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COMMUNITY COLLEGE DISTRICT NO. 508
SEPTEMBER 3, 2015

Finance and Administrative Services Committee

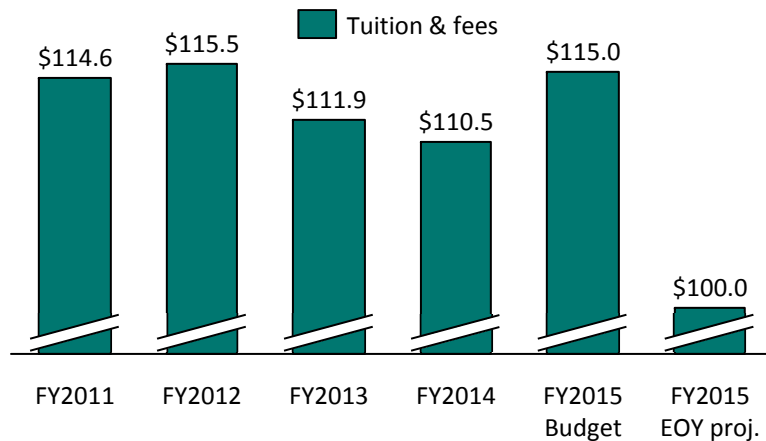
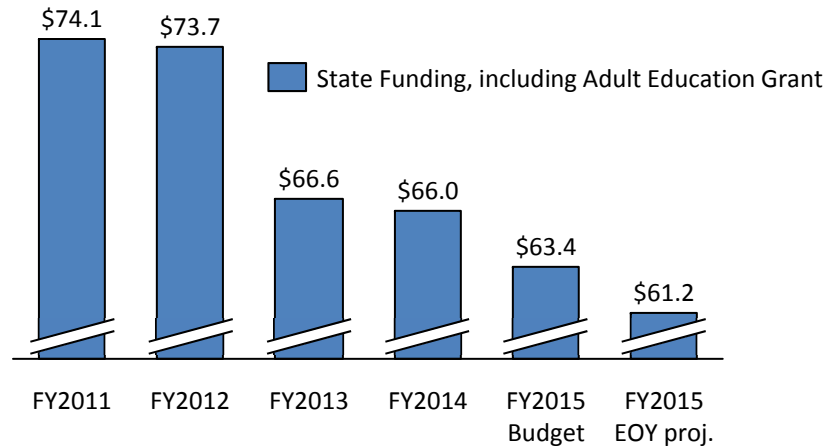
August 27, 2015



**FY2015 Financial Update
Capital Improvement Plan Status
FY2015 Audit Plan
Grant Accounting Review**

FY2015 Financial Update

Revenue trend and forecast
Dollars, Million



- We are forecasting a FY2015 year-end balanced operating budget
 - FY2015 State funding is expected to be \$1.3 million below budget for the fiscal year, a \$13 million reduction since FY2011
 - Lower than budgeted enrollment is being offset primarily by lower than budgeted salary expense.

FY2015 Capital Improvement Plan Status

- Capital expenditures for the year of \$186 million are tracking with the capital budget
 - Malcolm X College capital expenditures account for \$126 million of our capital spend to date
 - The project remains on budget and on schedule
 - Construction was halted on Olive Harvey College's Transportation, Distribution and Logistics Center, which is principally funded by the Capital Development Board, due to the Illinois budget stalemate.
 - Project resumption is pending state budget resolution

FY2015 Audit Plan

- McGladrey LLP began the annual review in early June 2015
 - Audit Deliverables
 - Comprehensive Annual Financial Report (CAFR)
 - TV station (WYCC) audit and examination
 - Federal compliance (OMB A-133)
 - State grant program compliance – ICCB and other grants
 - Examination of enrollment data
 - Investment policy compliance

FY2015 Audit Timeline

- All phases must be completed by September 30, 2015
 - Planning
 - Interim
 - Final
- Management representation letters ready for signature on October 1, 2015
- Review results with senior management during first week of October
- Final sign-off by October 15 (ICCB deadline)
 - [ICCB notified agencies that there may be a delay in receiving information from them to complete our FY 2016 Certificate of Reimbursement Chargeback Form for the fiscal audit. If we are unable to include the Chargeback Form in the audit at publication time, we will leave a blank page for it noting “all data needed to complete the form was not available before the audit was published and an addendum page will be distributed when the form is available”. The later submission of the audit addendum page to ICCB will not cause your original audit/CAFR submission date to change.]

