



Harper College  
1200 West Algonquin Road  
Palatine, Illinois

## **Revised Regular Board Meeting Agenda**

October 26, 2004  
7:00 p.m.

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Educational Presentations**
  - Sheila Quirk: Community Needs Assessment Results - Dr. Kathryn Scanland
  - Judy Thorson: KPMG - FY04 Financial Audit
- V. Student Trustee Report**
- VI. President's Report**
- VII. Harper Employee Comments**
- VIII. Citizen Comments**
- IX. Consent Agenda\* (Roll Call Vote)**
  - A. For Approval**
    - 1. Minutes – September 28, 2004 Regular Board Meeting Exhibit IX-A.1
    - 2. Bills Payable, Payroll for October 1, 2004, and; Estimated payrolls for October 15, 2004 through October 29, 2004 Exhibit IX-A.2
    - 3. Bid Awards Exhibit IX-A.3
    - 4. Purchase Orders Exhibit IX-A.4
    - 5. Personnel Action Sheets Exhibit IX-A.5
    - 6. Review of Closed Session Minutes Exhibit IX-A.6
  - B. For Information**
    - 1. Financial Statements Exhibit IX-B.1
    - 2. Committee and Liaison Reports Exhibit IX-B.2
    - 3. Grants and Gifts Status Report Exhibit IX-B.3

\* At the request of a Board member or the President, an item may be removed from the Consent Agenda for discussion. In addition, certain recurring recommendations may be included in the Consent Agenda at the discretion of the College President.

**X. New Business**

- A. RECOMMENDATION: Annual Financial Audit for Fiscal Year 2003-04 Exhibit X-A
- B. RECOMMENDATION: Resolution for 2004 Estimated Tax Levies Exhibit X-B
- C. RECOMMENDATION: Second Reading of Board Purchasing Policy Exhibit X-C
- D. RECOMMENDATION: Settlement Agreement between William Rainey Harper Community College and Stanley Consultants, Inc. Exhibit X-D
- E. RECOMMENDATION: Resolution to Intervene with PTAB (Property Tax Appeal Board) Regarding The Garlands of Barrington Exhibit X-E
- F. RECOMMENDATION: Annual Authorization to Approve Depositories and Investment Brokers for College Funds Exhibit X-F
- G. RECOMMENDATION: Annual Health, Life and Disability Insurance Renewal FY2005-06 Exhibit X-G
- H. RECOMMENDATION: Affiliation Agreement Between William Rainey Harper College and Rush University Medical Center for the Radiology Technology Associate of Applied Science Degree and Radiology Technician Certificate Exhibit X-H

**XI. Announcements by the Chair**

- A. Communications
- B. Calendar Dates

(Note: \* = Required)

**On-Campus Events**

- November 11 **Veteran's Day - College Open - Classes not in session**
- November 12-13 8:00 p.m. - Harper Ensemble Theatre Company - All My Sons - Performing Arts Center
- November 14 2:00 p.m. - Harper Ensemble Theatre Company - All My Sons - Performing Arts Center
- November 19-20 8:00 p.m. - Harper Ensemble Theatre Company - All My Sons - Performing Arts Center
- November 21 2:00 p.m. - Harper Ensemble Theatre Company - All My Sons - Performing Arts Center
- November 25-28 Thanksgiving Holiday - College Closed - Classes not in session**
- \*November 30 7:00 p.m. - Regular Board Meeting - Room W214-215
- November 30 7:30 p.m. - Guitar Ensemble Concert - Performing Arts Center
- December 5 3:00 p.m. - Harper Festival Chorus - Performing Arts Center
- December 7 7:30 p.m. - Harper Steel Band - Performing Arts Center
- December 8 7:30 p.m. - Harper Jazz Band and Jazz Combos - Performing Arts Center
- December 9 7:30 p.m. - Harper Wind Symphony and Chamber Winds - Performing Arts Center
- December 10 7:30 p.m. - Harper Choir and Camerata Singers - Performing Arts Center
- December 12 3:00 p.m. - Harper Symphony Orchestra - Performing Arts Center
- \*December 21 7:00 p.m. - Regular Board Meeting - Room W214-215

**Off-Campus Events**

**XII. Other Business (including closed session, if necessary)**

### **XIII. Adjournment**

**Minutes of the Regular Board Meeting of Tuesday, September 28, 2004**

<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
ROLL CALL - Regular Board Meeting .....	1
APPROVAL OF AGENDA .....	1
PRESENTATIONS .....	2
- Judy Thorson: NIGP Presentation .....	2
STUDENT TRUSTEE REPORT .....	10
PRESIDENT'S REPORT .....	11
- Update on ERP System .....	11
- Enrollment .....	12
HARPER EMPLOYEE COMMENTS .....	13
CITIZEN COMMENTS .....	13
CONSENT AGENDA	
Minutes, Bills Payable, Payrolls, Financial Statements, Grants/Gifts Report .....	13
Bid Award .....	13
Purchase Order .....	14
Personnel Actions .....	14
First Reading: Board Purchasing Policy .....	16
NEW BUSINESS	
- Resolution Designating a Person or Persons to Prepare a Tentative Budget for 2005-2006 .....	18
- College Protection, Health and Safety .....	18
- Designation of Election Official for April 5, 2005 Consolidated Election..	19
- Second Reading: Board Policy Modification Tax Sheltered Annuities and Deferred Compensation Plan .....	19
- Affiliation Agreements .....	19
ANNOUNCEMENTS BY CHAIR .....	20
Communications .....	20
Calendar Dates .....	20
OTHER BUSINESS .....	20
ADJOURNMENT .....	22
SUMMARY OF BOARD REQUESTS .....	23

WILLIAM RAINEY HARPER COLLEGE  
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT #512  
COUNTIES OF COOK, KANE, LAKE AND McHENRY, STATE OF ILLINOIS

Minutes of the Regular Board Meeting of Tuesday, September 28, 2004

CALL TO ORDER: The regular meeting of the Board of Trustees of Community College District No. 512 was called to order by Chair Stone on Tuesday, September 28, 2004 at 7:06 p.m. in the Wojcik Conference Center (Room W214), 1200 W. Algonquin Road, Palatine, Illinois.

Brandon Thompson, student from Enders-Salk Elementary School, led the Pledge of Allegiance.

ROLL CALL: Present: Members Gillette, Hill, Howard, Kelley, Kolze, Murphy and Stone; Student Member Plazak  
Absent: None

Also present: Robert Breuder, President; Joan Kindle, V.P. Student Affairs and Assistant to the President; David McShane, V.P. Information Technology; Margaret Skold, V.P. Academic Affairs; Judy Thorson, V.P. Administrative Services; Colleen Murphy, V.P. Marketing; Cheryl Kisunzu, Assistant V.P. Diversity/ Organizational Development; Linda Kolbusz, Associate V.P. Development, Governmental Relations; Sheila Quirk, Associate V.P. for Strategic Planning and Alliances; Catherine Brod, Assistant V.P. for Development; Deborah Abbott; Joe Accardi; Mike Alsup; Carol Blotteaux; Dave Braunschweig; Phil Burdick; Paul Casbarian; Daniel Corr; Laura Crane; Janice Cutter; Dave Dluger; Terry Engle; Terence Felton; Vickie Gukenberger; Michael Held; Julie Hennig; Thea Keshavarzi; Roberta Lindenthaler; Jim Ma; Jennifer Mathes; Russ Mills; Maria Moten; Michael Nejman; Mark Neubecker; Sheryl Otto; Janie Petersen; Vicki Schramm; Diana Sharp and Dennis Weeks. Students: Christopher Entwistle, Dan Kugler, Vikki Price and Rebeka Risteska.

Guests: Tim Kane, Chicago Tribune; Brandon Thompson, Enders-Salk Elementary School; Claire Dixon-Lee and Lana Vukovljak, AHIMA; Philip Scales, NIGP.

APPROVAL OF AGENDA Member Kelley moved, Member Howard seconded, approval of the Agenda.

Upon roll call, the vote was as follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze,  
Murphy and Stone  
Nays: None

Motion carried. Student Member Plazak voted aye.

PRESENTATIONS  
NIGP Presentation

Vice President Judy Thorson explained that the College has had targeted reviews performed in the past on various areas of the College, which have included: the Adjunct and Overload Payroll system (\$10M in payments per year) and the cash-handling procedures in the Bookstore (\$6M per year), Cafeteria (\$1M per year) and the Cashier's Office (\$32M per year). These systems in the College are high volume or high dollar and have some risk attached to them. For these targeted reviews, the College has hired someone from outside to review the system and to make appropriate recommendations for change. Recently, Information Technology (IT) hardware procurement was the focus of a targeted review, because of the high dollar volumes and because the recommended procurements seem to cause a great deal of debate at Board meetings.

Vice President Thorson explained that attempts were made in 2002 to clarify IT purchasing; however, total clarity was not achieved. With the addition of three new Board members since then, they felt it was the right time to review the system and gain clarity. She listed three goals for the review:

1. To make sure the College is following State statute;
2. To make sure they are employing best practices;
3. To obtain clear direction from the Board based on best practices.

The College hired Phil Scales, consultant for National Institute of Governmental Purchasing (NIGP), to perform the following:

1. Review what is currently being done at Harper College, with regard to IT procurement.
2. Determine the best practices through literature review, personal knowledge of best practices and a survey of community colleges.

Vice President Thorson asked Phil Scales to give a presentation regarding his findings and recommendations.

### Statute Policies and Procedures

Mr. Scales explained that the statute under which Harper buys, the Higher Education Statute for the State of Illinois, was adopted in 1971, and it has not been modified since. The world has changed in the last 33 years, and the Statute has not kept up-to-date. Primarily, commodities and equipment - food, office supplies and furniture - were bought by the government 30 years ago. Today, budgets for governmental entities include buying professional services and buying high technology. Many things are being outsourced, and the source selection methods, policies and procedures need to keep pace with the dynamic environment. Techniques used 30 years ago to buy a pen do not necessarily apply today for buying an ERP system to manage all of the College business. The invitation for bid (a standard 30 some years ago) may still be appropriate for buying that office supply, but it is not the appropriate method for buying professional services or buying high technology or certain types of construction.

Mr. Scales also explained that Purchasing used to be the roadblock, a control function, and it was very process-oriented. In the last five years, the Purchasing Department's job has been to produce results. They are here to help the customer, to help the using departments accomplish their primary missions, and to provide best value. The technology systems that have been implemented have become far better at providing that enforcement function, and that has left the Purchasing Department to become an in-house purchasing organization designed primarily to assist their customers.

### Current Procedures at Harper College

- There is an inadequate definition for the invitation for bids and RFPs, and there is no real differentiation of the procedures.
- There is no authority to conduct discussions or negotiations on the RFP process.
- There is no definition of the basis for awarding contracts.
- There are no requirements to publicly advertise RFPs.
- There is no procedure regarding how to pre-qualify suppliers.
- There is inadequate definition of roles with respect to procurement. Essentially, Purchasing should be responsible for the entire procurement process. That includes establishing the terms and conditions, conducting negotiations or discussions when necessary,

supervising the evaluation, awarding of contracts and providing for contract administration.

While most of these things are happening with procurements at Harper College, the policies and procedures currently do not mandate that.

#### Recommendations

One recommendation is to clearly provide for delegation authority:

- From the Board to the College President;
- From the College President to the Director of Purchasing;
- From the Director of Purchasing to the using departments (limited authority).

The Purchasing Department needs to delegate low-value, low-risk transactions to using departments so that the Purchasing Department can concentrate their efforts, time and resources on high-value, high-risk contracts.

#### Policy changes

There are a number of exemptions provided for in the current statute, including data processing equipment, software and services. Competitive source selection needs to be provided for these supplies and services. Invitation for bids is one tool available for the Purchasing Department to procure the items; other tools include: multi-step competitive sealed bids, request for quotations, request for qualifications and competitive sealed proposals.

The recommended procedures that the administration will be presenting were adapted from the American Bar Association (ABA) 2000 Model Procurement Code for State and Local Governments. This is a revision to a model code that was originally adopted back in 1979, and has been adopted by thousands of units of local government throughout the United States, and by 19 states (Illinois being one of those 19 states). The Illinois Procurement Code was modified a few years ago, based mostly upon the ABA Model Procurement Code.

Purchasing should have full ownership and responsibility for the procurement process. One person, the Director of Purchasing, will be responsible for managing the College procurement program and reporting back to the Board. A true competitive sealed proposal process should be enabled. Procedures, detailed guidelines, should be in place for all stakeholders - Purchasing Department, the using departments and the vendor community.

Mr. Scales called attention to a chart which shows the different competitive methods of source selection (invitation for bids, competitive sealed proposals, multi-step sealed bids, etc.) and a detailed comparison of the different procurement methods. Based on input of hundreds of people throughout the United States who are involved in public procurement on a daily basis, it was recognized that, for some procurements, competitive sealed bidding is not appropriate. A more appropriate method of source selection is competitive sealed proposals.

**Competitive sealed proposals** are a request for proposal (RFP) process. A sealed bid is evaluated and awarded to the lowest *responsible* bidder, which is a decision based on three determinations: do they have the lowest price; do they meet the specifications; can they provide the product or service. The RFP process has far more flexibility in establishing criteria, and it includes: responsiveness to the RFP; do they understand the project and objectives; do they have the qualifications necessary to fulfill the contract; and past performance. Mr. Scales noted that the federal government has now adopted procedures where past performance is *no less than 50 percent* of the evaluation. If a vendor has not performed well in the past for the federal government, that vendor will not win any more contracts with them. Each procurement is modeled differently in how the criteria are assigned weights.

**Cooperative purchasing** is combining the requirements of two or more public procurement units to obtain the benefits of volume purchasing and/or reduction in administrative expenses, and it is authorized by Illinois statute. Mr. Scales noted that, when they reviewed the procurement made in 2002 of desktop/laptop computers and peripherals for the College, they found that the cost to do that procurement was approximately \$19,000 (in-house administrative cost just to do the purchase). That increased the total cost by 2.4 percent, which is a great deal of money. If cooperative purchasing had been used instead of an RFP process, a great deal of money would have been saved. A survey showed that 83 percent of the colleges surveyed purchase personal computers and peripherals via some type of cooperative purchasing program. Mr. Scales called attention to a chart which highlighted cooperative purchasing information. He noted that Western States Contracting Alliance, on their particular contract for computers and peripheral equipment, had run \$3.9 billion worth of

purchases through one single contract. That certainly gets the vendor's attention.

