

LEGISLATIVE AUDIT COMMISSION

MEMORANDUM

November 15, 2022

TO: All Members of the Commission

FROM: Angela Ford, Fiscal Officer; Andrew Morrison, Deputy Director

RE: Emergency Purchases, First Quarter FY23

The Illinois Procurement Code (30 ILCS 500/) states, “It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...” The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 calendar days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurements shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than five calendar days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing.

A chief procurement officer making such emergency purchases is required to file statements with the Procurement Policy Board and the Auditor General to set forth the circumstances requiring the emergency purchases. The Code also allows for quick purchases. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

Attached is a summary of the 57 Emergency Purchase Statements that were filed with the Auditor General for the period of July 1, 2022 through September 30, 2022. In addition to these 57 Emergency Purchase Statements, there were 48 updates to prior Emergency Purchase Statements' estimated cost (or updated final cost).

Summary of All Emergency Purchase Transactions
July 1, 2022 through September 30, 2022

	Purchases	Estimated/Updated Cost
State Appropriated Funding	49	\$ 80,957,164.56
Federal and State Appropriated Funding	2	\$ 1,305,528.00
Federal Funding	1	\$ 141,123.00
All Other Funding	5	\$ 4,477,915.00
Total	57	\$ 86,881,730.56

The table above includes 23 purchases that are estimated to exceed \$250,000. The table below breaks down those 23 by entity. Those are summarized on the following pages by the categories in the table above.

Counts of Greater than \$250,000 by Entity	
Board of Elections	0
Capital Development Board	3
Central Management Services	1
Corrections	2
Chicago State University	1
Human Services	1
Innovation and Technology	9
Labor	1
Military Affairs	0
Natural Resources	0
Public Health	0
State Police	1
Transportation	1
Toll Highway Authority	1
University of Illinois	2
Total Count of Greater than \$250,000	23

State Appropriated Emergency Purchase Transactions

July 1, 2022 through September 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Central Management Services	5	\$ 635,765.00
Corrections	5	\$ 40,400,379.00
Human Services	4	\$ 1,758,383.00
Innovation and Technology	11	\$ 25,716,356.29
Military Affairs	3	\$ 359,260.75
Natural Resources	2	\$ 134,550.00
Public Health	1	\$ 119,500.00
Transportation	2	\$ 656,684.72
All Other Agencies		
Board of Elections	1	\$ 119,950.00
Capital Development Board	11	\$ 2,336,575.00
State Police	1	\$ 8,047,701.80
Universities		
University of Illinois	3	\$ 672,059.00
Total State Appropriated Funds	49	\$ 80,957,164.56

The table above includes 18 state appropriated emergency procurements that are estimated to exceed \$250,000. They are summarized as follows:

Central Management Services

Estimated Cost - \$324,475 to design and construct a replacement satellite controller on the roof of at 120 West Jefferson St in Springfield. Due to a lightning strike, the 30-year-old dish currently cannot receive signals. Emergency procurement is required to ensure the Illinois Office of Communication and Information can meet its statutory mandate to provide for and coordinate broadcast communications services for state agencies. This emergency procurement was incorrectly filed with FY22 Q4 emergency purchase statements.

Corrections

Estimated Cost - \$40,000,000 to provide medical, dental, vision, audiology, pharmaceutical and mental health services for offenders at specified State correctional centers. The emergency purchase statement did not explain what prompted this emergency procurement. The Department stated that it was in the final phases of the request for proposal (RFP) review and planned to post the RFP soon thereafter.

Human Services

Estimated Cost - \$1,500,000 to procure a secure fence at McFarland Mental Health Center located in Springfield. This emergency purchase resulted from a court order requiring the facility to begin receiving forensic residents. According to the Department, the secure fence is a necessity for these individuals.

Innovation & Technology

Estimated Cost - \$1,440,400 to procure licenses for the client and server software to facilitate the access to the Law Enforcement Agency Data System (LEADS) for law enforcement officers operating remotely from their vehicles or in the field.

Estimated Cost - \$496,023.12 to procure continued varying licenses to ensure continued security of the agency and its data center. The vendor selected was the previous vendor selected and the emergency procurement is of equal or lesser value of the previously established contract. The agency is in the process of releasing multiple award master contracts for these services in order to replace this emergency procurement.

Estimated Cost - \$12,000,000 to continue Voice over IP (VoIP) support and services while a new contract is negotiated. The system currently supports more than 40,000 phones, 350 video conferencing systems and multiple contact centers that are critical to public safety services. The previous contract terms will be used for the emergency contract.

Estimated Cost - \$1,451,949.60 to procure Quest licenses and services. These licenses have been procured from Novanis under emergency contract for over a year according to the emergency purchase statement. The Department states that it is “working on a replacement solicitation/contract for these licenses and services; however, we’ve been unable to get a contract executed in time for renewal.”

