenditures from Fund 16, STEF.
- The vice president for academic services must approve all expenditures from Fund 17, SILO.

All purchases for goods or services equal to or exceeding \$25,000 require board approval prior to issuance of a purchase order or commitment. If an expenditure exceeding \$25,000 must be made because of an emergency as defined in Illinois Community College Act, the president will endeavor to communicate with the trustees as soon possible. Such emergency expenditures require ratification by the board at the next available board meeting.

Statutory bid exemptions

Pursuant to the Public Community College Act (ILCS Chapter 110, Paragraph 805/3- 27.1) the college may use exemptions to the statutory bid requirements. The Act has 14 exemptions listed. The college's administration may use any of the exemptions if deemed in the best interest of the college by the president, the chief financial officer (CFO) or their designee to do so. The following is a description of the exemption process to be used by college personnel for specific exemptions:

a) COOPERATIVE PURCHASING

- The department seeking to purchase items from a cooperative purchasing entity must first check with business & finance to determine if the cooperative's procurement process complied with the Illinois Governmental Joint Purchasing Act, 30 ILCS 525/1, et seq. The cooperative purchasing entity must also be a member of the Sandburg Cooperative Entity Approved List. This list will be maintained by the chief financial officer or designee. Only approved entities can be used.
- Two additional quotes should be secured by the department requesting the use of the cooperative purchasing entity to ensure the pricing by the cooperative is competitive. Should the pricing from the cooperative be higher than either quote and it's determined the products or merchandise are the same, the item must be submitted for a formal bid process if the lowest responsible bidder's response meets or exceeds \$25,000.

b) TECHNOLOGY PURCHASING

- Purchases and contracts for the use, purchase, delivery, movement or installation of data processing equipment, software or services and telecommunications are exempt from the statutory bid process.
- To use this exemption, the department must first receive permission from the president, CFO or designee. This approval must be written and submitted with the relevant purchasing documentation.
- The department will be required to provide at least three quotes for the product or service.
- If three quotes aren't obtainable or companies refuse to offer a quote, the company name and their response will be noted as part of the process along with any other information as to why three quotes aren't obtainable.
- The quote information will be shared with the vice president who leads the department and with the CFO for approval.

c) CHANGE ORDERS FOR PROJECTS

- A construction contingency is the amount of money allocated to pay for additional or unexpected costs during the construction project. The industry standard for construction contingency is 5-10% of the project construction budget. This construction contingency is a key aspect of Sandburg's risk-management protocol to ensure the construction project can remain viable. A construction contingency can be thought of as insurance in the event of unforeseen conditions, changes in scope, contractor or design errors, or other surprise costs or delays, allowing the college to meet project commitments.
- The construction contingency is intended to help the construction team manage additional costs that result from unexpected factors such as unknown site conditions (concealed or other latent conditions), weather delays, supply and resource management, personnel costs, etc. It's important that this budget isn't viewed as extra money or money that needs to be spent. In fact, not using a contingency is the goal of Sandburg's administration. Contingency money won't be used outside of the original scope of work for the project.
- Each construction project approved by Sandburg's board may have a contingency amount associated with that project that would be part of the project expense provided to, and subsequently approved by, the board. The administration will use this contingency money only for completion of the project under the original scope. Any change order will be analyzed by the design team, college construction management team and the chief financial officer and reviewed by the president of the college before approval is given. Any change order more than 10% of the contract price will be subject to bidding in accordance with Section 3-27.1(d) of the Community College Act.

- Each month the administration will supply the board with a list of change orders for each construction project. This list will include the construction project name, a description of the change order, the amount, a running total of contingency expenses and the remaining amount of contingency for each project.

d) PREFERRED VENDORS

- A **preferred vendor** typically refers to a business that's been vetted and approved through formal procurement processes (such as RFP) and is prioritized for purchasing due to factors such as:
 - **Cost-effectiveness** — offering competitive pricing.
 - **Quality and reliability** — proven track record of delivering goods or services that meet institutional standards.
 - **Compliance** — meeting all legal and procedural requirements under the Illinois Public Community College Act and local board policies.
 - **Diversity certification** — includes vendors certified under the Business Enterprise Program (BEP) for minorities, females and persons with disabilities, which is actively promoted by Illinois community colleges.
- Preferred vendors must be chosen via a formal procurement process to include competitive bidding, request for proposal (RFP) or request for qualifications (RFQ).
- More than one preferred vendor may be selected for a particular purchase type. If more than one preferred vendor exists, quotes must be obtained from each preferred vendor before the purchase is made. Quotes should include all factors to be considered and not solely limited to price.

e) Sole-source procurement must adhere to Policy 2.64: Sole-source procurement.

Quotes

The overall goal of this purchasing process is to seek and obtain goods and services that meet the needs of the college, under the criteria of proper quantity, quality and delivery, from a reliable source at the lowest possible cost. Price alone, or quality alone, aren't sole justifications; each factor must be weighed concerning the other.

- Quotes are required for purchases below the bidding threshold as outlined below. These quotes are required when the college is exempt from competitive bidding as outlined above.