Mr. Scales noted that his recommendation is for the College to buy personal computers, peripherals and related services through cooperative purchasing programs, for the following reasons:

- there is a lower purchase price;
- it will reduce administrative costs; and
- it will save time.

#### Staffing

Formal bids at Harper College are taking approximately 45 days to process. The average for colleges and universities under the Center for Advanced Purchasing Studies (CAPS) at Arizona State University of Higher Education benchmark study was 27 days. Mr. Scales showed cross-industry benchmark comparisons. He noted that seventy-nine percent of Harper's transactions (what comes out of Purchasing) translate to three percent of its dollars. He reiterated that Purchasing should delegate low-dollar, low-risk transactions to the using departments, so Purchasing can concentrate their efforts on the transactions that cost the most money.

Mr. Scales noted that four procurement staff members are sufficient, and Harper College currently has four. However, he has some concerns because Thea Keshavarzi, Director of Purchasing, has spent an inordinate amount of time doing other things, primarily managing the new building. He recommends that they add another person to the staff in Purchasing or transfer all of the non-procurement responsibilities somewhere else.

In conclusion, Mr. Scales gave the following recommendations:

- Adopt the policy revision and the recommended procedures drafted by the administration.
- Start to effectively utilize local, state and national cooperative purchasing contracts, particularly for IT equipment.
- Develop some type of strategic plan for transforming purchasing from a process based to a results-based function.
- Devote accurate resources to support the purchasing function (look into using electronic commerce and the tools available through electronic commerce).

- Address the personnel issue.

Board members thanked Mr. Scales for his very informative and thorough presentation. Member Kelley stated that this is another indication of how Harper is willing to be transparent. Any time they can make a move to adopt better practices, they are ready, willing and able to do so. He asked whether Mr. Scales felt that the proposed policies set forth by the administration today adequately addressed all the issues he has raised in the study. Mr. Scales answered affirmatively, that the policies and procedures would be adequate. With response to Member Kelley, Mr. Scales noted that long-range planning is also recommended. The College will want to go through a complete business process review to help facilitate implementation of the ERP system with respect to Purchasing.

In response to Member Murphy, Mr. Scales noted that this effort will make Purchasing more efficient. They will redirect how their time is spent, having professional procurement staff spend more of their time and effort on the complex, high-value, high-risk procurements, and make sure they are doing a very good job on those. They should become proactive rather than reactive.

In response to Member Hill, Mr. Scales explained that one benefit of the new ERP system is to reengineer the business process. They should examine the processes, make changes to the processes and eliminate anything that does not add value. To process a bid in one major municipality in Illinois takes 120 some steps. Three-quarters of the steps could easily be eliminated. In response to Member Hill, Mr. Scales stated that some metrics could be established to compare costs right now to costs once implementation of the ERP system is complete and the new purchasing processes are put into place. A lot of it comes back to some soft costs which are much harder to track.

Member Gillette expressed his concern that if Harper purchases through consortiums, the local businesses that are not normally part of the consortium will be excluded from the procurement cycle for the College. They may not be big enough to supply to a whole country, but perhaps they are competitive or they think they are competitive. He added that he wants to serve the taxpayers, but he does not want to cut them out of the process.

Mr. Scales noted that case law in Illinois is very clear that there cannot be any type of local preference policies. From a legal perspective, their responsibility is to provide best value to the College overall. Most of the cooperatives make a rather extensive effort to reach out into the vendor community and to allow participation by all vendors throughout the United States or whatever their service area is. Local vendors have just as much opportunity as everyone else to compete for that business. A number of the cooperatives provide mechanisms that the local dealer still provides the service to the contract, they actually make the deliveries, and they are compensated for that. There are other opportunities for them to participate in the process, even though they may not be the contract holder, they may still be servicing the account on behalf of the contract holder.

In response to Member Kolze, Mr. Scales stated that when they implement the ERP systems, there will need to be an enormous amount of training with respect to that. As purchasing processes are modified, there will need to be outreach from Purchasing to the using departments to help them through a transitional phase of what the role of Purchasing is and how they can provide assistance. In general, his impression is that the people currently in the Purchasing Department are highly qualified purchasing professionals, and they should be quite capable of managing this process well.

Chair Stone noted that she had been present at the very first meeting with Mr. Scales. She complimented him on the fine job that he has done. His report encompassed all of their requests.

Vice President Thorson -  
Summary of  
Recommendations

Vice President Thorson called attention to several cream-colored sheets at the end of the packet. Recommendations that Phil discussed fall into three categories:

- Board policy changes that are needed;
- Procedural changes that are needed; and
- Organizational changes that are needed.

Based on his recommendations, they have tried to address the three areas of change by modifying the wording of the Board policy that is in the packet. They incorporated wording that would make it clear to all that both the state and governmental contracts and cooperatives and consortiums are a legitimate way to purchase, and that it is endorsed by the Board as a reasonable way to go for Harper College.

Encapsulated in the Board policy will be information regarding the competitive sealed proposal process (or the RFP process). The College will be using that more on certain items, and they will rely on the Director of Purchasing and her expertise to decide when it is appropriate to use. The Purchasing Department will be delegating the low-value, low-risk items. There will be clarity on dollar amount.

Vice President Thorson explained that many of the things that are written in the detailed procedures are already being done; they are just not written down. It does cause confusion when they turn to using departments and cannot walk them through actual written documents. They have taken Mr. Scales' suggestion of using the American Bar Association Model Procurement Code. Since it was written for state governments, the College has modified the code to meet the needs of an educational unit.

Also embedded in the procedures is the contract length - the Director of Purchasing has the authority to make the recommendation to the Board for the length of the contract. There are many times when longer than one year is needed, especially with regard to computer purchases.

With regard to organizational changes, Vice President Thorson explained that they need to slightly tip the balance between Purchasing and using departments, so that Purchasing is leading the process. Duties of the Director of Purchasing will be clarified, as well as the relationship between the Director of Purchasing and the using departments. It has not been as clear in the past as it needs to be.

With regard to staff size, Vice President Thorson explained that they all understand that Thea Keshavarzi cannot do both large projects **and** purchasing. The purchasing requirements for Avanté (\$9M worth of furnishings and equipment) took her away from regular purchasing duties. They need to delegate the low-value, low-risk transactions, as Mr. Scales discussed earlier. As the ERP system is implemented, they will be looking at workflows and making changes where appropriate.

Member Kelley noted that he will fully and completely support the proposed policy in the way it was laid out. It keeps Harper at the cutting edge of community colleges and probably the best business practices. Chair Stone noted

that once the first reading is accepted as part of the Consent Agenda, Board members will have one month to ask any additional questions that will help them vote at the October Board meeting.

In response to Member Hill, Vice President Thorson explained that the Board normally only approves policy. However, in the first reading, procedures are usually given with the policy, so that it is easier to understand. Policy is usually brief. She further explained that, in the second reading, the Board is only given the policy, but by then they would know the procedures that stand behind that policy.

### STUDENT TRUSTEE REPORT

Student Member Plazak introduced Ms. Vikki Price, Harper College nursing student. Ms. Price shared with the Board how Harper College is helping her move her life forward. She compared her experience last year as a first-year nursing student in the old facility to her experience now as a second-year nursing student in Avanté. She explained that challenges last year included a shortage of space in classrooms and laboratories, a lack of quiet areas to study, a shortage of equipment to practice hands-on skills and no storage areas, which all created a great deal of wasted time for her and other students. Ms. Price noted how pleased she is with the new facility. She emphasized the fact that she has not had to "wait her turn" to use equipment, which has given her more time to practice her hands-on skills. She and her fellow nursing students have found quiet places for group study, and they utilize the storage lockers. Overall, she feels more confident.

Ms. Price thanked the Board and administration for making the new building possible. Avanté has been a great asset to her already, and she clearly sees the positive effect it is having on the first-year nursing students.

Student Member Plazak announced that, at the ICCB Student Advisory Committee meeting on September 11, the issue of Harper College pursuing selected four-year baccalaureate programs was brought up. Student Member Plazak brought the other student trustees of the State up to speed, giving them information and answering questions. A preliminary vote on the issue resulted in twenty-two of twenty-four student trustees supporting the idea of a change in State law and two opposing it. A roundtable will be set up at the November meeting where both sides of the issue will be discussed. Student Member Plazak noted that he hopes

the student trustees will pass a Resolution at the November meeting to be presented later to the ICCB.

PRESIDENT'S  
REPORT  
ERP Update

Dr. Breuder asked Terence Felton to give an update on the ERP system. Mr. Felton distributed a document entitled *ERP Project Highlights* to Board members.

- The GFOA is leading negotiations with the one elevated vendor; they have come to an agreement on the cost of the software.
- Next month, they will come to an agreement on terms and conditions.
- They have begun negotiations with the implementation company on costs and terms and conditions.
- The Board packet will be put together once everything is finalized.
- They should be ready to bring it to the Board for a decision in October.

Chair Stone noted that the project is being handled by many people on staff. She commended Mr. Felton for keeping the Board informed on a regular basis. Member Kelley noted that he continues to be impressed with how the ERP committee is functioning. It appears that GFOA is adding great value to the project.

Dr. Breuder noted that this is a consequential acquisition in terms of dollars, but also in terms of institutional impact. They have been involved in this since March 2003, and if the recommendation is brought to the Board in October, that is well over an 18-month due diligence process. The relationship with GFOA has been very beneficial. They brought disciplined expertise, a course of action in terms of the RFP process, and their ability to help negotiate the very best price for Harper. They are also making sure that the College approaches the acquisition in a very objective manner, giving each of the four vendors every opportunity to present themselves and to meet the expectations which were detailed in the RFP process. It is an RFP procurement, which means it is not simply opening envelopes and choosing whoever gave the best number - there is far more involved than just cost.

Mr. Felton noted that they began the project with the idea that they were going to change the processes all across the campus to fit the best practices that will come with the ERP

system. That is a huge part of what they will be working on with the conversion.

In response to Member Hill, Dr. Breuder explained that they will negotiate separately with the implementation entity, because they felt they would get a better deal if it was independent from the implementation piece. Greenbrier and Russell is the recommended implementation firm for the Oracle software ERP package. He added that there are approximately 3,689 expectations that the College felt it needed to have in terms of software. That is enormous. Oracle states unequivocally that they can meet the expectations in one fashion or another in all but 26 instances. Those 26 instances will now be looked at to determine if they are critical to the College.

#### Enrollment

Dr. Breuder noted that, as of September 28, enrollment is up 5.77 percent on the FTE side and 2.22 percent on the headcount side. He reminded everyone that they have budgeted on a basis of a three percent growth. Growth continues to manifest itself at the institution through the efforts of the people at Harper College. Five calendar days before the Monday that classes began, the numbers showed 7,200 FTE registered; today, 8,823 FTE are registered. This means that 1,600 FTE checked into the institution between the week before classes started and the sixth week of classes.

Students in community colleges think they can register right up until mid-term. In fact, they can do that. He pointed out how difficult it is for the College to be able to fully plan the services necessary to provide for the students. From an instructional point of view, the Vice President of Academic Affairs must figure out how many part-time people and full-time people are needed to deliver instruction. To go from 7,200 to 8,826 in six weeks creates great anxiety and trepidation.

Member Howard noted that they brag about the fact that community colleges are very flexible and meeting the educational needs of their community. It was just proven.

Member Howard added that, after reading the report from ICCTA in the press, she realized that not all community colleges in Illinois are seeing the kind of enrollment increase as Harper has. Some of them are down, and some of them are flat.

Member Hill noted that he is also on the Board of a private university, and they are exactly the opposite of Harper College, in terms of enrollment figures. This trend is not only contrary to other community colleges, but it is also a trend that is positively contrary to most of the other higher education institutions in this region. It is an amazingly wonderful demonstration of success at Harper College.

Chair Stone noted that the compliments from the Board are to Dr. Breuder and everyone on his staff.

HARPER EMPLOYEE  
COMMENTS

There were no employee comments.

CITIZEN  
COMMENTS

There were no citizen comments.

CONSENT AGENDA

Member Gillette asked that Exhibit IX-A.6 be removed from the Consent Agenda for discussion.

Member Kolze moved, Member Howard seconded, approval of the minutes for the August 24, 2004 regular Board meeting; bills payable; payrolls for August 20, 2004; September 3, 2004 and September 17, 2004; estimated payrolls for September 18, 2004 through October 1, 2004; bid awards; purchase orders; personnel action sheets; faculty mid-year tenure status report; and for information: financial statements, committee and liaison reports and grants and gifts status report, as outlined in Exhibits IX-A.1 through IX-B.3, (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Operating Fund	\$6,341,608.70
Tuition Refunds	884,454.86

The payrolls of August 20, 2004 in the amount of \$1,814,632.07; September 3, 2004 in the amount of \$2,176,558.27; and September 17, 2004 in the amount of \$2,232,966.45; and estimated payroll of September 18, 2004 through October 1, 2004 in the amount of \$2,204,762.36.

Bid Award

Ex. IX-A.3.a      Award bid Q00388 for a SkyJack Scissor Lift with six foot powered deck extension, for use in Avanté, to Rental Service Corporation, the low bidder, in the amount of \$13,669.

Purchase Order                      Ex. IX-A.4.a                      Approve issuance of a purchase order to the University of Illinois for renewal of a standard licensing and maintenance agreement for Endeavor Voyager Library System Software for two years, from July 1, 2004 to June 30, 2006, in the amount of \$10,800 per year for a total of \$21,600.

