2019 Status Report Of The Chicago Procurement Reform Task Force – June 2020

EXECUTIVE SUMMARY

The Procurement Reform Task Force (PRTF) was announced in May 2015 and tasked with developing recommendations to make procurement and contract management at the City and its Sister Agencies more uniform, efficient and cost-effective, while increasing accountability. Co-chaired by City of Chicago Chief Procurement Officer and Inspector General, its goal was to distinguish successful practices, identify areas for improvement and promote a greater level of uniformity across City government and each participating Sister Agency. Participating Sister Agencies include the City of Chicago Department of Procurement Services (DPS), City Colleges of Chicago (CCC), Chicago Housing Authority (CHA), Chicago Park District (CPD), Chicago Public Schools (CPS), Chicago Transit Authority (CTA), and the Public Building Commission (PBC). A report, issued on November 17, 2015, detailed findings and issued 31 recommendations intended to further current efforts to ensure that the policies and practices of the City and Sister Agencies support competition, efficiency, transparency, integrity, and uniformity in procurement.

On January 13, 2016, an ordinance was passed authorizing an intergovernmental agreement for all Participating Members to work cooperatively to implement recommendations identified in the November 2015 report. Additionally, an Information Technology Coordination Committee (ITCC) comprised of Participating Member Chief Information Officers was established to address necessary improvements in technology and procurement systems. The IGA stipulated that the PRTF will deliver a quarterly status report to the Mayor, an annual progress report to the City Council and participate in a public hearing of City Council to discuss the Annual Report. In addition, the City's Office of the Inspector General (OIG) is to make an annual independent evaluation of progress.

To date, the PRTF has issued nine quarterly reports and four Annual Reports of Progress including this report. The CPO, CIO and IG have testified in three public City Council hearings. Most recently, the public hearing was held on October 7, 2019 as a joint committee hearing (Ethics & Audit and Contracting Oversight & Equity). There have been three independent annual progress reports from the OIG. The PRTF issued the latest Annual Report on March 6, 2019, determining that 23 of the 31 recommendations had been completed to date. The OIG's 3rd Annual Progress Report on the PRTF was issued on June 4, 2019 and recognized that "substantial progress has been and continues to be made" but acknowledged inconsistencies in application across agencies.

In preparing their report, the OIG solicited the assistance of the IGs of the Participating Members to assess whether recommendations that had been reported as completed were implemented within each agency. After compiling the assessments, the OIG determined that the Participating Members fully implemented 13 of the recommendations and partially implemented 9 others, and that the remaining 9 recommendations, which were designated as completed, had not yet been consistently operationalized.

This 2019 Annual Report is structured to align with the OIG's assessment of recommendation status from their 3rd Annual Progress Report. The first portion of the report will provide status updates for the Recommendations that were assessed as "Partially Completed" by the OIG, which for clarity purposes will be designated as "Outstanding" recommendations. The remainder of this report will provide background on the recommendations that were designated "Completed but not Fully Operationalized" and "Completed." Specifically, for the "Completed but not Fully Operationalized" section, the narrative will detail the findings of the OIG and individual agency IGs, as well as agency responses in relation to the status of operationalizing the recommendations.

Since its inception, the PRTF has steadily progressed through delivery on the recommendations and the analysis of the many factors essential to fully addressing each one. This process has included assistance from several internal and external stakeholders, which has proven indispensable to ensuring the path forward reflects the objective behind each recommendation. This review and work along with variations in the starting point amongst the Participating Members have required delivery date adjustments. However, the Members remain committed to delivering these very important recommendations.

The Department of Procurement Services, the Bureau of Information Technology within the Department of Assets, Information and Services (AIS), and the procurement and information technology divisions of the Participating Members have contributed to the advancement of this report. To view all of the PRTF reports released to date, visit www.cityofchicago.org/prtf.

I. RECOMMENDATION STATUS UPDATES

The PRTF recommendations, developed in collaboration with the OIG, were intended to further current efforts to ensure that the policies and practices of the City and Sister agencies support competition, efficiency, transparency, integrity, and uniformity in procurement. They outline actions to streamline operations, reduce redundancies, and enhance resource management across the City and its Sister Agencies.

The tables below reflect the status of the implementation of the PRTF's 31 Recommendations. They are reflective of the status reported by PRTF Members as well as the OIG assessment of implementation in their 3rd Annual Report of Progress. The recommendations have been categorized into: Outstanding Recommendations, Completed but Not Fully Operationalized and Completed to mirror the OIG's report.

OUTSTANDING

Rec. No.	Description	PRTF 2018 Annual Report	OIG Third Annual Progress Report	PRTF 2Q 2019 Report	PRTF 3Q 2019 Report	PRTF 2019 Annual Report
4	Contract Standardization	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
7	Shared Website	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
9	Due diligence on vendors before contract award	Completed	Outstanding	Outstanding	Outstanding	Outstanding
17	Common Economic Disclosure Statement system	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
18	Process for use of joint pre-qualified vendor pools	Outstanding	Outstanding	Completed	Completed	Completed
19	Best practices for routine audits	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
20	Comprehensive procurement manual	Outstanding	Outstanding	Outstanding	Completed	Completed
28	Universal procurement system	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
31	Center-led procurement	Outstanding	Outstanding	Completed	Completed	Completed

COMPLETED BUT NOT FULLY OPERATIONALIZED

Rec. No.	Description	PRTF 2018 Annual Report	OIG Third Annual Progress Report	PRTF 2019 Annual Report
3	Non-Competitive Procurement Policy	Completed	Inconsistent Implementation	Completed Implementation
6	Post all contracts, vendors and subcontractors online	Completed	Inconsistent Implementation	CPS complete CTA in progress CCC under review
8	Minimum disclosure requirements for subcontractors	Completed	Inconsistent Implementation	Completed Implementation
10	Uniform rules governing resolicitation of contracts	Completed	Inconsistent Implementation	CPS complete CCC under review
12	Uniform criteria for Good Faith Efforts	Completed	Inconsistent Implementation	Completed Implementation
16	Uniform standards for small purchase, emergency, sole source	Completed	Inconsistent Implementation	Completed Implementation
23	Uniform contract close-out procedures	Completed	Inconsistent Implementation	Completed Implementation
24	Standard compliance guidelines for on-site review personnel	Completed	Inconsistent Implementation	Completed Implementation
26	Reciprocal debarment	Completed	Inconsistent Implementation	CCC under review

COMPLETED

Rec. No.	Description	PRTF 2018 Annual Report	OIG Third Annual Progress Report	PRTF 2019 Annual Report
1	Create CPO Committee	Completed	Completed	Completed
2	Ongoing PRTF Administration	Completed	Completed	Completed
5	IT System Inventory	Completed	Completed	Completed
11	Evaluate the consistency of MBE/WBE/DBE certifications	Completed	Completed	Completed
13	Written publicly posted process	Completed	Completed	Completed
14	Eliminate the newspaper notice requirement	Completed	Completed	Completed
15	Process for information sharing about professional development and recruitment	Completed	Completed	Completed
21	Shared training	Completed	Completed	Completed
22	Universal vendor outreach	Completed	Completed	Completed
25	Information-sharing of poor performance, noncompliance or wrongdoing of vendors	Completed	Completed	Completed
27	Uniform practices for local preferences	Completed	Completed	Completed
29	Joint compliance functions	Completed	Completed	Completed
30	Risk Shifting Provisions	Completed	Completed	Completed

II. OUTSTANDING RECOMMENDATIONS

Recommendation #4	Hire or secure pro bono services from a law firm to: (a) Identify contract provisions that could be subject to standardization across Participating Members' templates, and draft uniform contract templates incorporating the required terms of the Participating Members, including contract duration and number of renewals and (b) Where appropriate, standardize solicitation documents issued by Participating Members and the documents required in response.	Lead Agency: City

✓ Recommendation Partially Completed.

Contract Standardization: Phase One

There has been substantial activity conducted in support of this recommendation. All Participating Members have provided contract templates to facilitate provision analysis. The contract provisions have been reviewed by two pro bono partners, as well as one outside counsel law firm retained by the City. Outside counsel has proposed some possible standardized template language and formats. However, any theoretical efficiency gains realized through the standardization across agencies would result in awkwardly organized templates at the individual agency level. For example, extracting a single provision across agencies, standardizing it, and then reinserting it into the boilerplate, or setting it apart from the context from which it originated, would make the document less user-friendly as a whole.

Phase Two

The Participating Members will be assessing the feasibility that the organization of contract template sections could be a potential way to achieve a level of uniformity that does not reduce operational efficiencies or impact the desired legal effect of contract documents or provisions.

