

Joint Committee on Administrative Rules
ADMINISTRATIVE CODE

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
SUBTITLE D: RETIREMENT SYSTEMS
CHAPTER II: STATE UNIVERSITIES RETIREMENT SYSTEM
PART 1600 UNIVERSITIES RETIREMENT
SECTION 1600.130 PROCUREMENT

Section 1600.130 Procurement

- a) Introduction. It is the policy of SURS to obtain goods and services in the most economical manner in order to guarantee the efficient utilization of SURS resources. Resources of SURS shall be committed only with proper approval, as detailed in this Section.
- b) Purchase Orders. Employees requesting goods or services that cost more than \$500 and that are not part of a formal written contract shall complete a SURS purchase order form and receive written approval from the person designated by the Executive Director as the Procurement Officer prior to placing the order. Purchases of less than \$500 do not require a purchase order, but must be within the authority of the employee to purchase.
- c) Contract Policy. It is the policy of SURS to standardize the form and content of its contracts with public and private bodies in order to ensure compliance with applicable State law, to ensure fairness to all parties, and to maximize uniformity of language.
 - 1) Standard Addendum. In order to simplify the contracting process, SURS has developed a standard contract addendum that includes certifications considered advisable or required by State law. The standard addendum shall be completed and attached to (or incorporated within) all contracts and purchase orders entered into by SURS, but shall not be required for purchase orders of \$10,000 or less. Any variation from the terms of the standard addendum shall be approved by SURS' General Counsel. The standard addendum may be revised by the General Counsel from time to time.
 - 2) Written Contracts
 - A) Execution Requirements. All expenditures in excess of \$10,000 that are not otherwise covered by any exemption stated in this Section shall require a written contract reviewed and approved by legal counsel to SURS. Contracts in any amount shall be executed by the Executive Director or his or her designee, unless executed by the President of the Board. No goods or services may be acquired, nor work commenced (unless the vendor specifically assumes the risk of

non-payment in the event no contract is entered into), prior to the execution of a contract as provided in this Section. A copy of each contract shall be retained by the Chief Financial Officer.

B) Signature Requirements

- i) Except as provided in subsection (c)(2)(B)(ii), contracts in excess of \$250,000 require the signatures of the Executive Director, the Chief Financial Officer and the General Counsel.
- ii) In addition to the requirements of subsection (c)(2)(B)(i), all contracts with persons who are fiduciaries with respect to any investments of SURS shall also be signed by the President of the Board, or his or her designee, except that the Executive Director's signature is sufficient with respect to investment management agreements or other contracts with Board-approved investment service providers and contract amendments with existing Board-approved investment service providers. The Executive Director shall provide a report of such execution, with a description of any contract or amendment executed, to the Investment Committee of the Board at the next regularly scheduled meeting.

d) Documentation and Bidding – Expenditures in Excess of \$25,000

- 1) Employees shall seek to obtain the best value for SURS. Efforts to obtain the best value for SURS shall be documented where possible and retained by SURS. Expenditures in excess of \$25,000 require bids from at least three different sources, unless otherwise provided in this Section. Sole source procurements, or other procurements with fewer than three bids, for expenditures in excess of \$25,000 shall be justified and documented. If two or more identical bids are received, if an attempt to bribe an employee is made, or other irregularities are discovered by a SURS employee, the General Counsel and the Internal Auditor shall be notified.
- 2) All procurements in excess of \$25,000, unless otherwise provided in this Section, shall be advertised in the official State newspaper, in the Illinois Procurement Bulletin, in SURS procurement bulletins, in appropriate media, or through electronic means such as the Internet. Notice shall be published on at least 3 separate dates with a minimum of 14 days between the first and the last publication date.
- 3) All procurements for goods and services in excess of \$25,000, unless otherwise provided in this Section, shall be awarded by competitive proposals. Each request for proposal shall set forth a description of the items or services being procured, the material contractual terms and conditions, and the criteria for evaluating proposals. Awards made pursuant to competitive selection procedures shall be awarded to the responsible offeror whose proposal is determined to be most advantageous to SURS. SURS may directly negotiate with any offeror as to the terms of a proposal.

Competitive proposals may be used to procure, but are not limited to, professional and artistic services, including legal, medical and related services, investment management and consulting, electronic data processing equipment, software and services, and telecommunications equipment, software and services.

4) The following procurements do not require advertising or the use of competitive proposals:

- A) Individual contracts for goods, services or construction not exceeding \$25,000;
- B) Emergency procurements, such as when there exists a threat to public health or safety, or when immediate expenditure is necessary in order to protect against loss of or damage to SURS property or interests, or to prevent or minimize disruption in SURS services, or when necessary to prepare for anticipated litigation, enforcement actions, or investigations, or to protect the integrity or confidentiality of SURS records. A written determination must be made that an emergency exists; and
- C) Utilities and other sole-source items.

e) Purchasing

- 1) Employees are allowed to make purchases provided that the goods or services are budgeted for, and a purchase order (for purchases in excess of \$500) is completed and has written approval in advance of placing the order, or a formal contract (for purchases in excess of \$10,000) is executed, and the provisions of this Section are complied with. Employees other than those designated by the Executive Director are not allowed to make purchases of office supplies, computer equipment, or software.
- 2) SURS shall not pay Illinois sales tax. Employees must direct the vendor to exclude Illinois sales tax from invoices. Employees should also ask if discounted State rates are available for purchases.
- 3) Invoices should be approved for payment within 30 days after the receipt of the invoice. Approval should not be given for goods and services that do not conform to SURS' requirements. The vendor shall be promptly notified in writing if SURS does not approve an invoice for payment and shall be advised of the reason for the denial. If approval is made after 30 days, a full explanation should be attached to the invoice.
- 4) Advance payment for goods and services is discouraged. If advance payment is required, the employee shall complete a certification as specified in Section 9.05 of the State Finance Act [30 ILCS 105/9.05]. In the event that a voucher is submitted for advance payment, the voucher shall state on its face that the goods or services are being procured pursuant to a formal written contract the terms of which require advance payment. If it is not possible to execute a written contract, the voucher shall so state. The

certification is not required for payment of conference fees, purchase of travel tickets, purchase of periodicals, and required deposits of less than \$500. The certification shall be in the following format:

"I certify that the goods or services specified on this contract or purchase order were for the use of this agency and that the expenditure for those goods or services was authorized and lawfully incurred; that the goods or services meet all the required standards set forth in the purchase order or contract to which this certification relates; and that the amount shown on this voucher is correct and is approved for payment."

Insert following sentence in certification if applicable:

"It is not possible to execute a formal written contract."

Date Signature

(Source: Amended at 32 Ill. Reg. 16515, effective September 25, 2008)