



**ANNUAL REPORT OF THE
CHICAGO PROCUREMENT REFORM
TASK FORCE**

March 1, 2019

EXECUTIVE SUMMARY

This Procurement Reform Task Force (PRTF) 2018 Year End Report includes the status for all Recommendations #1 through #31 along with an implementation chart with the completion status for all Recommendations for each Participating Member. As mentioned in the first annual progress report issued by the Office of the Inspector General, the CPO Committee was to establish projected delivery dates on the deliverables of the Recommendations. These projected deadlines have been implemented to help measure the Committee's progress. This report contains a detailed narrative detail for each Recommendation, including dates of completion or projected delivery dates. This will ensure a complete picture of the status of all recommendations.

As of today, the PRTF Member agencies are proud to announce that 23 out of 31 Recommendations have been implemented. Over the past three years, 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 on the last of these very important recommendations.

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

BACKGROUND

The 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 the 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: City of Chicago Department of Procurement Services (DPS), City Colleges of Chicago, Chicago Housing Authority, Chicago Park District, Chicago Public Schools, Chicago Transit Authority, and the Public Building Commission. A report, issued on November 17, 2015, detailed findings and 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 established was a CIO Committee to address necessary improvements in technology and procurement systems. The IGA stipulated that the PRTF will deliver quarterly status report to the Mayor, an annual progress report to City Council and participate in a public hearing of City Council to discuss the Annual Report. In addition, the City's Inspector General will make an annual independent evaluation of progress. To date, the PRTF has issued 5 quarterly reports and with this report 2 Annual Reports of Progress. To view all of the PRTF reports released to date, visit www.cityofchicago.org/prtf.

On May 30, 2017, the Office of the Inspector General (OIG) issued their first annual progress report. The report is available online at www.chicagoinspectorgeneral.org. In that report, the OIG concluded:

“Under the leadership of the CPO and IT Coordination Committees, the Participating Members have made considerable progress toward implementation of the 31 Recommendations presented in the 2015 PRTF Report. While, as noted in this report, significant work remains ahead, OIG sincerely appreciates the committees’ and Members’ efforts to date, and looks forward to monitoring their continued progress toward achieving these vitally important reforms”

A public hearing was held on July 14, 2017 as part of Chicago City Council’s Committee on Workforce Development and Audit and included testimony from the Chief Procurement Officer, Chief Information Officer and the Inspector General. The hearing focused on the progress of the work of the PRTF and the OIG’s recommendation that support be directed towards these initiatives, especially in regards to IT-focused recommendations.

On May 30, 2018, the Office of the Inspector General (OIG) issued their second annual progress report. The report is available online at www.chicagoinspectorgeneral.org. In that report, the OIG concluded:

“We note here, as we did in our First Annual Progress Report, that while the Participating Members have not strictly complied with the implementation timetable set in the 2015 PRTF Report, they are making steady process toward achieving the Task Force’s goal”

A public hearing was held on September 18, 2018, as part of Chicago City Council’s Committee on Workforce Development and Audit and included testimony from the Chief Procurement Officer, Chief Information Officer, and the Inspector General. The hearing focused on the progress of the work of the PRTF and the OIG’s recommendation that support be directed towards these initiatives.

Additionally, the work of the PRTF has also been nationally recognized and was covered by Governing Magazine, which stated:

“A lot of what Chicago is doing is seen as best practices in the field”.

RECOMMENDATION STATUS UPDATES

The PRTF recommendations, developed in collaboration with the Office of Inspector General, 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 PRTF Members have created programs to increase the pool of bidders on City contracts, incentivize the use of small minority and women-owned businesses, build capacity of local businesses, and encourage the employment of local residents. The PRTF members are working hard to have a local impact at all levels of the procurement and contracting process, developing innovative programs that affect prime contractors, subcontractors and individual residents.

The recommendations have been categorized into Immediate, Mid-Term, and Long-Term Recommendations.

