REVISED

ROLL CALL

CLARIFY DOLLAR LIMITS ON PURCHASES, LEASES, CONTRACTS, AND OTHER ACTIONS REQUIRING SPECIFIC BOARD OF TRUSTEES AUTHORIZATION

Action: Clarify Dollar Limits on Purchases, Leases, Contracts, and Other Actions Requiring Specific Board of Trustees Authorization

Funding: No New Funding Required

The General Rules Concerning University Organization and Procedure, Article II (Business Organization and Policies), Section 4 (Award and Execution of University Contracts), subsection (f), provides that:

Purchases, contracts, change orders, and leases involving payments by the University in one fiscal year in excess of such dollar amounts as the Board of Trustees may specify from time to time shall be specifically authorized by the Board of Trustees…

The Board took action at its January 21, 2010, meeting to revise the dollar limits for purchases, contracts, and other actions requiring specific Board of Trustees authorization. The recent emergency procurements at the Chicago campus pointed out the need to clarify the actions taken. In addition, the dollar limits for Board authorization...
of leases were not addressed in the January Board action as intended. Therefore, the following recommendations are proposed:

Prior authorization of the Board is required for:

Lease of space contracts requiring payment by the University in one fiscal year of $200,000 or more. The current Board approval level is $100,000. The Board delegates authority to the Comptroller to approve leases below the specified dollar amount.

Emergency Transactions

The Board delegates authority for emergency transactions that, in the opinion of the President of the University, require immediate action. In the case of such emergency transactions that are less than $1,000,000, the President shall act to approve the transaction on behalf of the Board of Trustees. If the amount involved in such an emergency transaction is equal to or greater than $1,000,000 and less than $2,000,000, the President will not approve the transaction without first consulting individually those members of the Executive Committee of the Board who can reasonably be contacted before the emergency action must be taken. Similar consultation will occur with all Board members who can reasonably be contacted before presidential action on an emergency transaction of $2,000,000 or greater.

Change Orders

The Board delegates authority to the Comptroller to approve change orders to University contracts and purchase agreements. Change orders related to medical center operations that exceed 25 percent of the original Board approved contract or purchase agreement and change orders that are not related to the medical center
operations that exceed 5-25 percent of the original Board approved contract for
construction or professional services contracts, or original Board approved purchase
agreements for supplies or equipment, or construction contracts of $1,000,000 or more
will be reported to the Board at its next scheduled meeting.

The Board action recommended in this item complies in all material
respects with applicable State and federal laws, University of Illinois Statutes,
The General Rules Concerning University Organization and Procedure, and Board of
Trustees policies and directives.

The Vice President/Chief Financial Officer and Comptroller concurs with
the recommendation.

The President of the University recommends approval.