The City engaged the assistance of outside counsel to establish a framework for analysis of this methodology. The City provided its own executed contracts as well as those of three additional Participating Members (CPD, CPS and CTA). The contract categories included: Commodities, Construction, Professional Services and Small Purchases/Orders.

This initial analysis included dividing contracts/bid documents into major components and in turn subdividing those into major subcomponents. This section standardization would be first proposed for all bid contracts, whether Commodities, Construction or Work Services, followed by a review of Professional Services contracts/bid documents.

2019 Annual Report Update:

The City reviewed the achievability of the framework recommended by outside counsel in relation to the contract format that is required within the City's eProcurement System, and developed a proposed framework for competitively bid contracts, which was shared with the Participating Members. The City has reviewed feedback and anticipates finalizing a recommended framework for the organization of competitively bid contracts for implementation by Participating Members. The following Participating Members have indicated concurrence on the recommended framework: DPS, CHA, CPD, CPS, CTA and PBC. The framework is still under review with CCC.

Recommendation #7	Create an easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other procurement-related information such as the buying plan, notices of award, and prequalified pools; a list of all debarred vendors; and all current contract and vendor databases.	Lead Agency: ITCC

✓ Recommendation Partially Completed.

The ITCC has representatives (both subject matter and technical) from each Participating Member to participate in the subcommittee referenced under Recommendation #5 to complete this recommendation. To date, Subcontractor data transmission and new uniform web portal development efforts are continuing. Based on requirements provided by the ITCC members, new website functionality has been developed and deployed to provide access to additional bid opportunity/solicitation related information.

In the interim, the CPO Committee will continue to maintain the PRTF page on the City of Chicago website that contains a single location for links to all City of Chicago and Sister Agency's procurement information. The information is contained on the PRTF website (www.chicago.gov/prtf), pending finalization of the single location site's (www.chicagoprocurement.info) development and implementation.

2019 Annual Report Update:

The remaining consolidated website development efforts are currently underway and targeted for completion by end of 3Q2020. This will complete the ITCC's recommendation #7 in full.

Recommendation #9	Establish minimum standards for conducting due diligence of vendors before entering into a contract.	Lead Agency: City

✓ Process created: 3Q 2016. Implementation ongoing.

All Participating Members' Economic Disclosure Statements (EDS) were compared to assess where they differed. It was determined that the only differences in self-certification requirements – whether in a Participating Member's EDS, Ethics Code, or contract language – are based on the differing statutory requirements governing each Participating Member.

The CPO Committee recommended that all Participating Members perform the following proposed minimum due diligence of vendors before entering into a contract:

- Check federal, state, City, and Sister Agencies' no-contracting or debarment lists;
- Check if vendor is registered and in good standing with the Illinois Secretary of State;
- Check whether the vendor owes a debt to the City; and
- Perform a search engine background check.

2019 Annual Report Update:

Due to organizational and process changes, DPS is engaging with key stakeholders to develop a process for debt checks that is operationally sustainable and scalable to the Participating Members. However, recognizing the technological and operational impacts of establishing access to debt check systems across agencies, members of the CPO committee raised the option of requiring vendors/bidders to affirm to their debt-free status on disclosure statements that are submitted to each individual agency. The following agencies already include this component in their disclosure process or have agreed to implement it: DPS, CHA, CPD, CPS, CTA and PBC. This process remains under review with CCC.

Recommendation #17	Develop a common electronic Economic Disclosure Statement system that: allows for the submission of uniform information for all Participating Members' vendors and subcontractors; integrates disclosures and certifications into Participating Members' procurement databases; automates conflict checks and due diligence; and can be updated in real time.	Lead Agency: ITCC

✓ Recommendation Ongoing: Process created.

The City took the lead to develop a design for a common Economic Disclosure Statement system that would support all agencies. The project to move to this new system is multiphased--the first phase, upgrading the underlying document management system to the latest version, was completed in Q2 2017.

Funding was also identified to move forward with updating this application to a modern application platform, which can support a common EDS. In 2018, the project was put on hold during the planning and requirements phase pending the completion of a related procurement process. The procurement process is targeted to be completed in Q3 2019. The project will resume in Q3 2019, and the target completion date was changed from Q1 2020 to Q3 2020.

Development work has resumed for the Online Economic Disclosure System following the completion of the related procurement process.

Target Completion Date for Recommendation is: Q3 2020.

Recommendation #18	Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members.	Lead Agency: City

✓ Recommendation Completed: 2Q2019.

The recommended process for future vendor pool solicitations is for Participating Members to circulate a listing of an expiring vendor pool amongst each other well in advance of the solicitation of the pool, ideally no less than six months in advance of advertisement. This will allow a sufficient amount of time for the entities to discuss collaboration on the solicitation in terms of individual agency requirements.

A file sharing location has been created in the PRTF SharePoint site wherein the Participating Members can provide a listing of expiring contracts for each other's reference. This data should inform decisions about potential future solicitations and opportunities for joint procurement of vendor pools.

As previously reported, the Participating Members will continue to utilize the City's Reference Contract Policy under the Municipal Code of Chicago (MCC) 2-92-649. Under the MCC, a Reference Contract is entered into by a vendor for goods or services with a federal, state or local entity other than the City, or a group or consortium of the same, as a result of a public procurement process followed by such governmental entity or entities. The City's Reference Policy is available on the City's website and has been circulated for Sister Agency reference.

Recommendation #19	Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.	Lead Agency: City

✓ Recommendation Partially Completed.

The City, in conjunction with the Mayor's Office and the Sister Agencies, will be engaging a third party to provide services for Compliance Audits. This is a result of recognizing the need for efficiency and consistency among the City and Sister Agencies.

The City's task order's goal is to collect, review, analyze and report separately and cumulatively on Minority, Women and Disadvantaged Business Enterprise utilization, Equal Employment Opportunity (EEO), Chicago Residency, and Local Hiring participation on Participating Member contracts.

In addition to the task order for compliance audits, the City will be leading an initiative to assess the feasibility and determine processes for tracking and reporting on participation at the User Department level. These findings can provide a baseline for modeling by the Sister Agencies.

2019 Annual Report Update:

The Task Order for the initiative to assess the feasibility and determine processes for tracking and reporting on participation at the User Department level is being finalized and work will commence in 3Q2020.

Recommendation #20	Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public.	Lead Agency: CCC

✓ Recommendation Completed: 3Q2019.

The PRTF found that the comprehensiveness and specificity of the Participating Members' procurement policies varies significantly.

The key steps in this recommendation process include the review and comparisons of the current processes/procedures used by each Participating Member, a discussion of consistency in requirements and what is needed to adjust existing manuals and the posting of manuals online for public view.

The City Colleges of Chicago (CCC) has completed the analysis of CTA's robust Procurement Manual. This has led to the conclusion that while custom-tailored, CTA's comprehensive procurement manual should be the basis for each agency's manual.

CCC has identified key components that should be contained in each Participating Member's manual:

- Procurement Standards and/or Procurement Policy including ethics/ code of conduct
- Procurement Goals/ Mission Statement
- A matrix or guideline which outlines "who may authorize and execute contracts" including the amount thresholds
- Glossary of procurement terms
- Outline of the different procurements, e.g., Sole source, RFP, RFQ, Sealed Bids, Joint Procurement, Emergency Procurement
- Contract Administration delegation of duties (post-award)
- Contract Amendments Procedure

- Procurement Process- Summarize the life cycle of a procurement at the agency
- Debarred Contractors Criteria
- Bid Protests
- FOIA Requests Procedure
- Procurement Laws and respective board rules and regulations e.g. 30 ILCS 500/, (65 ILCS 5/) Illinois Municipal Code.

CCC provided a template procurement manual to the Participating Members based on the CTA manual. The manuals/procedures have been drafted by the respective agencies and were posted at www.chicago.gov/prtf as they were cleared for public dissemination by individual agency's legal departments.

Recommendation #28	Implement a universal procurement system that serves as a single point of entry for posting and responding to all Participating Members' procurement opportunities, and as a central repository for all contract and vendor information.	Lead Agency: ITCC

- ✓ Recommendation Ongoing.
- ✓ Data collection and analysis continues.
- ✓ Procurement in progress.

Leveraging the inventory developed under Recommendation #5, the ITCC will determine the best design for a shared procurement system as well as the implementation path to achieve that design. This may consist of common components rather than a single system.

The first phase will document existing processes and legal or regulatory requirements and make recommendations for business process or other changes that would need to be implemented across all agencies to support a single system. The procurement process for the services required for the first phase is currently underway.

The target completion for the first phase is approximately six months from the start. Phase 2 would implement the single system across all agencies in approximately two years from the start; however, the BPR will assist in refining the Phase 2 timeline, elements, and estimated budget.