Audit Timeline Overview

Phase	Week																	
	1-Jun	8-Jun	15-Jun	22-Jun	29-Jun	6-Jul	13-Jul	20-Jul	27-Jul	3-Aug	10-Aug	17-Aug	24-Aug	31-Aug	7-Sep	14-Sep	21-Sep	28-Sep
Planning work																		
Review of internal controls	█	█																
Understanding of updates to payroll and capital assets systems and impact on audit testing	█	█																
Sample selections for interim phase	█	█																
Information systems review	█	█																
Developing internal audit plan	█	█																
Schedule college visits			█	█														
Standard management inquiries – fraud, significant transactions, etc	█	█	█	█														
Comprehensive Annual Financial Report (CAFR)																		
Interim	█	█	█	█														
Final										█	█	█	█	█	█	█	█	█
TV Station (WYCC)																		
Interim			█															
Final																	█	█
Federal compliance (OMB A-133)																		
Student Financial Aid						█	█	█	█									
Federal grants: Interim	█	█	█	█														
Federal grants: Final																	█	█
State grant program compliance																		
Interim	█	█	█	█														
Final																	█	█
Examination of enrollment data																		
Final										█	█							
Foundation																		
Planning				█														
Interim				█														
Final										█	█	█						
Investment Policy Procedures																		
Final										█	█							

Grant Accounting

Roles and Responsibilities

Grant Management – oversee grant awarded funding and ensure activities are carried out timely and within budget.

- Development Department-coordinates and supports all grant writing and resource development initiatives
- Principle Investigator-responsible for the operations and management of the grant
- Grant Accounting –oversee all financial reporting and audit aspects of the grant

10/31/2011

Grant Accounting

Types of Grants

- City Colleges of Chicago received \$25 million in grant awards from the Federal Government, State of Illinois, and other Local Agencies in fiscal year 2015.
- Federal Awards totaled \$13 million with our largest Grantor being the Department of Education.
- State Awards totaled \$7 million with our largest grantor being ICCB.
- Local Award totaled \$5 million with our largest grantors being Youth Connection Charter School and Corporate for Public Broadcasting.

Major Programs

- Federal programs that comprise the \$13 million are Adult Education, Carl Perkins, Head start (Childcare), TRIO (federal outreach and student services programs) PBI (Predominantly Black Institutions), and Title V Hispanic Serving Institutions Program).
- State programs that comprise the \$7 million in grant awards are mainly the Adult Education grants (State Basic, State Performance and Public Assistance).
- Local programs that comprise the \$5 million in grant awards mainly consists of Middle School awards from Youth Connection Charter School and funding for WYCC from Corporation for Public Broadcasting.

Reimbursement Cycles

- City Colleges receives awards that are either pre-paid or cost reimbursement. The majority of the awards are cost reimbursement
 - The Childcare and Middle School grants are cost reimbursement grants. Grant Accounting prepares monthly vouchers based on expenses incurred. Agencies normally reimburse within 30-45 days.
 - Federally funded grants are also cost reimbursement grants. Funds are normally requested via Drawdown through the G-5 system for expenses incurred. Funds are usually received within 48 hours.
 - Some State funded programs (ICCB) require a Request for Payment form. Funds are normally requested on a quarterly basis. ICCB will reimburse within 30-45 days.
 - Cash flow forecasting model incorporates liquidity needs to account for cost reimbursement grants

Grant Monitoring

- On a monthly basis, Grant Accounting issues At-Risk Spending Report to the College Business Office, Principle Investigator, and Senior Management. The report reflects all grants that are associated with the applicable College and highlights the grants that are under spent.
- Senior Management issues a quarterly report to the College Presidents.
- Annual A-133 audit completed by External Auditor's
- Annual fiscal reviews completed by various grantor agencies

QUESTIONS/COMMENTS

4/27/2015

14

Proposed Upcoming Meeting Agenda Items

Quarter Ending 9/30/2015

Mid November

Internal Audit (IA)

- IA Report Summaries
- IA Audit Follow-ups

Administrative Services

- Capital Projects Prioritization Process

Finance

- Annual Audit
- Long Range Financial Plan Update

Standing Finance Review Items

- Financial Update
- Review of External Audits
- Upcoming Events

Quarter Ending 12/31/2015

Late January

Internal Audit (IA)

- IA Report Summaries
- IA Audit Follow-ups

Administrative Services

- Auxiliary Services Update

Finance

- Investment Performance Review
- Quarterly Cash Flow Review

Standing Finance Review Items

- Financial Update
- Review of External Audits
- Upcoming Events



August 27, 2015

Committee on Finance & Administrative Services Meeting – Internal Audit Updates



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Internal Audit Status Updates

- Internal Audit has completed the following audit activities since the last meeting of the Finance and Administrative Services Committee on April 28, 2015:
 - Employee Expense Reimbursement Review
 - FY 2015 Student Financial Aid Verification Review II
 - Payroll Process Review I
 - Information Technology (IT) General Controls Review
- Internal Audit did not identify any material weaknesses in the controls surrounding the processes covered in the above audit activities.
- The findings and process improvement opportunities identified in these audit activities, and the corresponding Internal Audit recommendations, have been communicated to the stakeholders concerned. Internal Audit has obtained from the process owners their responses, and will follow up with them on the action steps they have indicated.

