Approved by the Board of Trustees

November 14, 2024

**18**

Board Meeting

November 14, 2024

REVISE DOLLAR LIMITS ON PURCHASES, LEASES, BUDGET APPROVAL, CONTRACT APPROVAL, AND OTHER ACTIONS REQUIRING SPECIFIC BOARD OF TRUSTEES AUTHORIZATION

**Action:** Revise Dollar Limits on Purchases, Leases, Budget Approval, Contract Approval, and Other Actions Requiring Specific Board of Trustees Authorization

**Funding:** No New Funding Required

On July 19, 2024, the Board of Trustees Executive Committee established a University-Related Organization (URO), the Illinois Quantum and Microelectronics Park, LLC (IQMP, LLC), to operate and manage the Quantum Science Facilities and made certain delegations of authority to the president of the University of Illinois System related to the formation of the URO. Pursuant to the Board of Trustees Executive Committee’s approval on July 19, 2024, the president of the University of Illinois System and delegates have taken actions to further establish and form the URO and establish a limited liability corporation (LLC). On August 15, 2024, the Board of Trustees Executive Committee delegated to the president and appropriate University officers the authority to execute the Operating Agreement and Services and Management Agreement. The IQMP, LLC Board of Managers approved these agreements on October 24, 2024, and the documents were executed by all parties on November 13, 2024.

 The Operating Agreement states that IQMP, LLC shall establish a Signature Authority Policy, which delineates who may approve of and bind IQMP, LLC to certain agreements, contracts, and leases. IQMP, LLC anticipates it will need to make large purchases in support of the Quantum Science Facilities, primarily utilizing funds granted by the State of Illinois. IQMP, LLC leadership expects many of these purchases will be in excess of $1,000,000. Therefore, the Signature Authority Policy requires purchases of $3,000,000 or more to be approved by the Board of Trustees as the Sole Member. The IQMP, LLC Board of Managers approved the Signature Authority Policy at its October 24, 2024, meeting. Approval of the IQMP, LLC Signature Authority Policy is anticipated to be contemporaneous with the approval of the recommendation below.

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

The Board of Trustees shall specifically authorize procurement contracts (excluding change orders) and leases involving payments by the system in one fiscal year in excess of such dollar amounts as the Board of Trustees may specify from time to time (the Board limit)…

At its meeting on January 21, 2010, the Board approved actions revising delegated authority and dollar limits for purchases, leases, contracts, and other transactions. This approval encompassed dollar limits pertaining to Board transaction approval levels associated with capital project actions. On September 23, 2010, the Board clarified the dollar limit aspects related to leases. On March 28, 2024, the Board revised and restated its dollar limits requiring prior authorization. This policy requires prior authorization of the Board of Trustees for “Purchases of supplies, equipment, and non-professional services requiring payment by the University in one fiscal year of $1,000,000 or more.” Therefore, the vice president/chief financial officer and comptroller recommends approval of a modification of the Board of Trustees Purchase Approval Threshold to allow purchases below $3,000,000 related to IQMP, LLC to proceed without authorization of the Board of Trustees.

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 president of the University of Illinois System concurs.