Personnel Actions

Faculty Appointments

Leslye Hess, Instructor-Radiology, LS/HS, 09/20/04,  
\$44,240/year

Mary Hood, Instructor-Radiology, LS/HS, 01/12/05,  
\$42,868/year

Professional/Technical Appointments

Paige Erland, Athletic Trainer, W/CA, 09/06/04,  
\$39,000/year

Nico Genet, Chemical Laboratory Technician, p/t, TM/PS,  
08/30/04, \$24,750/year

Percy Mui, Observatory Coordinator/Program Technician,  
TM/PS, 08/30/04, \$39,000/year

Supervisory/Confidential Appointment

Mark McPherrin, Admissions Outreach Operations Manager,  
ADM OUT, 08/23/04, \$50,000/year

Classified Staff Appointments

Diana Lopez, Library Assistant I, p/t, LIB SER, 08/26/04,  
\$4,341/year

Yolanda Lopez, Bilingual Secretary I, ADM OUT, 08/31/04,  
\$32,000/year

Diane McDonnell, Bilingual Secretary, p/t, AE/LS-SGN,  
08/30/04, \$22,243/year

Wanjrioa Wilkins, Library Assistant I, p/t, LIB SER, 08/26/04,  
\$12,841/year

Harper #512 IEA-NEA Appointments

Robert Hester, Custodian/Groundskeeper, PHY PLT,  
08/23/04, \$21,341/year

Ruben Lopez, Custodian/Groundskeeper, PHY PLT,  
08/23/04, \$21,341/year

Mark Mayer, Custodian/Groundskeeper, PHY PLT, 08/23/04,  
\$21,341/year

Arthur Pappas, Custodian/Groundskeeper, PHY PLT,  
08/23/04, \$21,341/year

Limited Term Position Appointment

Randall Rogers, Oracle Database Consultant, IT/TS,  
08/30/04, \$72,000/year

Supervisory/Confidential Retirement

Martha Rizman, Workforce ESL and Basic Skills Manager,  
COR SER, 04/30/05, 10 years

Faculty Resignation

Joel Mankowski, Instructor-SLIP/SGN, AE/LS, 12/17/04, 5  
years 4 months

Professional/Technical Resignation

Terrence Stewart, SOAP Information Specialist, STU DEV,  
08/21/04, 2 years 11 months

Supervisory/Confidential Resignation

Don Evangelista, Assistant Supervisor, PUB SAF, 08/17/04,  
2 years 7 months

Classified Staff Resignation

David Hanson, Offset Press Operator, MKT SER, 09/17/04,  
18 years 7 months

Harper #512 IEA-NEA Resignation

Jeffrey Boldt, Custodian, PHY PLT, 08/27/04, 10 months

Approval of the Faculty Mid-Year Tenure Status Report  
which included the following:

- Jo Ann Smith - Computer Information Systems (BUSSS)  
2005-2006 - first year eligible for tenure (mid-year)
- Joyce Farrell - Computer Information Systems (BUSSS)  
2005-2006 - first year eligible for tenure (mid-year)
- Sam Giordano - Fire Science (TMPS) 2005-2006 - first  
year eligible for tenure (mid-year)
- Roger House - Chemistry (TMPS) 2007-2008 - first year  
eligible for tenure (mid-year)
- Veronica Mormino - Geography (BUSSS) 2007-2008 -  
first year eligible for tenure (mid-year)

Upon roll call on the Consent Agenda, the vote was as  
follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze,  
Murphy and Stone  
Nays: None

Motion carried. Student Member Plazak voted aye.

Member Kolze noted that the Harper College Educational Foundation has been busy with a variety of things beyond simply collecting money. He complimented Member Howard for her report to the Foundation on behalf of the Board.

First Reading: Revision  
of Board Purchasing  
Policy

Board members received a first reading of the Revision of Board Purchasing Policy.

Member Gillette complimented the administration and Mr. Scales on the thoroughness of the purchasing review. He mentioned his previous concern, however, regarding possibly excluding the local vendors from bidding for the consortium procurements. He suggested that the procedure include having Purchasing call up local vendors and ask what would be their price.

Member Murphy suggested that, if their goal is efficiency, perhaps the College could put the bidding information on its website, so that local vendors could find out about the bid if they are interested. He feels that this would not unnecessarily burden Harper employees.

There was a lengthy discussion regarding consortium purchasing and local vendors.

Dr. Breuder stated that they all share the same interests. Unfortunately, there are competing factors. The ideal circumstance is to make an acquisition that costs the least in terms of time and effort, puts the most bucks in the College pocket (net of expense), and stay with a local vendor, if possible. Realistically speaking, it is incredibly difficult for a local provider to match the buying power of \$3.5 billion or 700 institutions.

Chair Stone noted that she is probably one of the strongest advocates for the business community, because of her professional life. She sees that when there are efficiencies affected at the College, when dollars are saved, when the College is operating in the most efficient manner - both from a staff standpoint and in procurement - the business community benefits. They are indirect dollars to the business community, but the business community is benefiting from an efficient Harper College.

Chair Stone added that there are many opinions on this issue. The Board will have a month to study the proposed policy and to ask questions. There will be time for further

discussion before a vote is taken. She requested a motion to accept this as a first reading.

Member Hill moved, Member Kelley seconded, acceptance of the first reading of the policy.

Member Kolze stated that, in consideration of the expertise involved in this, he does not feel it should be changed.

Dr. Breuder urged Board members to contact him within the next seven to ten days with any questions regarding this issue. This will allow him time for follow-up and response, and he will share the information with each of the Board members, as he always does. He does not want to get to the October Board meeting and have issues brought up that he cannot address on the spot.

In response to Members Murphy and Gillette, Thea Keshavarzi stated that they really cannot simply put the bid information on the website. If the College is going to solicit RFPs or solicit quotes of any sort from another vendor, then it has to be done through a formal procedure. They either have to go through an RFP or a bid, or whichever one is appropriate. Vice President Thorson explained that it would be even worse to say we can get it from the consortium and then ask other vendors, "Can you beat this price?"

Member Howard asked if the College could ask the people at the consortium if they have checked some of Harper's local vendors. Chair Stone noted that it is apparent that the wish of the Board is to explore this further to the extent that it is feasible. This will happen in the coming months. She reminded everyone that there is a motion on the floor, and it has been seconded. She asked the Secretary to call the roll.

Upon roll call, the vote was as follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze,  
Murphy and Stone  
Nays: None

Motion carried. Student Member Plazak voted aye.

NEW BUSINESS:

Resolution Designating a Person or Persons to Prepare a Tentative Budget for 2005-2006

Member Howard moved, Member Kelley seconded, adoption of the Resolution Designating Robert Breuder and Judith Thorson to Prepare a Tentative Budget for 2005/06, as outlined in Exhibit X-A (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze, Murphy and Stone

Nays: None

Motion carried. Student Member Plazak voted aye.

College Protection, Health and Safety: Energy Conservation, Environmental Protection and Handicapped Accessibility Projects

Member Kelley moved, Member Murphy seconded, adoption of the Resolution for approval of the projects to alter and repair facilities pursuant to Section 3-20.3.01 of the Illinois Community College Act; in addition, approval of the employment of Legat Architects to provide the architectural services specified for the 2004 Life Safety repair and renovation project, as outlined in Exhibit X-B (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In response to Member Gillette, Dr. Breuder noted that they would have the architect look into the possibility of using the existing wiring for updating the fire alarm system. Dr. Breuder explained that the College used to be able to draw over \$1M for these types of projects, but it has been going down steadily. Vice President Thorson explained that, through the levy process, she tries to push as much money as possible into Fund 01 and Fund 02, because that is where the College has the most need. As a result, she uses this Life Safety Fund as the balance, and as dollars have decreased, expectations have decreased. Even when the College submitted \$1.2M with the projects, they have been getting between \$500,000 and \$700,000 of actual levy. They decided to cut back this year. Dr. Breuder reminded the Board that the 02 budget is a source of stress this year; they pared it back dramatically because they did not have the money there to be able to do the renovation and improvements. There is one and one-half million square feet aging on the campus. The affliction is not endemic to Harper; it is across the country, and the State will have to contend with it at some point.

Upon roll call, the vote was as follows:

Ayes: Members Gillette, Hill, Howard, Kelley, Kolze,  
Murphy and Stone  
Nays: None

Motion carried. Student Member Plazak voted aye.

Designation of Election  
Official for April 5, 2005  
Consolidated Election

Member Kelley moved, Member Kolze seconded, approval of the Resolution regarding the notice related to the filing of nomination petitions for Board candidacy, as outlined in Exhibit X-C (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Member Gillette noted that a roll call is not necessary for this Board; therefore, he suggests that they use a voice vote. He will say, "All in favor, say aye and all against say nay." Chair Stone asked if any Board member objected to a voice vote. It was decided that, if there is money being spent, there should be a roll call vote.

In a voice vote, the motion carried.

Second Reading: Board  
Policy Modification  
Tax Sheltered  
Annuities and Deferred  
Compensation Plan

Chair Stone explained that there are several issues to be resolved before the 457(b) plan can be revised to meet the new IRS guidelines. Along with the plan revision, they will modify the authorization form for employees to sign. Chair Stone was told by legal counsel that, included in both the plan and the authorization, will be wording to protect the College and Board of Trustees from any fiduciary liability. The exact wording has not yet been finalized as of this date.

Vice President Thorson added that the revised plan will have to come to the Board for approval before it can be implemented and before the benefit is extended to all employees. Chair Stone noted that tonight they are being asked to approve the second reading of the Board policy.

Member Kelley moved, Member Hill seconded, approval of the modification to expand the 457(b) plan to cover all employee groups with the exception of students, as outlined in Exhibit X-D (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Affiliation Agreements  
with Rush University  
Medical Center,  
Biomedical Applications  
of Illinois, Inc., d/b/a  
FMC Rolling Meadows

Member Howard moved, Student Member Plazak seconded, approval of the Affiliation Agreements between Harper College and *Rush University Medical Center and Biomedical Applications of Illinois, Inc., d/b/a FMC Rolling Meadows*, as submitted and authorization for the Dean of Life Science and Human Services to sign all of the above, as outlined in Exhibit X-E (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Member Howard reiterated that these agreements are always reviewed by the College attorneys; they are very standard agreements. Member Hill noted that these are very distinguished partners for the College.

In a voice vote, the motion carried.

ANNOUNCEMENTS BY  
CHAIR

Communications

Chair Stone noted that she will pass on to Student Member Plazak an announcement of an essay contest that is being run by the Community College Baccalaureate Association with \$1,000 possible award for the winning writer, accompanied by \$1,000 for the College. She hopes that he will see to it that Harper students are in the game.

Chair Stone announced that she received a communication from Vice President Margaret Skold regarding Bob Paul's sabbatical project *20th Century Chicago Stories - Deaf Lives and Experiences*. The completed project, a DVD, was included in the communication to be passed along to each Board member for their viewing. She thanked Vice President Skold.

Calendar Dates

Calendar dates are printed on the Agenda for Board information.

OTHER BUSINESS

Chair Stone announced that the Board of Trustees met recently in Executive Session to review the performance of the President, as they are mandated to do annually. In doing so, it became very apparent that there were some outstanding accomplishments in the year that has just ended. In discussion, they were very complimentary of the President because of his leadership that caused the construction and opening of Avanté to be on-time, under budget, and with less than one percent change orders. This represented a significant savings to the taxpayers of District #512. In closed session, the Board had discussed the idea of recognizing the President for his accomplishments. In



ADJOURNMENT

Student Member Plazak moved, Member Howard seconded, that the meeting be adjourned.

In a voice vote, the motion carried at 8:56 p.m.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary

## BOARD REQUESTS

### SEPTEMBER 28, 2004 REGULAR BOARD MEETING

1. Dr. Breuder urged Board members to contact him within the next seven to ten days with any questions regarding the Purchasing Policy. This will allow him time for follow-up and response, and he will share the information with each of the Board members, as he always does.
2. In response to Member Gillette, Dr. Breuder noted that they would have the architect look into the possibility of using the existing wiring for updating the fire alarm system.
3. Member Murphy requested that the College seek the consultant's advice about an idea to specifically give small local vendors opportunities, while still moving forward with cooperative/consortium pricing.

WILLIAM RAINEY HARPER COLLEGE  
DISTRICT #512  
PALATINE, ILLINOIS 60067

FUND EXPENDITURES TO BE APPROVED

I.	BILLS PAYABLE	
	Operating Fund	\$3,470,045.10
	Tuition Refunds	\$ 546,724.94
II.	PAYROLL	
	10/01/2004	\$2,263,940.41
III.	ESTIMATED PAYROLL	
	10/15/2004 – 10/29/2004	\$4,496,906.86

WILLIAM RAINEY HARPER COLLEGE

BOARD MEETING

October 26, 2004

SUMMARY OF BIDS

Exhibit IX – A.3.a The administration recommends that the Board award bid request Q00389 for bulk road salt for campus roads and parking lots to Conserv F.S., the low bidder, in the amount of \$24,400.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for the award of bid request Q00389 for bulk road salt for campus roads and parking lots as requested by Physical Plant/Auxiliary Services for the Roads and Grounds department.

II. BUDGET STATUS

Funds in the amount of \$24,400 are provided in the 2004/05 Operations and Maintenance Fund budget, under account number 0273-065-544.03.

III. INFORMATION

A legal bid notice was published and nine bids solicited. Four responses were received. The following is a recap of the bid tab sheet:

Conserv F.S.	\$24,400
The Gasaway Co.	27,600
Town & Country Landscape	28,400
Gunther Salt Co.	30,304

The road salt is for use on campus roads and parking lots.

IV. RECOMMENDATION

The administration recommends that the Board award bid request Q00389 for bulk road salt for campus roads and parking lots to Conserv F.S., the low bidder, in the amount of \$24,400.

WILLIAM RAINEY HARPER COLLEGE

BOARD MEETING

October 26, 2004

SUMMARY OF PURCHASE ORDERS

- Exhibit IX – A.4.a The administration recommends that the Board approve the issuance of a change order to purchase order #023048, which was issued to Glen Ellyn Storage Corp. in the amount of \$75,881.84 for general move services needed to move into Avanté, in the amount of \$38,476.66 for a new total of \$114,358.50.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Recommendation for approval for the issuance of a change order to purchase order #023048 which was issued to Glen Ellyn Storage Corp. in the amount of \$75,881.84 for general move services needed to move into Avanté as requested by Administrative Services.

II. BUDGET STATUS

Funds in the amount of \$38,376.66 are provided in the 2004/05 Operations and Maintenance Restricted Fund budget, under account number 0392-039-539.00-9310.

III. INFORMATION

The Board of Trustees approved awarding request for proposal Q00317 to Glen Ellyn Storage Corp. at the December 18, 2003 Board Meeting. The award was for \$85,881.84 of which \$10,000 was a contingency for unforeseen circumstances. The original budget for the general mover to move into Avanté was \$250,000. Due to a number of issues which emerged as the move progressed, the additional charges exceeded the amount set aside for contingencies.

