



**3Q 2016 STATUS REPORT OF THE
CHICAGO PROCUREMENT REFORM
TASK FORCE**

October 17, 2016

3Q 2016 STATUS REPORT OF THE CHICAGO PROCUREMENT REFORM TASK FORCE

October 17, 2016

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 the CPO and Inspector General Joe Ferguson, 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. A report, issued on November 17, 2015, detailed findings and recommendations for reforming the procurement policies and practices. The recommendations 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.

On January 13, 2016, an ordinance was passed for an intergovernmental agreement for all Participating Members (CCC, CHA, Parks, CPS, CTA and PBC) to work cooperatively to implement recommendations identified in the November 2015 report. 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.

Since the submittal of the 1Q 2016 Status Report of the Chicago PRTF, the Participating Member agencies continue to work diligently with their legal counsel and/or boards to ensure the completion and implementation of Immediate Recommendations #1 through #15. The 2Q2016 Status Report focused on the advancement of Mid-Term Recommendations #16 through #27. The recommendations reflect a cross-section of procurement issues that impact both the vendor community as well as efficiencies within each government agency.

The Department of Procurement Services, the Department of Innovation and Technology (DoIT), and the procurement and information technology divisions of six of the City's sister agencies – Chicago Housing Authority, Chicago Park District, Chicago Public Schools, Chicago Transit Authority, City Colleges of Chicago, and Public Building Commission – have contributed to the development of this report.

This 3Q 2016 Status Report includes an implementation checklist chart reflecting the completion status across each Immediate and Mid-Term Recommendation for each Participating Member. Additionally, we are pleased to present 11 fully implemented Immediate Recommendations.

Legend / Key:

- GREEN = Implemented/Completed
- RED = Not Implemented/Incomplete

RECOMMENDATION		DPS	GPS	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 pro bono partner, Clark Hill, continues to move forward on developing standardized commodities, professional services, and construction Master and Additional Provisions templates. Significant progress has been made on the commodities and professional services Master templates and commodities and professional services Additional Provisions templates. Clark Hill's current focus is on the construction Master template and putting together construction Additional Provisions for all Participating Members.					
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	Ongoing, responsible party = DoIT. <u>Current Status:</u> Inventory of systems for all agencies is complete <u>Next Steps:</u> - ITCC to identify collaboration opportunities (Q4) - Opportunities to be reviewed with CPOs for business alignment with priorities(Q4) - ITCC to develop roadmap with funding requests(Q1 2017)					
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	A new url (www.chicagoprocmnt.info) has been procured and currently directs to PRTF landing page on City site (www.cityofchicago.org/prtf). ITCC continues to work on new consolidated website. <u>Next Steps:</u> - CPS to host requirements and design sessions with CPOs (Q4) - Based on requirements, develop release plan - 1st website enhancement before December					
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						
14	Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations.	CPD						

RECOMMENDATION		DPS	CPS	CTA	CHA	CCC	CPD	PBC
15	Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment.	CPS	Scope submitted to DPS from CPS. PRTF Committee to review recommendation and feedback. Project is currently underway with completion anticipated by calendar end of 2016.					
MID-TERM RECOMMENDATIONS								
16	Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source.	CTA	CTA distributed a Draft process related to Emergency Procurement and will be following up on the remaining recommendation items.					
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	DPS will be following up with ITCC. <u>Current Status:</u> Basic requirements drafted and budget requested for 2017 <u>Next Steps:</u> - If funded, refine requirements with CPOs and technical architect with CIOs (Q2 2017) - Development implementation plan with milestones.					
18	Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members.	City	DPS research on the recommendation has begun. Project is currently underway with completion anticipated by calendar end of 2016.					
19	Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.	City	DPS research on the recommendation has begun. Project is currently underway with completion anticipated by calendar end of 2016.					
20	Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public.	CCC	CCC has begun the analysis of CTA's robust Procurement Manual. Scope submitted by CCC to DPS. Project is currently underway with completion anticipated by calendar end of 2016.					
21	Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations.	City	DPS working on training program opportunities between the City and the Sister Agencies.					
22	Develop universal programming for vendor outreach and training.	City	DPS discussed with the PRTF members it's various methods of vendor outreach and training.					
23	Develop uniform, minimum contract close-out procedures for use by all Participating Members.	PBC	PBC submitted DRAFT checklist for review and comments. This checklist may be used as a guide for agencies when closing out contracts. The final FAQ/Tips Guide will be finalized in Q4 2016.					
24	Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance.	PBC	PBC submitted DRAFT Frequently Asked Questions and Tips for On-site Personnel was submitted for review and comments. This FAQ/Tips documentation may be used as a guide for staff monitoring compliance on-site. The final FAQ/Tips Guide will be finalized in Q4 2016.					
25	Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor.	CPD	CPD research on the recommendation has begun. Project is currently underway with completion anticipated by calendar end of 2016.					
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	CHA submitted DRAFT of Recommendation language to Participating Members for feedback and discussion. CHA will be following up on the remaining recommendation items.					
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	CPS to follow up and provide a status update. Scope submitted to DPS from CPS. Project is currently underway with completion anticipated by calendar end of 2016.					
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.	TBD	-	-	-	-	-	-
29	Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team.	TBD	-	-	-	-	-	-
30	Secure a <i>pro bono</i> study regarding the financial impact of the City's risk shifting contractual provisions.	TBD	-	-	-	-	-	-
31	Evaluate the benefits of center-led or consolidated procurement among the Participating Members.	TBD	-	-	-	-	-	-