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**BOARD OF TRUSTEES
OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois**

APPENDIX 24:
OPERATIONS MANUAL



**THE CITY COLLEGES OF CHICAGO
OPERATIONS MANUAL
(With revisions through July 15, 2004)**

PRIOR AMENDMENTS

#16855 --	11-5-92
#18686 --	7-1-95
#19386 --	7-9-96
#19573 --	11-7-96
#20208 --	10-1-97
#20774 --	7-2-98
#21414 --	7-1-99
#22909 --	110-1-2001
#23316 --	7-11-2002
#2372 --	4-3-2003

**ADOPTED -BOARD OF TRUSTEES OF COMMUNITY
COLLEGE DISTRICT NO. 508 -
COUNTY OF COOK AND STATE OF ILLINOIS
JULY 15, 2004**

1.00 PURCHASING AND CONTRACTING – GOODS OR NONPROFESSIONAL SERVICES

Goods or nonprofessional services hereinafter referred to as goods, should be purchased from the vendor who can provide the required goods at the lowest price available.

1.01 REQUISITION PROCESS – Purchases of \$5,000 or Less - COLLEGES

The originating department must submit a requisition to the Business Office for the issuance of a purchase order. The requisition must be approved by the department head or designee. The requisition form must include the name, telephone number, address, city, state, zip code and contact person of vendor.

The requisition must include the name of the person and department making the request, coding, delivery address, date of requisition, terms of payment, cost center and shipping terms.

List the equipment, supplies, or services to be purchased giving a complete description of all items. If contracting for service or travel, indicate as many details as reasonable (i.e., maintenance, consultant, registration fees, hotel cost, meals, ground transportation, etc.)

The Business Office or the originating department must solicit at least three (3) bids for items between \$1,000 and up to \$5,000. Bids for items between \$1,000 and \$2,500 may be obtained by telephone and/or in writing from the vendor quoting prices. Copies of written bids are required for items exceeding \$2,500 and up to \$5,000. Once bids are received, the lowest responsive bidder is selected for contract award.

Purchases requiring bids must be summarized on a bid recapitulation (bid recap) sheet and attached to the purchase requisition. The solicitor of bids must sign the recap sheet. At least one of the three must be obtained from a certified minority or woman owned business (MBE or WBE). The MBE or WBE letter of certification shall be attached to the bid recap if the MBE/WBE is the lowest bidder.

Once the above process is completed, the Business Office will prepare and issue the purchase order to the successful vendor.

1.02 REQUISITION PROCESS – Purchases of \$5,000 or less – DISTRICT OFFICE

The originating user must submit a requisition to the department business manager for the issuance of a purchase order. The requisition must be approved by the department head or designee. The requisition form must include the name, telephone number, address, city, state, zip code and contact person of vendor.

The requisition must include the name of the person and department making the request, coding, delivery address, date of requisition, terms of payment and shipping terms.

List the equipment, supplies, or services to be purchased giving a complete description of all items. If contracting for service or travel, indicate as many details as reasonable (i.e., maintenance, consultant, registration fees, hotel cost, meals, ground transportation, etc.)

The originating department must solicit at least three (3) bids for items between \$1,000 and up to \$5,000. Bids for items between \$1,000 and \$2,500 may be obtained by telephone and/or in writing from the vendor quoting prices. Copies of written bids are required for items exceeding \$2,500 and up to \$10,000. Once bids are received, an evaluation and selection process is performed to select a vendor for contract award.

Purchases requiring bids must be summarized on a bid recapitulation (bid recap) sheet and attached to the purchase requisition. The solicitor of bids must sign the recap sheet. At least one of the three quotes must be obtained from a certified MBE or WBE and a letter of certification shall be attached to the bid recap if the MBE /WBE is the lowest bidder.

Once the above process is completed, the departmental business manager will prepare and issue the purchase order to the successful vendor.

1.03 OBTAINING PRICES

Generally, multiple prices must be obtained each time a purchase is made. Methods should be used that maximize CCC's ability to obtain the desired goods at the lowest possible price. *Splitting purchases to reduce the procedural requirements for obtaining prices is strictly prohibited.* The following rules apply:

Purchases of less than \$1,000 – Competitive bidding is not required. Such items may be purchased from any vendor offering the required goods or services at a reasonable price. Price comparison is highly recommended.

Purchases of \$1,000 but less than \$2,500 – The department seeking the goods must obtain three price quotations from vendors who stock the goods. Price quotations may be obtained over the telephone, in person, or in writing. The quotations must be summarized on a bid recapitulation sheet and attached to the purchase order. If three quotations are not obtained, an explanation must be provided on the bid recapitulation sheet.