A large collection of animals for the Biology department needed to be specially packed and moved. The items from student drawers in the Chemistry department were packed by the students themselves but there were 400 more boxes than been estimated in advance. There were also some additional locations that had not been anticipated to contain items to be moved.

There was continual work being done by the building contractors in most spaces even after supplies and equipment were moved in. This generated a lot of additional dirt and dust even after the final cleaning of the building. The dirt had to be cleaned up before Glen Ellyn Storage could unpack boxes, and the College contracted with Glen Ellyn Storage to re-clean all of the cabinets, drawers, and furniture before the boxes were unpacked.

All of these activities added costs. Due to the deadline to get Avanté complete and ready for classes on August 23, 2004 there was not time to obtain additional Board approval before the work was done. This request is to approve payment to Glen Ellyn Storage in the amount of \$38,476.66 for the additional work.

IV.

RECOMMENDATION

The administration recommends that the Board approve the issuance of a change order to purchase order #023048, which was issued to Glen Ellyn Storage Corp. in the amount of \$75,881.84 for general move services needed to move into Avanté, in the amount of \$38,476.66 for a new total of \$114,358.50.

WILLIAM RAINEY HARPER COLLEGE

I. SUBJECT

Personnel Actions

II. REASON FOR CONSIDERATION

Board Action is required to ratify and approve personnel actions for all employees.

III. BACKGROUND INFORMATION

A. Ratification of Supervisory/Confidential Appointment.

B. Ratification of Classified Staff Appointments.

C. Ratification of Harper #512 IEA-NEA Appointments.

D. Ratification of Administrator Bonus.

E. Ratification of Professional/Technical Resignation.

F. Ratification of Classified Staff Resignation.

G. Ratification of Harper #512 IEA-NEA Resignation.

IV. RECOMMENDATION

The administration recommends that the Board of Trustees ratify the Supervisory/Confidential, the Classified Staff and the Harper #512 IEA-NEA Appointments; the Administrator Bonus; the Professional/Technical, the Classified Staff and the Harper #512 IEA-NEA Resignations; and the Overload and Adjunct Faculty Assignment Summary Sheets.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Review of Executive Session Minutes

II. REASON FOR CONSIDERATION

Public Act 85-1355 requires each Board to review at least every six months the minutes of closed sessions to determine whether the minutes, in whole or in part, may be made part of the public record. The Act became effective January 1, 1989.

III. BACKGROUND INFORMATION

In compliance with Public Act 85-1355, the Board of Trustees has scheduled the review of executive session minutes in April and October of each year. On Tuesday, October 26, 2004, a review may take place in closed session to be followed by action on disclosure during regular session.

IV. RECOMMENDATION

It is recommended that the Board take the following action:

BE IT RESOLVED that the Board approve for public record the executive session minutes (date[s] of executive session[s])

and/or

BE IT RESOLVED that the executive session minutes of (date[s] of executive session[s]) remain confidential.

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Chair

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Secretary

WILLIAM RAINEY HARPER COLLEGE  
Schedule of Investments  
As of September 30, 2004

Exhibit IX-B.1  
October 26, 2004

Depository or Instrument	Date Purchased	Date of Maturity	Term (Days)	Rate (%)	Earnings to Maturity	Principal Invested @ 9/30/2004	Market Value	
<b><u>Certificates of Deposits</u></b>								
PMA/Associated Bank Illinois	10/01/03	10/14/04	379	1.30	20,293.94	1,500,000.00		
PMA/International Bank	10/01/03	10/28/04	393	1.30	28,667.64	2,000,000.00		
PMA/Farmers Mercantile Bank	01/27/04	11/12/04	290	1.40	16,750.49	1,500,000.00		
PMA/Farmers Mercantile Bank	01/27/04	11/24/04	301	1.45	18,002.08	1,500,000.00		
PMA/Bank of Waukegan	01/27/04	11/30/04	308	1.60	27,137.64	2,000,000.00		
PMA/East Dubuque Bank	01/27/04	11/30/04	308	1.60	40,706.46	3,000,000.00		
PMA/Associated Bank Illinois	10/02/03	11/30/04	425	1.35	63,053.37	4,000,000.00		
PMA/West Pointe Bank	10/02/03	11/30/04	425	1.35	31,618.56	2,000,000.00		
PMA/Arkansas Valley State Bank	03/01/04	12/09/04	283	1.30	15,188.81	1,500,000.00		
PMA/Arkansas Valley State Bank	03/01/04	12/23/04	297	1.30	15,943.79	1,500,000.00		
PMA/Choice Financial Group	07/18/04	01/20/05	183	1.85	9,298.29	1,000,000.00		
PMA/Cole Taylor Bank	07/20/04	01/20/05	183	1.85	4,646.89	500,000.00		
Harris Bank	07/21/04	02/03/05	197	1.93	15,638.71	1,500,000.00		
PMA/NCB,FSB	07/19/04	02/17/05	211	2.19	19,077.84	1,500,000.00		
PMA/International Bank of Chicago	03/01/04	03/03/05	367	1.50	22,757.75	1,500,000.00		
PMA/State Financial Bank	03/17/04	03/17/05	381	1.50	23,631.13	1,500,000.00		
PMA/Independence Bank	03/01/04	03/31/05	395	1.50	24,466.01	1,500,000.00		
PMA/First International Bank	03/01/04	04/14/05	409	1.50	16,919.36	1,000,000.00		
PMA/West Pointe Bank	03/01/04	04/14/05	409	1.50	8,450.42	500,000.00		
PMA/Park Cities Bank	06/23/04	04/28/05	309	2.06	8,751.65	500,000.00		
PMA/United Community Bank	06/23/04	04/28/05	309	2.06	17,503.31	1,000,000.00		
PMA/American NB-Fox Cities	06/24/04	05/12/05	323	2.06	27,439.45	1,500,000.00		
PMA/Heritage Bank of Central Illinois	08/16/04	05/31/05	288	2.13	33,761.83	2,000,000.00		
PMA/American NB-Fox Cities	06/25/04	06/08/05	350	2.21	31,907.07	1,500,000.00		
LaSalle National Bank	06/23/04	06/22/05	364	2.25	34,125.00	1,500,000.00		
Northern Trust	06/23/04	07/06/05	378	2.25	34,767.12	1,500,000.00		
Harris Bank	07/21/04	07/20/05	364	2.32	34,995.82	1,500,000.00		
Harris Bank	08/16/04	08/03/05	352	2.37	23,088.73	1,000,000.00		
PMA/Texas Bank	03/01/04	09/01/05	549	2.05	46,662.11	1,500,000.00		
PMA/Texas Bank	03/01/04	09/15/05	563	2.05	47,863.61	1,500,000.00		
PMA/First Natl Bank of Oneida	08/30/04	09/29/05	395	2.41	39,290.41	1,500,000.00		
PMA/Inter Savings Bank	08/30/04	10/13/05	409	2.41	40,724.39	1,500,000.00		
	Weighted Average: 1.77						<b>49,000,000.00</b>	49,000,000.00 *
FNMA Discount	07/21/04	01/15/05	168	1.78	12,277.44	1,499,722.56	1,499,722.56	
FNMA Discount	06/23/04	05/27/05	338	2.19	30,597.45	<b>1,499,402.55</b>	1,499,402.55	
	Weighted Average: 1.98							
<b>Illinois Funds</b>		Monthly Average		1.46		<b>8,349,284.71</b>	8,349,284.71	
TOTALS AS OF:	9/30/2004				\$	<b>60,348,409.82</b>	<b>60,348,409.82</b>	

\*Market value not available

WILLIAM RAINEY HARPER COLLEGE  
Schedule of Investments  
As of September 30, 2004

Exhibit IX-B.1  
October 26, 2004

<u>Depository or Instrument</u>	<u>Date Purchased</u>	<u>Date of Maturity</u>	<u>Term (Days)</u>	<u>Rate (%)</u>	<u>Earnings to Maturity</u>	<u>Principal Invested @ 9/30/2004</u>	<u>Market Value</u>
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\*\* Current market value shows gains or losses depending on the current interest rates and the rates when the securities were purchased. The gains or losses can only occur if the securities are sold before their maturity dates.

**WILLIAM RAINEY HARPER COLLEGE**  
**FY2004/2005 BUDGET AND EXPENDITURES**  
**September 30, 2004**

**Oct. 26, 2004**  
**Exhibit IX-B.1**

**EDUCATION FUND**

<b>DIVISION</b>	<b>BUDGET</b>	<b>BUDGET YTD</b>	<b>EXPENDITURES YEAR TO DATE</b>	<b>FUTURE COMMITMENTS</b>	<b>% PAID OR COMMITTED</b>	<b>UNCOMMITTED BALANCE</b>
<b>Institutional</b>						
Admin Services	11,204,173.00	2,124,311.20	1,805,305.99	34,291.47	16.42%	9,364,575.54
<b>Sub-Total</b>	<b>\$11,204,173.00</b>	<b>2,124,311.20</b>	<b>\$1,805,305.99</b>	<b>\$34,291.47</b>	<b>16.42%</b>	<b>\$9,364,575.54</b>
<b>President</b>						
Development Office	410,673.00	77,863.60	97,403.27	276,335.51	91.01%	36,934.22
Pres/Brd of Trustees	341,971.00	64,837.70	79,544.65	214,805.40	86.07%	47,620.95
Strategic Alliance	184,268.00	34,937.21	37,359.05	90,683.68	69.49%	56,225.27
Assoc VP Development	186,814.00	35,419.93	40,690.87	129,669.20	91.19%	16,453.93
<b>Sub-Total</b>	<b>\$1,123,726.00</b>	<b>213,058.45</b>	<b>\$254,997.84</b>	<b>\$711,493.79</b>	<b>86.01%</b>	<b>\$157,234.37</b>
<b>Student Affairs</b>						
Student Activities	406,240.00	77,023.10	74,969.42	249,877.80	79.96%	81,392.78
Student Development	3,704,090.00	702,295.46	709,871.15	1,974,175.19	72.46%	1,020,043.66
Wellns/Human Perform	1,795,287.00	340,386.42	300,910.42	877,418.01	65.63%	616,958.57
<b>Sub-Total</b>	<b>\$5,905,617.00</b>	<b>1,119,704.98</b>	<b>\$1,085,750.99</b>	<b>\$3,101,471.00</b>	<b>70.90%</b>	<b>\$1,718,395.01</b>
<b>VP Academic Affairs</b>						
Acad Enrich/Lang Std	4,313,424.00	817,825.19	829,407.25	2,552,381.43	78.40%	931,635.32
Academic Affairs	1,043,166.00	197,784.27	55,665.25	138,146.20	18.58%	849,354.55
Assoc VP Aca Affairs	321,992.00	61,049.68	54,917.19	191,772.20	76.61%	75,302.61
Bus/Social Sciences	5,475,167.00	1,038,091.66	995,989.29	2,890,252.43	70.98%	1,588,925.28
Dean of Cont Educ	507,295.00	96,183.13	94,824.70	289,363.40	75.73%	123,106.90
Liberal Arts	5,672,278.00	1,075,463.91	979,067.75	3,196,458.35	73.61%	1,496,751.90
Life Sci/Hum Services	4,414,368.00	836,964.17	691,567.84	2,480,137.41	71.85%	1,242,662.75
Resource for Learning	2,137,265.00	405,225.44	439,633.77	1,067,292.14	70.51%	630,339.09
Tech/Math & Phy Sci	4,730,859.00	896,970.87	904,812.17	2,711,066.86	76.43%	1,114,979.97

EDUCATION FUND

DIVISION	BUDGET	BUDGET YTD	EXPENDITURES YEAR TO DATE	FUTURE COMMITMENTS	% PAID OR COMMITTED	UNCOMMITTED BALANCE
VP Aca Affairs	274,157.00	51,980.17	57,165.07	147,000.50	74.47%	69,991.43
<b>Sub-Total</b>	<b>\$28,889,971.00</b>	<b>5,477,538.50</b>	<b>\$5,103,050.28</b>	<b>\$15,663,870.92</b>	<b>71.88%</b>	<b>\$8,123,049.80</b>
<b>VP Admin Services</b>						
Admin Services	1,676,502.00	317,864.78	360,073.44	1,102,546.07	87.24%	213,882.49
<b>Sub-Total</b>	<b>\$1,676,502.00</b>	<b>317,864.78</b>	<b>\$360,073.44</b>	<b>\$1,102,546.07</b>	<b>87.24%</b>	<b>\$213,882.49</b>
<b>VP Diversity/Org Dev</b>						
Human Res/Int. Affairs	495,016.00	93,855.03	69,771.66	0.00	14.09%	425,244.34
Asst VP Diversity/Org	579,686.00	109,908.47	122,721.45	370,294.40	85.05%	86,670.15
<b>Sub-Total</b>	<b>\$1,074,702.00</b>	<b>203,763.50</b>	<b>\$192,493.11</b>	<b>\$370,294.40</b>	<b>52.37%</b>	<b>\$511,914.49</b>
<b>VP Info Technology</b>						
Info Technology	5,678,561.00	1,076,655.17	1,302,314.37	3,086,914.78	77.29%	1,289,331.85
<b>Sub-Total</b>	<b>\$5,678,561.00</b>	<b>1,076,655.17</b>	<b>\$1,302,314.37</b>	<b>\$3,086,914.78</b>	<b>77.29%</b>	<b>\$1,289,331.85</b>
<b>VP Mktg &amp; Advancement</b>						
VP Enroll/Marketing	1,864,568.00	353,522.09	591,292.50	1,145,718.99	93.16%	127,556.51
Enrollment Svcs	1,562,937.00	296,332.86	383,754.56	816,990.80	76.83%	362,191.64
Pub/Comm Services	1,480,746.00	280,749.44	314,377.73	831,837.02	77.41%	334,531.25
<b>Sub-Total</b>	<b>\$4,908,251.00</b>	<b>930,604.39</b>	<b>\$1,289,424.79</b>	<b>\$2,794,546.81</b>	<b>83.21%</b>	<b>\$824,279.40</b>
<b>Grand Total:</b>	<b>\$60,461,503.00</b>	<b>11,463,500.97</b>	<b>\$11,393,410.81</b>	<b>\$26,865,429.24</b>	<b>63.28%</b>	<b>\$22,202,662.95</b>

Note: Future salary costs for all full-time and regular faculty and staff are encumbered as future commitments. Future commitments include salaries for adjunct faculty and overload only when these expenses enter the payroll system (which occurs during the Fall, Spring and Summer semesters). Salaries are not encumbered in future commitments for temporary employees (part-time and full-time) and student aids.

