

## **Proposed Changes to Regulations: Section V.B., Purchases: Approvals and Reports**

At the March 29, 2013, Board of Trustees meeting, the Board approved First Reading of proposed changes to the Board Regulations, Section V.B., Purchases: Approvals and Reports.

During the interim between first reading and final Board action, the proposed changes are publicly posted for campus input. Any comments regarding the revisions must be received in writing and will be shared with the Board prior to the second reading and final action which is planned for the June 7, 2013, Board of Trustees Meeting. All comments received will be shared with the Board before the June 7 meeting. Please send any written comments to the President's Office by Friday, May 24, 2013.

Following are the Resolution passed by the Board on March 29 and the Purchases: Approvals and Reports with proposed revisions.

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### **Resolution:**

**WHEREAS** the Board of Trustees must approve changes to Regulations prior to implementation; and,

**WHEREAS** the Illinois State Finance Act (30 ILCS 105/9.02) requires approval by the President for purchases of \$250,000 or more;

**THEREFORE** be it resolved that the Board of Trustees approve revisions to Section V.B. Purchases.

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## **V. Administrative Affairs (continued)**

### **B. Purchases**

Purchases consist of contracts, purchase orders, or other agreements (collectively referred to in this Subsection B. as "contracts") for the receipt of services or the acquisition of real or personal property which obligate financial resources of the Board. The financial resources of the Board include all funds received by or belonging to the Board or the University, including income received and retained in accordance with 30 Illinois Compiled Statutes 105/6a-2. All purchasing transactions shall be conducted in accordance with applicable state and federal statutes and regulations and applicable regulations adopted by the Board.

#### **1. Approval**

Approval of purchases shall be obtained, prior to the obligation of financial resources of the Board, as follows:

- a. All transactions and purchases (excluding real property) of \$500,000 or more (except as specified in paragraph d. below) shall require approval by the Board. All transactions involving real property of \$250,000 or more shall require approval by the Board. When real property is acquired, the President or his designee shall make a report to the Board which shall include a needs assessment, appraisal by a professional certified appraiser, intended use of the property, physical and structural review of the property, and legal review of the proposed transaction.
- b. Except as specified in paragraph d. below, purchases by the University of at least ~~\$100,000~~ **\$250,000** but less than \$500,000 shall require approval by the President.

- c. Authority for approval of purchases other than those referred to in paragraph a. above is delegated to the President for the Board.
- d. Approval by the Board under paragraph a. above is not required for the following purchases: natural gas, utility services, fire protection, library books and periodicals, textbooks, food products (including livestock feed), entertainment services paid for with student fees and/or ticket sales receipts, resale items, postal charges, athletic team travel, memberships and dues, student activity group travel, contracts bid through Central Management Services or other government agencies, and approved items bid through the Illinois Public Higher Education Cooperative.

## **2. Reports**

At each regular meeting of the Board, the President for the Board shall present a report on purchases of at least ~~\$100,000~~ **\$250,000** but less than \$500,000 (other than purchases listed in paragraph 1.d. above) made since the preceding regular Board meeting. Such reports shall be prepared in accordance with guidelines issued by the Board.

## **3. Contract Preparation and Signature**

- a. The Board of Trustees, constituted as body corporate and politic, is the contracting entity for all contracts involving the Board and the University. All such contracts shall bear the name of the Board and, as appropriate, shall also include the name of the University as follows: "Board of Trustees of Western Illinois University."
- b. All contracts which an authorized employee believes may raise legal issues shall be submitted to the President or his designee for approval as to legal form before they are signed.
- c. Contracts in the name of the Board alone shall be signed by the Chairperson and Secretary of the Board or, where appropriate, by university officials authorized to sign such instruments in the names of the Chairperson and Secretary.
- d. The President or his/her designee is authorized to sign all contracts for the University.

## **4. Letters of Intent**

A letter of intent (or similar document) may be signed by the President or his/her designee for the University when in their judgment a letter of intent is necessary to ensure receipt of an advantageous price or delivery date for goods or services and approval of the purchase by the Board as required by paragraph 1 cannot be timely obtained. Such letters of intent shall provide that the purchase may be terminated without any cost, liability, or obligation if approval of the Board as required by paragraph 1 above is not obtained by a specified date and shall contain such other conditions as may be considered appropriate by the person signing the letter of intent.

## **5. Internal Management Guidelines**

The President, in consultation with the Vice Presidents, shall develop internal management guidelines concerning purchases, which shall include the following provisions and such other provisions as are necessary and appropriate.

- a. Provisions intended to ensure the fair and equitable treatment of all persons who provide goods or

services to the Board.

- b. Provisions intended to foster competitive bidding and economical procurement to the greatest extent possible.
- c. Provisions intended to encourage the economical utilization and replacement of vehicles.

The guidelines and any changes shall become effective when approved by the Board.

## 6. Change Orders

- a. The President or his/her designee is authorized to approve and sign change orders for the University.
- b. A change order or series of change orders which authorizes or necessitates an increase or decrease in either the cost of a contract by a total of \$10,000 or more or the time of completion by a total of 30 days or more shall not be approved unless it is first determined in writing by the President or his/her designee that the circumstances necessitating the change were not reasonably foreseeable at the time the contract was signed, the change is germane to the original contract as signed, or the change order or series of change orders is in the best interest of the University, and is authorized by law. Such written determination and the written change order resulting from that determination shall be preserved in the contract's permanent file which shall be open to the public for inspection.
- c. In accordance with Section I. C. 1. of these Regulations, the President or his/her designee shall further delegate the authority granted to them in the preceding paragraphs so that the same individual does not both approve a change order under paragraph a. and make a determination in writing that the change order is justified under paragraph b.
- d. In addition to the above, all change orders must be issued in accordance with the provision of the Illinois Procurement Code (30 Illinois Compiled Statutes 500/et seq.).
- e. Prior approval by the President or his/her designee shall be required for each change order which results in a contract amount of less than \$500,000, if the change order (1) increases a contract to ~~\$100,000~~ **\$250,000** or more, (2) exceeds a contingency previously approved by the President (or designee), (3) or increases a contract previously approved by the President (or designee) without a contingency.
- f. Prior Board approval shall be required for each change order which (1) increases a contract to \$500,000 or more, (2) exceeds a contingency previously approved by the Board, or (3) increases a contract previously approved by the Board without a contingency.