Purchases of \$2,500 but less than \$5,000 – Informal competitive bidding is required. Informal competitive bidding requires that the user department obtain three written bid quotations specifically describing the goods and their prices. The bid quotation may be obtained either on a bid-quotation form or on the vendor's letterhead stationery. In either case, the bid must be written in ink and signed by an authorized representative of the vendor. If at least three bids are solicited, but fewer than three bids are submitted within ten working days of the solicitation, the department head

may authorize the purchase after determining that the bids submitted are reasonable. If three bids are not obtained, an explanation must be provided on the bid-recap sheet. Prices obtained through informal competitive bidding may be used for the period stated in the quotation, or for 90 days, whichever is shorter.

Purchases of \$5,000 or greater – Formal bidding is required. Formal bidding requires that the department prepare written specifications describing the required goods or services. The specifications shall be reviewed by the Purchasing Department to ensure that the specifications are complete and in the proper form. Specifications shall be prepared as objectively as possible, so that the advantage provided to any particular vendor is based on the appropriateness of that vendor's product.

Purchase of \$10,000 or greater – In addition to the formal bidding requirements set forth above, the board must approve all purchases exceeding \$10,000 that are made from a single vendor during a fiscal year. The board report shall include the reason for the purchase, a brief description of the procedure used to select the vendor, a description of the goods being purchased, and the purchase price. The board report must list the names of the vendors who submitted the three lowest bids.

If the lowest responsive bid is not recommended to the board after formal bidding is completed, an affidavit signed by a college president, a vice chancellor, or the chancellor explaining the reasons why the low bid was rejected must be attached to the board report. The explanation must provide sufficient technical detail to justify the rejection of the low bid. A certificate need not be prepared to justify the rejection of bids which are identified by the bidder as alternates. All documentation supporting the non-acceptance of the low bid shall be attached to the certificate of non-acceptance of low bid.

1.04 BID SPECIFICATIONS

Any college or department requiring the issuance of a bid specification must submit to the Purchasing Department the technical section of the specifications describing the goods or services required. The description of the goods or services may be either performance based or product based. Performance-based specifications describe the goods needed by detailing the performance required of the goods. For example, specifications for a calculator would list all the mathematical functions that the calculator must perform. Product-based specifications describe the goods by identifying a specific product which would be acceptable, and requesting a price on that item or its equivalent. For example, calculator specifications might request prices on Texas Instruments Model TI-1795, or its equivalent.

When product specifications are used, a bid on an equivalent product must include specifications demonstrating that the bid goods are substantially equivalent. The terms of the purchase may include payment terms, prevailing wage requirements, bid-deposit requirements, women business enterprise (WBE) requirements, or minority business enterprise (MBE) requirements. (WBEs and MBEs are businesses wholly or partly owned by women or minorities.) The Purchasing Department will determine which conditions are required for particular purchases, and include the appropriate terms in the specifications. All specifications are distributed by the Purchasing Department.

For formal bids, an advertisement announcing the goods sought, the availability of bid specifications, and the bid opening date, time and place must be placed a minimum of ten days before the bid opening in a local newspaper such as the Chicago Sun Times, LaRaza, and the Chicago Daily Defender. The purpose of the advertisement is to provide vendors who are not on CCC's bidder's list with an opportunity to bid for CCC contracts. Following the advertisement, the newspaper will send the Purchasing Department a letter verifying that the advertisement was published. The letter will be retained in the Purchasing Department's files.

On the day that the advertisement appears in the local newspaper, the Purchasing Department shall either send a bid package or bid notification letter indicating that specifications are available to all vendors registered in appropriate categories on the Purchasing Department's bidder's list. Vendors may be included on the bidder's list by completing a vendor's application form and filing it with the Purchasing Department. The bidder's list is available for public examination upon 24 hours notice to the Purchasing Department.

Specifications shall be available in the Purchasing Department during the time between the placement of the advertisement and the bid opening. The deadline for receipt of bids will be a minimum of ten working days after the advertisement appears. If the district determines that a substantive change in the bid specifications is required after the bid specifications are distributed but before the bids are due, all bidders must be sent an addendum stating that change. All bids must be sealed by the bidder and must be opened by a member or employee of the board no earlier than the tenth working day after the advertisement. All bids are opened in public and the contents of the bid read aloud at the time and place advertised. Any bid arriving after this time will be returned unopened to the bidder. For the period of time stated in the bid specifications, but not for longer than one year, prices obtained through formal bidding may be used for the purposes of awarding a contract.

A bid deposit of 5% of the bid may be required on all purchases of goods and nonprofessional services exceeding \$20,000. This will be determined by the Director of Purchasing. The bid deposit may be in the form of a certified check or a cashier's check in the required amount, a letter of credit, or a bid bond. The bid

deposit requirement may be waived by the Vice Chancellor for Finance if it is in the best interest of the district to do so. Bid deposits submitted by unsuccessful bidders are returned approximately 20 days after the bid is awarded. The successful bidder's deposit or bond is kept until the goods are delivered, or the services fully performed.