WILLIAM RAINEY HARPER COLLEGE

BOARD INFORMATION

I. SUBJECT

Board Committee and Liaison Reports

II. REASON FOR CONSIDERATION

Reports from liaison officers are provided as part of the Consent Agenda.

III. INFORMATION

- Laurie Stone, Bill Kelley, Richard Gillette: ACCT Conference

WILLIAM RAINEY HARPER COLLEGE

BOARD INFORMATION

I. SUBJECT

Grants and gifts status report.

II. REASON FOR CONSIDERATION

The Board is provided with a monthly update of grants and gifts.

III. BACKGROUND INFORMATION

The attachment reports the current status of operational public and private grants to the College, and status of cash donations and in-kind gifts to the Educational Foundation.

**HARPER COLLEGE**  
Listing of  
**GRANT PROGRAMS**  
July 1, 2004 – June 30, 2005

**NOTE: CHANGES ARE IN BOLD**

**Reported: October 26, 2004**

<b>GRANT NAME DIVISION/DEPARTMENT MANAGER</b>	<b>BRIEF DESCRIPTION</b>	<b>FUNDING SOURCE AWARD AMOUNT</b>	<b>DATES STARTS-ENDS</b>
<u>EXTENDED</u> ACHA Building Healthy Campus Community Project Health Wellness D. Evans	Cultural competency demonstration site	ACHA/CDC \$12,200	09/01/01 04/30/05
<u>CONTINUATION</u> Northern Illinois Regional Consortium ETIP GRANT Corporate Services C. McClement	Awarded through Employer Training Investment Program (ETIP) Small/Mid-sized Company component, grant is to be used to upgrade skills of workers. (Received additional funds - \$22,738)	DCEO \$212,578	07/01/03 12/31/04
<u>NEW</u> Academic Success Programming for Underrepresented Minority Students Center for Multicultural Learning L. LaBauve-Maher	To ensure that undergraduate students have access to programming and support that will better ensure their academic successes.	HECA \$45,500	08/26/04 08/31/05
<u>NEW</u> Nontraditional Scholarship Grant Career Programs J. Hennig	Tuition assistance to students entering non- traditional occupations.	ICCB \$6,250	07/01/04 06/30/05
<u>RENEWAL</u> Business/Industry Workforce Preparation Corporation Services L. Danaher	State Allocation Grant to provide local economic development in workforce training.	ICCB \$90,202	07/01/04 06/30/05
<u>RENEWAL</u> P-16 Initiative Career Programs J. Hennig	State Allocation Grant to pay for tuition for high school students taking college credit.	ICCB \$75,682	07/01/04 06/30/05
<u>RENEWAL</u> Perkins III Career Programs J. Hennig	Career and Technical education	ICCB \$303,004	07/01/04 06/30/05
<u>RENEWAL</u> Program Improvement Grant Career Programs J. Hennig	Supports improvement in career and technical educational programs.	ICCB \$31,566	07/01/04 06/30/05

<b>GRANT NAME DIVISION/DEPARTMENT MANAGER</b>	<b>BRIEF DESCRIPTION</b>	<b>FUNDING SOURCE AWARD AMOUNT</b>	<b>DATES STARTS -ENDS</b>
<u>CONTINUATION</u> ICCB Adult Education Leadership Grant AE/LS D. Corr	Improve instruction, develop effective and appropriate curriculum, improve professional dev., and disseminate innovative practices that lead to improvement of instruction in local Adult Education and Family Literacy programs in Illinois.	ICCB \$48,145	11/01/03 10/31/04
<u>CONTINUATION</u> <b>FY05 Adult Education and Family Literacy Grant</b> AE/LS <b>D. Corr</b>	<b>Supports Adult Education Development Programs</b> (State Basic \$149,681 State Public Assistance 21,130 Federal Basic 156,725 EL/Civics 38,144)	<b>ICCB \$365,680</b>	<b>07/01/04 06/30/05</b>
<u>NEW</u> Paraprofessional Test Prep Course Continuing Education R. Mills/N. Nerstrom	To assist paraprofessionals in reviewing basic skills in reading, writing, and mathematics; learning test taking strategies geared toward standardized tests, in compliance with the No Child Left Behind Act.	ICCB \$13,200	07/01/04 06/30/05
<u>CONTINUATION</u> Lighting Upgrade Project Physical Plant J. Ma	Improve building energy efficiency for Bldgs. A., C and L, and reduce the operating costs for the College.	ICECF \$35,539	11/01/03 10/31/04
<u>RENEWAL</u> Disabled Student Project Access & Disability Services T. Thompson	To provide services to students with disabilities.	IDHS \$134,754	07/01/04 06/30/05
<u>RENEWAL</u> Displaced Homemakers Women's Program K. Canfield	Career, educational and personal support for Women's Program participants.	IDOL \$58,410	07/01/04 06/30/05
<u>CONTINUATION</u> Scholarships for Success TMPS/Marketing Services S. Griffith/D. Loprieno	Scholarship assistance to support Math, Science, Engineering & Computer Science students.	NSF \$39,926	07/01/04 06/30/05
<u>RENEWAL</u> Midwest Center of Post- Secondary Outreach Access & Disability Services T. Thompson/D. Kavim	Provides technical assistance to A & D Service Programs	USDE/St. Paul Technical \$77,500	07/01/04 06/30/05
<u>RENEWAL</u> Midwest Center of Post- Secondary Outreach Access & Disability Services T. Thompson/D. Kavim	Provides technical assistance to A & D Service Programs	USDE/St. Paul Technical \$42,000	07/01/04 06/30/05
<u>CONTINUATION</u> COPS Public Safety M. Alsup	Universal Hiring Program Hire 3 full time officers (Full grant is \$225,000 spread over three years – 08/01/02 – 07/31/05)	USDJ \$88,740  (\$42,043 per officer x 3)	07/01/04 06/30/05

**Total as of October 26, 2004**

**\$1,680,876**

**\*NOTE: Several grants still not approved/pending. Waiting for State notification for FY05.**

*DESCRIPTION OF ABBREVIATIONS*

ACHA	American College Health Association
AE/LS	Academic Enrichment and Language Studies
COPS	Community Oriented Policing Services
DCEO	Department of Commerce & Economic Opportunity
HECA	Higher Education Cooperation Act
ICCB	Illinois Community College Board
ICECF	Illinois Clean Energy Community Foundation
IDHS	Illinois Department of Human Services
IDOL	Illinois Department of Labor
NSF	National Science Foundation
TMPS	Technology, Math & Physical Science
USDE	United States Department of Education
USDJ	United States Department of Justice

## Harper College Educational Foundation September Fundraising Report FY05

Appeal Description	No. Gifts	Cash	Pledges/Stocks	In-Kind Gifts	Other	Total
Board Solicited	1	\$95.29	\$0.00	\$0.00	\$0.00	\$95.29
Harper Symphony Orchestra	3	\$275.00	\$0.00	\$0.00	\$0.00	\$275.00
Harper Quest Celebration Events Memorial	9 4	\$1,200.00 \$55.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$1,200.00 \$55.00
Personal Solicitation	2	\$0.00	\$12,500.00	\$0.00	\$0.00	\$12,500.00
Pacesetter Campaign FY05	1	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Resources for Excellence Employee Campaign FY04	7	\$50.00	\$20.00	\$0.00	\$0.00	\$70.00
Jeremy Rifkin Event	15	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
Scholarship Stewardship Reports	3	\$8,000.00	\$0.00	\$0.00	\$0.00	\$8,000.00
Special Initiatives	1	\$750.00	\$0.00	\$0.00	\$0.00	\$750.00
Stewardship	1	\$750.00	\$0.00	\$0.00	\$0.00	\$750.00
Unsolicited	1	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
<b>Grand Totals:</b>	<b>48</b>	<b>\$13,675.29</b>	<b>\$12,520.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$26,195.29</b>

**Harper College Educational Foundation  
Year to Date Fundraising Report (as of 9/30/2004)**

Appeal Description	No. Gifts	Cash	Pledges/Stocks	In-Kind Gifts	Other	Total
Board Solicited	1	\$95.29	\$0.00	\$0.00	\$0.00	\$95.29
Golf Open 2004	1	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Harper Symphony Orchestra	4	\$375.00	\$0.00	\$0.00	\$0.00	\$375.00
Harper Quest Celebration Events Memorial	29	\$6,367.33	\$75,450.00	\$22,000.00	\$0.00	\$103,817.33
Margaret Scott	20	\$3,520.00	\$500.00	\$0.00	\$0.00	\$4,020.00
Pacesetter Campaign FY04	60	\$1,708.22	\$0.00	\$0.00	\$0.00	\$1,708.22
Personal Solicitation	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proposal	4	\$1,000.00	\$15,500.00	\$0.00	\$0.00	\$16,500.00
Pacesetter Campaign FY05	3	\$6,500.00	\$2,000.00	\$0.00	\$0.00	\$8,500.00
Resources for Excellence Employee Campaign FY04	2	\$1,072.70	\$0.00	\$0.00	\$0.00	\$1,072.70
Jeremy Rifkin Event	19	\$145.00	\$20.00	\$0.00	\$0.00	\$165.00
Scholarship Stewardship Reports	15	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
Special Initiatives	4	\$8,500.00	\$0.00	\$0.00	\$0.00	\$8,500.00
Stewardship	1	\$750.00	\$0.00	\$0.00	\$0.00	\$750.00
Unsolicited	2	\$775.00	\$0.00	\$0.00	\$0.00	\$775.00
	3	\$1,600.00	\$0.00	\$0.00	\$0.00	\$1,600.00
<b>Grand Totals:</b>	<b>169</b>	<b>\$33,008.54</b>	<b>\$93,470.00</b>	<b>\$22,000.00</b>	<b>\$0.00</b>	<b>\$148,478.54</b>

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Settlement Agreement between William Rainey Harper Community College, and Stanley Consultants.

II. REASON FOR CONSIDERATION

A settlement has been reached with contractors involved in a renovation project at the Northeast Center that requires Board approval.

III. BACKGROUND INFORMATION

In December, 2000, the College began renovations at the Northeast Center. The work was bid and the contract awarded to the low bidder. The contractor did not perform to College expectations and was not able to complete their work in accordance with the schedule. The College discontinued payments to the contractor and continued with the work on the job under the supervision of Stanley Consultants (the responsible Engineer). A dispute developed over payment for the supervision and work involved which ended in mediation. The College, represented by its attorney and staff during the mediation, reached a resolution at no additional cost to the College which was prepared by the College attorney.

IV. RECOMMENDATION

It is the recommendation of the administration to adopt the attached resolution to settle the dispute with Stanley Consultants.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Resolution for 2004 Estimated Tax Levies

II. REASON FOR CONSIDERATION

In accordance with the Truth in Taxation Act, a resolution must be adopted showing the 2004 estimated tax levies.

III. BACKGROUND INFORMATION

The Truth in Taxation Act requires that the Board of Trustees determine the estimated amounts of taxes necessary to be levied for the year at least thirty (30) days before the official adoption of the tax levies and to give public notice and schedule a public hearing.

IV. RECOMMENDATION

The administration recommends that the attached resolution providing for the estimated tax levies, required publication, and hearing date for 2004 be adopted.

**RESOLUTION REGARDING ESTIMATED AMOUNTS  
NECESSARY TO BE LEVIED FOR THE YEAR 2004**

**WHEREAS**, the *Cook County Truth in Taxation Law* requires a taxing district that has territory in Cook County, Illinois to determine the estimated amounts of taxes necessary to be levied for the year not less than 30 days prior to the official adoption of the aggregate tax levy of the district; and

**WHEREAS**, said statute further requires a tax district to give public notice and to hold a public hearing on the district's intent to adopt an aggregate tax levy; and

**WHEREAS**, it is hereby determined that the estimated amounts of money necessary to be raised by taxation for the year 2004 upon the taxable property of the district are as follows:

<b>Education Purposes</b>	<b>\$28,084,075</b>
<b>Operations and Maintenance Purposes</b>	<b>12,194,210</b>
<b>Liability Insurance, Workers' Compensation, Unemployment Insurance, Property Insurance</b>	<b>2,327,070</b>
<b>Medicare Contributions</b>	<b>710,000</b>
<b>Audit</b>	<b>125,000</b>
<b>Life Safety</b>	<b>700,000</b>
<b>TOTAL</b>	<b>44,140,355</b>

**WHEREAS**, the *Cook County Truth in Taxation Law* requires that all taxing districts in the State of Illinois provide data in the Notice concerning the levies made for debt service made

pursuant to statute, referendum, resolution or agreement to retire principal or pay interest on bonds, notes, and debentures or other financial instruments which evidence indebtedness; and

**WHEREAS**, the aggregate amount of property taxes extended for bond and interest purposes for 2003 was **\$11,345,348**; and it is hereby determined that the estimated amount of taxes to be levied for bond and interest purposes for 2004 is **\$10,745,593**.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees, William Rainey Harper Community College District No. 512, Counties of Cook, Kane, Lake and McHenry, State of Illinois, as follows:

**Section 1:** The aggregate amount of taxes estimated to be levied for the year 2004 is **\$44,140,355**.

**Section 2:** The aggregate amount of taxes estimated to be levied for the year for 2004 for debt service is **\$10,745,593**.

**Section 3:** Public notice shall be given in the *Daily Herald*, a newspaper of general circulation in said district, and a public hearing shall be held, all in the manner and time prescribed in said notice, which notice shall be published not more than 14 days nor less than 7 days prior to said hearing, and shall be not less than 1/8 page in size, with no smaller than twelve (12) point, enclosed in a black border not less than 1/4 inch wide and in substantially the following form:

**NOTICE OF PROPOSED PROPERTY TAX LEVY FOR  
WILLIAM RAINEY HARPER COMMUNITY COLLEGE DISTRICT NO. 512**

- I. A public hearing to approve a proposed property tax levy for William Rainey Harper Community College District No. 512 for 2004 will be held on **December 21, 2004** at **7:00 p.m.** in the Wojcik Conference Center, Room W-214 at Harper College, 1200 W. Algonquin Road, Palatine, Illinois.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact **Carol Blotteaux**, (telephone **847.925.6390**).