2019 Annual Report Update:

Unforeseen delays have occurred in the procurement process for the first phase due to project budget approvals and the onset of COVID-19 in 1Q2020. We are now targeting vendor engagement by end of 2Q2020 for the first phase.

Recommendation #31	Evaluate the benefits of center-led or consolidated procurement among the Participating Members.	Lead Agency: City/ CASE

✓ Recommendation Completed: 2Q2019.

Determining potential benefits of a center-led or consolidated procurement among the Participating Members of the Procurement Reform Task Force required an evaluation of contracting opportunities across the City of Chicago and Sister Agencies in order to identify joint procurement / RFP opportunities for local businesses in Chicago.

There were several key actions in this assessment. The first action completed was the consolidation of the 2018 Q1, Q2, and Q3 Buying Plans for the City of Chicago and Sister Agencies. This consolidation was then organized by contract type and narrowed to RFPs over $100,000 and funded through non-federal sources. The second action completed was adding a standardized code to create a uniform categorization then leverage this uniformity in sorting by Agency and new Code Categories. The final action completed was an effort to identify opportunities for joint procurement across the City and Sister Agencies.

A comprehensive data analysis was conducted for three separate buying plans in 2018. The analysis for Q1 2018 determined that approximately 17 of 462, or 4%, of opportunities had potential for joint procurement. These opportunities were categorized into seven inclusive buckets including: office supplies/copier paper/print shop supplies, public vehicle decal& printing of decals, scuba diving/aquatic supplies, healthy snacks vending/concessions management, temporary staffing, financial advisory services/recovery audit services, and hauling of waste/waste removal.

The analysis for Q2 2018 determined that approximately 95 of 513, or 19%, of opportunities had potential for joint procurement. The opportunities were then categorized into ten inclusive buckets. These categories were: clothing, furniture, supplies/equipment, tools, utilities/fuel, heavy equipment/vehicles, custodial/waste removal, health, landscaping, and printing/signage.
The analysis for Q3 2018 determined that 70 of 511, or 14%, of the opportunities had potential for joint procurement. The opportunities were then categorized into ten inclusive buckets. These categories included: clothing, furniture, health, office supplies/equipment, technology, tools, utilities/fuel, landscaping, printing/signage, transportation staffing, and vehicles.

The aggregated findings of 2018 Q1, Q2, and Q3 indicate approximately 12% of total RFP opportunities for potential joint procurement. However, it is important to note the 12% figure was determine through a broader analysis and is thus, most likely an inflated estimate of potential opportunities. The data analysis showed that there is relatively little overlap in the procurement opportunities at any given time and that the procurement departments of each individual Participating Member are acting to facilitate procurement activities to be responsive to their organization's operational needs.

Additionally, another significant consideration in the evaluation of this recommendation were the potential challenges that joint procurement may cause for smaller businesses through the City of Chicago. Joint procurement would have the potential to increase size of solicitations beyond the capacity of small and minority or women-owned businesses, which could limit their ability to participate in opportunities with the Participating Members.

In addition, this capstone recommendation is based on a total of 5 findings from the original November 2015 PRTF report[1]. These findings were the foundation for other recommendations which have been addressed throughout the course of this process. Below is an itemized list of those findings, and corresponding recommendations they inspired:

Finding #11: In 2014, the Participating Members spent over $18 million cumulatively on procurement administration, a portion of which was spent on duplication of effort. (Recommendations 18, 29, 31)

Finding #12: All Participating Members use their own pre-qualified pools of vendors, a potential area of inefficiency for government and inconvenience for vendors. (Recommendations 18, 31)

Finding #15: Participating Members' IT procurement systems are not standardized or interoperable. (Recommendations 5, 31)

Finding #16: All Participating Members are engaged in uncoordinated systems improvements related to procurement. (Recommendations 5, 31)

Finding #32: The majority of Participating Members lack a coordinated and comprehensive process for ensuring vendors' compliance with their obligations during the term of the contract.
(Recommendations 24, 29, 31)

Recommendation #31 Findings		
Finding #11	Recommendation #18	Recommendation #29
Finding #12	Recommendation #18	
Finding #15	Recommendation #5	
Finding #16	Recommendation #5	
Finding #32	Recommendation #24	Recommendation #29

For recommendation #5, an inventory was completed of all current procurement systems and ongoing implementation initiatives across all agencies that are aligned to major procurement functions. Recommendation #18 entailed the creation of a SharePoint location for Participating Members to share information about expiring contracts and joint vendor pool solicitation opportunities. Recommendation #24 resulted in the creation of a site visit guide for Participating Members with minimum standards for review personnel to ensure vendor compliance. After an analysis of potential joint compliance functions was completed, that Participating Members determined that the procurement of a unified compliance software be pursued to advance Recommendation #29.

[1] The November 2019 Report of Findings and Recommendations detailed 43 findings, which resulted in 31 recommendations. The full report is available at www.chicago.gov/prtf.

III. COMPLETED BUT NOT FULLY OPERATIONALIZED BY EACH PARTICIPATING MEMBER

The OIG engaged the individual Inspector Generals of the Participating Members to assess the compliance of implementation of the recommendations within each agency. In the 3rd Annual Report of Progress, the collaborative of IGs determined that 9 of the recommendations that were previously reported as completed were not fully operationalized.

2019 Annual Report Update:

Of the 9 recommendations that were classified as "not fully operationalized" in the 3rd Annual Report of Progress, 6 have been reported as implemented by all of the Participating Members. The following narrative for each recommendation reports the OIG's findings, agency response, and follow up status for this Annual Report.

Recommendation #3	Establish minimum standards by which all Participating Members will publish their anticipated sole source awards, receive public and vendor feedback, and make decisions about whether a solicitation is necessary.	Lead Agency: CTA

✓ Operationalized

In a survey of the Participating Members, it was determined that only the City and CPS publicly post sole source notices online in advance of any approval of a contract award. Requiring that proposed sole source awards be posted online in advance of approval in order to allow vendors the opportunity to comment on whether other vendors can supply the good or service provides the agency with a solid control over the improper use of sole source procurements. Additionally, creating a Non-Competitive Review Committee that reviews the appropriateness of a sole source award would reduce, if not eliminate, the possibility that sole source awards would be improperly awarded.

Therefore, CPO Committee recommended that each of the Participating Members begin to post their proposed sole source procurements online and create a Non Competitive Review Committee. The Participating Members are implementing the following policy and procedures outlined below:

Policy

All sole source procurements (Sole Source) will require a Justification for Non-Competitive Procurement Application (Application) and approval by the Non-Competitive Review Committee (NCRC) prior to award.

All proposed Applications will be posted on the Agency's public website for a period of three (3) weeks. During this period, the public will be invited to comment and/or object and make a substantive claim that the procurement is not a Sole Source.

All public comments and/or objections will be provided to the NCRC. The NCRC will take into consideration the justification and supporting documents from the using department requesting the Non-Competitive Award, as well as the justification of the vendor and all public comments when reaching its decision. If the NCRC approves the Application, then the Procurement Department will prepare a Sole Source contract for the vendor and route the recommendation for approval. If the NCRC rejects the Application, then the Application will be returned to the user department for a resubmission as a competitive procurement.

Procedures

1. User departments must create a request/requisition and submit a complete justification package to be considered by the NCRC.

   User departments should be highly cognizant that the entire sole source process may take 8 to 12 months and should prepare accordingly; the fact that an existing contract is about to expire is not sufficient justification for approval by the NCRC.
2. Justification packages must include, at a minimum, the following requirements:
   - Application
   - Justification detailing the rationale and necessity for the procurement as well as the estimated cost and term of the agreement/contract
   - Signed funding memo (if applicable)
   - Scope of work
   - Complete, written justification from the vendor (on vendor letterhead) detailing the reasons why they are considered the exclusive and unique provider solely capable of supplying the goods/services
   - Required Compliance plan

- Insurance Certificate, if applicable
- Ownership Disclosure
- List of user department's personnel participating in the NCRC meeting
- If applicable, a current and valid price quotation for the goods and/or services, on the vendor's letterhead
- Any applicable grant agreements or other benchmark information the user department deems relevant to its request

3. Applications will be publicly posted on agency website for a minimum of three (3) weeks.
4. If there are public objections and/or comments, those objections/comments will be forwarded to the NCRC to be considered as part of their review.
5. After a minimum of three (3) weeks, the Application is removed from the Agency's website.
6. NCRC convenes to review and approve or reject the Application.
7. Approved Applications are scanned to Agency's internet site.
8. Rejected Applications are returned to the user department for resubmission as a competitive procurement.
9. A copy of the approved justification package will be forwarded to the appropriate Procurement personnel for processing.