1.05 FOOD SERVICE PROCUREMENT

The procurement for the food service operation, and child development centers is done on an annual basis. A Request For Proposal (RFP) is prepared requesting price quotations for various food items and services. A review and evaluation process is done by the Foodservice Manager to determine the award, a board report is prepared and after approval, the food service vendors are notified of contract award.

1.06 ANNUAL OR PERIODIC PURCHASE ORDERS

In order to minimize delay and encourage effective planning, prices for goods that are purchased regularly should be determined in advance of the purchase. In such cases, the college or the department must make an approximation of the type and the quantity of goods to be purchased during the specified time (not to exceed one year). Bids providing unit prices for such goods should be obtained using the procedure appropriate for the total amount to be purchased during the period. Once the low bid is determined and the necessary approvals obtained, a purchase order for the total amount of the estimated purchases may be issued to the vendor. The board is not obligated to make the planned purchases, but may do so during the specified period.

Board approval for such purchasing commitments should be obtained if the total planned expenditure exceeds \$10,000.

1.07 EXCEPTIONS TO FORMAL COMPETITIVE BIDDING

All purchases and contracts in excess of \$10,000 must meet the formal bidding requirements as stated in Section 1.03 above. Some purchases and contracts are excluded from formal competitive bidding. Although a purchase and/or contract is excluded from formal competitive bidding, Board authority must be obtained for any purchase and/or contract that exceeds \$10,000 with the exception for item J (below) wherein the Chancellor's authority is \$15,000. Items A through O (below) are exceptions to the general requirement that purchases in excess of \$10,000 must be procured pursuant to a formal competitive bidding process.

- a. Contracts for services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part;
- b. Contracts for the printing of finance committee reports and departmental reports;
- c. Contracts for the printing or engraving of bonds, tax warrants and other evidences of indebtedness;
- d. Contracts for 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;
- e. Contracts for the 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;
- f. 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;
- g. Contracts for duplicating machines and supplies;
- h. Contracts for the purchase of natural gas when the cost is less than that offered by a public utility;
- i. Purchases of equipment previously owned by some entity other than the district itself;
- j. Contracts for repair, maintenance, remodeling, renovation, or construction, or a single project involving an expenditure not to exceed \$15,000 and not involving a change or increase in the size, type, or extent of an existing facility;
- k. Contracts for goods or services procured from another governmental agency;
- l. 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.

- m. Where funds are expended in an emergency and such emergency expenditure is approved by $\frac{3}{4}$ of the members of the Board.

Emergency purchases/Expedited purchases

- 1) \$10,000 and less

The requirement that multiple prices be obtained in advance of a purchase may be waived in cases in which either damage to life or to property could result from the delay caused by soliciting prices, or there is a major disruption of the operation and maintenance of the district. When considering emergency purchases such purchases are to be considered emergencies if one of the following conditions apply: (a) when the district likely would be determined liable for an injury that may occur or for health that may be impaired if action is not taken to remediate the problem quickly, (b) when immediate repair is needed to protect against further loss or damage to property, or (c) when immediate action is necessary to avoid disruption of programs or services. Further, all emergency procedures and transactions must be well documented in writing. In all such cases, the college president, the vice chancellor, or the chancellor must approve a request for an emergency purchase prior to authorization of the expenditure.

- (2) Over \$10,000

When considering emergency purchases in excess of \$10,000 without competitive formal biddings, such purchases are to be considered emergencies if one of the following conditions apply: (a) when the district likely would be determined liable for an injury that may occur or for health that may be impaired if action is not taken to remediate the problem quickly; (b) when immediate repair is needed to protect against further loss or damage to property, or (c) when immediate action is necessary to avoid disruption of programs or services. In cases where the emergency expenditure will exceed \$10,000, the chancellor will obtain verbal approval from the Chairman of the Board. Subsequent board confirmation of any emergency expenditure shall be obtained at the next scheduled board meeting and such emergency expenditure

must be approved by $\frac{3}{4}$ of the members of the board. Further, all emergency procedures and transactions must be well documented in writing, describing the nature and reasons in particularity of the emergency (i.e., who, what, when, where and why, etc.). A file must be developed for emergency purchases over \$10,000 which contains all documents of the nature and circumstances which lead to the emergency expenditure. Subsequent board action confirming that the expenditure was justified on an emergency basis should be a part of that file.

n. Other Exceptions

If approved by the Chancellor or his designee, other purchases exempt from the formal bidding process that may be purchased in amounts less than \$10,000 without Board authority are:

1. State of federally mandated payroll tax-related payments;
2. Postage purchases;
3. District-wide professional membership dues;
4. Required costs associated with accreditation and/or recognition visits; and
5. Student educational trips mandated by granting agencies.

o. Acquisition of Insurance

Acquisition of employee health insurance, employees life insurance, property and casualty insurance, and other types of insurance is specifically exempted from the formal bidding requirements. These products will be evaluated for acquisition based on availability of coverage, price, and the rating of the insurance company.

