



**Minutes of a Committee of the Whole Meeting
Oakton Community College Board of Trustees
January 19, 2021**

A Committee of the Whole meeting of the Board of Trustees of Oakton Community College, District 535 was held in a virtual format on January 19, 2021. Dr. Joianne Smith, president of Oakton Community College, was physically present at the Des Plaines campus, 1600 E. Golf Road for the meeting.

Open Session and Roll Call

Chair Stafford called the meeting to order at 3:05 p.m. All trustees attended virtually.

Trustee Toussaint called the roll:

Mr. Stafford	Chair	Present
Mr. Kotowski	Vice Chair	Present
Ms. Toussaint	Secretary	Present
Dr. Bush		Present
Mr. Salzberg		Present
Dr. Yanow		Present
Ms. Burns		Present
Ms. Suarez		Present

Trustee Stafford noted that no formal decisions would be made during the meeting, but two agenda items would be discussed: 1) First look at MOU with the Educational Foundation with a short presentation; and 2) Report and Discussion of Procurement and Purchasing, starting with a presentation by Edwin Chandrasekar, Vice President for Administrative Affairs.

Discussion Related to the MOU with the Educational Foundation

Sue Kubik and David Bass joined the meeting to facilitate discussion on the MOU. They were instrumental in assisting the working group coming to the draft format that is presented. As liaison to the Foundation, Trustee Stafford was involved in a very productive MOU discussion, and indicated the group is supportive of it, and has some questions. President Smith noted that the Educational Foundation reviewed the draft during a retreat on Friday, January 15.

Trustee Kotowski thanked the Board for the invitation to be part of the MOU presentation, and expressed he is satisfied with the work that has been done. He noted there was going to be a presentation of the draft, and if there are any concerns or objections to it, the committee would be happy to address them. Mr. Kotowski indicated the committee would not have any problem going back to the drawing board, and make the necessary changes. The MOU is a written agreement between the College and the Foundation. The main reason for the MOU is to provide transparency on how the College and the Foundation work together. This is a matter of public record, and a document for everybody to see. Many people in the district are not familiar with the Educational Foundation, but they are interested in learning how it works and how its work affects the community. The MOU does not change the relation between the College and the Foundation; the MOU serves to put in writing the parameters of the partnership. The Board of Trustees would not assume any additional rights or responsibilities, and neither would the Foundation. The committee parsed through the draft, and were careful of utilizing the right language.

Members of the Board of Trustees received a hard copy of the MOU draft prior to the meeting. Trustee Kotowski proceeded to present the MOU draft. The first part of the agreement includes who are the parties involved: Oakton Community College and the Educational Foundation. The MOU describes each organization and whom they respond to. This is an agreement between the people of District 535 and the Educational Foundation. MOU states the Foundation's mission to enable student success. The Foundation will operate under its own seal and logotype; two distinct legal entities; the Foundation is a private non-profit 501c3, and will operate separately from the College with a different set of rights and responsibilities. The agreement will be reviewed and amended at least every two years, and the committee wants it to be an organic document to offer the opportunity for everyone to revisit it. The Board Foundation suggested that the College and the Foundation would review and amend the agreement *if needed*.

The next part of the document sets the responsibilities of the College; the Board will be responsible for overseeing the mission, leadership and operations of the College. The Board retains ultimate control and authority over the broader aspects of the school. The Board will be responsible for determining the strategic priorities of the College. The Foundation will not have a governance role, but will provide input. The President is mentioned several times in the document, and is a signatory. The President will be involved with the Foundation on a daily basis, and the document states the President is an ex-officio member of the Foundation.