Internal Audit Report Summaries (continued)

Employee Expense Reimbursement Review

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: February 2015
 ▪ Duration of Fieldwork: 4 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<ul style="list-style-type: none"> Instances of noncompliance with CCC Employee Reimbursement and Travel Allowance Policy related to timeliness of submissions and completeness of supporting documentation for travel authorizations, travel expense reimbursement and cash advances. 	<ul style="list-style-type: none"> AP will continue to ensure all staff is aware of current and amended CCC policies and procedures related to employee reimbursement and cash advances, as well as any changes brought about by the PeopleSoft Travel and Expense Module. A committee has been formed to review our policies and procedures to reflect the current PeopleSoft Travel and Expense Application workflow. AP will be enforcing the policy and guidelines in FY 2016 by implementing new initiatives to address late submissions such as: <ul style="list-style-type: none"> 1st time late submissions that are approved by Management with justification explanation will be allowed to receive their full reimbursement request. 2nd time late submission request will experience a penalty from 20% to 40% based on the explanation or request maybe denied. 3rd time late submission request will be automatically denied. The IT department is continuing to work with Finance to enhance the quality, transparency and proficiency of the T&E Module AP will continue to facilitate annual trainings at Faculty Development Week and/or as requested.

Internal Audit Report Summaries (continued)

FY 2015 Student Financial Aid Verification Review II

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: June 2015
 ▪ Duration of Fieldwork: 3 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<ul style="list-style-type: none"> ▪ Instance in which the information on household size and number of students in college per the verification worksheet did not agree with information per the Institutional Student Information Record (ISIR) 	<p>The staff member who was responsible for the error was coached by the Financial Aid Director on the importance of accuracy in verification. Additionally, the Associate Vice Chancellor asked that an additional sample of 20 students be selected randomly to test the accuracy of work being completed.</p> <p>Additionally, the District Office conducts its own internal audit on federal verification once per semester and has increased its sample size to 50 students per campus. The results of this activity confirms accuracy and provides data needed to determine training needs going forward.</p>
<ul style="list-style-type: none"> ▪ Instance in which the information on Supplemental Nutrition Assistance Program (SNAP) benefits information per the verification worksheet did not agree with the SNAP information per ISIR 	
<ul style="list-style-type: none"> ▪ Lack of appropriate verification of tax supporting documentation 	
<ul style="list-style-type: none"> ▪ Improper recording of income tax paid 	

Internal Audit Report Summaries (continued)

Payroll Process Review I

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: November 2014
 ▪ Duration of Fieldwork: 6 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<ul style="list-style-type: none"> ▪ Payroll reliance on assistance from the HRIS in processing payroll creates segregation of duties issues 	<ul style="list-style-type: none"> ▪ Payroll will enhance its internal capabilities by hiring resources with the technical background so that they take over from HRIS the production support function for the maintenance of CCCWorks. This will help to mitigate the segregation of duties issue caused by HRIS' role in maintaining CCCWorks.
<ul style="list-style-type: none"> ▪ Data entry and processing system issues in CCCWorks have been encountered 	<ul style="list-style-type: none"> ▪ Since HRIS is the functional and technical support and the main contact with the vendor Workforce, Payroll staff and HRIS continue to work together to identify system issues. The system issues are documented and sent to HRIS to work with Workforce on resolving them. ▪ Two Senior Payroll Analysts will alternate pay periods to address data entry and processing system issues, and process payroll. ▪ Payroll will review and identify issues with the current earn code mappings in CCCWorks and PeopleSoft and will work with Workforce and HRIS to correct the mappings in each respective system. The earn code mappings will be reviewed periodically to ensure validity.
<ul style="list-style-type: none"> ▪ Payroll Department personnel may be overextended due to tasks outside of payroll processing 	<ul style="list-style-type: none"> ▪ Payroll will continue to fill vacancies to become fully staffed. ▪ Payroll will facilitate the data requests and submit service requests to HRIS and/or OIT.

Internal Audit Report Summaries (continued)

Payroll Process Review I (continued)

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: November 2014
 ▪ Duration of Fieldwork: 6 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<ul style="list-style-type: none"> There is a lack of adherence to the process defined in the CCCWorks Master Checklist 	<ul style="list-style-type: none"> The CCCWorks checklist has been updated as work groups are implemented. The CCCWorks checklist will be combined with the PeopleSoft checklist. In regards to the off-cycle process, Payroll will update the checklist to include the process of manually processing off-cycles in PeopleSoft versus CCCWorks for less than 10 requests.
<ul style="list-style-type: none"> Management review of adjustments and work-arounds stated in CCCWorks Master Checklist are not documented 	<ul style="list-style-type: none"> The Payroll Director will now include the review or analysis performed in the pay period folder on the shared drive. As another level of independent management review, an Associate Controller in Finance will review and analyze (10% standard bi-weekly pay) prior to and post payroll confirmation to ensure that the checklist is updated and completed for each pay period.