2019 Annual Report Update:

CCC and CTA were originally flagged for non-compliance, but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***City Colleges of Chicago***
>
> *On April 4, 2019, the Office of the Inspector General for the City Colleges of Chicago (CCC IG) reported that CCC was not in full compliance with the posting requirements.*
>
> ***Agency response:*** *CCC has since remedied this issue; its public notices now include the required documents.*
>
> ***Chicago Transit Authority (CTA)***
>
> *On April 4, 2019, the inspector general with jurisdiction of CTA – the Office of the Executive Inspector General for the Agencies of the Illinois Governor (OEIG) – reported that "not every justification package submitted to [CTA's] Non-Competitive Review Committee included each of the documents required under the recommendation , but many of the documents that are not included in the Justification Packet makde by required later or are included as part of other solicitation packages."*
>
> ***Agency response:*** *"As OEIG noted, CTA obtains the required documents during the procurement process. Each of the items OEIG identified as not included in the Justification Packet is part of a solicitation package that would be issued and compiled by the proposed contractor only if the Sold Source/Disadvantageous Review Committee [SDRC] approves of the requisition." CTA takes the position that "obtaining those documents as part of a solicitation, after approval of the requisition by the [committee], is in keeping with the recommendation that the committee make a decision whether a sole source/disadvantageous solicitation package is necessary in the first place," that "[t]o appear before the [committee] with a completed solicitation package would give rise to*

the impression that the SDRC is a mere formality," and that "to require a prospective contractor to complete a sole source solicitation package before it is even aware if [the contract] is eligible to be awarded as such would involve a significant expense of time and effort for both the contractors and CTA."

CTA provided an additional Status Update/Clarification for this Annual report:

The OEIG stated in its report CTA that obtains the documents required under the recommendation during the procurement process and CTA policies and process align with the recommendation of the PRTF. Several documents are only obtained if the Sole Source Disadvantageous Review Committee approves the procurement and permits a solicitation to be issued – in keeping with the language of the recommendation that the committee "make decisions about whether a solicitation is necessary." Accordingly, CTA respectfully considers this recommendation to be operationalized.

Recommendation #6	Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format.	Lead Agency: CCC

Not fully operationalized (Complete: CPS, Parks; In Process: CTA; Under Review: CCC).

City Colleges of Chicago (CCC) reviewed and analyzed the uniform standard for disclosing information related to subcontractors as addressed in the OIG Report. A survey was completed by all agency members. Based on the survey, the recommendation requires all agencies to provide a summary of the contract award online. The summary shall list the prime contractor and subcontractors.

Long term initiatives include a uniform web portal, which will have all contracts available from all Participating Members. This long-term initiative is being managed by the ITCC. While agencies have posted information, it has been noted that there is not yet a consistent standard for disclosure of this information. Establishing a set of standard metadata related to bid opportunities and awarded contracts will be part of implementing recommendation #7.

2019 Annual Report Update:

CPS, Parks, CTA and CCC were originally flagged for non-compliance. CPS and Parks have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

Chicago Public Schools

On April 3, 2019, the Inspector General for the Chicago board of Education (CPS IG) reported that CPS was posting only those contracts required to go through the full procurement process and listing online M/WBE subcontractors.

Agency response: *CPS publicly posts all contracts above $10,000 for biddable and above $25,000 for non-biddable in accordance with [Chicago School] Board policy. CPS has a decentralized procurement process that allows purchases $\leq$$25,000 to be approved by purchase order (versus through contracts). CPS collected subcontractor information for all MWBE which is posted on the public procurement website." CPS further indicated that CCC, the lead agency on this recommendation, agreed that it is permissible to list only M/WBE subcontractors.*

Chicago Park District (Parks)

On May 6, 2019, the Inspector General for the Chicago Park District (Parks IG) reported that Parks has posted just over one-third of the required documents.

Agency response: *Parks has since some into full compliance with the online posting requirements. "All contracts are posted in the Contracts Library on the Purchasing webpage."*

CTA

On April 4, 2019, OEIG reported that CTA has not posted all the required documents.

Agency response: *"Presently, it is not immediately feasible to post all contract information from a technological standpoint. CTA is collaborating with the City on migrating to a centralized award database. One migration is complete, subcontract information will be posted with the respective contracts, in the interim, CTA is working with its IT team to redevelop its contract award portal to include the information, subject to technological constraints. Further, with respect to posting contract documents, CTA must undertake a thorough review of contract prior to posting to ensure sensitive security information is not inadvertently released. Additionally Purchasing may not post information publicly unless it has been authorized for public release by the Office of General Counsel."*

CTA provided an additional Status Update for this Annual report:

During the 2/14/2020 biweekly phone call organized by the City's Department of Asset, Information and Services (formerly known as the Department of Innovation & Technology) City staff announced that the final draft scope of work for the consolidated contracts website (including posting of awarded contracts) had been prepared. CTA will continue to work closely with its City and Sister Agency partners to further this initiative.

Simultaneously, CTA has embarked on redeveloping its Vendor, Contracts and Payments web portal over the past several months. The revised portal will be more user-friendly and include additional search functionalities. Further, the scope of the redeveloped web portal includes posting subcontractor information to the extent that technological limitations can be resolved. The estimated completion for this project is the end of Q1 2020/beginning of Q2 2020.

CCC

On April 4, 2019, CCC IG reported that CCC had not posted all contracts or listed all subcontractors.

Agency response: *"The CCC Contracts Award data spreadsheet outlines Name, Award Amount, Awarded Vendor, Term Start and End Date, the Board Report/Contract Number, as well as a Board Report Link. The ability to review the actual contract document remains a work in progress." CCC information technology staff "is fine tuning the platform for uploading the documents." CCC's target date for "running a proof of concept for the data migration is in or before February 2020.*

CCC provided an additional Status Update for the Annual report:

The date for data migration currently has not been finalized. The OIT department has not been able to complete the tasks required to run a proof of concept due to operational changes in leadership.

Recommendation #8	Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online.	Lead Agency: CHA

✓ Operationalized

The Participating Members' current disclosure requirements were assembled and reviewed.

The CPO Committee recommended that Participating Members include uniform minimum language in solicitation documents and flow down contract provisions requiring contractors to certify that neither they have violated, nor do they have any knowledge of their subcontractors having violated, any state, federal, or local laws, rules or regulations or any City or Sister Agency code or policy and have not been subject to any debarment, suspension, or other disciplinary action by any government agency.

Additionally, if at any time the contractor becomes aware of such information, it must immediately disclose it to the Agency. Participating Members can choose to go beyond the minimum language if they wish or if they are required to do so by their governing rules and regulations. Further, this uniform minimum disclosure language must be posted online in the solicitation documents and contracts of the City and Sister Agencies.

The key deliverable for this recommendation is new, standard certification language to be added to specific solicitation documents and contracts utilized by the Participating Members. The language is as follows:

> "The Contractor certifies to the best of its knowledge and belief that it, its principals and any subcontractors used in the performance of this contract, meet the Agency requirements and have not violated any City or Sister Agency policy, codes, state, federal, or local laws, rules or regulations and have not been subject to any debarment, suspension or other disciplinary action by any government agency. Additionally, if at any time the contractor becomes aware of such information, it must immediately disclose it to the Agency."

The Participating Members are including the above language to solicitation templates and documents, including the EDS, Contractor's Affidavits, and Compliance Schedules.

2019 Annual Report Update:

Parks and CTA were originally flagged for non-compliance but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***Parks***
>
> *On May 6, 2019, Parks IG reported that Parks did not include the language in all required documents.*
>
> ***Agency response:*** *Parks has since remedied this issue by adding the PRTF language to the documents.*

CTA

On April 4, 2019, OEIG reported that "CTA has included the standard certification language in its Contract Agreement" and "[requires] contractors to certify much of the same information on it 'Certification of Primary Participant Regarding Debarment, Suspension, and Other Responsibility Matter' and 'Certification of Lower Tier Participation Regarding Debarment, Suspension and Other Responsibility Matters,'" but noted that CTA did not include the PRTF's Required language in its compliance schedules, economics disclosure statements, or contractor's affidavits."

Agency response: *"As OEIG noted, CTA already includes the required language in its contract documents and requires contractors to certify compliance with those terms. Additionally, CTA is actively working to add the required language to the other documents within the contract package."*

CTA provided an additional Status Update for Annual report:

CTA has incorporated the recommended language into documents referenced in the recommendation as of March 3, 2020. CTA considers this recommendation to be operationalized.