The next section lists the Foundation's responsibilities as separately incorporated 501c3 non-profit organization. The Foundation has its own sets of rules, committee and by-laws; however, when the Foundation changes its by-laws, they have to inform the President of the College. There are a lot of provisions in the agreement that foster communication and transparency between the two organizations. A very important item in the document serves to manage potential conflicts of interest. It ensures that Foundation assets do not directly or indirectly unduly benefit an individual. The Foundation is required to have an annual independent audit by an accounting firm to ensure transparency. The Foundation will respond in a timely manner to all requests for financial data and records. The Foundation will be responsible for planning and executing comprehensive fundraising in support of the strategic priorities identified by the President, and the College Board of Trustees. There is a provision on donor intent, and what donors want to be done with the funds (restrictions). The Foundation will not accept grants from state or federal agencies because it is not a governing body with the power of an elected official.

Section on finances and administration defines funding, book keeping, how funds are utilized, etc. For several years, there was a "boiler plate" kind of agreement, and other colleges have agreements with their own Foundations based on this standard MOU. The committee took the standard and tailored to unique circumstances of Oakton and the Educational Foundation.

The next section is about collaboration and responsibilities. While the Board of Trustees is responsible for charging the President with the development of strategic plans for the College, the College will actively engage the Foundation Board and Executive Director in this planning process with clear and transparent communication and collaboration. The President, the College administrators, and faculty will play an active role in the development of gift proposals and solicitations. The Board of Trustees and the Foundation will conduct at least one joint meeting annually.

The last part of the document refers to conflict resolution (which in most legal documents refers to termination). The committee worked to avoid adversarial language in the way the parties act if there is a dispute. The section is provided in case something goes wrong, and the provisions are helpful including non-binding mediation with a third party neutral. The last paragraph indicates that if the Foundation ceases to exist, all assets will be transferred to the College. The Chair of the Board of Trustees will sign the agreement once it is approved by the Board. Other signatories include the President of the College, the President of the Board of Directors of the Foundation, and the Executive Director of the Foundation.

Trustee Stafford thanked Trustee Kotowski, and Sue Kubik and David Bass for all the work and input to put the document together. Both Boards have representatives with good lawyers that helped lead the discussion between the organizations; the Board had Mr. Kotowski, and the Foundation had Julie Fenton. Mr. Stafford reiterated

what Mr. Kotowski said regarding the adjustments to the “boiler plate” agreement. Trustee Stafford opened the floor for discussion and questions.

Trustee Bush thanked Trustee Kotowski for his representation, and for bringing the document to light. She asked why the Foundation’s mission and vision are written in quotations. Trustee Kotowski indicated he did not have an answer, and deferred to Mr. Bass. Trustee Bush also asked if this document really represents “50% boiler plate and 50% Oakton” language. Mr. Kotowski responded that it does, and Trustee Bush asked if we need an attribution to the organization that created the standard document, and add it to the end of the document. Mr. Bass explained that the Association of Governing Boards developed the illustrative MOU, and it has been extensively revised with input from leaders of college and university boards, as well as foundation boards. The intention was for institutions to look at the model, and adapt it to their needs, and mirror sections that were applicable. Mr. Bass also indicated that he can provide the reference to be incorporated somewhere in the MOU; it may be worth noting in the preamble that the document was jointly developed by both boards with input from models developed by the Association of Governing Boards. Trustee Kotowski mentioned that the illustrative model has language to the effect of while the Foundation and the Board presidents will share information on a need to know basis; this language was adjusted accordingly. President Smith clarified that the mission and vision are in quotations because it is verbatim from a Foundation document. Trustee Bush noted that if quotation is used, a reference should be provided at the end of the document. Katherine Sawyer indicated that the quotes were meant to reflect that it is the verbatim mission and vision of the Foundation, but she agrees it does not need to be in quotes. The quotes will be taken out.

