

Purchasing

RVC Administrative Procedure (5:10.120)

This Administrative Procedure supports Board Policy 5:10.120 and governs the process for procurement of goods and services to support the activities and functions of Rock Valley College. 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 Office of Business Services will coordinate purchasing within the framework of the state statutes and the rules and regulations of the Board of Trustees (hereafter identified as the Board). Procedures shall be 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.

Requests for purchases shall be made through the College's enterprise system (currently Ellucian Colleague) with the final approval in Business Services to ensure proper purchasing practices are followed.

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.

Section One: Authorization to Expend Funds and Timelines

Only authorized staff positions can commit the institution's funds or commit the College to contractual obligations. When there is a need to obtain goods or services for the College, a requisition must be entered into the enterprise system so that budget officers and administration can approve the request before action is taken.

Business Services may need the requesting department to obtain quotes depending on the expenditure total. The listing below shows the approval and bid/quote requirements at different expenditure tiers:

1. Purchases up to \$3,000 require approval from the primary budget officer (Manager) for the requesting department.
 - a. No special timeline is required for this purchase.
2. Purchases \$3,000.01 to \$5,000 require additional approval from the appropriate department leader (Director).
 - a. Departments must provide Business Services with at least three competitive quotes.

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- b. No special timeline is required for this purchase.
3. Purchases between \$5,000.01 and \$8,000 require additional approval from the appropriate department administrator (Dean, Executive Director, Chief Development Officer, or Chief of Police).
 - a. Departments must provide Business Services with at least three competitive quotes.
 - b. No special timeline is required for this purchase.
4. Purchases between \$8,000.01 and \$15,000.00 require additional approval from the appropriate Vice President.
 - a. Departments must provide Business Services and the appropriate Vice President with at least three competitive quotes.
 - b. No special timeline is required for this purchase.
5. Purchases between \$15,000.01 to \$25,000 require additional approval from the President of the College.
 - a. Departments must provide Business Services, the appropriate Vice President, and the President with at least three competitive quotes.
 - b. No special timeline is required for this purchase.
6. Purchases that exceed \$25,000 require Business Services to obtain formal, sealed bids, unless a statutory exemption applies. The procedures for purchases using formal, sealed bids shall be as follows and as set forth in Sections Four and Five:
 - a. Departments must allow at least a three-month lead time.
 - b. The department shall create a purchase report request with verbiage for item(s) that are being purchased. The purchase report 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 purchase report request and afore mentioned verbiage and descriptions must be delivered to Business Services by the Wednesday after the last Board Meeting to make the following month's Committee of the Whole (COtW) packet. Items received after this date will not be added to the next COtW and will have to wait until the next COtW meeting (generally the following month). This timeline is subject to change, and Business Services shall communicate any such changes.
 - d. Purchases over \$25,000 must receive approval from the department's respective Vice President prior to contacting Business Services to create a bid. Once approved, the department will work with Business Services to develop the scope and specifications required for the bid. Business Services will create formal bid packets based on the requesting department's specifications.
 - e. Requisitions will be created after the bid is opened but before Board approval has been obtained.

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- f. The College Board of Trustees must approve the purchase before Business Services will issue a purchase order.
 - g. Depending on the timing of the initiation of the process, Board approval can take up to four months. Departments should plan accordingly and be aware of the timing requirements in Section One, §6.a.
7. 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 are not limited to:
- a. Information Technology must approve all computer hardware, software, and applications that will be supported by the College.
 - b. The CFO must approve all expenses for purchases using Fund 12.
 - c. The Executive Director Grants & Small Business Development must approve all purchases using funds from Perkins grants.

Section Two: Statutory Bid Exemptions

Pursuant to the Public Community College Act (ILCS Chapter 110, Paragraph 805/3-27.1) the College may utilize exemptions to the statutory bid requirements. The Act has 14 exemptions listed. The College's Administration may utilize any of the exemptions if it is deemed in the best interest of the College by the President, the Chief Operations Officer (COO), or their designee to do so. The following is a description of the exemption process to be utilized by RVC personnel for specific exemptions:

1. Cooperative Purchasing
 - a. The department seeking to purchase items from a cooperative purchasing entity must first check with Business Services 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 RVC Cooperative Entity Approved List. This list will be maintained by the Director of Business Services. Only entities that are approved the Director of Business Services in collaboration with the COO and approved by the College's General Counsel can be utilized.
 - b. 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 is 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.
2. Technology Purchasing
 - a. 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.

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In order to utilize this exemption, the department must first receive permission from the COO.

- b. The department will be required to retrieve at least five (5) quotes for the product or service, unless the item or service contains a high degree of professional skill or contains proprietary services or product.
- c. If five quotes are not 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 five quotes are not obtainable.
- d. The quote information will be shared with the Vice President who leads the department and with the COO for approval.
- e. The department will need to create a purchase report request with verbiage for item(s) that are being purchased in accordance with Section One, §6.b

3. Change Orders for Projects

- a. A construction contingency is the amount of money allocated to pay for additional or unexpected costs during the construction project. The industry standard for a construction contingency is 5-10% of the project construction budget. This construction contingency is a key aspect of RVC's risk management protocol to ensure that 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 RVC to meet project commitments.
- b. 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 is not viewed as extra money or money that needs to be spent. In fact, not using a contingency is the goal of RVC Administration. Contingency money will not be used outside of the original scope of work for the project.
- c. Each construction project approved by the RVC Board of Trustees 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 only use this contingency money for completion of the project under the original scope. Any change order will be analyzed by the design team, RVC construction management team, and the Chief Operations Officer, and reviewed by the President of the College before approval is given. Any change order over that is 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.
- d. Each month at the Committee of the Whole, the Administration will supply the Board a list of change orders for each construction

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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.