Recommendation #10	Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value.	Lead Agency: CTA

Not Fully Operationalized (Complete: CPS; Under Review: CCC)

Many of the Participating Members lacked written rules prohibiting significant modification of a contract, limiting the amount of time a contract can be extended, and/or increasing the value of a contract. Pursuant to the recommendation, all Participating Members have agreed to adopt the following policies regarding contract changes:

POLICY

- All Change Orders and Contract Amendments shall be within the general scope of the contract and cannot represent cardinal changes to the contract. A cardinal change is a major deviation from the original purpose of the work or the intended method of achievement, or a revision of contract work so extensive, significant or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract. The procurement administrator shall review and verify that the changed work is not a cardinal change to the contract. In the event the change will be a cardinal change to the contract, the work must be publicly solicited as a separate contract and cannot be undertaken as a change to a current contract.
- Additional time and/or funding:
    1. To the extent that the vendor agrees to maintain current contract terms, conditions and pricing:
        a. Contracts that require additional time and funding. To avoid any gaps in service or materials the contract term shall not be extended more than one calendar year and additional funding shall not exceed 50% of the original contract value.
        b. Contracts that require additional funding, but not time, due to

unanticipated increased usage, can increase funding, as needed, to meet the original term of the contract; however, under no circumstances can this increase exceed 50% of the original contact value.

c. Contracts that require additional time, but not funding, can be extended for a period of time commensurate with the remaining funding, however, under no circumstances can the extension exceed 1 year.

2019 Annual Report Update:

CPS and CCC were originally flagged for non-compliance. CPS has since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***CPS***
>
> *On April 3, 2019, CPS IG reported that the Chicago Board of Education had not adopted these policies.*
>
> ***Agency response**: "Our board rules reference [the] Public Works Change Order Act, which apply to all public work (construction) contracts. During the review with [CPS] Law…, it was recommended and agreed that this change should be included in [CPS's] internal procedures Procurement Manual" rather than in the Chicago School "Board Policy." The language is being added to the Manual.*

CPS provided an additional Status Update for the Annual report:

The recommendation is a current practice and has been adopted within the CPS Internal Procurement Manual.

> ***CCC***
>
> *On April 4, 2019, CCC IG reported that CCC had adopted a policy that covered contract values but did not limit time extensions.*
>
> ***Agency response:** "A decision on language regarding limiting the amount of time a contract can be extended is under review."*

CCC provided an additional Status Update for this Annual report:
A decision on adopting a formal policy to limit the amount of time a contract can be extended remains under review.

Recommendation #12	Implement the uniform criteria and processes for evaluating Good Faith Efforts regarding requests for waivers for MBE/WBE/DBE goals that are currently being developed and will be recommended by the Government Procurement Compliance Forum	Lead Agency: PBC

✓ Operationalized

All Participating Members utilize contract-specific MBE/WBE/DBE goals. In order to show that a bidder/respondent has documented and made good faith efforts in meeting the contract goals, the

bidder/respondent must present a MBE/WBE/DBE compliance plan (Schedule D) demonstrating how they plan to meet these goals. A Schedule D outlines the MBE/WBE/DBE plan for the contract. If a bidder/respondent claims that they cannot meet the goals, they must document their good faith efforts in seeking to meet the goals.

A template checklist was developed in order to guide Participating Members regarding what they should consider as part of good faith efforts. This list is not exclusive or exhaustive but is a useful resource and will be considered the minimum standard for Participating Members to evaluate good faith efforts. Additionally, a good faith efforts Vendor Guide was created in order for the vendor community to understand the contract requirements. Participating Members will be able to use this Vendor Guide as a useful tool for bidders/respondents and outreach efforts.

Some of these key actions to demonstrate a bidder's good faith efforts include:

- Soliciting through reasonable and available means at least 50% of MBEs and WBEs certified in the anticipated scopes of subcontracting of the contract
- Must solicit MBEs and WBEs at least seven (7) days prior to the date bids are due
- Take appropriate steps to follow up initial solicitations with interested MBEs or WBEs
- Advertise the contract opportunities in media and other venues oriented toward MBEs and WBEs
- Provide interested MBEs or WBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner
- Negotiate in good faith with interested MBEs or WBEs that have submitted bids
- Not reject MBEs or WBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities
- Make efforts to assist interested MBEs or WBEs in obtaining bonding, lines of credit, or insurance
- Make efforts to assist interested MBEs or WBEs in obtaining necessary equipment, supplies, materials, or related assistance or services
- Effectively use the services of the City; minority or women community organizations; minority or women assistance groups and other organizations to provide assistance in the recruitment and placement of MBEs or WBEs

Participating Members intend to incorporate the items from the template checklist into their contracts regarding good faith efforts.

2019 Annual Report Update:
CPS, CTA and Parks were originally flagged for non-compliance but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***CPS***
>
> *On April 3, 2019, CPS IG reported that CPS did not have a checklist.*
>
> ***Agency Response:*** *CPS implemented a checklist modeled on the PRTF template in April 2019.*

CTA

On April 4, 2019, OEIG reported that CTA "does not have a checklist regarding good faith efforts, but does have a documents, entitled "Guidance Concerning Good Faith Effort', which set for the type of actions which indicate good faith efforts on the bar of a bidder/proposer." The OEIG reported that "these enumerated actions largely comport with those included in the checklist found in the 2017 Annual Report."

Agency response: *"As OEIG noted, the guidance required by federal regulation substantially conforms with the PRTF checklist. Further, as CTA's DBE program is governed by federal transportation regulation, to the extent that the PRTF's checklist is inconsistent with federal requirements, the federal requirements must prevail."*

Parks

On May 6, 2019, Parks IG reported it was unclear whether Parks had a checklist.

Agency response: *Parks added language in line with the PRTF checklist to its General Conditions section for Waiver Reduction Requests.*

Recommendation #16	Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source.	Lead Agency: CTA

✓ Operationalized

The PRTF recommended the establishment of uniform practices across agencies, where permitted by law, for the approval process of noncompetitive awards, including small purchases, emergency contracts and sole source contracts. Chicago Transit Authority (CTA) developed policies for small purchases, emergency purchases and sole source purchases.

Participating Members will incorporate the following policies.

"Uniform Standards based on best practices for approval of Emergency Contracts"

Policy

It is imperative that sister agencies only use emergency contracts in those instances where a situation is of unusual and compelling urgency whereby failure to react to the situation immediately would adversely affect the safety of the agencies' personnel or the public, or the operation of the agency. In these instances it is important that the duration of the contract be limited to the time it would take to competitively procure the part or service and that the contract be competitively bid when possible. Therefore, it is the recommendation of the CPO Committee that each of the Participating Members follow the procedures outlined below:

Procedures

When any type of operational emergency arises, the first step is to determine if the need may be met through an existing contract even if this requires a modification to the contract. If no such contract exists, the next alternative is a "Small Order." The dollar amount that can be purchased through the "Small Order" varies from agency to agency with the City

being up to $100,000 and the CTA being up to $40,000. The sister agencies use a competitive bidding process for this type of procurement.

All emergency contracts that cannot be procured using either of the above methods will require the Using Department or agency to prepare a Justification which describes the nature of the emergency, as well as the estimated cost and a list of potential vendors. This justification must be approved by the head of the department requesting the contract, the Chief Procurement Officer, the General Counsel (Corporation Counsel) and any other official required by the agency.

If time permits, the procurement will be posted on the agency's website and will be competitively bid via an email solicitation. If the emergency is of such a degree that time is of the essence, then the potential vendors will be contacted by the purchasing department for the availability of the product or service. The agency will request a verbal quote to be confirmed in writing via fax or email.

The agency will then prepare a memorandum justifying the Emergency Request and recommending an award of a contract. The Chief Procurement Officer, General Counsel (Corporation Counsel) (insert appropriate title here), and the Chairman of the Board (insert appropriate title here) of the agency must all approve the Emergency Request prior to award of the contract. The term of the contract must be limited to the time required to competitively bid the procurement.

A report documenting the emergency and the emergency contract must be submitted to the Board (or City Council).

"Uniform Rules Governing Small Purchases"
Rules/Procedures

All Small Purchase (or Small Order) procurements shall only be used for the procurement of goods or services when the procurement falls within the established Small Purchase threshold of $_____ to $_____ to be determined by the Agency pursuant to their controlling statutes.

Buyers shall not use Small Purchase procedures when the procurement is estimated to exceed the Small Purchase threshold. A Buyer shall not attempt to circumvent the process for procuring goods and services in excess of the established threshold by splitting a procurement totaling more than the Small Purchase threshold into several purchases.

For each purchase within the established Small Purchase threshold, the Buyer shall solicit quotations from a reasonable number of sources including, when possible, at least one DBE/MBE/WBE to promote competition to the maximum extent practicable.

1. The Buyer shall consider the following factors when deciding how many quotations will be solicited:
   a. The nature of the item or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or has limited sources;
   b. Information obtained in making recent purchases of the same or similar item;
   c. The urgency of the proposed purchase;

d. The dollar value of the proposed purchase; and
e. Past experience concerning specific vendor prices.