Trustee Burns thanked Trustee Kotowski for the MOU work. She indicated that there are many statements that are broadly stated. To provide an example, Trustee Burns asked how one would access money given through the Foundation? She believes some of the information is very vague. Ms. Kubik indicated that the MOU does not provide the same information that Foundation procedures and policies do. One of the challenges in an MOU is that it has to be reflective of the relationship, but not so detailed that it is over burdensome. The discussion that the team had with the Foundation Board regarding the creation of the MOU was that it does not substitute for some of the policies and procedures that need to follow it. There are policies and procedures where collaborative work between the trustees and the Foundation should occur. Ms. Kubik thinks the document should be in written form, but she does not believe it exists yet. The key question is what other policies and procedures need to complement this MOU. Mr. Bass added that the MOU specifically references this in the finance and administration section: the Foundation will transfer funds to the College in compliance with donor intent, so those are documented donor records, applicable laws, and in College and Foundation policies. One of the real purposes of this sort of MOU is to establish a high level of consensus about how the relationship will work, and also to then indicate what policies and processes should be in place (i.e. policies on disbursement of funds). The College and the Foundation should work to develop these processes in order to ensure that the MOU is executable.

Ms. Kubik and Katherine Sawyer had another discussion about material that is needed by the Foundation that references some of the detail of the document. Katherine added that in the College end report there is a section that serves as the end of year Foundation report as well; this holistic reporting has been done for the past 3 years. Details of the funds that are raised, expended, and the purpose of the expenditures are provided annually in the report. The Foundation also sends every donor who has a named fund their own expenditures report so they know what the accounting was for their particular scholarship or investment with the Foundation that is intended to benefit the College or its students. The Foundation has a set of gift policies, and the Board of Trustees has a separate set of gift policies. It will be valuable to look at those policies together and make sure that they appropriately complement one another.

Trustee Stafford noted that he has been on the Board for 13 years, and in his opinion, the Board has not had a well-established and active relationship with the Foundation. This MOU is the start of an active relationship because it is an important part of strategic planning. There will be discussions about the Foundation’s role, in not only raising monies, but also what those monies are for. Historically, the Foundation has provided important scholarships to students, but there were also emergency programs. There are different initiatives in the future that

we are not aware of now, but the Board can use assistance in raising money and support. Trustee Stafford thinks that conversation needs to be more animated, and the Foundation is key. The College needs to support students from special groups (e.g. immigrants, people in the low end of the economic spectrum).

Trustee Salzberg and Trustee Yanow expressed their gratitude for Trustee Kotowski's work on the MOU.

President Smith added that this process not only formalized what was currently in existence, but it takes the relationship between the College and the Foundation to the next level, so the Foundation can truly support the strategic priorities of the College. This allows both entities to work in alignment to support key initiatives.

Trustee Stafford asked President Smith to provide a timeline: the next step will be to incorporate feedback from the Board, and the comments that came from Foundation Board. The plan is to bring the document back to the Board of Trustees in March for approval.

Trustee Stafford expressed his gratitude to Ms. Kubik and Mr. Bass, and the Board.

Report and Discussion: Procurement and Purchasing

President Smith indicated the report is presented in response to the Board's request to learn more about Oakton's process for purchasing and procurement, and questions related to the amount of money that is spent with in-district vendors. Trustee Bush asked if the report was sent to them in advance, and President Smith noted the presentation slides were not included in the packet that was sent to the Board on January 15, but it will be sent after the meeting.

Edwin Chandrasekar confirmed that there was a request from the Board to understand the process for procurement, how much business is done locally, and with the intention to develop a strategy that will strengthen the College's cooperative relationship with local businesses.

Presentation included general information about purchasing and procurement at Oakton, and shared some of the challenges the College has had as a result of the COVID-19 pandemic, and how it has been addressed by the procurement department. The presentation also involved some metrics in terms of what the departments does, supplier diversity, regulations and policies that govern the purchasing process, and an in-district analysis of future activities.

