



# Evolving Environment of IT In Procurement

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# Agenda

- Procurement Governance
- New Higher-Ed Rules
- IT Purchasing Mechanisms
- Testing and/or Zero Dollar Agreements
- When a Competitive Solicitation is Needed
- Consortium Contracts
- Contract Processing
- Tips and Best Practices
- Questions

# Governance – Laws, Rules and Policies

- Illinois Procurement Code – 30 ILCS 500/
- Procurement Rules - 44 Ill. Adm. Code Part 4
- OBFS Policies and Procedures Manual  
OBFS Web Page → OBFS Policies & Procedures Manual

OBFS Web Page: [www.obfs.uillinois.edu](http://www.obfs.uillinois.edu)

# Governance – Oversight Agencies

- Executive Ethics Commission (EEC)
  - Chief Procurement Officer (CPO)
  - State Purchasing Officer (SPO)
- Procurement Policy Board (PPB)
  - Statutory right to 30-day review of any bid, proposal, or contract, unless waived
  - Hold public hearings
  - Recommend to void a contract or reject a bid or proposal

# Higher Ed Rule Changes

Effective January 15, 2016

- 4.2025 (c)(2) – Testing Agreements
  - “ . . . A vendor has supplied samples, demonstrated its product, or engaged in a pilot project is not sufficient justification to support a sole source.”
- 4.2020 (d) – Repetitive Need
  - “If there is a repetitive need for small procurements of the same type, . . . The university shall consult with the SPO to consider whether issuing a solicitation for those needs are in the best interest of the state.”

# Higher Ed Rule Changes (Cont.)

Effective January 15, 2016

- 4.2060 (5) – Renewals
  - “Renewals must be fully executed on or before expiration of the current contract term. If the renewal is not exercised prior to expiration of the current contract term, the supplies or services must be procured anew using one of the methods of source selection. . . .”

# IT Purchasing Mechanisms

- P-Card Software Purchases

OBFS Web Page → Forms → P-Card Forms →  
Software Purchased by P-Card Form

- i-Buy contracted vendors

- Banner requisition

- University of Illinois Webstore

# Testing and/or Zero Dollar Agreements

- Testing Agreements
- Will the University have further obligations
  - Will this be purchased in the future?
  - If so, what is the fiscal responsibility to the University?
- Receive Software for no charge
  - Negotiate # of licenses
  - Limitation on how software can be used
  - Will this be purchased in the future?



# Solicitation Thresholds

Type of Supply/Service Being Purchased	Maximum Dollar Value of a Small Purchase
Professional & Artistic Services	\$19,999
Supplies or Services	\$55,800
Construction	\$78,300

# When a Competitive Solicitation is Required

- Department Responsibilities

Complete the UIUC Competitive Request Form

OBFS Web Page → Purchases → Procedures & Rules → RFP Specifications → Competitive Solicitation Request Form

# When a Competitive Solicitation is Required

## ■ Department Responsibilities

### For All Solicitations

- Review specifications
- Create Banner Requisition
- Assist in responding to technical questions from potential vendors

### Invitation for Bids (Bids)

- Participate in evaluation of the lowest-cost bid
- Average Timeline: 5 to 7 months

### Request for Proposals (RFP)

- Draft evaluation matrix
- Develop Evaluation Team
- Evaluate Vendor Proposals
- Participate in Vendor demos/negotiations as necessary
- Average Timeline: 10 to 18 months

# Solicitation Methods

- Sole Source
  - Only Source Available (No Other Source)
    - Maintenance Agreements (License or Warranty Violation)
  - Sole Economically Feasible
    - Buying Direct From Manufacturer
- Request for Information (RFI)
  - Demonstration, Sandbox and/or Testing
    - RFI Is To Aid the University In Researching the Marketplace and To Develop an RFP.
      - Not a Procurement Method
      - Will Not Result In a Contract
      - Will Add Time To Solicitation Process

# Solicitation Methods (Cont.)

- Request for Proposal (RFP)
  - RFI Is a Stepping Stone To RFP
    - From RFI the best elements can be gathered from the information presented to incorporate into the RFP
    - Demonstrations, Testing and Sandbox are Allowed
    - Can Award a Contract
- Invitation for Bid (IFB)
  - Preferred method.
  - Mandatory requirements.
  - Award based on price.

Reminder: The point of contact with the vendor throughout the solicitation process is the Purchasing Office.

## Consortium Contracts (First Step)

- iBuy Catalogs  
OBFS Web Page → Log In To: (drop down) → iBuy
- Strategic Procurement Web Page  
OBFS Web Page → Purchases → Strategic Procurements → Awards
- Procurement Contracts Search  
OBFS Web Page → Purchases → Procurement Contracts Search

# Contract Processing

- Two types of Contracts:
  - University Contract Template, or
  - Vendor Contract Template
- University Contract Templates
  - OBFS Web Page → Purchases → Forms → Contract for Services < \$10K
    - Updated Contract for Services Under \$10k Template (formerly P&A under \$5k)
      - Payment submitted in TEM
      - If no changes, can be executed by Unit Head

# Contract Processing

- Vendor Contracts
  - Purchasing may work with University Counsel or other offices as needed to review/negotiate terms
  - Longer time frame to process
- Required Approvals
  - Unit Head
  - Dean/Director (\$50,000 or More)
  - VP/Chancellor/Vice Chancellor (\$150,000 or More)
  - Chief Legal (\$250,000 or More)
  - University President (\$250,000 or More)
  - Comptroller Signature (Comptroller and designees are the only authorized signers on behalf of the University)



# Contract Processing

- Additional Items Purchasing MUST review
  - Export Controls
  - Intellectual Property
  - HIPPA, FERPA & PIPPA
  - State Certifications
  - Indemnity
  - Governing Law
  - Accessibility



# Tips and Best Practices

- Take advantage of existing contracts whenever possible
- Initiate requisition as soon as possible
- Do not give Vendor approval to proceed until contract is signed and Purchase Order is issued
- Work with vendors that will accept the standard university contract template(s)

# Questions?