2. Generally, solicitation of at least three sources should be considered to promote competition to the maximum extent practicable. If practical, price quotes should be solicited from two sources not included in the previous solicitation.

a. If the Buyer determines that the best interest of the Agency indicates that quotations should be obtained from more than three sources, the Buyer may require the solicitation of additional quotations.
b. A Small Purchase may be limited to one source if the Buyer determines, in writing, that there is only one available source in accordance with these Regulations.
c. A Buyer may solicit phone price quotations. However, a Buyer shall use a written solicitation in the following circumstances:
    i. When a large number of line items is included in a single proposed procurement;
    ii. When obtaining phone quotations is not considered economical or practical; or
    iii. When extensive specifications are involved.
d. The Buyer shall establish and maintain records of phone price quotations and include these records in the purchase file. The records shall consist of the names of the suppliers contacted and the prices and other terms and conditions quoted by each to the degree the Agency does not provide and/or require certain terms and conditions.
e. The Buyer may limit written records of solicitations to notes or abstracts to show prices, delivery, references to printed price lists used, the vendor or vendors contacted, and other pertinent data.
    i. The Buyer shall maximize competition for Small Purchases and shall not limit solicitations to suppliers of well-known and widely distributed makes or brands, or solicit on a personal preference basis.

2019 Annual Report Update:

CTA and CPS were originally flagged for non-compliance, but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***CTA***
> *On April 4, 2019, OEIG reported that "CTA's practices for the approval process for noncompetitive awards substantially confirms with the uniform practices set forth in the 2019 Annual Report. The only discrepancy is with the personnel required to approve one step for the process for Emergency/Public Exigency contracts – specifically CTA does not require approval from the General Counsel on the request with explanation of the emergency or public exigency, which the uniform recommendation requires."*
>
> ***Agency response:*** *"As OEIG reported CTA's practices for the approval process for noncompetitive awards substantially conforms with the uniform practices set forth in the 2017 Annual Report, with one sole exception. CTA has amended its procedures to mandate the approval of an emergency contract justification by the General Counsel at the time of requisition as well as the time of contract approval."*

CPS

On April 3, 209, CPS IG reported that CPS's noncompetitive award practices did not match the standards set by the PRTF. Specifically, "many of the recommendation procedures has not been implemented by CPS."

Agency Response: *During the review with [CPS] Law…, it was recommended and agreed that any revisions to the PRTF requirement for emergency purchases should be included in the Procurement Manual." The CPS IG correctly notes that CPS's policy does not exactly mirror the PRTF language. However, CPS provided its version to CTA (the lead Agency on this recommendation) and the CPO Committee, and both deemed it sufficient to satisfy Recommendation #16.*

Recommendation #23	Develop uniform, minimum contract close-out procedures for use by all Participating Members.	Lead Agency: PBC

✓ Operationalized

The Participating Members' contract close-out processes varied, ranging from some with no established process to others that have significant requirements. The PBC took the lead to assemble, review, and formalize a close out process at the end of a contract term. The Participating Members reviewed their current policies and procedures for contract close outs,and evaluated key criteria to determine workable and meaningful uniform, minimum contract close-out procedures.
A template checklist was developed in order to guide Participating Members regarding minimum steps to complete when closing out contracts. All Participating Members' worked together to craft language for a checklist template to use in the contract closeout process.

Participating Members will be able to use this checklist as a base to ensure specific agency requirements are included. The Contract Closeout Checklist includes contract time frame, advertising dates, award amounts, evaluator information, legal analysis, financial analysis, term, extensions available, signatures needed, insurance requirements, website posting, MBE/WBE/DBE/ACDBE/BEPD information, and Board Reports. The checklist for contract close out procedures has been finalized and is being used by all Participating Members.

2019 Annual Report Update:
CPS and CCC were originally flagged for non-compliance, but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

CPS

On April 3, 2019, CPS IG reported that CPS used checklist that was "substantially different" from that developed by the CPO Committee.

Agency Response: *CPS revised its checklist to conform with the PRTF model in April 2019.*

CCC

On April 4, 2019, CCC IG reported that CCC's version of the checklist omitted elements.

Agency response: *CCC has since revised its checklist to conform with the PRTF model.*

Recommendation #24	Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance.	Lead Agency: PBC

✓ Operationalized

All Participating Members conduct various types of site visits for their respective projects. Additionally, Participating Members use a variety of tools to conduct site visits (compliance software, payroll software, or Microsoft fillable forms). Following discussions regarding these varying methods, the CPO Committee recommended that Participating Members include uniform language and questions when conducting on-site interviews to ensure enforcement is fair, uniform, and effective.

A Site Visit guide that includes tips and frequently asked questions was developed in order for Participating Members to set minimum standards for project managers and other on-site review personnel to ensure vendor compliance. All Participating Members worked together to craft language for this guide. Members use various methods to record site visits; therefore the guide will allow all members to use the guide using their respective recording mechanisms.

The guide includes:

- Why site visits are important
- Goals of conducting site visits
- Tips to remember during and after site visits
- Frequently asked questions during site visits
- What to do when staffer records visit
- Verifying site visit information

The site visit guide, which includes tips and frequently asked questions, has been finalized for Participating Members to set minimum standards for project managers and other on-site review personnel to ensure vendor compliance.

2019 Annual Report Update:

CPS and Parks were originally flagged for non-compliance, but have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

CPS

On April 3, 2019 CPS IG reported that CPS has the PRTF site-visit guide but didn't use it.

Agency response: *CPS amended its site-visit practices to conform with the PRTF guide in April 2019.*

Parks

On May 6, 2019, Parks IG reported that Parks was still reviewing the guide.

Agency response: *Parks has since adopted the guide.*

Recommendation #26	Seek to establish reciprocal debarment among Participating Members through the use of a debarment review board or another mechanism as permitted by law.	Lead Agency: CHA

Not Fully Operationalized (Complete: CPS, Parks; Under Review: CCC)

The CPO Committee found that Participating Members generally maintain their own debarment lists and some have automatic reciprocity. Participating Members also consult each other's lists during a verification process as well as check debarment lists of other government entities.
The CHA took the lead to establish reciprocal debarment language for all of the participating members as permitted by law.

The key deliverable for this recommendation is new, standard reciprocal debarment language to be added to Participating Members' debarment policies/procedures if the information is not already included. The language is as follows:

> *The Agency/Authority may impose automatic debarment if the person or entity is debarred by any other government agency for cause including but not limited to fraud, embezzlement, bribery, theft, deception, misrepresentation, indictment, felony conviction, violation or attempted violation of federal or state statutes. Agency reserves the right to consider debarment and proceed with its own debarment process in the case that a person or entity is debarred by any other government agency for contract performance or reasons other than those listed above.*

The Participating Members have included the above language in its debarment policies/procedures.

2019 Annual Report Update:
CPS, Parks and CCC were originally flagged for non-compliance. CPS and Parks have since operationalized this recommendation. As detailed in the December 30, 2019 memo from the City of Chicago Inspector General:

> ***CPS***
> *On April 3, 2019, CPS IG reported that CPS had not adopted the PRTF prescribed language.*
>
> ***Agency response:*** *CPS revised its policy to confirm with the PRTF language in July 2019.*
>
> ***Parks***
> *On May 6, 2019, Parks IG reported that Parks had not adopted the PRTF prescribed language.*
>
> ***Agency response:*** *Parks has since added the language to its General Conditions and Procedures Manual.*
>
> ***CCC***
> *On April 4, 2019, CCC IG reported that CCC had not adopted the PRTF prescribed language.*
>
> ***Agency response****: Action on the adoption of the prescribed PRTF language is under review.*

CCC provided an additional Status Update for the Annual report:

City Colleges of Chicago requires proposers to disclose that neither the vendor nor it principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in a contract or agreement with any federal, state, county or local department or agency. The disclosure is a requirement in all formal bidding documents. While reciprocal language has not been adopted as we work with our legal department to formally update policy and procedures, we act as if the language is approved.

IV. COMPLETED RECOMMENDATIONS

Recommendation #1	Create a Committee of the Participating Members' CPOs to rule on certain administrative decisions, address obstacles to coordination, and ensure best practices across the City and its Sister agencies.	Lead Agency: City

✓ Recommendation Completed: 2Q 2016

CPO Committee established with Participating Member CPOs included from the following (7) participating agencies:

- City of Chicago Department of Procurement Services (DPS)
- City Colleges of Chicago (CCC)
- Chicago Housing Authority (CHA)
- Chicago Park District (Parks)
- Chicago Public Schools (CPS)
- Chicago Transit Authority (CTA)
- Public Building Commission (PBC)

Recommendation #2	Charge the CPO Committee with addressing the Task Force recommendations, tracking their implementation, and issuing quarterly progress reports.	Lead Agency: City

✓ Recommendation Completed: 2Q 2016

✓ Tracking of Implementation & Progress Ongoing.