One of the main organization challenges is how to bill organizations that change quickly. The procurement department made the deliberate decision to make a distinction between purchasing and procurement. Historically, the practice at Oakton was to have purchasing department to process requisitions that go through an approval process depending on the amount of the purchase. Following the approval, a purchase ordered was generated and sent to the supplier to have the goods delivered. Then we make a payment (3-way match). Over time there has been a shift from a process that is tactical, to one that is more proactive and progressive. The procurement department identifies needs, initiating the procurement project, vendor selection, contracting, and purchase. Contracts are managed over their duration. Mr. Chandrasekar provided an example with the cafeteria renovation process: program design committee was comprised of faculty, staff and administrators who came together to discuss programming elements for the cafeteria. The College then worked with architects to develop the specifications that include the different areas that were highlighted in the the renovations. The next step is to select the appropriate/desired procurement method. Because this was a construction project, it was subject to competitive bidding. Solicitation documents are developed with specifications about what the College is looking to do; the elements, available alternates, and design drawings are put together, and the information is shared through the competitive bidding process. The College then gets offers back, and goes through a number of different steps (pre-bid meeting, respond to questions from bidders, etc.) Once the submission deadline has passed, and the bids are submitted, the College looks at the different bids and pricing, and evaluates offers to present to the Board for approval. When the contract is awarded, the project starts moving forward. Project is managed with the contractor to accommodate changes that are identified. This is a strategic sourcing process.

Through COVID-19, the College has faced different challenges and business disruptions. Some of the challenges that vendors face are related to the remote work environment for both employees and students. For example, there were not enough hotspots available because the vendors could not manufacture enough devices to keep up with the demand. Many IT companies converted tablets into hotspots to meet with the demand. Financials were also impacted when suppliers did not have enough working capital, and went out of business, which affected bids for projects when a product was no longer available. The College was flexible with alternatives as long as they met specifications. The College has also had to deal with shifting market dynamics: pricing changes that resulted from supply and demand (e.g. masks, sanitizer, cleaning products that were low-supply and cost-prohibitive). Moving to a remote environment has made the procurement processes less effective because as a government institution, the College has to follow certain types of statutes. Even though employees are encouraged to work remotely, competitive bids are required to be submitted physically on campus, and personnel needs to come in to collect it. Shortages created by volatile demand, especially with construction raw materials, caused the Capital Development Board to place a 15% COVID surcharge on some projects.

Before 2018, procurement was under business services along with auxiliary services (bookstore, mail room, food service, and copy center – revenue generating). Procurement is more transactional and regulated; and the skills needed are different. Procurement was moved under the finance area, and has three staff: Melissa Kitzmiller, purchasing manager, and two purchasing assistants (Sharon Anderson and Kristin Wirth).

Mr. Chandrasekar provided metrics of the process of requisition purchase orders, credit cards orders, RFPs and agenda items. Requisitions and purchase orders are a significant part of what the procurement department does (close to 2,000 transactions per year). Bids and RFPs are the competitive pieces over \$25,000 that go for Board approval. These transactions are time-consuming because of the multiple stakeholders. Once a vendor is selected, the agenda item is presented to the Board for approval. For the most part, despite COVID, the volume of transactions is significant.

In terms of relevant procurement laws and policies, the College follows the Community College Act (110 ILCS 805/3-27) that specifies what the College needs to do in terms of the bidding process, and what is exempt from this process. For items that are not specified in the Community College Act, the College follows the Illinois Procurement Code (30 ILCS 500/1-1). College Board policies specify that any purchase in excess of \$25,000 has to be approved by the Board of Trustees. Exemptions are purchases that are exempt from the bidding process under statute; there are 15 in total, and the most common are: professional specialized services, consulting services, technology equipment or applications, duplicating machines, sole-source items, emergency expenditures, and consortium purchases (when a government body has already selected a vendor for a particular product).

Mr. Chandrasekar shared information about purchases made within the last 3 years (2017-2020). The College has spent \$70 million worth of purchases. 75% has been spent inside the state of Illinois (\$51.8 million). Purchases over \$1 million comprise 41% of total purchases, and are all in-state. Purchases over \$500,000 under \$1 million comprise about 50% of total purchases. Almost all purchases are conducted with businesses in Illinois, and regulated by statutes; they go through competitive bidding process, or are subject to the Local Government Professional Services Act. Mr. Chandrasekar thinks the College may have some opportunity to look at how it does business with vendors in-state and in-district: \$1.6 million for purchases under \$25,000 were made with business out of state. For purchases of less than \$10,000, \$1.6 million was also spent with vendors out of state. There may be an opportunity for the College to more actively source for vendors that could provide those products or services either in-state or in-district. In terms of what makes up \$28.9 million (purchases over \$1 million), for the most part, almost all are competitive bids or RFPs (utilities or subject to the LGPS Act) are in-state with exception of two (insurance that goes through a consortium, and software – Ellucian platform).