Internal Audit Report Summaries (continued)

Information Technology (IT) General Controls Review

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: April 2015
 ▪ Duration of Fieldwork: 4 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<p><u>Insufficient Supporting Documentation</u></p> <ul style="list-style-type: none"> ▪ Testing could not be completed for change management and user access since proper documentation was not available. 	<ul style="list-style-type: none"> ▪ Technical Projects & Project Management (TPPM) will focus on development and implementation of systematic procedures for planning, designing, implementing, testing and deploying software and other IT systems. ▪ Change process to attach QA document to change control ticket. ▪ OIT will collaborate with the application owners to formalize and implement a self-audit process. ▪ Implement the CoBIT process related to systems security to ensure all areas are following a standard framework. An annual audit review will be completed for all user access privileges. ▪ OIT is in the process of implementing an enterprise platform to manage user access to network resources.
<p><u>Vendor Management Issues</u></p> <ul style="list-style-type: none"> ▪ There were multiple issues surrounding CCC's oversight of vendors providing business systems including: <ul style="list-style-type: none"> — Service Organization Control (SOC)reports not being obtained for three service providers — SOC report reviews not being documented for one service provider — SOC reports not being available and no independent audits were performed for three service providers 	<ul style="list-style-type: none"> ▪ Obtain SOC reports from vendors that have them, review and address any concerns, approve and file. ▪ Develop an audit checklist for vendors that do not have SOC reports. ▪ Add as an item in the Self Review process.

Internal Audit Report Summaries (continued)

Information Technology (IT) General Controls Review (continued)

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: April 2015
 ▪ Duration of Fieldwork: 4 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary of Management Responses:
<p><u>No Information Systems Security Officer</u></p> <ul style="list-style-type: none"> ▪ CCC does not presently have an Information Systems Security Officer (ISSO) on staff; however, there is a candidate who is going through the review/approval process. 	<ul style="list-style-type: none"> ▪ OIT Management acknowledges that an Information Systems Security Officer (ISSO) needs to be hired and has been interviewing for this position. (<u>Note: A new ISSO has been hired, and joined the District on August 17, 2015</u>)
<p><u>Inappropriate User Access</u></p> <ul style="list-style-type: none"> ▪ There were multiple issues related to user access, including: <ol style="list-style-type: none"> a. User access reviews were not performed on six sampled applications b. Procedures are not in place to remove users from two sampled applications c. Terminated personnel still had active accounts on network systems d. Contractors are not actively managed in order to remove them from the system in a timely manner e. Several accounts had inappropriate administrator access levels for two sampled applications f. Ten accounts in one application are shared by developers to run batch jobs 	<ol style="list-style-type: none"> a. OIT agrees that at a minimum an annual review should be completed all user access privileges. Application owners will develop a standard procedure. An annual audit review will be completed all user access privileges. b. OIT needs to review the de-provisioning processes to ensure that Student Finance receives information on separated employees. Need to document the process if not already documented. c. OIT needs to review the current processes and update if necessary to ensure that the proper organizations are getting the information on de-provisioned employees. d. OIT is in the process of implementing a new enterprise platform to manage user access to network resources. Once rolled out, Contractors will be put in a separate container differentiating them from a student or an employee. An annual audit review will be completed on Virtual Private Network (VPN) user access privileges. The current VPN form will be reviewed and updated as necessary. e. OIT will work with the application owners to formally document a user access level review process. f. OIT will work with the ERP application owners to formally document a process for user access reviews and shared batch processing accounts. An annual audit review will be completed on shared batch processing accounts.

Internal Audit Report Summaries (continued)

Information Technology (IT) General Controls Review (continued)

Origin: ▪ Part of the IA Audit Plan

Timeline: ▪ Initiated: April 2015
 ▪ Duration of Fieldwork: 4 weeks
 ▪ Completion: June 2015

Findings / Process Improvement Opportunities:

Finding / Process Improvement Opportunity	Summary Management Responses:
<p><u>Segregation of Duties</u></p> <ul style="list-style-type: none"> ▪ There were segregation of duties issues in a couple areas: <ol style="list-style-type: none"> a. For one application the same individual receives, reviews, approves, and assigns user access b. For two applications developers had inappropriate access to production environments 	<ol style="list-style-type: none"> a. OIT acknowledges that there needs to be a separation of duties of administrative functions on a system. Since the systems involved are managed by Student Finance, OIT will work with the District Director of Student Financials to ensure that the appropriate processes are put in place. b. OIT Management will review access levels along with processes to monitor all code changes, and ensure that all changes are going through the Change Control Process. OIT will review the current processes to ensure that the Change Control process is followed. An annual audit review will be completed as a part of the self-audit.
<p><u>Logging and Monitoring</u></p> <ul style="list-style-type: none"> ▪ Application security logs are not reviewed on a regular basis for security violations and other anomalies for five of the sampled applications. ▪ Security logs do not exist to record and monitor violations for two of the sampled applications. ▪ There is no monitoring, review, or approval process for individuals who have the ability to modify web pages. 	<ul style="list-style-type: none"> ▪ OIT will work with the Security Director and vendors in a process that includes a review schedule and sign-off ▪ OIT will create an approval process for website content management changes.

