


**DATE:** October 10, 2014

**TO:** The University Community

**FROM:** Joan Johns Maloney, Recording Secretary, Board of Trustees 

**RE:** Board of Trustees Regulations, Section V.B., Procurement

The Governors State University *Board of Trustees Regulations, Section V.B., Procurement* is under review for amendment. The First Reading of the amended regulation was brought before the Board of Trustees at the October 10, 2014 meeting of the Committee on Trusteeship, Governance and Nominations. The document is now available to the GSU Community for review and comment.

Please direct all questions or comments to Alexis Kennedy, General Counsel, at [akennedy@govst.edu](mailto:akennedy@govst.edu) before Friday, December 5, 2014, when the Board of Trustees next meets.

**GOVERNORS STATE UNIVERSITY  
BOARD OF TRUSTEES**

**REGULATIONS**

**Issued July 12, 1996**

**With Amendments adopted by the board on June 12, 1998 and October 14, 2011**

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SECTION V. ADMINISTRATIVE AFFAIRS

**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 and the University, including income received and retained in accordance with the Illinois State Finance Act, 30 ILCS 105. All purchasing transactions shall be conducted in accordance with applicable State and federal statutes, rules 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 involving the acquisition of real property, and purchases of \$250,000 or more (except as specified in paragraph d. below) shall require approval by the Board.
- b. Authority for approval of purchases other than those referred to in 1a. above is delegated to the President.
- c. In the event of an emergency, the President may grant an exception to the requirement of Board approval of a purchase if, in the opinion of the President, (i.) immediate action is required, (ii.) a reasonable effort has been made by the President to consult individually with members of the Board or the Executive Committee, and (iii.) there is insufficient time to obtain approval by the Board or the Executive Committee before action must be taken. The President shall present a report on exceptions granted under this provision at the next regular meeting of 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, entertainment services paid for with student fees and/or ticket sales receipts, resale items, postal charges, other exemptions hereafter defined within the State Finance Act and its rules, contracts funded through the Capital Development Board and other governmental agencies, contracts bid through the Central Management Services and other government agencies, and approved items bid through the Illinois Public Higher Education Cooperative, the Midwest Higher Education Compact and joint purchasing.
- e. The Board will approve the university's annual compliance plan consistent with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/).
- f. The Board reserves its authority to require approval by the Board of any contract or type of contract entered into by the university.

## 2. Reports

Twice each fiscal year, at a regular meeting of the Board, the President shall present a report on purchases of at least \$100,000 but less than \$250,000 (other than purchases listed in paragraph 1.d. above) made since the preceding report to the Board.

## 3. Contract Preparation and Signature

- a. The Board of Trustees of Governors State University, constituted a body politic and corporate is the contracting entity for all contracts of the Board and the University.
- b. The President 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 when in her or his judgment a letter of intent is necessary to insure 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. above 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

specific 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 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.

6. Change Orders

- a. The President 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 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.E. of these Regulations, the President shall further delegate the authority granted to her or him 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. Prior Board approval shall be required for each change order which (i.) increases a contract to \$250,000 or more or (ii.) increases a contract previously approved by the Board.