IMMEDIATE RECOMMENDATIONS (1 TO 15)

Recommendation Completed

Recommendation Ongoing

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| 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 |
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✓ 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)

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

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| 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 |
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- ✓ Recommendation Completed: 3Q 2016
- ✓ Recommended Policy & Procedure Implemented across (7) Participating Members

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.

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| 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 |
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✓ Recommendation Partially Completed.

To date, 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.

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.

To facilitate further discussion of this approach, the target completion date for this is 2Q 2019.

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| 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 |
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✓ Recommendation Completed: 2Q 2017

The ITCC completed an inventory of all current procurement systems and ongoing implementation initiatives 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 common website, and is meeting biweekly.

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| Recommendation #6 | Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format. | Lead Agency: CCC |
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✓ Recommendation Completed. 4Q 2017

✓ All participating members are now posting contracts in some form. The user-friendly and searchable component will come online with the implementation of Recommendation #7.

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.

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| 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 |
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✓ 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, CPO and ITCC committee members and their designees have participated in requirements-gathering activities (survey and workshop), finalized requirements for bid opportunities and awarded contracts data sets, and finalized the data elements for subcontractors through a related recommendation. A process to transmit data from each agency has been established, and agencies began providing files for awarded contracts and bid opportunities in 2018. Subcontractor data transmission and new uniform web portal development are in progress. Funding has been identified to update the City's Contracts, Vendor, Payment website to meet these requirements, and this will shift the target completion date to Q4 2019.

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.cityofchicago.org/prtf), pending finalization of the single location site's (www.chicagoprocurement.info) development and implementation.

Target Completion Date for Recommendation is: Q4 2019.

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| Recommendation #8 | Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online. | Lead Agency: CHA |
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✓ Recommendation Completed: 3Q 2016

✓ Policy created and requirements established across (7) Participating Members

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.

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| Recommendation #9 | Establish minimum standards for conducting due diligence of vendors before entering into a contract. | Lead Agency: City |
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- ✓ Recommendation Completed: 3Q 2016. Process created. Implementation ongoing.
- ✓ All agencies have agreed to perform minimum uniform due diligence of vendors before entering into a contract.

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 whether the 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.

In addition, the ITCC is working to ensure that Participating Members have access to the debt check databases (IRIS) so that they can determine whether a vendor owes debt to the City and notify that vendor of the nature of the debt and that it should be paid.

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| Recommendation #10 | Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value. | Lead Agency: CTA |
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- ✓ Recommendation Completed: 3Q 2016.
- ✓ Implemented across (7) Participating Members

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.

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

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

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.

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

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| 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 |
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- ✓ 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.

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| 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 |
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- ✓ 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.

MID-TERM RECOMMENDATIONS (16 TO 27)

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| Recommendation #16 | Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source. | Lead Agency: CTA |
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- ✓ Recommendation Completed: 3Q 2017

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. Sole source was fully implemented across (7) Participating agencies in Recommendation #3.

The policies for small purchases and emergency purchases have been fully implemented across the (7) agencies at dollar amount thresholds in keeping with their approved policies.

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.

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| 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 |
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✓ 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 project will resume in Q2 2019, and the target completion date was changed from Q1 2019 to Q1 2020.

Target Completion Date for Recommendation is: Q1 2020.

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| 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 |
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✓ Recommendation Partially Completed. Implementation Ongoing.

The City gathered vendor pool data from all Participating Members and identified an estimated 114 potential vendor pools. These pools included a wide range of types of services, and varying scopes and categories within pools.

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.

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 a contract 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.

Target Completion Date for Recommendation is Q2 2019.

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| 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 |
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✓ Recommendation Partially Completed. Implementation Ongoing.

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 Participating Members are collaborating on moving this initiative forward and working on the review and award of the Task Order Request.

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. The Task Order Request (TOR) is under review and pending award.

Target Completion Date for Recommendation is Q2 2019.

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| 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 |
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✓ Recommendation Ongoing: Partially completed.

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 completed by the respective agencies and will be posted by the end of the first quarter.

Target Completion Date for Recommendation is: Q1 2019.

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| 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 |
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✓ 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.