- II. The corporate and special purpose property taxes extended or abated for the year 2003 were **\$39,939,404**.

The proposed corporate and special purpose property taxes to be levied for 2004 are **\$44,140,355**. This represents a **10.5% increase** over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2003 were **\$11,345,348**.

The estimated property taxes to be levied for debt service and public building commission leases for 2004 are **\$10,745,593**. This represents a **5.3% decrease** over the previous year.

- IV. The total property taxes extended or abated for 2003 were **\$51,284,752**.

The estimated total property taxes to be levied for 2004 are **\$54,885,948**. This represents a **7.0% increase** over the previous year.

**(NOTE: THIS MUST BE IN AT LEAST 12 POINT TYPE, THE BLACK BORDER MUST BE NOT LESS THAN 1/4 INCH WIDE, AND THIS NOTICE MUST BE 1/8 PAGE IN SIZE.)**

**Section 4:** This resolution shall be in full force and effect forthwith upon its passage.

**ADOPTED this 26th day of October, 2004.**

BOARD OF TRUSTEES  
WILLIAM RAINEY HARPER COMMUNITY  
COLLEGE DISTRICT NO. 512  
COUNTIES OF COOK, KANE,  
LAKE and MCHENRY  
STATE OF ILLINOIS

By: \_\_\_\_\_  
Laurie Stone, Chair

ATTEST:

\_\_\_\_\_  
Richard Gillette, Secretary

**TRUTH IN TAXATION**  
**CERTIFICATE OF COMPLIANCE**

*I, Laurie Stone* hereby certify that I am the presiding officer of the Board of Trustees of William Rainey Harper Community College, and as such presiding officer I certify that the levy ordinance, a copy of which is attached, was adopted pursuant to, and in all respects in compliance with the provisions of the Illinois Property Tax Code – Truth in Taxation Law, 35 ILCS 200/18-60 through 18-85(2002).

This certificate applies to the 2004 levy.

\_\_\_\_\_  
Laurie Stone  
Chair  
Board of Trustees  
William Rainey Harper College  
District No. 512  
Counties of Cook, Kane, Lake and McHenry  
State of Illinois

Date: \_\_\_\_\_

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

***Second Reading*** of Revision of Board Purchasing Policy.

II. REASON FOR CONSIDERATION

Modifications to Board Policy require two readings before they are incorporated into the Board Policy Manual. The first reading for a modification to section 07.03.01 of the Purchasing Policy took place at the Board Meeting of September 28, 2004.

III. BACKGROUND INFORMATION

Each year the College selects an area of the College to do an in depth targeted audit or review. This year computer hardware procurement was selected for the targeted review. The National Institute of Government Purchasing (NIGP) was selected to perform the review. The objective of the review was (1) to determine whether or not state statute was being followed in the purchase of computer hardware and (2) to determine if the College was following "best practices" in the procurement of computer hardware. The Board has been provided with a copy of NIGP's report prior to the meeting. The report indicated that the state statute has not kept up with modern purchasing practices, but that College policies and procedures could be updated without violating the statute.

The proposed changes to the policy have been reviewed by NIGP and the College Attorney.

IV. RECOMMENDATION

The administration recommends that the Board of Trustees approve the modifications to the Purchasing Policy that relate to procurement policies and procedures. The attached revisions provide further detail.

## 07.03.00 PURCHASING

### 07.03.01 Purchasing Policy

#### **All College purchases shall be congruent with Illinois Compiled Statutes, Chapter 110, (ILCS) 805/3-27.1**

Purchases of up to \$10,000 shall have the support of three verbal or written quotations when deemed appropriate by the Director of Purchasing. **The College President or his/her designee(s) is authorized to sign all contracts under \$10,000.** Exceptions are made for purchases such as new or used equipment, supplies or materials of less than \$10,000 made at a public auction.

Except as otherwise provided by Illinois Compiled Statutes, Chapter 110, (ILCS) 805/3-27.1, purchases in excess of \$10,000 shall have the support of a minimum of three formal sealed bids **whenever** possible and be awarded to the lowest **responsive**, responsible bidder **following** due advertisement in a newspaper published in the District, or in a newspaper of general circulation in the area of the District, at least ten business days before the bid **closing** date.

**Items exempted by state statute from competitive sealed bidding may be procured by competitive sealed proposals in accordance with Administrative Procedures.**

**The Board delegates to the President, or his/her designee(s), authorization to purchase from the state/governmental contracts or cooperatives/consortia that meet the requirements of Illinois state law. The President shall inform the Board of purchases made through the state/governmental contracts or cooperatives/consortia through monthly reporting.**

# COMPETITIVE PRICING

(Replaces pages 271 – 272 in the Administrative Services Procedure Manual dated August 2002)

Area: Administrative Services / Purchasing and Risk Management

Location: Administrative Services Manual

Revision Date: September 1, 2004

**(Procedures are based in part on the American Bar Association's Model Procurement Code (MPC).)**

## A. GENERAL PROVISIONS

### Procedures.

The underlying purposes of these procedures are:

- (a) to simplify, clarify, and modernize the procedures related to procurement;
- (b) to permit the continued development of procurement practices;
- (c) to make as consistent as possible the procurement rules among the various departments;
- (d) to provide for increased public confidence in the procedures followed in public procurement;
- (e) to ensure the fair and equitable treatment of all persons who deal with the procurement system;
- (f) to provide increased economy in procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds;
- (g) to foster effective broad-based competition within the free enterprise system;
- (h) to provide safeguards for the maintenance of a procurement system of quality and integrity; and,
- (i) to obtain in a cost-effective and responsive manner the materials, services, and construction required by College.

## B. SOURCE SELECTION AND CONTRACT FORMATION

### 1. Methods of Source Selection.

Unless otherwise authorized by law, all contracts shall be awarded by one of the following methods:

- (a) Competitive Sealed Bidding;
- (b) Competitive Sealed Proposals;
- (c) Small Purchases;
- (d) Sole Source Procurement;
- (e) Emergency Procurements;

(f) Cooperative or Consortium Procurements;

**COMMENTARY:**

Fair and open competition is a basic tenet of public procurement. Such competition reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically. Since the marketplace is different for various supplies, services, and construction, these procedures authorize a variety of source selection techniques designed to provide the best competition for all types of procurements. It also permits less formal competitive procedures where the amount of the contract does not warrant the expense and time otherwise involved. Competitive sealed bidding, competitive sealed proposals, simplified, small purchase procedures, and cooperative purchase procedures, therefore, are recognized as valid competitive procurement methods when used in accordance with the criteria and conditions set forth in this Article.

**a)Competitive Sealed Bidding.**

- (1) *Conditions for Use.* Contracts in excess of \$10,000, shall be awarded by competitive sealed bidding except as otherwise noted in Illinois Revised Statutes, 110 ILCS 805/3-21.1; however, this provision shall not prohibit the College from utilizing competitive sealed bidding, where appropriate, to procure items listed in subparagraphs (b), (c), (f), (g), and (h) below. Contracts specifically exempted from competitive sealed bidding include:
  - (a) Contracts for the 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) 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 expenditure not to exceed \$20,000 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.

**COMMENTARY:**

Competitive sealed bidding does not include negotiations with bidders after the receipt and opening of bids. Award is to be made based strictly on the criteria set forth in the Invitation for Bids. The Director of Purchasing and Risk Management may determine that it is in the best interest of the College to procure certain items by competitive sealed bidding, even though they may be statutorily exempt. The College should utilize the other Source Selection Methods listed in Section B.1 (Methods of Source Selection), as appropriate, to procure statutorily exempt items.

- (2) *Invitation for Bids.* An Invitation for Bids shall be issued and shall include a purchase description, and all contractual terms and conditions applicable to the procurement.
- (3) *Public Notice.* Adequate public notice of the Invitation for Bids shall be given a reasonable time prior to the date set forth therein for the opening of bids.
  - a) 10 working days for bids <\$100,000
  - b) 21 days for bids >\$100,000.
- (4) *Bid Opening.* Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by regulation, together with the name of each bidder shall be recorded; the record and each bid shall be open to public inspection.
- (5) *Bid Acceptance and Bid Evaluation.* Bids shall be unconditionally accepted without alteration or correction, except as authorized by the Director of Purchasing. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Invitation for Bids.

**COMMENTARY:**

(1) This subsection makes clear that judgmental evaluations of products, particularly where bid samples or product descriptions are submitted, may properly be used in determining whether a product proffered by a bidder meets the acceptability standards of the specification requirements for the procurement. Such judgmental evaluations as appearance, workmanship, finish, taste, and feel all may be taken into consideration under this Subsection. Additionally, the ability to make such determinations, and to reject as non-responsive any bid which does not meet the purchase description is inherent in the definition of responsive bidder.

(2) The bid evaluation may take into account not only acquisition costs of supplies, but the **cost if their ownership** which relates to the quality of the product, including life cycle factors such as maintainability and reliability. Any such criteria must be set forth in the Invitation for Bids to enable bidders to calculate how such criteria will affect their bid price.

(3) This Subsection does not permit a contract to be awarded to a bidder submitting a higher quality item than the minimum required by the purchase description unless that bidder also has the bid price evaluated lowest in accordance with the objective criteria set forth in the Invitation for Bids. Furthermore, this procedure does not permit discussions or negotiations with bidders after receipt and opening of bids.

- (6) *Correction or Withdrawal of Bids; Cancellation of Awards.* Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted in accordance with state law. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the College or fair competition shall be permitted. Except as otherwise provided by state law, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Director of Purchasing and Risk Management in consultation with the College Attorney.

**COMMENTARY:**

(1) Correction or withdrawal of bids before or after contract award requires careful consideration to maintain the integrity of the competitive bidding system, to assure fairness, and to avoid delays or poor contract performance. While bidders should be expected to be bound by their bids, circumstances frequently arise where correction or withdrawal of bids is proper and should be permitted.

(2) To maintain the integrity of the competitive sealed bidding system, a bidder should not be permitted to correct a bid mistake after bid opening that would cause such bidder to have the low bid unless the mistake is clearly evident from examining the bid document; for example, extension of unit prices or errors in addition.

(3) An otherwise low bidder should be permitted to correct a material mistake of fact in its bid, including price, when the intended bid is obvious from the bid document or is otherwise supported by proof that has evidentiary value. A low bidder should not be permitted to correct a bid for mistakes or errors in judgment.

(4) In lieu of bid correction, the College should permit a low bidder alleging a material mistake of fact to withdraw its bid when there is reasonable proof that a mistake was made and the intended bid cannot be ascertained with reasonable certainty.

(5) After bid opening an otherwise low bidder should not be permitted to delete exceptions to the bid conditions or specifications which affect price or substantive obligations; however, such bidder should be permitted the opportunity to furnish other information called for by the invitation for Bids and not supplied due to oversight, so long as it does not affect responsiveness.

(6) A suspected bid mistake can give rise to a duty on the part of the College to request confirmation of a bid, and failure to do so can result in a nonbinding award, where there is an appearance of mistake. Therefore, the bidder should be asked to reconfirm the bid before award. In such instances, a bidder should be permitted to correct the bid or to withdraw it when the bidder acknowledges that a mistake was made.

(7) Correction of bid mistakes after award should be subject to the same proof as corrections before award with a further requirement that no correction be permitted that would cause the contract price to exceed the next low bid.

(8) Nothing in this Section is intended to prohibit the College from accepting a voluntary reduction in price from a low bidder after bid opening; provided that such reduction is not conditioned on, or results in, the modification or deletion of any conditions contained in the Invitation for Bids.

- (7) *Award.* The contract shall be awarded with reasonable promptness by issuance of a purchase order to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids. In the event all bids for a construction project exceed available funds as certified by the appropriate fiscal officer, the President or their designee is authorized in situations where time or economic considerations preclude resolicitation of work of a reduced scope to negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsive and responsible bidder, in order to bring the bid within the amount of available funds.

**COMMENTARY:**

When all bids are determined to be unreasonable or the lowest bid on a construction project exceeds the amount specified in this subsection, and the public need does not permit the time required to resolicit bids, then a contract may be awarded pursuant to the emergency authority in accordance with state law.

- (8) *Multi-Step Sealed Bidding.* When it is considered impractical to initially prepare a purchase description to support an award based on price, an Invitation for Bids may be issued requesting the submission of unpriced offers to be followed by an Invitation

for Bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

**b) Competitive Sealed Proposals.**

- (1) *Conditions for Use.* A contract greater than \$10,000 may be entered into by competitive sealed proposals:
  - (a) for the procurement of professional or consulting services, excluding architectural, engineering and land surveying services;.
  - (b) for the procurement of data processing equipment, software or services;
  - (c) for the procurement of telecommunications and inter-connect equipment, software or services;
  - (d) for the procurement of duplicating machines and supplies; or
  - (e) when the Director of Purchasing and Risk Management, or a designee, deems that the use of competitive sealed bidding is either not practicable or not advantageous to the College and the use of competitive sealed proposals are permitted by State law.

**COMMENTARY:**

(1) The competitive sealed proposal method (similar to competitive negotiation) is available for use when competitive sealed bidding is either not practicable or not advantageous.

(2) The competitive sealed bidding and competitive sealed proposal methods assure price and product competition. The use of functional or performance specifications is allowed under both methods to facilitate consideration of alternative means of meeting College needs, with evaluation, where appropriate, on the basis of total or life cycle costs. The criteria to be used in the evaluation process under either method must be fully disclosed in the solicitation. Only criteria disclosed in the solicitation may be used to evaluate the items bid or proposed.

(3) These two methods of source selection differ in the following ways:

(a) Under competitive sealed bidding, judgmental factors may be used only to determine if the supply, service, or construction item bid meets the purchase description. Under competitive sealed proposals, judgmental factors may be used to determine not only if the items being offered meet the purchase description but may also be used to evaluate the relative merits of competing proposals. The effect of this different use of judgmental evaluation factors is that under competitive sealed bidding, once the judgmental evaluation is completed, award is made on a purely objective basis to the lowest responsive and responsible bidder. Under competitive sealed proposals, the quality of competing products or services may be compared and trade-offs made between price and quality of the products or services offered (all as set forth in the solicitation). Award under competitive sealed proposals is then made to the responsible offeror whose proposal is most advantageous to the College.