Status of Audit Follow-ups

Name of Audit/Review	Report Date	Total # of Findings / Observations	# of Open Findings / Observations as of the 04/28/2015 Finance & Admin Services Committee Meeting	# of Open Findings / Observations as of the 08/27/2015 Finance & Admin Services Committee Meeting *
Fiscal Year 2014				
Washburne Culinary Institute Operations Review	02/12/2014	4	0	0
MBE/WBE Compliance Review	05/01/2014	5	0	0
Health Benefits Payments Review	05/21/2014	2	1	0
Business Office Review – Olive Harvey	03/18/2014	1	0	0
Business Office Review – Daley	04/07/2014	5	0	0
Business Office Review – Harold Washington	04/30/2014	5	0	0
Washburne Café Cash Management Review	05/14/2014	2	0	0
Totals		24	1	0
Fiscal Year 2015				
Student Financial Aid Verification Files Review	09/15/2014	5	0	0
Veterans Affairs Education Benefits Review	10/14/2014	4	0	0
Employee Expense Reimbursements Review	10/21/2014	2	0	0
COLA Retroactive Pay for NBF Employees Recalculation Analysis	08/22/2014	2	0	0
Arbitration Back Pay for Local 1600 Union Employees Recalculation Analysis	09/23/2104	2	0	0
Malcolm X College Business Office Review	10/17/2014	6	0	0
Child Care Centers Review	10/23/2014	8	1	0
Wilbur Wright College Business Office Review	12/16/2014	7	1	1
R2T4 Review	1/16/2015	3	3	3

Note: * For the open findings, IA noted during the audit follow-ups that the process owners have taken the action steps that they committed under their management responses to the findings. The findings are marked open as the pertinent action steps are still underway or in progress. IA will continue to follow up with management on the completion of the action steps that they have committed.

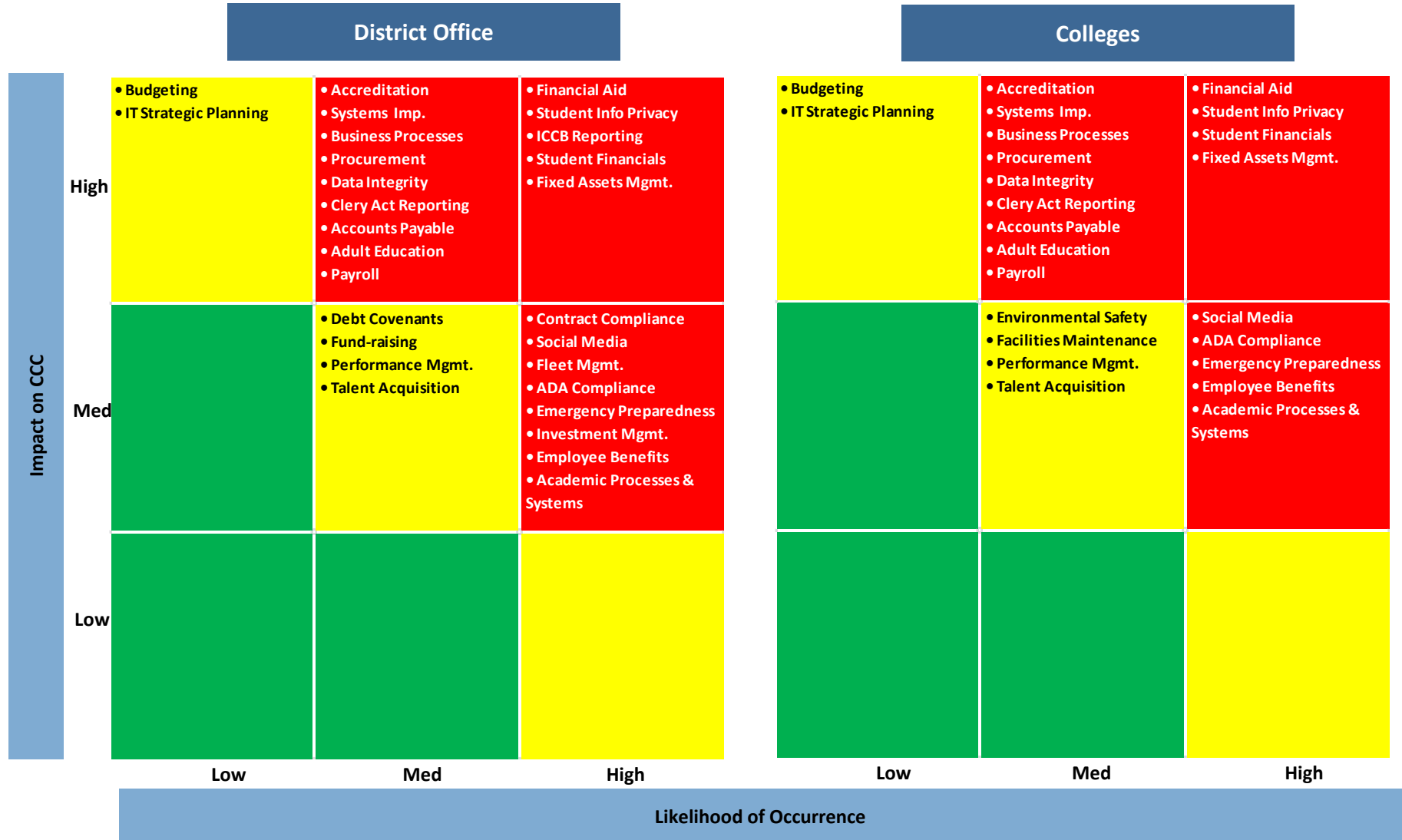
Status of Audit Follow-ups (continued)