In comparison to the \$35 million in purchases for goods and services, \$3.5 million are in-district. 10 vendors make up about 60% of the in-district purchases (mostly related to construction), and some of them are partnerships with hospitals and/or schools for programming. There are considerations to increase business done with in-district partners: BEP program (state Business Enterprise Program) which is focused on aspirational goals

to have 20% of business done with minority, women-owned, and disadvantaged businesses. When Oakton engages with vendors, they are required to specify whether they are part of the BEP program (through a certification process). Mr. Chandrasekar thinks that one of the opportunities is for the College to look at working with the state's BEP program (which is administered under CMS – Central Management Services), to see whether or not they may partner with Oakton to conduct a webinar on how businesses could actually apply and register to be a BEP enterprise. Programs that are funded through federal grants prohibit the use of geographic location in selection of vendors, so in-district cannot be used as a criteria; the most optimal option would be the most economically procurable (lowest cost). The Board purchasing policy was updated in 2018, and Trustee Kotowski helped review this update to include language to make sure that the college was intentional in its inclusion of sustainability guidelines wherever possible in its purchase of goods and services. These guidelines have been incorporated as part of the procurement process.

Mr. Chandrasekar added that one of the things the College is considering, and can perhaps actively engage with local businesses is a vendor fair which would be an opportunity to engage with businesses for them to learn what the College purchases. Currently, business that want to work with Oakton can complete a vendor form to be added to a database. Oakton also regularly goes to the CMS website to update information and check new businesses or new companies to consider as part of the RFP and bidding process. Mr. Chandrasekar noted that the College should get smaller businesses familiar with the CMS registration process for BEP.

After the presentation, Mr. Chandrasekar opened the floor for discussion.

Trustee Kotowski thanked Mr. Chandrasekar for the presentation, and indicated he would be in support of hosting a local business/vendor fair. He noted that now more than ever, we are in position where we can help local small businesses that are facing difficulties due to the COVID pandemic. Whatever we can do to support them within the parameters of reason. Trustee Stafford reiterated his thanks to Mr. Chandrasekar, and agreed the vendor fair is a great idea. He referred to a 2014 vendor fair organized by the high school district, the school district, the City of Evanston, Northwestern University, and Evanston Hospital.

President Smith indicated that it is hard to navigate the state system; Oakton could serve the community by helping minority, women-owned and disadvantaged businesses to navigate the registration process to be certified, and be able to do business with the College, and other state agencies.

Trustee Yanow asked where the 20% number comes from in developing contracts through BEP. Do we have an equity lens through which we make decisions about contracts/vendors? President Smith indicated that the 20% is a state requirement. Mr. Chandrasekar added that the BEP program committee's aspirational goal is to have up to 20% of business done with minorities or women-owned companies. Trustee Yanow asked if there is an equity agenda in terms of purchasing. Mr. Chandrasekar responded that Oakton is required as part of the BEP program to submit information to the state. Some of the large purchases have to go through the low bid process, and no other parameters can be added, but the College tries to utilize the equity and sustainability lens when possible.

Trustee Bush expressed her difficulty to process information without the document provided in advance. She referred to the slide on vendor profiles, and indicated that she would like to see a column for in-district vendors to complement information provided in another slide. Mr. Chandrasekar asked if she is requesting the \$70 million expenditures to be broken out in columns (out of state, in-state, in-state but not in district, in-district). Trustee Bush noted that what the Board requested was information specific to the in-district vs. out of district purchases/procurement. Trustee Bush also asked if the data presented is for transactions before the COVID pandemic. Mr. Chandrasekar said that data includes pandemic numbers (calendar year), and Trustee Bush indicated that she would like to back up the data to go completely pre-pandemic (2017-2019). President Smith noted that data is gathered from a database that would require us to go through zip codes, and she is not sure how soon they can procure information for this specific request.