(b) Competitive sealed bidding and competitive sealed proposals also differ in that, under competitive sealed bidding, no change in bids is allowed once they have been opened, except for correction of errors in limited circumstances. The competitive sealed proposal method, on the other hand, permits discussions after proposals have been opened to allow clarification and changes in proposals provided that adequate precautions are taken to treat each offeror fairly and to ensure that information gleaned from competing proposals is not disclosed to other offerors.

(4) The words "practicable" and "advantageous" are to be given ordinary dictionary meanings. In general, "practicable" denotes a situation which justifies a determination that a given factual result can occur. A typical determination would be whether there is sufficient time or information to prepare a specification suitable for competitive sealed bidding. "Advantageous" connotes a judgmental assessment of what is in the College's best interest. What is practicable (that is possible) may not necessarily be beneficial to the College. Consequently, both terms are used in this Section to avoid a possibly restrictive interpretation of the authority to use competitive sealed proposals. If local conditions require an enacting jurisdiction to reduce the proposed flexibility in choosing between competitive sealed bidding and competitive sealed proposals, the statutory determination under Subsection (1) (b) to use competitive sealed proposals should be confined to a determination that use of competitive sealed bidding is "not practicable".

(5) Whenever it is determined that it is practicable but not advantageous to use competitive sealed bidding, the basis for the determination should be specified with particularity.

- (2) *Request for Proposals.* Proposals shall be solicited through a Request for Proposals.
- (3) *Public Notice.* Adequate public notice of the Request for Proposals shall be given in the same manner as provided in Competitive Sealed Bidding.
- (4) *Receipt of Proposals.* Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. Price proposals shall be submitted in a separate sealed envelope. A Register of Proposals shall be prepared in accordance with state law, and shall be open for public inspection after contract award.
- (5) *Evaluation Factors.* The Request for Proposals shall state the relative importance of price and other factors and sub factors, if any.
- (6) *Discussion with Responsible Offerors and Revisions to Proposals.* As provided in the Request for Proposals, and under state law, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- (7) *Award.* Award shall be made to the responsible offeror whose proposal conforms to the solicitation to be the most advantageous to the College taking into consideration price and the evaluation factors set forth in the Request for Proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made. Notice of award is posted on the College's Purchasing web page.
- (8) *Results.* The Procurement Officer is authorized to provide information that furnishes the basis for the source selection decision and contract award.

**COMMENTARY:**

Debriefings may be given orally, in writing, or by any other method acceptable to the Procurement Official. A post-award debriefing may include \_ (a) the College's evaluation of significant weaknesses or deficiencies in the proposal, if applicable; (b) the overall evaluated cost or price (including unit prices) and technical rating, if applicable, of the successful offeror and the debriefed offeror; (c) the overall ranking of all proposals, when any such ranking was developed during the source selection; (d) a summary of the rationale for award; (e) reasonable responses to relevant questions about whether source selection procedures contained in the Request For Proposal and applicable law were followed. Post-award debriefings should not include point-by-point comparisons of the debriefed proposal with those of other offerors. Any debriefing should not reveal any information prohibited from disclosure by law, or exempt from release under the [applicable public records laws], including trade secrets, or privileged or confidential commercial or manufacturing information. A summary of any debriefing should be included in the contract file.

**c) Small Purchases.**

Any procurement not exceeding \$10,000 may be made in accordance with small purchase procedures, provided, however, those procurement requirements shall not be artificially divided so as to constitute a small purchase under this Section. Any procurement that falls within the \$5,000 to \$10,000 range shall have the support of three verbal or written quotations from responsible vendors when deemed appropriate and/or where possible. The Director of Purchasing and Risk Management shall make final approval within this category.

#### **d) Sole Source Procurement.**

A contract may be awarded for a supply, service, or construction item without competition when the Director of Purchasing or a designee determines in writing that there is only one source for the required supply, service, or construction item.

#### **e) Emergency Procurement.**

The Board may make or authorize others to make emergency procurements when there exists an immediate threat to public health, welfare, or safety or to prevent or minimize serious disruption to College services; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

#### **f) Cooperative and Consortium Procurement.**

(1) Any Public Procurement Unit may participate in, sponsor, conduct, or administer a Cooperative or Consortium Purchasing agreement for the procurement of any supplies, services, or construction with one or more Public Procurement Units in accordance with an agreement entered into between the participants. Such Cooperative and Consortium Purchasing may include, but is not limited to, joint or multi-party contracts between Public Procurement Units and open-ended Public Procurement Unit contracts that are made available to other Public Procurement Units.

(2) All Cooperative and Consortium Purchasing conducted under this Section shall be through contracts awarded through full and open competition, including use of source selection methods substantially equivalent to those specified.

### **2. Cancellation of Invitations for Bids or Requests for Proposals**

An Invitation for Bids, a Request for Proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the College in accordance with state law. The reasons therefore shall be made part of the contract file.

### **3. Qualifications and Duties**

#### **a) Responsibility of Bidders and Offerors.**

- (1) *Determination of Nonresponsibility.* A written determination of nonresponsibility of a bidder or offeror shall be made in accordance with state law. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such bidder or offeror.
- (2) *Right of Nondisclosure.* Confidential information furnished by a bidder or offeror pursuant to this Section shall not be disclosed outside of the Office of the Director of Purchasing without prior written consent by the bidder or offeror.

#### **b) Prequalification of Suppliers.**

Prospective suppliers may be prequalified for particular types of supplies, services, and construction. The method of submitting prequalification information and the information required in order to be prequalified shall be determined by the Director of Purchasing.

##### **COMMENTARY:**

(1) Prequalification is not a conclusive determination of responsibility, and a prequalified bidder or offeror may be rejected as nonresponsible on the basis of subsequently discovered information. Similarly, a prior failure to prequalify will not bar a subsequent determination that a bidder or offeror is responsible with respect to any given procurement.

(2) Prequalification is only of limited utility if a procurement cannot be limited to prequalified suppliers. It should be established that unless an emergency exists or the contract is for a small purchase, a competition may not be limited to pre-qualified offerors unless public notice of the procurement was given in sufficient time for any interested firms to prepare necessary submissions and become prequalified.

### **c) Substantiation of Offered Prices.**

The Director of Purchasing and Risk Management may request factual information reasonably available to the bidder or offeror to substantiate that the price or cost offered, or some portion of it, is reasonable, if:

- (1) the price is not:
  - a) based on adequate price competition;
  - b) based on established catalogue or market prices; or
  - c) set by law

## **4. Types of Contracts**

### **a) Conditions for Use.**

Any type of contract that will promote the best interests of the College may be used acknowledging that the use of a cost-plus-percentage-of-cost contract is prohibited. Except as otherwise provided by policy or procedure, all contracts over \$10,000 shall be reviewed, where appropriate, by the College attorney and approved by the Board of Trustees

### **b) Multi-Year Contracts.**

- (1) *Specified Period.* Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interests of the College provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore.
- (2) *Use.* A multi-year contract is authorized where:
  - (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and
  - (b) such a contract will serve the best interests of the College by encouraging effective competition or otherwise promoting economies in College procurement.
- (3) *Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods.* When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled and the contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. The cost of cancellation may be paid from any funds available for such purposes.

## **5. Inspection of Plant and Audit of Records**

### **a) Right to Inspect Plant.**

The College may, at reasonable times, inspect the part of the plant or place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the College.

## **b) Right to Audit Records**

- (1) *Audit of Cost or Pricing Data.* The College may, at reasonable times and places, audit the books and records of any person who has submitted data in substantiation of offered prices to the extent that such books and records relate to that data. Any person who receives a contract, change order, or contract modification for which such data is required, shall maintain such books and records that relate to such cost or pricing data for [three] years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing.
- (2) *Contract Audit.* The College shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a firm fixed-price contract to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for period of [three] years from the date of final payment under the prime contract and by the subcontractor for a period of [three] years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing.

## **6. Determinations and Reports**

### **a) Finality of Determinations.**

The determinations required are final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law.

### **b) Reporting of Anticompetitive Practices.**

When for any reason collusion or other anticompetitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the Attorney General.

### **c) Retention of Procurement Records.**

All procurement records shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the Secretary of State of Illinois.

### **d) Retention of Contracts.**

- (1) *Contents of Record.* The Director of Purchasing and Risk Management shall maintain a record listing all contracts for a minimum of [five] years. The record shall contain:
  - (a) each contractor's name;
  - (b) the amount and type of each contract; and
  - (c) a listing of the supplies, services, or construction procured under each contract.

## **C. SPECIFICATIONS**

Procedures shall set standards for the preparation, maintenance, and content of specifications for supplies, services, and construction required by the College.

### **1. Duties of the Director of Purchasing and Risk Management.**

The using department shall have primary responsibility for the development and revision of specifications. To assure proper quality control and avoid the proliferation of conflicting specifications, the Director of Purchasing and Risk Management shall approve and monitor the use of specifications for supplies and services required by the College.

## **2. Relationship With Using Department.**

The Director of Purchasing and Risk Management shall obtain expert advice and assistance from personnel across the College in the development of specifications. The Director of Purchasing and Risk Management may delegate to a College Department the authority to prepare and utilize its own specifications if in the best interest of the College.

## **3. Maximum Practicable Competition.**

All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the College's needs, and shall not be unduly restrictive.

## **4. Specifications Prepared by Other Than College Personnel.**

The requirements of this Section regarding the purposes and non-restrictiveness of specifications shall apply to all specifications prepared other than by College personnel, including, but not limited to, those prepared by architects, engineers, and designers.

# **D. MODIFICATION AND TERMINATION OF CONTRACTS FOR SUPPLIES AND SERVICES**

## **Contract Clauses and Their Administration.**

- (1) *Contract Clauses.* The Director of Purchasing and Risk Management may determine procedures permitting or requiring the inclusion of clauses providing for adjustments in prices, time of performance, or other contract provisions as appropriate covering the following subjects:
  - (a) the unilateral right of the College to order in writing:
    - (i) changes in the work within the scope of the contract; and
    - (ii) temporary stopping of the work or delaying performance; and
  - (b) variations occurring between estimated quantities of work in a contract and actual quantities.
- (2) *Price Adjustments.*
  - (a) Adjustments in price pursuant to clauses promulgated under Subsection (1) of this Section shall be computed in one or more of the following ways:
    - (i) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
    - (ii) by unit prices specified in the contract or subsequently agreed upon;
    - (iii) by the costs attributable to the events or situations under such clauses with adjustment of profit or fee, all as specified in the contract or subsequently agreed upon;
    - (iv) in such other manner as the contracting parties may mutually agree; or
    - (v) in the absence of agreement by the parties, by a unilateral determination by the College of the costs attributable to the events or situations under such clauses with adjustment of profit or fee, all as computed by the College in accordance with applicable sections this procedure.
  - (b) A contractor shall be required to submit cost or pricing data if any adjustment in contract price.
- (3) *Additional Contract Clauses.* The Director of Purchasing and Risk Management may require the inclusion in College contracts of clauses providing for appropriate remedies and covering the following subjects:

- (a) liquidated damages as appropriate;
  - (b) specified excuses for delay or nonperformance;
  - (c) termination of the contract for default; and
  - (d) termination of the contract in whole or in part for the convenience of the College as reviewed by the College Attorney.
- (4) *Modification of Clauses.* The Director of Purchasing and Risk Management may vary the clauses for inclusion in any particular College contract; provided that any variations are supported by a written determination that states the circumstances justifying such variation and provided that notice of any such material variation be stated in the Invitation for Bids or Request for Proposals. Modifications reviewed by the College Attorney.

## **E. SUPPLY MANAGEMENT**

### **1. Supply Management Regulations Required.**

The Director of Purchasing and Risk Management shall promulgate procedures governing:

- (a) the management of supplies during their entire life cycle;
- (b) the sale, lease, or disposal of surplus supplies by public auction, competitive sealed bidding, or other appropriate method designated by regulation, provided that no employee of the owning or disposing agency shall be entitled to purchase any such supplies; and
- (c) transfer of excess supplies.

### **2. Allocation of Proceeds from Sale or Disposal of Surplus Supplies.**

Unless otherwise provided by law, the President shall be empowered, pursuant to regulations, to allocate proceeds from the sale, lease, or disposal of surplus supplies.

## **F. LEGAL AND CONTRACTUAL REMEDIES**

### **1. Authority to Resolve Protested Solicitations and Awards.**

- (1) *Right to Protest.* Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Director of Purchasing and Risk Management. The protest shall be submitted in writing, prior to consideration of the purchase by the Board of Trustees.
- (2) *Authority to Resolve Protests.* The Director of Purchasing or a designee shall have the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest of an aggrieved bidder, offeror, or contractor, actual or prospective, concerning the solicitation or award of a contract. Facts of the case will be reviewed with the College Attorney.
- (3) *Decision.* If the protest is not resolved by mutual agreement, the Director of Purchasing or a designee shall promptly issue a decision in writing. The decision shall,
  - (a) state the reasons for the action taken; and
  - (b) inform the protestant of its right review.
- (4) *Notice of Decision.* A copy of the decision shall be mailed or otherwise furnished immediately to the protestant and any other party intervening.

- (5) *Finality of Decision.* A decision shall be final and conclusive, unless fraudulent, or:
  - (a) any person adversely affected by the decision commences an action in court; or
  - (b) any person adversely affected by the decision appeals.
- (6) *Stay of Procurements During Protests.* In the event of a timely protest, the College shall not proceed further with the solicitation or with the award of the contract until the Director of Purchasing, after consultation with the head of the Using Department makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the College.

## **2. Authority to Debar or Suspend.**

- (1) *Authority.* After reasonable notice to the person involved and reasonable opportunity for that person to be heard the Director of Purchasing and Risk Management, after consultation with the Using Department and College attorney, shall have authority to debar a person for cause from consideration for award of contracts. The debarment shall not be for a period of more than [three years]. The same officer, after consultation with the Using Department and the College Attorney, shall have authority to suspend a person from consideration for award of contracts if there is probable cause for debarment. The suspension shall not be for a period exceeding [three months].
- (2) *Causes for Debarment or Suspension.* The causes for debarment or suspension include the following:
  - (a) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
  - (b) conviction under State or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor;
  - (c) conviction under State or federal antitrust statutes arising out of the submission of bids or proposals,
  - (d) violation of contract provisions, as set forth below, of a character which is regarded by the Director of Purchasing to be so serious as to justify debarment action:
    - (i) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
    - (ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;
  - (e) any other cause the Director of Purchasing and Risk Management determines to be so serious and compelling as to affect responsibility as a contractor, including debarment by another governmental entity for any cause listed in regulations; and
- (3) *Decision.* The Director of Purchasing and Risk Management, in consultation with the College Attorney, shall issue a written decision to debar or suspend. The decision shall:
  - (a) state the reasons for the action taken; and
  - (b) inform the debarred or suspended person involved of its rights review.