Name of Audit/Review	Report Date	Total # of Findings / Observations	# of Open Findings / Observations as of the 04/28/2015 Finance & Admin Services Committee Meeting	# of Open Findings / Observations as of the 08/27/2015 Finance & Admin Services Committee Meeting *
Fiscal Year 2015 (continued)				
Malcolm X College Construction Audit	02/10/2015	5	5	1
Truman College Business Office Review	02/06/2015	5	5	0
Student Financial Aid Verification Review FY 2015 - I	03/26/2015	6	6	0
Totals		39	21	5

Note: * For the open findings, IA noted during the audit follow-ups that the process owners have taken the action steps that they committed under their management responses to the findings. The findings are marked open as the pertinent action steps are still underway or in progress. IA will continue to follow up with management on the completion of the action steps that they have committed.

CCC Risk Assessment - FY 2016 Update and Internal Audit Plan (continued)

FY 2016 District-wide Risk Assessment



CCC Risk Assessment - FY 2016 Update and Internal Audit Plan (continued)

Internal Audit Plan - FY 2016:

Item No.	Area	Audit Activity	Count
1	Accreditation	Accreditation Process Review	1
2	ADA Compliance	ADA Compliance Review	1
3	Audit Follow Ups	Audit Follow Ups	1
4	Clery Act Reporting	Clery Act Reporting Compliance Review	1
5	Business Processes	College Business Office Review - KKC, WYCC/WKCC	2
6	Contract Compliance	Contract Compliance Review - French Pastry School, Pace, Xerox	3
7	Data Integrity	Data Integrity Review	1
8	Business Processes	Department Business Processes Review - AGCEQ, OIT	2
9	Emergency Preparedness	Emergency Preparedness Assessment	1
10	Accounts Payable	Employee Expense Reimbursement Review	1
11	External Audit	External Audit Support	1
12	Fleet Management	Fleet Management Review	1
13	Academic Systems and Processes	Grade Changes Review	1
14	ICCB Reporting Compliance	ICCB Reporting Compliance Review	1
15	Investment Management	Investment Management Review	1
16	Adult Education	Operational Review of Adult Education	1
17	PCI Compliance	PCI Data Security Standards Compliance Requirements Assessment	1
18	Systems Implementation	Post Implementation Review - Active Directory, Campus Solutions 9	2
19	Procurement	Procurement Practices Review	1
20	Academic Systems and Processes	Review of Alignment of Academic Systems and Processes with Academic Policies	1
21	Financial Aid	Return to Title IV (R2T4) Determinations and Calculations Review	1
22	Social Media	Review of Social Media Policies and Procedures	1
23	Student Financials	Review of Student Payment Plans	1
24	Academic Systems and Processes	Sabbaticals Process Review	1
25	To be determined	Special Requests / Special Projects	1
26	Financial Aid	Student Financial Aid Verification Review	2
27	Student Information Privacy	Student Information Confidentiality and Privacy Compliance Review	1
28	Business Processes	WCI Physical Inventory	1
Total Number of Audit Activities			34

Procurement Services Overview

Presentation to the Board of Trustees Committee on
Finance and Administrative Services

August 27, 2015



Procurement Services facilitates and oversees the purchase of goods and services across the District

- Competitive bidding and requests for proposals
- Supplier set-up and maintenance
- Supplier commitment control
- Review and approval of Requisitions and Purchase Orders (POs)
 - Selectively review PO's less than \$10,000 for compliance
 - Final review and approval of all PO's greater than \$10,000
- Establish District-wide contracts through competitive solicitations
- Procurement policy training