In December 2015, the CPO Committee of the PRTF was established. The meeting was hosted at the City of Chicago Department of Procurement Services (DPS) and attended by the CPOs of all Participating Members (CCC, CHA, Parks, CPS, CTA and PBC). The focus of the meeting was to determine an action plan for implementing the recommendations. To ensure ongoing progress towards reporting milestones, the Participating Members have maintained a biweekly meeting schedule. Each Immediate Term recommendation was assigned a lead agency to manage the data collection, analysis, and draft agency consensus/implementation plan.

On January 13, 2016, Chicago City Council passed an ordinance for an intergovernmental agreement for all Participating Members to work cooperatively to implement recommendations identified in the original report of Findings & Recommendations. Each of the Participating Members have signed off on the IGA and established a similar agreement at their organization.

To facilitate the work of the CPO Committee, a PRTF SharePoint site was created as a repository for shared information among all of the Participating Members.

To date, there have been five Quarterly Reports and one Annual Report completed since the initiation of the Procurement Reform Task Force. To view all of the PRTF reports released to date, including this Annual Report, visit www.cityofchicago.org/prtf.

Recommendation #5	Charge the Chicago Government IT Coordination Committee (ITCC), which consists of the CIOs of the Participating Members, with identifying the procurement-related systems that can be shared and developed jointly and developing a schedule for implementation.	Lead Agency: ITCC

- ✓ Recommendation Completed: 2Q 2017

The ITCC completed an inventory of all current procurement systems and ongoing implementation initatives across all agencies that are aligned to major procurement functions. Quarterly ITCC meetings are scheduled.

The remainder of this effort is covered via Recommendations 7, 17, and 28.

A subcommittee was formed to implement recommendation #7, which is related to the development of a commen website, and is meeting biweekly.

Recommendation #11	Evaluate the consistency of MBE/WBE/DBE certifications accepted by Participating Members.	Lead Agency: PBC

- ✓ Recommendation Completed: 4Q 2018
- ✓ Evaluation completed across (7) Participating Members. Implementation Ongoing.

All Participating Members accept certifications from a variety of agencies, with some accepting certifications from agencies that others do not. These certifying agencies utilize different criteria for certification.

All Participating Members provided the list of all the certifications they accept for MBE, WBE, and DBE credit. Members expressed the goal to maximize minority, women, and disadvantaged participation, while balancing the need to ensure local businesses are utilized and preserve the integrity of participation programs with a rigorous certification process.

Participating Members received data from at least a single calendar year to determine the number of certification types that were actually utilized on contracts. The majority of the time, the certifications accepted by the Participating Members were from the City of Chicago or Cook County or the Illinois Unified Certification Program. Going forward, in order to aggregate data about local MBE/WBE spend, all Participating Members should track participation by providing their respective numbers for the City of Chicago/Cook County/Illinois Unified Certification Program in one category and providing other certifications in the second category. The delineation of dollars and participation will allow true analysis of local MBE/WBE spend. The analysis is attached to this report.

Recommendation #13	Require a written, publicly posted protest process for each Participating Member.	Lead Agency: CCC

- ✓ Recommendation Completed: 3Q 2016
- ✓ Implemented across (7) Participating Members

Protest processes are a tool of accountability in government procurement. They provide the opportunity for a stakeholder in the procurement process to raise allegations of irregularities or violations that may have tainted the process, and they give agencies another avenue to ensure integrity and transparency in their purchasing.
All on the CPO Committee agreed to standardize to align with the City's terms and policy approach. The bid protest process includes guidance for numerous areas, including protest timing, adjudicator roles, and pre-bid and pre-awards actions.

The City's terms and policy approach are summarized here:

Bid Protest Actions	**Term**
Protests Allowed - Pre-Bid, Evaluation, Bid Result	All
Pre-Bid Protest Timing	5 working days
Evaluation Protest Timing	10 working days
Bid Results Timing	10 working days
Adjudicator Role	CPO
Pre-Bid Protest Actions	Postponement
Pre-Award Protest Actions	Suspension
Adjudication Decision Actions	Corrective
Timing of Interested Party Conference	Any time before final determination
Timing of Final Determination Following Protest	30 working days after last submission made

With the exception of the Chicago Transit Authority (CTA), which has a Federal requirement for final review, all Participating Members will adopt the uniform terms and develop or update internal policies to document the process.

Recommendation #14	Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations.	Lead Agency: CPD

- ✓ Recommendation Completed: 3Q 2016
- ✓ Examination & analysis completed across (7) Participating Members

Since most, if not all, of the Participating Members have been advertising in the newspapers for many decades, a shift away from newspaper advertising would require a considerable marketing effort for a few years to properly inform the vendor community of this change in purchasing operations.

Resource needs for such a project will require IT, marketing, and procurement personnel from the City and Sister Agencies, all of which are being dedicated to what the CPO Committee believes are more impactful initiatives. The CPO Committee's current recommendation is to continue to advertise in local newspapers.

Recommendation #15	Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment.	Lead Agency: CPS

- ✓ Recommendation Completed: 2Q 2018
- ✓ Evaluation completed across (7) Participating Members

The Chicago Public Schools created a document, "Information Sharing and Use of SharePoint," for the CPO Committee and their respective Agencies. This has been approved by all members and the document will reside within the SharePoint site for access by each Participating Member to post updates.

Within the SharePoint site, all agencies are to share the following information regarding personnel matters:

- An organizational chart;
- Job descriptions for the active positions and recruitment methods; and
- A list of all upcoming training planned for each Participating Member to offer the possibility for other employees to participate.

CPS created and gathered confidentiality forms from each agency.

Recommendation #21	Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations.	Lead Agency: City

- ✓ Recommendation Completed: 2Q 2017. Training Ongoing.

The PRTF found that all Participating Members stated that communications regarding active procurements are to be limited and generally flow through the procurement office; however, these rules are not clearly codified and disseminated at every agency. In addition, it found that not all employees and contractors of Participating Members have a clear obligation to report violations of law in procurement and contracting to their respective Offices of Inspector General. A clear set of rules and regulations for employees to follow and refer to is important to maintain the integrity of the procurement process. Agencies should ensure that such information is communicated to their employees.

The goal is to establish and provide training on procurement rules and regulations so that employees know what is required of them. This is expected to increase the integrity of and accountability in the procurement process. DPS has scheduled various training program sessions to include Sister Agency staff and its members and will continue to do so.

Recommendation #22	Develop universal programming for vendor outreach and training.	Lead Agency: City

✓ Recommendation Completed: 2Q 2017. Training Ongoing.

The PRTF found that the majority of Participating Members do not provide any workshops or training to potential vendors. Vendor outreach and training is an integral part of increasing the number and quality of vendors and their bids. This is also a potential area for increased efficiency and uniformity through the use of shared services to provide such programming. The City has an extensive workshop and outreach program and has already begun spearheading joint outreach efforts, such as the annual Vendor Fair, which includes all of the Sister Agencies, the State, and the County. The City has implemented this Recommendation via the following methods:

- Creation of a Universal Outreach Calendar via the PRTF SharePoint site that Participating Members can access.
- Google Calendar that includes City outreach events and workshops, outreach events hosted by the Participating Members.
- Promoting Participating Member outreach events via the DPS Alert Email Newsletter, which reaches 10,000 subscribers, email distribution on the Certification & Compliance (C2) system, and social media.
- A workshop category featuring Participating Members called "Doing Business with Sister Agencies". Three workshops took place in 2018 and the dates for 2019 include: April 11, 2019 (CPS/CCC), July 25, 2019 (PBC/CHA), October 10, 2019 (CPD/CTA)
- Participating Members collaborate on the shared Government Procurement Compliance Forum Vendor Fair, an annual event that is taking place on May 15, 2019.
- Leveraging existing technology by inviting Participating Members to utilize DPS Bid & Bond Room livestreaming capability to broadcast their workshop offerings.

Information about common outreach topics and events is shared in an ongoing manner through the Government Procurement Compliance Forum monthly meetings.

Recommendation #25	Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor.	Lead Agency: CPD

✓ Process Completed: 4Q 2018. Implementation Ongoing.

The Chicago Park District (CPD) has taken the lead to establish a communication process that will share vendor information with Participating Members. During the initial evaluation of this recommendation, the CPD found that all Participating Members have a process for acting upon poor performance of a vendor and share debarment lists; however, only a few have a standardized form that is used to describe infractions. The Participating Members seek to balance the benefits of information-sharing against the requirement that contractors be afforded due process when agencies make contracting and responsibility decisions. The CPD presented a universal process and created a Default Documentation Spreadsheet that can be used by all Participating Members.