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

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| Recommendation #23 | Develop uniform, minimum contract close-out procedures for use by all Participating Members. | Lead Agency: PBC |
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✓ Recommendation Completed: Q4 2017

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.

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| Recommendation #24 | Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance. | Lead Agency: PBC |
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✓ Recommendation Completed: Q4 2017

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.

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

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| 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 |
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✓ Recommendation Completed: 2Q 2017

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.

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| 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 |
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✓ 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.

LONG-TERM RECOMMENDATIONS (28 TO 31)

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| 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 |
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✓ Recommendation Ongoing.

✓ Data collection and analysis continues.

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 target completion for the first phase is approximately six months from the start. Funding for phase one has been identified and we are targeting Q2 2019 to complete the procurement process for these services. 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

In support of this work, the ITCC and CPO Committee engaged three Mayor’s Office fellows to assist for two months this past summer helping further the research of these long-term recommendations alongside Chicago Anchors for a Strong Economy (CASE) and World Business Chicago. On July 31, 2018, the Mayoral Fellows presented the recommendation analysis, challenges and findings to the PRTF participating members for further discussion and review by the CPO Committee.

Target completion has been adjusted from to Q4 2020 and Q4 2022 for Phase 2.

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| 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 |
| 30 | Secure a <i>pro bono</i> study regarding the financial impact of the City’s risk shifting contractual provisions. | Lead Agency: City/ CASE |
| 31 | Evaluate the benefits of center-led or consolidated procurement among the Participating Members. | Lead Agency: City/ CASE |

Recognizing the complexity of the long-term recommendations, the City sought opportunities to locate additional technical resources to help facilitate the analysis and development of implementation plans for Recommendations 29, 30 and 31.

In April 2017, DPS responded to an RFP from the Citi Foundation and Living Cities City Accelerator program to participate in a national procurement cohort. The City of Chicago was selected to participate in this national program, which is designed to help cities refine their approach to procurement in order to increase the diversity of municipal vendors over the course of 15 months. DPS worked in concert with Chicago Anchors for a Strong Economy (CASE) of World Business Chicago, to help facilitate long-term recommendations 29, 30 and 31 of the PRTF.

In January 2018, DPS participated in a cohort convening in San Antonio, Texas. At this convening the City of Chicago presented on these recommendations. Additionally, DPS had been asked to share the information about the City’s Consolidated Buying Plan as an industry best practice for the other participating cities. The members of the cohort were also interested in the genesis of the Procurement Reform Task Force (PRTF) and how they too could begin the work of inter-agency standardization in their cities. DPS shared the comprehensive survey that was the foundation of data collection for the establishment of the PRTF.

From September 13-14, 2018, DPS participated in the final cohort convening of the nationally recognized City Accelerator program, run by Living Cities and the Citi Foundation. As the host

city for the cohort, the City of Chicago worked closely with the Chicago Cultural Center, Harold Washington Library and Millennium Park to showcase the City of Chicago.

The convening was held over two days and included various presentations, subject matter procurement panels and a reception/dinner for the cohort participants. The cohort had over 50+ participants attend. Additionally, Affirmative Action Advisory Board (AAAB) members participated on a panel discussion about their experiences and elevating the voices of minority and women-owned enterprises.

In support of this work, the CPO Committee engaged three Mayor’s Office fellows to further the research on these recommendations alongside CASE and World Business Chicago. The Mayoral Fellows and World Business Chicago presented their research and recommendations to the Participating Members for review and concurrence.

Detailed below are the efforts that were undertaken to conduct the necessary data collection, best practice research, and analysis of these long-term recommendations of the PRTF.

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| 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 |
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✓ 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.

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| 30 | Secure a <i>pro bono</i> 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.

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| 31 | Evaluate the benefits of center-led or consolidated procurement among the Participating Members. | Lead Agency: City/ CASE |
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✓ Recommendation Ongoing: Partially completed.

The primary consideration in determining potential benefits of a center-led or consolidated procurement among the Participating Members of the PRTF was the assessment of commonalities in solicitations. This required an evaluation of contracting opportunities across the Participating Members in order to identify similar opportunities for local businesses in Chicago.

