

December 14, 2023

AMEND CHAPTER 7 BOARD RULES

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board Amend Chapter 7 Board rules in response to Public Act 103-0008. These Board Rules were posted for public comment from September 29, 2023 until October 30, 2023.

Sec. 7-1. Purchasing and Contracting for Supplies, Materials, Work and Services

(a) *Generally.* This Chapter sets forth the rules and procedures for purchasing of supplies, materials and work for the Board of Education of the City of Chicago (the "Board"), including all departments, offices and schools. It is derived from the requirements of the Illinois School Code and other applicable statutes and regulations. It sets forth required competitive and non-competitive purchasing procedures and the required forms of contract with vendors, contractors and suppliers.

(b) *Purchasing Limitations.*

with the conduct. Bid Stringing, Bid Rigging and Bid Rotating are prohibited.

(iii) Ineligibility under Section 7-

- (ii) 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;
- (iii) contracts for the printing of finance committee reports and departmental reports;
- (iv) contracts for the printing and engraving of bonds, tax warrants and other evidences of indebtedness;
- (v) contracts for the purchase of perishable foods and perishable beverages;
- (vi) contracts for the purchases of materials and work that have been awarded to the lowest responsible bidder after advertisement, but due to unforeseen revisions, not due to the fault of the contractor for materials and work, must be revised causing expenditures not in excess of 10% of the contract price;
- (vii) contracts for the maintenance or servicing of, or provision of repair parts for, equipment, where such contracts are made with the manufacturer or authorized service agent of that equipment, and the provision of parts, maintenance or servicing can best be performed by the

(Emergency Expenditures) and 7-6 (Single and Sole Source Contracts and Purchases), all Nonbiddable Items with a cost in excess of ~~\$25,000~~ \$35,000 shall be purchased or contracted after a competitive procurement process as follows:

(i) Level One: All purchases of Non-biddable Items between ~~\$25,001~~ \$35,001 and ~~\$250,000~~ \$500,000, per year, shall be awarded pursuant to a procurement process whereby at least three

(3) written price quotations are submitted to and evaluated by the CPO and awarded by the Che t Tc u6Tw 6.6.07

Board's needs;

(ii) Only one (1) contractor, supplier or vendor within the geographic area can meet the unique needs of the Board given nature of the services and/or goods and merchandise;

however, an annual bid bond shall not be accepted on bids for construction work, alterations, repairs to buildings and grounds, and student transportation matters. Such annual bid bond shall in no case be less than \$10,000 and shall cover all bids submitted by such bidder during the period of the bond. All bid bonds shall be signed by a responsible surety company licensed to do business in the State of Illinois.

(b) All bid deposits accompanying a bid solicitation, except that of the successful bidder, shall be refunded or returned after the successful bidder has been determined and a contract has been awarded by the Board. The bid deposit of the successful bidder shall be returned after the full execution of the contract and the tendering of any payment and/or performance bond required under the contract. In case of a failure or refusal on the part of the selected bidder to execute a contract and tender a payment and/or performance bond,

if required, within a reasonable period of time as determined by the CPO, the deposit of the selected bidder so failing or refusing may be forfeited and retained by the Board as liquidated damages and not as a penalty or, when a bid bond has been furnished in lieu of a deposit, the Board may take action on the bond.

(c) A payment and performance bond shall be required for all building construction and building and grounds repair work, and student transportation matters. A payment and performance bond may also be required on any other purchases or contracts when specified by the CPO. When a payment and performance bond is required, it shall be stated in the solicitation of bids and requests for proposals and/or qualifications, and the bonds required shall be in an amount sufficient to ensure the fulfillment of the contract of the successful

leases/licenses with no further approval from the General Counsel when using the form agreement established by the Law Department with no modifications thereto other than to include business

related thereto with a total value of \$250,000 or more of both external funding and internal funding shall be subject to approval as to legal form by the General Counsel. The Chief Financial Officer together with the head of the department receiving the grant have the authority to provide such additional information, assurances and certifications as are necessary in connection with such grant. For all grants, gifts and donations and refunds of the same, the Chief Financial Officer shall report to the Board on a monthly basis all grants, gifts and donations received in excess of \$50,000, all related cost-sharing obligations contained in such grants, gifts or donations in excess of \$50,000, and all refunds of unspent grants, gifts or donations in excess of \$5,000. Expenditure of grant funds are subject to the procurement rules in this Chapter VII.