1.08 DETERMINING THE LOW BID AND MAKING THE PURCHASE

- a. The low bid may be determined either by figuring the price of individual items, or by figuring the total price for all items specified. When prices for several items have been solicited, and different vendors have provided a low bid on individual items, the purchase may be made either from the lowest bidder for each individual item, or from the vendor who made the lowest total bid for all the items specified.
- b. Alternate bids that do conform to the specifications may be considered, or technically disqualified. If a low bid is disqualified for failure to comply with specifications a certificate describing the noncompliance must be prepared and included with the board report. A board report

recommending the purchase from the bidder offering the lowest price for a product must be approved by the board prior to any purchase.

1.09 MINORITY AND WOMEN PARTICIPATION ON CONTRACTS

Compliance with MBE or WBE requirements will be considered in determining whether the bidder or proposer is responsible. When other aspects of responsible bids are not decisive, the contract shall be awarded to the bidder having the higher level of M/WBE participation. Similarly, when comparing proposals for a contract, the proposal level of M/WBE compliance shall be one of the decisional criteria. A bid or proposal may be rejected in the following circumstances.

- a. After the contract has been given the opportunity to cure technical deficiencies and has failed to do so.
- b. No waiver has been obtained, and the bid or proposal contains an insufficient level MBE or WBE participation.
- c. The contractor provides false or misleading information in its bid or proposal, or in supplements to its bid or proposal.

1.10 INELIGIBLE BIDDER/CONTRACTORS

Alternate bids that conform to the specifications may be considered, or technically disqualified. If a low bid is disqualified for failure to comply with specifications, a certificate describing the noncompliance must be prepared and included with the board report. A board report recommending the purchase from the bidder offering the lowest price for a product must be approved by the board prior to any purchase.

To identify ineligible bidders/contractors, a file must be established by the Purchasing Department. The file must identify the nature of the bidders/contractors failure to satisfactorily complete a contract. It is necessary that any and all correspondence to the bidder regarding non-performance on the contract be included in addition to providing copies of correspondence to the legal department. Failure to successfully perform on an awarded contract is sufficient to conclude that a bidder is ineligible.

In the Office of Contract Compliance determined that a contractor has not met the applicable MBE or WBE goals, and has not demonstrated every good faith effort to meet the goals, at the conclusion of the contract, the Office of Contract Compliance may declare the contractor ineligible for future contracts for a period of three (3) years.

Bidders can only be declared ineligible after information has been documented, reviewed and verified by the Purchasing Department. This will result in removal from the bidders list and being unable to bid on future contracts for a period of three (3) years.

1.11 NON-RESPONSIVE BIDS

A bidder may be considered non-responsive for failing to complete all contract documents, failing to provide signatures on bid proposals and/or failing to provide bid deposits on contracts.

1.12 RECEIVING PROCEDURES

Campuses are to adopt formal receiving procedures. The storekeepers should prepare the "Key-Rec" form to document the receipt of goods in the proper quantity. The completed "Key-Rec" form should then be sent to the business office for attachment to the request for payment package.

1.13 JOINT PROCUREMENT

In addition to the other procurement methods authorized by the Board for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services; the Board may also, when the Chancellor, or designee has determined that it is advantageous to the district, for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services, through the use of:

A. Contracts awarded by agencies of the State of Illinois if such contracts permit this practice.

B. Contracts awarded by other units of local government if such contracts permit this practice.

C. Orders placed under United States General Services Administration schedules in accordance with applicable federal regulations.

D. Requests for Proposals ("RFPs") issued jointly with one or more other units of local government. All such jointly issued RFPs must clearly state that each unit of local government is only responsible for the payment of items and services that it orders, with no joint responsibility among the units of local government. The Chancellor, or designee, is authorized to represent the Board in connection with the preparation and issuance of any joint RFPs.

In addition to the above, the Chairman is authorized to enter into agreements with other units of local government, municipal corporations and agencies of the State of Illinois to cooperate in the acquisition of the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment, software, and services. Such

agreements may also provide for co-development software and sharing or co-location of data, equipment and facilities. In addition, such agreements may include development of standards for cross-compatibility of data formats and protocols and indemnification clauses. The corporation agreements must provide that each participating unit of local government, municipal corporation or agency will be solely responsible for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and inter-connect equipment software, and services that it orders pursuant to the cooperative procurement.

All agreements resulting from joint procurement processes shall be subject to the approval and execution limits specified in Section 1.0.