This effort has included data collection, establishment of benchmarks for comparison and an initial review of the conclusions. Next steps in this recommendation comprise an evaluation of the results of the data analysis, and application of those results to the findings that were key in establishing this recommendation.

Target Completion Date for Recommendation is Q1 2019.

Attachment A: Recommendation #11 Certification Matrix

PRTF Status Update

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

| 2016 | ILUCP (IDOT, CTA, METRA, Pace) City of Chicago Cook County Certification | CMS -BEP (State of Illinois Business Enterprise Program) | WBDC (Women's Business Development Council) | WBENC (Women Business Enterprise National Council) | CMSDC (Chicago Minority Supplier Development Council) | NMSDC (National Minority Supplier Development Council) | SBA | MWRD (Metropolitan Water Reclamation District) | Outside of IL | Blank |
|----------------------------------|--|--|---|--|---|--|-----|--|---------------|-------|
| City of Chicago (City) | 100%* | | | | | | | | | |
| Public Building Commission (PBC) | 100%* | | | | | | | | | |
| Chicago Transit Authority (CTA) | 100%* | | | | | | | | | |
| City Colleges of Chicago (CCC) | 80% | 16% | | | 4%*** | | 0% | 0% | 0% | 0% |
| Chicago Park District (CPD) | 90%** | | | | 10% | | | | | |
| Chicago Housing Authority (CHA) | 83% | 4% | 0% | 0%**** | 13% | 0% | 0% | 0% | 0%**** | 0% |
| Chicago Public Schools (CPS) | 88% | 8% | 0% | 0%**** | 0%***** | 0% | 0% | 0% | 4% | 0% |

* Please note the City and PBC only accepts City/County/ILUCP. CTA only accepts DBE/ILUCP
 ** CPD estimated that 90% of their compliance credit is attributable only to City of County Certifications
 *** CCC combined certifications for Chicago/National Women's Business Development and Minority Supplier Development Council
 **** CHA has less than 1% in these respective categories
 ***** \$2,919.36 WBENC - CPS
 ***** \$33,723.39 CMSDC - CPS

| | | | | | | | | | | |
|----------------|-----|----|--|--|--|--|--|--|----|--|
| AVERAGE | 84% | 9% | | | | | | | 2% | |
|----------------|-----|----|--|--|--|--|--|--|----|--|

Attachment B: Implementation Spreadsheet

Legend / Key:

GREEN = Implemented/Completed

| RECOMMENDATION | | DPS | CPS | CTA | CHA | CCC | CPD | PBC |
|----------------------------------|--|------|--|-----|-----|-----|-----|-----|
| IMMEDIATE RECOMMENDATIONS | | | | | | | | |
| 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. | City | | | | | | |
| 2 | Charge the CPO Committee with addressing the Task Force recommendations, tracking their implementation, and issuing quarterly progress reports. | City | | | | | | |
| 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. | CTA | | | | | | |
| 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. | City | 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. To facilitate further discussion of this approach, the target completion date for this is 2Q 2019. | | | | | |
| 5 | Charge the Chicago Government IT Coordination Committee, 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. | ITCC | | | | | | |
| 6 | Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format. | CCC | | | | | | |
| 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. | ITCC | <p>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.</p> <p>Subcontractor data transmission and new uniform web portal development are in progress. Funding has been identified to update the City's Contracts, Vendor, Payment website to meet these requirements, and this will shift the target completion date to Q4 2019.</p> <p>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 Participating Members procurement information. The information is contained on the PRTF website (www.cityofchicago.org/prtf), pending finalization of the single location (www.chicagoprocurement.info) site's development and implementation.</p> <p>Target Completion Date for Recommendation is: Q4 2019.</p> | | | | | |
| 8 | Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online. | CHA | | | | | | |
| 9 | Establish minimum standards for conducting due diligence of vendors before entering into a contract. | City | | | | | | |
| 10 | Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value. | CTA | | | | | | |
| 11 | Evaluate the consistency of MBE/WBE/DBE certifications accepted by Participating Members. | PBC | | | | | | |
| 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 | PBC | | | | | | |
| 13 | Require a written, publicly posted protest process for each Participating Member. | CCC | | | | | | |