- (4) *Notice of Decision.* A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person and any other party intervening.
- (5) *Finality of Decision.* A decision of this Section shall be final and conclusive, unless fraudulent, or
  - (a) the debarred or suspended person commences an action in court; or
  - (b) the debarred or suspended person appeals.

### **3. Authority to Resolve Contract and Breach of Contract Controversies.**

- (1) *Applicability.* This Section applies to controversies between the College and a contractor and which arise under, or by virtue of, a contract between them. This includes without limitation controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission.
- (2) *Authority.* The Director of Purchasing and Risk Management or a designee, prior to commencement of an action in a court concerning the controversy, is authorized to settle and resolve a controversy in consultation with the College Attorney. The settlement is subject to approval by the Board of Trustees.

## **G. INTERGOVERNMENTAL RELATIONS**

### **1. Sale, Acquisition, or Use of Supplies by a Public Procurement Unit.**

Any Public Procurement Unit may sell to, acquire from, or use any supplies belonging to another Public Procurement Unit.

### **2. Cooperative Use of Supplies or Services.**

Any Public Procurement Unit may enter into an agreement with any other Public Procurement Unit for the cooperative use of supplies or services under the terms agreed upon between the parties.

Any Public Procurement Unit may enter into agreements for the common use or lease of warehousing facilities, capital equipment, and other facilities with another Public Procurement Unit under the terms agreed upon between the parties.

#### **COMMENTARY:**

Jurisdictions are increasingly joining together through cooperative purchasing arrangements to acquire common goods from single vendors. One practical effect of the success of such arrangements is that the number of public entities seeking to participate in a particular Cooperative Purchasing arrangement increases after the vendor is awarded a contract by the awarding Public Procurement Unit. The vendor may have calculated its price on the basis of a specific or reasonable "guess" of the number of transactions and the volume of goods to be sold. To ensure fairness to vendors and to protect the viability of cooperative purchasing arrangements, awarding jurisdictions should give vendors the option to accept or reject purchase orders from purchasing entities not identified during the competition. Conversely, to maximize economies of scale, jurisdictions are encouraged to identify as many participants in a particular cooperative purchase at the outset.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Settlement Agreement between William Rainey Harper Community College, and Stanley Consultants.

II. REASON FOR CONSIDERATION

A settlement has been reached with contractors involved in a renovation project at the Northeast Center that requires Board approval.

III. BACKGROUND INFORMATION

In December, 2000, the College began renovations at the Northeast Center. The work was bid and the contract awarded to the low bidder. The contractor did not perform to College expectations and was not able to complete their work in accordance with the schedule. The College discontinued payments to the contractor and continued with the work on the job under the supervision of Stanley Consultants (the responsible Engineer). A dispute developed over payment for the supervision and work involved which ended in mediation. The College, represented by its attorney and staff during the mediation, reached a resolution at no additional cost to the College which was prepared by the College attorney.

IV. RECOMMENDATION

It is the recommendation of the administration to adopt the attached resolution to settle the dispute with Stanley Consultants.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Resolution to Authorize Intervening with Property Tax Appeal Board (PTAB) regarding The Garlands of Barrington.

II. REASON FOR CONSIDERATION

Illinois State statute regarding property tax assessment allow for appeals to the Property Tax Appeal Board. The Garlands of Barrington has filed such an appeal which is registered as Docket # 03-01220.001 thru 03-01220.178-C-3 and Harper College was duly notified.

III. BACKGROUND INFORMATION

The Garlands of Barrington has filed an appeal to drop their market value from \$41,000,000 to \$12,000,000 which would drop their assessed value from \$13,699,719 to \$3,999,600. If this appeal were granted, a refund of over \$500,000 from all taxing districts would be due. The Harper share of the refund would be \$30,000. The Garlands of Barrington did not file their additional evidence (appraisal) according to the timelines established in the law. As an intervener, Harper would object to the appeal on this basis.

IV. RECOMMENDATION

It is the recommendation of the administration to authorize the College attorney to file the proper paperwork to intervene on behalf of Harper College in the property tax appeal of The Garlands of Barrington

**RESOLUTION AUTHORIZING INTERVENTION  
IN A PENDING PROPERTY TAX ASSESSMENT APPEAL  
(BY THE GARLANDS OF BARRINGTON)**

At a Regular Meeting of the BOARD OF TRUSTEES OF WILLIAM RAINEY HARPER COMMUNITY COLLEGE DISTRICT NO. 512 ("Taxing District") held on the \_\_\_\_\_ day of \_\_\_\_\_, 2004 at \_\_\_\_\_, County of Lake, State of Illinois;

The meeting was called to order by \_\_\_\_\_, President of the Board of Trustees, and upon roll being called, the following members were:

**PRESENT:**

**ABSENT:**

**OTHERS ALSO PRESENT:**

The following Resolution was offered by \_\_\_\_\_, and seconded by \_\_\_\_\_.

**WHEREAS**, the Taxing District has received notice from the Board of Review of Lake County that THE GARLANDS OF BARRINGTON has appealed to the Property Tax Appeal Board ("PTAB") regarding the 2003 assessed valuation of its property located at 1000 Garlands Lane, Barrington, Illinois (PINs 13-36-400-013; 13-36-402-046 through -048 and 13-36-400-013-6001 through -6174) (PTAB Docket Nos. 03-01220-001 through -178), which property comprises part of the assessed valuation of the Taxing District;

**WHEREAS**, the Taxing District has a revenue interest in the assessed valuation appeals and finds that intervention as a party in the assessed valuation proceedings is in the best interests of the Taxing District; and

**WHEREAS**, the Taxing District has a right to intervene in the proceedings before the PTAB in order to protect its revenue interests in the assessed valuation of the subject property.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of William Rainey Harper Community College District No. 512 as follows:

1. The Board of Trustees finds that all of the recitals contained above are true and correct and that the same are hereby incorporated herein by reference.
2. The law firm of Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd. is authorized, as of the postmark date of the above-mentioned Board of Review notice, to file as legal representatives on its behalf a Request To Intervene in PTAB Docket Nos. 03-01220.001 through .178 relating to the appeal of assessed valuation in this matter.
3. All motions and resolutions or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.
4. This resolution shall take effect immediately upon its passage.

The question of the adoption of the foregoing Resolution was duly put to a vote, which resulted as follows:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

The Resolution was thereupon declared adopted.

Date: \_\_\_\_\_, 2004

\_\_\_\_\_  
Chair, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

**SECRETARY'S CERTIFICATE**

**STATE OF ILLINOIS        )**  
**COUNTY OF LAKE         ) ss.:**

I, \_\_\_\_\_, the duly qualified and acting Secretary of the Board of Trustees of William Rainey Harper Community College District No. 512, in the County of Lake, State of Illinois ("Board"), do hereby certify that attached hereto is a true and correct copy of the Resolution entitled:

**RESOLUTION AUTHORIZING INTERVENTION  
IN A PENDING PROPERTY TAX ASSESSMENT APPEAL  
(BY THE GARLANDS OF BARRINGTON)**

which was duly adopted by said Board at a meeting held on \_\_\_\_\_, 2004.

I further certify that a quorum of said Board was present at said meeting and that all requirements of the Illinois Open Meetings Act were complied with.

**IN WITNESS WHEREOF**, I have hereunto set my hand on \_\_\_\_\_, 2004.

\_\_\_\_\_  
Secretary, Board of Trustees

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Authorization to approve depositories and investment brokers for College funds.

II. REASON FOR CONSIDERATION

The College depositories and investment brokers are approved by the Board of Trustees in accordance with College investment procedures.

III. BACKGROUND INFORMATION

Review existing depositories.

IV. RECOMMENDATION

The administration recommends that the Board of Trustees approve the attached listing of College depositories and investment brokers.

WILLIAM RAINEY HARPER COLLEGE

RESOLUTION

BE IT RESOLVED, that the following financial institutions and U.S. Treasury Brokers are hereby designated as depositories to which funds of Community College District #512, State of Illinois may be transferred and deposited by the Treasurer of Community College District #512.

ABN AMRO Chicago Corporation  
Bank of America NA  
Bank One  
Fifth Third Bank  
Harris Bank, Palatine  
Illinois School District Liquid Asset Fund Plus  
LaSalle Bank  
Northern Trust  
PMA Financial Network, Inc.  
The Illinois Funds

Dated this 26th day of October, 2004

WILLIAM RAINEY HARPER COLLEGE  
Community College District #512

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Laurie Stone  
Chair  
Board of Trustees

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Richard F. Gillette  
Secretary  
Board of Trustees

**WILLIAM RAINEY HARPER COLLEGE  
DEPOSITORIES**

**Indicating Total Capital Stock and  
Surplus or Net Worth**

<u>DEPOSITORY BANKS</u>	<u>TOTAL</u>
Bank of America NA	\$47,980,000,000
Bank One	\$23,419,000,000
Fifth Third Bank	\$8,525,000,000
Harris Bank, Palatine	\$46,130,000
LaSalle Bank	\$ 9,644,966,000
Northern Trust	\$ 2,999,900,000

**FINANCIAL INVESTMENT SERVICE COMPANIES  
AND U.S. TREASURY BROKERS**

ABN AMRO Chicago Corporation  
Illinois School District Liquid Asset Fund Plus  
PMA Financial Network, Inc.  
The Illinois Funds

**WILLIAM RAINEY HARPER COLLEGE  
SUMMARY COSTS FOR THE 1/1/05 RENEWAL**

<b><u>PROVIDER (MEDICAL)</u></b>	<b><u>2004 Premium</u></b>	<b><u>2005 Premium</u></b>	<b><u>Change</u></b>
<b>HMO ILLINOIS</b>			
Annual Total	\$3,213,540	\$2,802,199	-12.8%
• Number of covered employees = 398			
<b>BLUE CROSS BLUE SHIELD PPO</b>			
Annual Total			
• Number of covered employees = 370	\$4,064,459	\$4,718,845	+16.1%
Total HMO IL and PPO	\$7,277,999	\$7,521,044	
<b>LIFE – HARTFORD</b>			
\$1,000 Payroll	0.24	0.24	
Annual Total	\$ 224,055	\$236,826	
<b>AD&amp;D - HARTFORD</b>			
\$1,000 Payroll	0.020	0.020	
Annual Total	\$ 18,515	\$19,570	
Total Life/AD&D	\$ 242,570	\$256,396	
<b>LONG-TERM DISABILITY - HARTFORD</b>			
Per 1% Payroll/Month	0.22	0.22	
Total Long Term Disability	\$ 100,156	\$105,865	
<hr/>			
<b>ADMINISTRATION FEES - CORESOURCE</b>			
Dental			
Employee/Month = 785	3.25	3.40	
STD			
Employee/Month = 785	1.20	1.25	
Annual Maintenance Fee	\$340	\$340	
Total Administration Fees	\$42,259	\$44,143	
GRAND TOTAL OF PLAN EXPENSES	\$7,662,984	\$7,927,448	
Percent Change			+3.4%

WILLIAM RAINEY HARPER COLLEGE  
BOARD ACTION

I. SUBJECT

Recommendation for the issuance of purchase orders to CoreSource, Hartford Life Insurance Company, Blue Cross Blue Shield of Illinois, and HMO Illinois.

II. REASON FOR CONSIDERATION

Annual insurance renewal. Funds are or will be provided for in the Board approved budgets: FY 2005 and FY 2006.

III. BACKGROUND INFORMATION

At the direction of the College administration, Willis of Illinois, the College broker for employee insurance plans, reviewed the insurance program and the renewal quotes presented from Blue Cross Blue Shield and Coresource. Prices from various vendors were solicited two years ago for the life insurance, AD&D and long-term disability plans. This resulted in a two year rate guarantee from Hartford Life Insurance Company. Hartford Life Insurance has agreed to maintain the current rates for another two years. As a result, Willis has recommended remaining with the current insurance companies for the various plans as identified in the attached report for medical and dental insurance, and short-term disability. Willis has also recommended Harper remain with Blue Cross Blue Shield and HMO Illinois, and Harper will implement the benefit change that has been negotiated into the current contracts.

IV. RECOMMENDATION

It is recommended that the Board of Trustees accept the proposal of Willis of Illinois and the College administration to have Hartford Life provide the College with Term Life, not to exceed \$0.24 per \$1,000 of covered payroll; Accidental Death and Dismemberment, not to exceed \$0.02 per \$1,000 of covered payroll; Long-Term Disability insurance coverage, not to exceed \$0.22 per 1% of payroll per month; and CoreSource to provide claims administration, not to exceed \$3.40 for dental and \$1.25 for Short-Term Disability. Further, it is recommended that Blue Cross Blue Shield of Illinois and HMO Illinois provide the College with medical insurance coverage, not to exceed the proposed amount per level of coverage per covered individual per month.

WILLIAM RAINEY HARPER COLLEGE

BOARD ACTION

I. SUBJECT

Affiliation agreements between clinical agencies and Harper College are used for students in the Health Career Programs. The Affiliation Agreement between Harper College and *Rush University Medical Center* for the Radiologic Technology Program is presented for Board review.

II. REASON FOR CONSIDERATION

An Affiliation Agreement is required between Harper College and affiliating agencies to provide for the clinical education of students in health career programs. In an effort to standardize and streamline the entire process related to developing affiliations with the many agencies in our service area the Harper Board approved a Master Affiliation Agreement in July 2003 to be used with all agencies. However, several affiliating agencies have initiated their own clinical affiliation agreement, *Rush University Medical Center*, whereby they require Board or appointed designee signature.

III. BACKGROUND INFORMATION

The facilities and educational opportunities available at *Rush University Medical Center* are consistent with the clinical objectives of the Harper College Health Career Programs.

IV. RECOMMENDATION

The administration recommends that the Affiliation Agreements between Harper College and *Rush University Medical Center* be approved as submitted and authorize the Dean of Life Science and Human Services to sign all of the above.