

Department of Procurement Services Reference Contract Policy

The Department of Procurement Services (DPS) strongly encourages the procurement of goods and services through the use of competitive bids using standard procurement processes. DPS recognizes that, in limited cases, the use of such standard processes may not be feasible or the best vehicle by which to procure goods and services. Among other alternative procurement methods, § 2-92-649 of the Municipal Code of Chicago (MCC) authorizes the Chief Procurement Officer (CPO) to enter into contracts for goods or services based on a reference contract for the provision of the same goods or services. City User Departments must adhere to this Reference Contract Policy when considering and requesting the use of reference contracts as the basis for entering into a new City contract.

- (1) A memorandum from the User Department Head to the CPO justifying the use of the reference contract as a procurement vehicle is required. The justification memo should explain why the use of standard processes is not feasible or not the best method to procure the goods or services. For example, despite repeated efforts to competitively bid a City specification, no qualified bids were received.
- (2) If a City contract for the same goods or services already exists, a reference contract cannot be used as the basis for entering into a new City contract.
- (3) If a Master Consulting Agreement for the same services already exists, a reference contract cannot be used as the basis for entering into a new City contract unless the User Department produces evidence that it solicited proposals from the pre-qualified vendor pool, and no qualified responses were received. Such evidence must be included in the justification memo described in paragraph (1) herein. If the User Department chooses not to solicit proposals from the pre-qualified vendor pool, then it must make a request to the Non-Competitive Review Board (“NCRB”) to enter into a sole source contract pursuant to the Illinois Municipal Purchasing Act, Chapter 65, Section 5/8-10 et. seq. of the Illinois Compiled Statutes (“Purchasing Act”).

Note that a request to the NCRB pursuant to the Purchasing Act, or a joint procurement pursuant to MCC § 2-92-600, may be appropriate options to consider even if the criteria herein are met to utilize MCC § 2-92-649.