| RECOMMENDATION | | DPS | CPS | CTA | CHA | CCC | CPD | PBC |
|---------------------------------|---|------|--|-----|-----|-----|-----|-----|
| 14 | Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations. | CPD | | | | | | |
| 15 | Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment. | CPS | | | | | | |
| MID-TERM RECOMMENDATIONS | | | | | | | | |
| 16 | Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source. | CTA | | | | | | |
| 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. | ITCC | Recommendation Ongoing. 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 included upgrading the underlying document management system. In 2018, the project was put on hold during the planning and requirements phase pending the completion of a related procurement process. The project will resume in Q2 2019, and the target completion date was changed from Q1 2019 to Q1 2020. | | | | | |
| 18 | Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members. | City | <p>Recommendation Partially completed. 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.</p> <p>In the interim, and as appropriate to supplement to joint vendor pools going forward, it is the recommendation that the Participating Members continue to follow the City's Reference Contract Policy under the Municipal Code of Chicago (MCC) 2-92-649. The City's Reference Policy is available on the City's website and has been circulated for Sister Agency reference.</p> <p>Target Completion Date for Recommendation is: Q2 2019.</p> | | | | | |
| 19 | Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function. | City | <p>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 Participating Members are collaborating on moving this initiative forward and working on the review and award of the Task Order Request.</p> <p>This 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. The Task Order Request (TOR) is under review and pending award.</p> <p>Target Completion Date for Recommendation is: Q2 2019.</p> | | | | | |
| 20 | Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public. | CCC | <p>Recommendation Partially completed. CCC provided a template procurement manual to the Participating Members based on the CTA manual. The next step will be for CPO Committee members to address the public availability component of their Procurement Manuals. The manuals/procedures have been completed by the respective agencies and will be posted by the end of Q1 2019.</p> <p>Target Completion Date for Recommendation is Q1 2019.</p> | | | | | |
| 21 | Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations. | City | | | | | | |
| 22 | Develop universal programming for vendor outreach and training. | City | | | | | | |

| RECOMMENDATION | | DPS | CPS | CTA | CHA | CCC | CPD | PBC |
|----------------|--|-----|-----|-----|-----|-----|-----|-----|
| 23 | Develop uniform, minimum contract close-out procedures for use by all Participating Members. | PBC | | | | | | |
| 24 | Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance. | PBC | | | | | | |
| 25 | Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor. | CPD | | | | | | |
| 26 | Seek to establish reciprocal debarment among Participating Members through the use of a debarment review board or another mechanism as permitted by law. | CHA | | | | | | |
| 27 | Establish uniform practices, where permitted by law, to expand preferences for local vendors and support a workforce development or similar contract award preference. | CPS | | | | | | |

LONG-TERM RECOMMENDATIONS

| | | | | | | | | |
|----|--|---------------|--|--|--|--|--|--|
| 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. | ITCC | <p>Recommendation ongoing. 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.</p> <p>The first phase would 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 target completion for the first phase is approximately six months from start. Since the same subject matter resources will be engaged in developing a common EDS system, this project would begin six months after the start of EDS. Phase 2 would implement the single system across all agencies in approximately two years from start.</p> <p>Target completion has been adjusted from Q1 2019 for Phase 1 to Q4 2020 and Q4 2022 for Phase 2.</p> | | | | | |
| 29 | Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team. | City/ CASE | | | | | | |
| 30 | Secure a <i>pro bono</i> study regarding the financial impact of the City's risk shifting contractual provisions. | City/ CASE | | | | | | |
| 31 | Evaluate the benefits of center-led or consolidated procurement among the Participating Members. | City/ CASE | <p>This effort has included data collection, establishment of benchmarks for comparison and an initial review of the conclusions. Next steps in this recommendation comprise an evaluation of the results of the data analysis, and application of those results to the findings that were key in establishing this recommendation.</p> <p>Target Completion Date for Recommendation is Q1 2019.</p> | | | | | |