Section Three: Quotes

The overall goal of Business Services 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, are not sole justifications; each factor must be weighed concerning the other. When required, departments shall provide at least 3 quotes and in some instances as many as five.

1. A department is allowed to obtain quotes to be provided to Business Services. Quotes must be requested so that a “like to like” comparison can be made of the responses. Business Services can provide direction and assist in the process.
2. 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.
3. If possible, the department should request the quote remain valid for up to 45 days.
4. 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. In order to conduct a “like to like” comparison leads times for the quotes should be within one to two weeks of each other.

Section Four: Bids

Business Services will initiate a formal, sealed-bid 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 COO has authorized the use of a statutory exemption.

1. Departments must allow at least a three-month lead time.
2. Bid awards must be approved by the Board of Trustees.
3. Departments must contact Business Services for specific requirements.
4. Business Services will create the formal bid packets based on the requesting department's specifications.

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Section Five: The Bid Process

Business Services shall 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 ten 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 shall 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.
4. The following information will be read aloud at the time of opening of the bid:
 - a. For all Submittals
 - i. Submitting vendor name, city, and state
 - ii. The inclusion of the required documents, forms, and acknowledgments as specified in the bid packet
 - b. For Bids and Requests for Quotes
 - I. All pricing and any additional information requested on formal Bid Sheets as specified in the bid packet
5. Pricing will not 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 of Trustees shall be provided to those in attendance.
6. Bid submittals received after the designated time for public opening are considered late and will be returned, unopened, to the submitting vendor.

Bids, proposals, and qualifications will be reviewed and analyzed by Business Services and 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 Director of Business Services and the selection committee will consider:

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

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Section Six: Initiating and Processing Requisitions

Requisitions are a request to expend the institution's funds to procure goods or services. Requisitions also provide Business Services with precise information regarding the needed goods or services. All requests for supplies, equipment, services, rental, subscriptions, or any other transactions that involve an expenditure of College funds require the initiation of a proper requisition. Once all necessary approvals are obtained, the College will create a purchase order (PO) for the vendor's goods or services, subject to any other contract documents between the parties. The PO is the document used to place orders with vendors.

Requisitions are created electronically on the College's enterprise system (currently Ellucian Colleague). The enterprise system routes the requisition for electronic approvals based on GLs, approval tiers, and approval classes. It is the end user's responsibility to provide all pertinent information needed to adequately identify the needs required, as well as any time constraints. While some field length limitations exist in the system, enough detail must be provided for the College staff and vendor to understand what is being requested.

When a department expects to place many orders for supply items over the fiscal year or pay for a service via multiple invoices over the fiscal year, a requisition will be entered for a blanket purchase order (BPO). A BPO is set up to allow departmental staff to place anticipated orders over time without having to create a requisition each time. The BPO is typically done for consumable supplies, utilities, contracts that have multiple payments (i.e. lease payments or consulting services), or recurring service charges.

The budget manager must confirm that the correct General Ledger account numbers are indicated on each line item, that the expenditures requested are within the budget, and that sufficient funds are available in the specified account. For orders over \$25,000 whether bid or utilizing an exemption the requisition shall be entered into the system after the College finalizes the selection to recommend for Board approval. Every attempt should be made to ensure the requisition receives all approvals from management, except for the final approval by the Director of Business Services prior to the Board meeting. Once the Board approves the final purchase the Director of Business Services will enter the corresponding purchase report and Board Report number into the requisition comments field, add the final approvals, and have the requisition turned into a purchase order and sent to the vendor to officially place the order.

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 Director of Business Services will cancel the requisition.

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Section Seven: 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 Services will use the PO to place orders on behalf of the College.

Orders placed without using a Purchase Order, Blanket Purchase Order or P-Card are considered the liability of the person or persons 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 on behalf of the College.

Section Eight: 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 Operations 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.

Section Nine: Other Procurement Methods

While the requisition process is the primary method for placing an order for goods or services, there are times when a P-Card or a Check Request is an acceptable method.

P-Cards may be used for some purchases of consumable supplies, typically from vendors that do not accept purchase orders. Business Services serve as the administrators over the P-Card program which is detailed in the P-Card Procedures. Technology and furniture are not allowed to be purchased utilizing a P-Card.

The Check Request process is administered by Accounts Payable and assistance from Business Services is not required. It is used primarily for registrations, renewals, and reimbursement. The signed check request form with appropriate backup documentation must be sent directly to Accounts Payable. There is a limit of \$1,000 for the use of the Check Request; larger expenses need to go through the requisition process.

NOTE – the College may choose not to pay for orders placed outside the normal procurement process (requisition/PO, use of P-Card).

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