Through these day-to-day functions, Procurement Services ensures that Illinois statutes and Board policies are followed

The Board of Trustees has approved the following spending thresholds

- **Purchases of less than \$2,500:** Competitive bidding is not required. Such items may be purchased from any supplier offering the required goods or services at a reasonable price through a Purchase Order
- **Purchases of \$2,500 and up to \$25,000** require three price quotations in writing. At least one of the three suppliers must be a certified Minority Business Enterprise or Women's Business Enterprise (MBE/WBE) supplier
- **Purchases in excess of \$25,000** formal competitive bidding is required
 - Work with the initiating department to prepare written specifications describing the required goods or services
 - Ensure specifications are prepared as objectively as possible, so that the advantage provided to any particular supplier is based on the appropriateness of that vendor's product
 - Manage the Request for Proposal (RFP)/Bid process through Board approval

This policy is consistent with Illinois Public Community College Act

There are some exceptions to competitive bidding rules

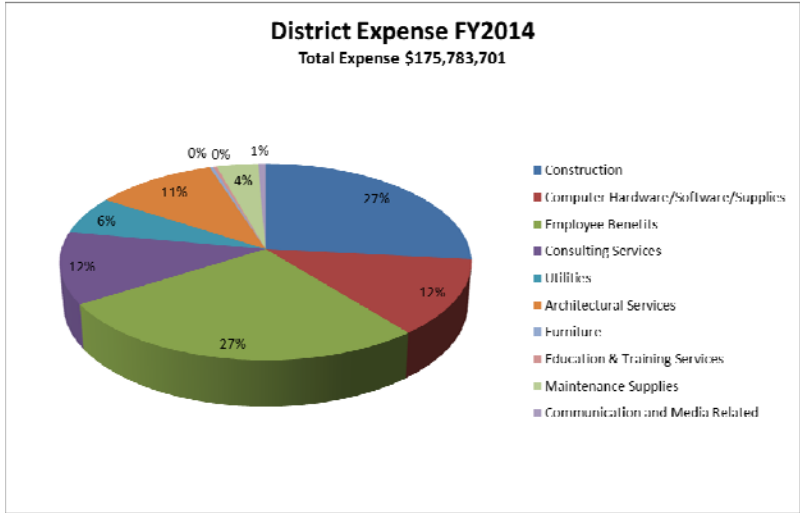
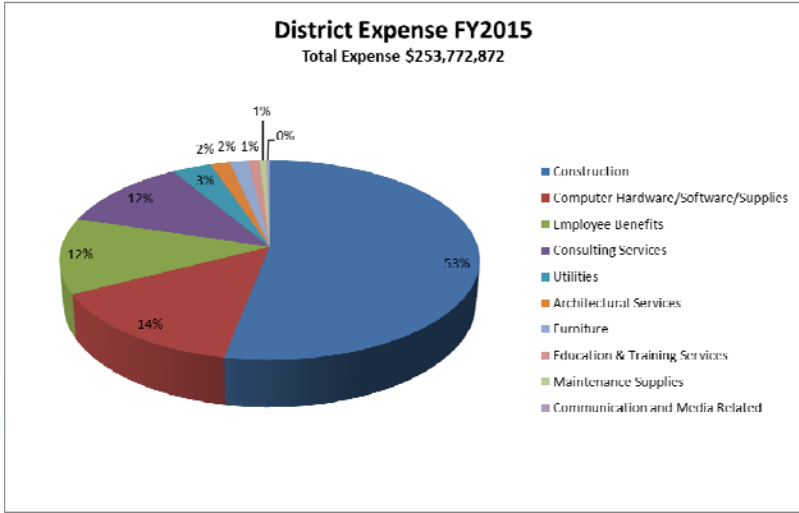
- The only exceptions allowed by the District are those explicitly stated in the Illinois Public Community College Act
- These exceptions are listed in the Board Policies and Procedures section 2.3.4
- Exceptions utilized most recently are:
 - Purchases and contracts for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter- connect equipment, software, and services
 - Contracts for goods or services procured from another governmental agency
 - Contracts for 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
 - Contracts for services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part

The District also purchases jointly with other agencies and through purchasing consortiums

- Illinois Public Community College Act (805/3-27.2) authorizes the District to participate in joint purchases – these purchases are advertised and procured in accordance with the procedures of the Sister agency
- Consortium contracts are publicly advertised and competitively bid by the consortium, and reviewed and approved by the Board
- Consortium members receive the benefit of economies of scale in the negotiated rates and/or rebates based on annual spend
- Some of the consortia that the District belongs to include:
 - U.S. Communities Government Purchasing Alliance
 - Illinois Higher Public Education Cooperative
 - Educational and Institutional Cooperative Purchasing
 - National IPA / Illinois Community College System Procurement Consortium
- Items available for purchase include maintenance /janitorial supplies, office supplies, office furniture, scientific equipment, medical supplies