AMOUNT OF PURCHASE	NUMBER OF WRITTEN QUOTES REQUIRED
\$ 3,000-\$ 9,999	2
\$10,000-\$24,999	3

- A department is allowed to obtain quotes and submit to the business and finance team. Quotes must be requested so that a “like-to-like” comparison can be made of the responses. The business and finance team can provide direction and assist in the process.
- The origination date and expiration date of quotes must be taken into consideration when requesting quotes. Departments should make every effort to have quotes requested and returned from the vendor within a one- to two-week timeframe.
- If possible, the department should request the quote remain valid for up to 45 days.
- Departments should also factor in the time required to receive the product (lead time) when conducting a search for quotes. Products with longer lead times may cost less but may not meet the needs of the college. To conduct a “like-to-like” comparison lead times for the quotes should be within one to two weeks of each other.

Bids, requests for proposal (RFP) & requests for qualification (RFQ)

The business and finance team will initiate a formal procurement process to ensure that appropriate goods and services are obtained at the best value when the total expenditure is more than \$25,000, unless the CFO has authorized the use of a statutory exemption.

1. Departments must allow at least a three-month lead time.
2. Bid/proposal awards must be approved by the board.
3. Departments must contact business and finance for specific requirements.
4. Business and finance personnel will create formal bid packets based on the requesting department's specifications.

Bid, RFP & RFQ submission process

Business and finance will perform the following to conform to the bid requirements in Section 3-27.1 of the Public Community College Act:

1. The college will place at least one public notice in a newspaper published in the district 10 calendar days before the bid opening date. Bidders will receive at least three calendar days from the last public notice to finalize their submittal.
2. Invitations to bid, requests for proposal, requests for qualifications and requests for quotes will be published on the college's public website, with specifications available as a PDF file to download.
3. Bids will be opened in public at the time and place stated in the public notice, identified additionally on the college's public website, and noted within the specification packet.
 - The following information will be read aloud at the time of opening of the bid:
 - For bids and requests for quotes:
 - All pricing and any additional information requested on formal bid sheets as specified in the bid packet.

- Submittals received after the designated time for public opening are considered late and will be returned, unopened, to the submitting vendor.
4. Pricing won't be read aloud for requests for proposals (RFP), requests for qualifications (RFQ) or qualification-based selections (QBS). As a courtesy, and if the college is able, the anticipated timeline for evaluation and recommendation to the board will be provided to those in attendance.

Bids, proposals and qualifications will be reviewed and analyzed by business and finance along with a selection committee to determine the "lowest responsible bidder" (for bids) or the preferred contractor (for proposals, qualifications or other procurement methods). Selection committees will be comprised of the requesting department and other pertinent personnel, staff, architects and consultants as appropriate to each bid, proposal or qualification. In determining the "lowest responsible bidder" (for bids only), the CFO or designee and the selection committee will consider:

- The conformity to the bid specifications.
- Any other relevant factors identified in the bid specifications.
- The use of a matrix to determine the weighted value of specific aspects of the bid.

Gathering all the other approvals prior to the board approval allows for a quicker turnaround once the board approves the purchase and when the purchase order is created. If the board rejects the purchase, the CFO or designee will cancel the requisition.

Purchase orders

The purchase order (PO) is used to procure materials and services for the college. In addition, it ensures the proper encumbering and charging of materials and services against the correct general ledger accounts. Business and finance will use the PO to place orders on behalf of the college when requested.

Orders placed without using a purchase order or college credit card are considered the liability of the person(s) making the original commitment and are not the responsibility of the college.

As a matter of law, an individual without express authority cannot contractually commit to a purchase on behalf of the college.

A purchase order is required in the following circumstances:

- Capital asset purchases in accordance with Procedure 2.51.0: Capitalization of fixed assets
- Goods and services with a cost of \$10,000 or more

Insurance

A certificate of insurance (COI) covering worker's compensation, accident/disability, property damage and general liability is required on all jobs where the contractor's or vendor's employees will work on college property. No work will be allowed to begin until the proper insurance certificates are received in the office of the chief financial officer. In addition, vendors that perform services on campus, provide products that may be potentially dangerous or operate vehicles on campus are required to submit a certificate of insurance prior to the delivery of any products or services.

Other procurement methods

College-issued credit cards may be used for allowable purchases. The business and finance team serves as the administrators over the college credit card program. Capital purchases are not allowed to be purchased using a college credit card.

NOTE: The college may choose not to pay for orders placed outside the normal procurement process (purchase order or college credit card).

Tax-exempt status

The college is a tax-exempt institution; therefore, the college generally doesn't pay taxes on any purchase. If a vendor requires a copy of the college's tax-exempt certificate, please contact the Business Office.

Rebates and rewards

The college isn't prohibited from receiving or participating in programs that offer rebates and/or rewards. However, care must be taken to account for and expend these benefits in accordance with federal and state regulations as well as college policies and procedures.

1. Employees may not use incentives, rebates or rewards earned on college purchases for personal benefit.
2. Employees won't accept personal kickbacks from a vendor. (See Policy 2.18: Ethics and gift ban.)
3. All credit card rewards earned on college credit cards are the property of the college, not the employee or department which earned the rewards. All rewards will be tracked and redeemed by the Business Office.

Small and minority businesses

Sandburg promotes the economic development of businesses owned by minorities, females and persons with disabilities by setting aspirational goals to award contracts for certain services as provided the by the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, 30 ILCS 575/0.01 et seq.



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