The Default Documentation Spreadsheet has been uploaded to the PRTF Sharepoint site, along with a procedures document to provide guidance to the Participating Members.

The spreadsheet is to be updated by each Participating Member and include:

- Purchase Order ("PO") or contract number from issuing Agency
- Brief description of the contract
- Vendor Name
- Date default occurred
- Notice of default
- Reason for default
- Notice and status of cure

The spreadsheet should be updated on a quarterly basis and the data should remain on the spreadsheet for 3 years.

Recommendation #27	Establish uniform practices, where permitted by law, to expand preferences for local vendors and support a workforce development or similar contract award preference.	Lead Agency: CPS

✓ Recommendation Completed: 2Q 2017

The CPO Committee found that only the City and PBC apply preference for local vendors and labor in their procurements and no Participating Member provides credit for employing graduates of workforce development programs.

Preference is limited by the Illinois State Constitution and or by Federal funding guidelines with the exception of the City, which operates under Home Rule Authority.

It is the conclusion of the CPO Committee that there would need to be a change in State laws in order to establish uniform practices across the agencies.

Recommendation #29	Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team.	Lead Agency: City/ CASE

✓ Recommendation Completed: 4Q 2018

All the Participating Members acknowledge tracking some form of compliance in connection with their procurement spend, to varying degrees. In order to identify compliance functions that could be shared across all the Participating Members, the feasibility, efficiency, and effectiveness of a joint compliance team for all agencies was evaluated.

In order to assess the feasibility of this recommendation the following actions were completed:

- Conducted interviews with Compliance teams of the Sister Agencies to understand current compliance function, process, and procedures
- Analyzed collected data from various surveys completed by Agencies
- Explored challenges and potential solutions for challenges in the development of a unified joint field compliance team.

Data Analysis/Challenges
In reviewing all the information collected regarding how the Sister Agencies complete compliance tasks, there were commonalities identified along with differences.

- Commonalities
  The prevailing software utilized by all the Sister Agencies to track compliance requirements is LCP Tracker/B2G Now. However, it was uncovered that each agency has separate contracts to use the same software.

  There is an opportunity to leverage the spend of all the agencies by one agency leading the procurement of a compliance tracking software with the ability to customize by agency (given the different metrics being tracked). Each agency would need to have input into the scope and productivity requirements but a single contract would be efficient and allow all the Sister Agencies to take advantage of a lower negotiated price.

- Differences
  Because each agency is funded by various sources, each agency is governed by different statutory requirements including local, state, and/or federal (or a combination thereof), triggering a spread of reporting requirements. Given the different statutory requirements governing each agency, completely unifying compliance across the agencies is not likely to realize true efficiencies.

Based on the research that was conducted, the following conclusions have been made:

- The logistical, managerial, and training requirements of a joint compliance team may not realize sufficient efficiencies to offset these costs.
- Such a team would need to be cross-trained to understand the precise rules/requirements of 7 different organizations.
- In order to ensure compliance with the various requirements, there would need to be a second layer of industry experts serving as QA/QC for each specific set of varying compliance metrics. This additional layer would add bureaucracy instead of reducing it.

The CPO Committee has concurred with the recommendation that the procurement of a unified compliance software be pursued. This would include scope development with input from each Participating Member and an option for separate module selection/payment per agency.

In addition, the Participating Members would continue to engage as part of the Certification and Compliance Committee of the GPC Forum, to serve as shared thought leadership and to discuss best practices, updates, and lead continuous cross-training efforts. The committee should review the current field compliance questionnaire to ensure it is standardized but addresses the needs of each agency.

Recommendation #30	Secure a *pro bono* study regarding the financial impact of the City's risk shifting contractual provisions.	Lead Agency: City/ CASE

✓ Recommendation Completed: 4Q 2018

This recommendation is centered on the implications of shifting risk from contractors back to the city -in particular, the impact on obtaining the best value for the city in the form of lower contract bids and the effect on inclusive economic growth opportunities for local, small, minority, and women-owned businesses.

The following steps outline the set of activities taken to conduct a more complete financial study of risk shifting implications:

- Creation of a comprehensive matrix with common risk provisions to use as a tool for comparison analysis across cities
- Interview conducted with the Chief Procurement Officer of Los Angeles (formerly NYC) to gather template contract provisions from municipalities of a comparable size to compare with Chicago
- Assessed high-level economic theory produced by Harvard Professor Jeff Liebman (President Obama's former head of procurement) on risk shifting impact on contract optimization.
- Interviewed Elijah De Campa, PhD Fellow at procurement best-practice firm Government Performance Lab, on his recent analogous economic analysis of the issue.
- Populated the Comparison Matrix with key provisions from Chicago, NYC, and Los Angeles across professional services, construction, and commodity contracts.
- Worked with City of Chicago Risk Management Team (within Finance Department) to explore which areas for shifting risk would result in the least liability for the City.
- Interviewed Sterling Johnson, best-practice attorney at Griffin & Strong, on recommended next steps.

In pursuing the methodology above, it is important to note this approach still resulted in a range of challenges. For example, in practice it is extremely difficult to quantify the actual impact of risk shifting due to the range of factors that influence contractors' bid prices or ability to enter a contract. Additionally, highlighting any differences in city contracts is skewed by the significantly different legal and regulatory environments in each City/State.

Therefore, rather than focus exclusively on contract provisions, the Committee decided to think about additional ways to lower risk for contractors. In order to vet additional ideas related to risk, the following will be raised at the GPC Forum:

- Discuss with the vendor community additional pain points similar to the effort to revise retention and retainage provisions, and address prompt payments to subcontractors.
- Start conversations on the possibility of using federal assist agencies, especially via the Small Business Administration, to bridge the gap on the inability for some contractors to bond and or get insurance.
- Explore ways to ensure prime contractors do not pass on onerous requirements to subcontractors even once the city reduces barriers.

V. RECOMMENDATIONS AT A GLANCE

Rec. No.	Description	PRTF 2018 Annual Report	OIG Third Annual Progress Report	PRTF 2019 Annual Report
1	Create CPO Committee	Completed	Completed	Completed
2	Ongoing PRTF Administration	Completed	Completed	Completed
3	Non-Competitive Procurement Policy	Completed	Inconsistent Implementation	Completed Implementation
4	Contract Standardization	Outstanding	Outstanding	Outstanding
5	IT System Inventory	Completed	Completed	Completed
6	Post all contracts, vendors and subcontractors online	Completed	Inconsistent Implementation	Inconsistent Implementation
7	Shared Website	Outstanding	Outstanding	Outstanding
8	Minimum disclosure requirements for subcontractors	Completed	Inconsistent Implementation	Completed Implementation
9	Due diligence on vendors before contract award	Completed	Outstanding	Outstanding
10	Uniform rules governing resolicitation of contracts	Completed	Inconsistent Implementation	Inconsistent Implementation
11	Evaluate the consistency of MBE/WBE/DBE certifications	Completed	Completed	Completed
12	Uniform criteria for Good Faith Efforts	Completed	Inconsistent Implementation	Completed Implementation
13	Written publicly posted process	Completed	Completed	Completed
14	Eliminate the newspaper notice requirement	Completed	Completed	Completed
15	Process for information sharing about professional development and recruitment	Completed	Completed	Completed
16	Uniform standards for small purchase, emergency, sole source	Completed	Inconsistent Implementation	Completed Implementation
17	Common Economic Disclosure Statement system	Outstanding	Outstanding	Outstanding
18	Process for use of joint pre-qualified vendor pools	Outstanding	Outstanding	Completed
19	Best practices for routine audits	Outstanding	Outstanding	Outstanding
20	Comprehensive procurement manual	Outstanding	Outstanding	Completed
21	Shared training	Completed	Completed	Completed
22	Universal vendor outreach	Completed	Completed	Completed
23	Uniform contract close-out procedures	Completed	Inconsistent Implementation	Completed Implementation
24	Standard compliance guidelines for on-site review personnel	Completed	Inconsistent Implementation	Completed Implementation
25	Information-sharing of poor performance, noncompliance or wrongdoing of vendors	Completed	Completed	Completed
26	Reciprocal debarment	Completed	Inconsistent Implementation	Inconsistent Implementation
27	Uniform practices for local preferences	Completed	Completed	Completed
28	Universal procurement system	Outstanding	Outstanding	Outstanding
29	Joint compliance functions	Completed	Completed	Completed
30	Risk Shifting Provisions	Completed	Completed	Completed
31	Center-led procurement	Outstanding	Outstanding	Completed