The District saved approximately \$214,000 in FY2015 on maintenance, repair, and operations supplies by purchasing through a consortium supplier

The District's spending can be categorized into a few major groups



Category	FY2015 Spend	% of Total	FY2014 Spend	% of Total
Construction	\$ 129,248,828	53%	\$ 30,567,805	27%
Computer Hardware/Software/Supplies	\$ 35,127,465	14%	\$ 14,406,645	12%
Employee Benefits	\$ 29,906,260	12%	\$ 30,808,455	27%
Consulting Services	\$ 28,322,407	12%	\$ 13,568,709	12%
Utilities	\$ 8,404,816	3%	\$ 7,226,480	6%
Architectural Services	\$ 4,142,579	2%	\$ 12,455,050	11%
Furniture	\$ 3,940,420	1%	\$ 350,407	>1%
Education & Training Services	\$ 2,480,318	1%	\$ 363,309	>1%
Maintenance Supplies	\$ 1,453,781	1%	\$ 4,237,803	4%
Communication and Media Related	\$ 636,027	>1%	\$ 767,690	1%

The District procures construction, renovation, and repair services through a few methods

- Cost-Plus contracts for work services – Competitive solicitation for routine maintenance and emergency repairs (e.g., plumbing and piping, HVAC, etc.)
- *Job Order Contracting (JOC) – Competitive solicitation for repair, renovation, electrical and mechanical upgrade projects under \$500,000 (often repetitive in scope)*
- Competitive Bidding – complex, high-dollar value construction projects involving multiple trades and typically requiring significant architectural and engineering services

The Job Order Contract program allows the District to efficiently procure construction services

- The JOC program is a competitively bid, Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicle (also referred to as Depends Upon Requirements)
- JOC was initially developed by the U.S. military and has been widely adopted across all levels of government
- IDIQ contracts are typically used when the organization cannot determine the precise quantities of supplies or services to be procured
 - Maximum quantities and time limits are established
 - Specific purchase orders (POs) for individual requirements placed against the master contract as needed
 - Commitment of funds does not take place until a specific requirement is identified and purchase order issued (master contract does not authorize any expenditure)
 - Each PO managed like a stand-alone contract (SOW, change orders, Board-authorized funding value)
- Binding contract that expedites ordering and execution of work
 - Up-front selection of qualified firms (multiple awards)
 - Establishes negotiated terms
 - Long-term pricing commitments
 - Saves District resources (formal RFP/bid does not have to be issued each time work is needed)

Contractors on the District's JOC program were selected through a full and open competition

- Request for Proposals (RFP) for General Construction Contractors issued in April 2013
- Seventeen (17) firms submitted proposals
- Six (6) firms were initially selected
- To expand capabilities available to the District, an RFP was issued in February 2015 for Low Voltage Electrical Work Job Order Contracting
- Six (6) firms submitted proposals and three (3) were awarded contracts for low voltage JOC
- CCC's JOC model was initially developed through a competitive solicitation awarded to the Gordian Group
- In both JOC procurements, firms bid factors off of the Gordian Group's universally accepted, industry standard unit price Catalog of Construction Tasks that contains approximately 60,000 individual items of typical construction costs

CCC works with the JOC firms to obtain the best value for the District on each individual project

Contractor selection is based on...

- Contractor can self-perform majority of the required tasks
- Contractor specialized in the task to be performed
- Contractor has performed similar scope of work or is familiar with the campus, security protocols, equipment/area being serviced (repetitive incremental efficiencies allow contractor to perform same job more quickly and/or with fewer resources)

Since its inception, CCC has completed more than 500 projects through the JOC program

- Simple finish and fixture changes have provided refurbished student bathrooms at Truman, Olive-Harvey and Daley College
- The condensate pans and fin tubes were replaced at Harold Washington
- Electrical Switchgears were replaced at Daley College
- 148 Trees were transplanted from the former Malcolm X parking lot to the Daley College Campus
- 100 foot light poles were upgraded with more effective and efficient light fixtures
- 12 IT closets are being added at Truman College
- 7,100 square feet of pavers were replaced at Arturo Velasquez Institute
- The gymnasium floor was refinished at Kennedy-King College
- A 39 seat testing Lab was upgraded for GED testing at Wright College



The JOC program has also been a successful conduit for Minority- and Women-owned businesses to perform work for CCC

- 4 of the 9 JOC prime contractor firms are certified MBEs
- An additional MBE firm is a member of a Joint Venture partnership that was selected as a JOC prime contractor
- On the current JOC contract, certified M/WBE firms have been paid more than \$11 million through FY2015 Q3

**Percent of JOC Dollars Paid to M/WBEs
(Current Contract Through FY2015 Q3)**