(e) The CPO has the authority to:

(i) Approve purchases of up to \$500,000 dollars per year, for a period not to exceed three (3) years, not including options to renew, except sole or single source contracts, and to authorize and execute any and all of the purchasing documents enumerated below, subject to approval as to legal form by the General Counsel, when such purchases are made in accordance with the Board Rules set forth in this Chapter VII; provided, however, that the CPO may authorize and execute such purchasing documents with no further approval from the General Counsel when using the form agreement established by the Law Department with no modifications thereto other than to include business terms. If modifications are made to the form agreement, then approval of the General Counsel as to legal form is required.

(1) Sole or single source agreements that do not exceed \$500,000 dollars per year, for a period not to exceed three (3) years, not including options to renew;

(2) All other agreements for Biddable Items and Non-biddable Items that do not exceed \$500,000 dollars per year, for a period not to exceed three (3) years, not including options to renew;

(3) Options to renew agreements for Biddable Items and Non-biddable Items that do not exceed \$500,000 dollars per year during the Renewal Term; and,

(4) Amendments to contracts for Biddable Items and Non-biddable Items initially costing \$500,000 dollars per year, for a period not to exceed three (3) years, not including options to renew and under which amendments do not increase the total obligation to more than \$500,000 dollars per year, for a period not to exceed three (3) years or materially diminish the obligations of the vendor.

(ii) Approve payments and ratify:

(1) Sole and single source agreements for the purchase of Non-biddable Items up to \$500,000 per year;

(2) Agreements for the purchase of Non-biddable Items up to \$500,000 dollars per year, for a period not to exceed three (3) years; ~~and,~~

(3) Agreements for Biddable Items between \$10,001 and ~~\$25,000~~ \$35,000 when such purchases are not made in accordance with the Board Rules set forth in this Chapter VII.; ~~and,~~

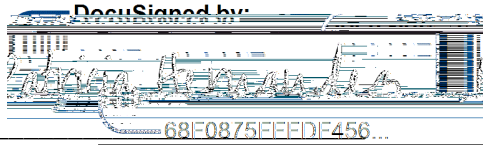
(4) Purchases and/or Agreements for goods and services not adaptable to competitive procurement pursuant to Board Rule 7-1(e).

(iii) Approve the amendments enumerated below to contracts for Biddable Items and Non-biddable Items, subject to approval as to legal form by the General Counsel, when such amendments do not increase

the maximum expenditure amount in excess of the Chief Procurement Officer's authority under Section 7-13(e) of this Chapter or materially diminish the obligations of the vendor.

- (1) Amendments to effectuate a reduction in unit price negotiated by the CPO;
- (2) Amendments to effectuate an assignment and assumption of a Board contract to another corporate entity due to the corporate reorganization of a Board vendor;
- (3) Amendments to effectuate a corporate name change of a Board vendor;
- ~~(4) Amendments to effectuate a contract extension;~~
- ~~(5)-(4)~~ Amendments to effectuate administrative corrections or clarifications; and,
- ~~(6)-(5)~~ Mutually agreed-to extensions of agreements for Biddable Items and Non-biddable Items provided that: (i) only one (1) extension may be exercised upon exhaustion of all renewal options; (i (ene)d8 12.24 0.72 ref

Approved for Consideration:



Patricia Hernandez
Chief Procurement Officer

Approved:



Pedro Martinez
Chief Executive Officer

Approved as to Legal Form:



Ruchi Verma
General Counsel