Trustee Bush also asked about the exemptions from bidding. How deep do the exemptions go? Mr. Chandrasekar noted that data processing equipment, software and telecom services do not need to be bid. Software is usually

sole-sourced, or if there are multiple vendors within the state, they are assigned to geographic location. For duplicating machines and supplies, the language refers specifically to copy machines, and the supplies refer to specific equipment, not paper. Trustee Stafford added that even though some areas are not legally bid, in almost every case, there is going to be a competitive pricing. There are some complexities relative to that. Trustee Bush added that there may be ways to simplify by creating opportunities in district. Trustee Stafford indicated there is the opportunity to get a list of in-district and out of district vendors.

Trustee Burns thanked Trustee Bush for her comments, and indicated that this is not an issue of whether the College is doing a good job in procurement, but about Oakton doing business in district 535. She knows there are companies that provide certain services widely in-district, but business goes to out of district or out of state companies, which she finds troubling. She wants to understand what is Oakton's relationship with businesses in 535, and know what are the businesses in 535. How many in-district businesses benefit from big bids? Are we courting in-district businesses?

Trustee Burns also asked if we are meeting the 20% for minorities and women-owned businesses in-district. Mr. Chandrasekar indicated the 20% is an aspirational goal set by BEP, and the state has never met it, but we can move forward to reach it. He suggested the College could consider having a similar aspirational goal to do business in-district to be intentional in terms of how it works with local vendors. Trustee Burns would like to have a discussion on this issue. There are many businesses in the district owned by people of color, and she is concerned about Oakton not meeting the goal. Mr. Chandrasekar said that in order to be counted as part of the BEP program, businesses need to be registered with the state. The state has its own registration and certification process. Small businesses have limited resources to apply, and the forms are fairly complicated, so they choose not to participate. Mr. Chandrasekar suggested to think about working with CMS and the BEP program to conduct outreach and training that would help these small businesses understand what they need to gather information and prepare for the certification process. President Smith added that it is possible Oakton is already doing business with minority and women-owned companies, but they are not registered as part of the BEP program, and are not being counted in the 20%. One of the things the College could do is helping these businesses get registered.

Trustee Burns requested vendor location to be included in purchase approval information when the Board book is provided. President Smith indicated that purchase approval agenda items always contain the city and state of the vendor.

Trustee Salzberg thanked Mr. Chandrasekar for the presentation. He supports Trustee Burns's suggestion to court in-district business for business selection. This would be an opportunity for employees of those companies to know and attend Oakton.

Trustee Stafford asked that the administration comes back with the data that Trustee Bush articulated. He suggested that the Board discusses this again in March during a Committee of the Whole meeting. He understand gathering information is time-consuming. Trustee Burns also wants more information on the 20% goal for in-district minority and women-owned business to have a discussion during the March meeting.

Trustee Yanow thanked President Smith for her explanation about minority and women-owned businesses that Oakton may utilize but are not registered with the state to be part of the BEP program. It is necessary to discuss the process of helping in-district minority-owned businesses complete the registration and certification process as part. President Smith agreed it is a good service that can be provided to local businesses.

Adjournment

At 4:42 p.m., Trustee Stafford asked for a motion to adjourn the meeting. Trustee Salzburg made the motion, which was seconded by Trustee Kotowski.

Trustee Toussaint called the roll:

Dr. Bush	Aye
Dr. Yanow	Aye
Mr. Stafford	Aye
Mr. Kotowski	Aye
Ms. Burns	Aye
Ms. Toussaint	Aye
Ms. Suarez	Aye

The motion carried.

Marie Lynn Toussaint, Board Secretary

William Stafford, Chair

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A video recording of the meeting was made and may be viewed by calling the Media Services office at (847) 635-1998.