Estimated Cost - \$420,480.07 to renew product licenses for critical print software. Levi Ray and Shoup was the previous vendor under contract and was selected for the emergency procurement because their software is proprietary and already established with the agency. There was no mention in the emergency purchase statement as to whether a competitive solicitation was under way for these services.

Estimated Cost - \$2,000,000 to provide continued job postings on behalf of CMS. The previous service used by CMS was suddenly unable to perform job posting services. Emergency procurement was necessary to provide continued job postings along with also addressing the growing back log of job postings of the state resulting from the previous vendor’s inability to keep providing these services.

Estimated Cost - \$3,500,000 to provide maintenance and support of existing infrastructure allowing for DoIT to install replacement, uninterrupted power supply systems (UPS), generators and related equipment as needed. The vendor selected is the same vendor selected from the previous emergency contract for these services. An information for Bid (IFB) is drafted and under review to replace this emergency contract.

7/1/22 – 9/30/22

Estimated Cost - \$376,073.50 to procure PhishER tools utilized by the Department's Security Operations Center to manage reports and monitor all emails for potential risk. The Department stated that this was a one-time emergency purchase and that contract would be in place for the next year's annual purchase of these products and services.

Estimated Cost - \$3,750,000 to ensure continued statewide trunked, digital public safety communications network operating. The vendor selected under emergency procurement is the only vendor that has the network to meet the needs of the state according to the emergency purchase statement.

Transportation

Estimated Cost - \$ 551,005.10 to provide warranty repairs on the Department's survey equipment and GPS products. Whether competitive solicitation was sought out or would be sought out for future warranty repair contracts was not mentioned in the emergency purchase statement.

Capital Development Board

Estimated Cost - \$ 350,000 to procure a temporary chiller and generator rentals on behalf of the Department of Corrections (DOC). This emergency procurement is a place holder procurement that cannot exceed \$350,000 and it precedes an emergency purchase to permanently address the chiller and generator needs of DOC.

Estimated Cost - \$ 636,575 to repair and/or replace the existing roof, insulation and guttering at the Pontiac Correctional Center on behalf of DOC. Services under this procurement may not exceed \$636,575 prior to entering into a construction contract, without prior authorization from the Capital Development Board in consultation with the Chief Procurement Office.

Estimated Cost - \$ 500,000 to rent a temporary boiler to ensure proper heating at the Menard Correctional Center until a permanent solution can be implemented.

State Police

Estimated Cost - \$ 8,047,701.80 to procure Police version SUVs that were procured under a competitive solicitation, but the master contract couldn't be executed in time to place the order with the vendor. The vendor only accepts orders for Police version SUVs during specified timeframes and the Department didn't want to miss the window to place their order.

7/1/22 – 9/30/22

University of Illinois

Estimated Cost - \$ 400,000 to procure a full-service provider for online learning services for not-for-profit universities and colleges at Chicago campus. The university has procured a new vendor for these services, but has to meet the terms of the previous contract by allowing students who started with the prior vendor to finish out their degrees under the previous vendor.

7/1/22 – 9/30/22

Federally Funded and State Appropriated Emergency Purchase Transactions
July 1, 2022 through September 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Human Services	1	\$94,100.00
Labor	1	\$121,428.60
Total Federal and State Appropriated Funds	2	\$215,528.60

The two purchases shown in the table above are not estimated to exceed \$250,000.

7/1/22 – 9/30/22

Federally Funded Emergency Purchase Transactions
July 1, 2022 through September 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Public Health	1	\$141,123.00
Total Federal Funds	1	\$141,123.00

The preceding table does not include any purchases that exceed \$250,000.

Other Funded Emergency Purchase Transactions
July 1, 2022 through September 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Central Management Services	1	\$33,915.00
Corrections	1	\$3,000,000.00
All Other Agencies		
Toll Highway Authority	1	\$335,000.00
Universities		
Chicago State University	1	\$675,000.00
University of Illinois	1	\$434,000.00
Total	5	\$4,477,915.00

The table includes 4 purchases that are estimated to exceed \$250,000. They are summarized as follows:

Corrections

Estimated Cost - \$3,000,000 to provide Covid-19 testing for staff and incarcerated individuals at DOC facilities.

Toll Highway Authority

Estimated Cost - \$335,000 to procure program management, outreach, recruitment, training, job placement and retention for the Workforce Development Technical Assistance Initiative. The vendor selected was the previous vendor under contract. The contract allowed for a contract renewal for which the Tollway Board approved, but didn't execute prior to the expiration of the original contract.

Chicago State University

Estimated Cost - \$675,000.60 procure a full-time interim Chief Information Officer (CIO) and a full-time interim Deputy CIO along with other positions while also assisting with managing projects for CSU during the emergency term. This emergency purchase resulted from "personnel adjustments" according to the emergency purchase statement.

University of Illinois

Estimated Cost - \$ 434,000 to continue repair and replacement work related to a leak of a 4,200-gallon hot water heater expansion tank on the UIC campus. The repair work from this

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emergency procurement will be paid for from the Academic Facilities Maintenance Fund Assessment.