

LEGISLATIVE AUDIT COMMISSION

MEMORANDUM

March 14, 2023

TO: All Members of the Commission

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

RE: Emergency Purchases, Second 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.

10/1/22 – 12/31/22

Attached is a summary of the 42 Emergency Purchase Statements that were filed with the Auditor General for the period of October 1, 2022 through December 31, 2022. In addition to these 42 Emergency Purchase Statements, there were 40 updates to prior Emergency Purchase Statements' estimated cost (or updated final cost).

Summary of All Emergency Purchase Transactions
October 1, 2022 through December 31, 2022

	Purchases	Estimated/Updated Cost
State Appropriated Funding	27	\$16,220,247.63
Federal and State Appropriated Funding	1	\$ 400,000.00
Federal Funding	2	\$ 1,149,678.55
All Other Funding	12	\$ 33,761,472.00
Total	42	\$51,531,398.18

The table above includes 21 purchases that are estimated to exceed \$250,000. The table below breaks down those 21 by entity. Those are summarized on the following pages by the categories in the table above.

Counts of Greater than \$250,000 by Entity	
Capital Development Board	0
Central Management Services	0
Chicago State University	1
Commerce and Economic Opportunity	1
Corrections	5
Employment Security	1
Human Services	1
Innovation and Technology	6
Natural Resources	0
Office of the Auditor General	0
Public Health	1
Transportation	1
University of Illinois	0
University of Illinois - Chicago	4
Total Count of Greater than \$250,000	21

State Appropriated Emergency Purchase Transactions
 October 1, 2022 through December 31, 2022

	Purchases	Estimated/Updated Cost
Constitutional Offices		
Office of the Auditor General	2	\$ 240,000.00
Code Departments		
Central Management Services	4	\$ 552,681.00
Corrections	1	\$ 114,739.97
Human Services	2	\$ 1,155,000.00
Innovation and Technology	6	\$ 12,078,756.66
Public Health	1	\$ 325,020.00
Transportation	2	\$ 404,000.00
All Other Agencies		
Capital Development Board	3	\$ 300,050.00
Universities		
University of Illinois - Chicago	6	\$ 1,050,000.00
Total State Appropriated Funds	27	\$16,220,247.63

The table above includes 9 state appropriated emergency procurements that are estimated to exceed \$250,000. They are summarized as follows:

Human Services

Estimated Cost - \$1,020,000.00 to provide business services such as adjudicating service claims and provider enrollment for the Early Intervention (EI) program. This emergency occurred as a complication of procuring a new vendor for these services. The prior contract was awarded for 10 years and was not re-awarded to the incumbent. The incumbent has been retained through emergency procurement to ensure that these services are available through the transition to a new vendor. This emergency procurement has been extended through the end of FY23 for a total cost of approximately \$5.1 million.

Innovation & Technology

Estimated Cost - \$4,125,000.00 to ensure continued operation of the statewide trunked, digital public safety communications network. 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. There was a prior emergency purchase for these services in FY23 Q1 for \$3.75 million.

Estimated Cost - \$2,000,000.00 to ensure continued ability of law enforcement agencies (state, local and county) to procure mobile/radio equipment as needed while a new contract is competitively solicited. There was an emergency contract in place prior, but it expired before an extension could be implemented.

10/1/22 – 12/31/22

Estimated Cost - \$1,050,000.00 to remove/relocate the state-owned fiber network from the basement of the James R. Thomson Center due to the facility being sold to Google. Due to an unexpected moratorium on cutting LaSalle and Lake Streets beginning December 1, 2022, the Department was forced to finish this project before the end of November of 2022 not allowing time for competitive solicitation.

Estimated Cost - \$3,000,000.00 to ensure continued private telecommunications network voice and data services required to provide critical services throughout the state. AT&T is the incumbent vendor and is also under this emergency procurement. Competitive solicitation for a new ten-year contract is underway.

Estimated Cost - \$1,000,000.00 to allow for continued purchasing of Fujitsu equipment used for implementing a large portion of the Connect Illinois/K-12 initiative. The state has invested over \$20 million in equipment, maintenance and services through Fujitsu. The emergency purchase statement states that “to switch to another vendor at this point would mean the state would have to spend an estimated \$10-12 million on equipment,” which doesn’t include engineering and other labor costs.

Estimated Cost - \$903,756.66 to procure continued maintenance and application access to the agency mainframe. The new Information For Bid (IFB) has been negotiated and will replace this emergency once the IFB is executed.

Public Health

Estimated Cost - \$ 325,020.00 to purchase six instruments to test Ebolaviruses and reagent test kits. The selected vendor was the only vendor approved by the Center for Disease Control and Prevention and the Department of Defense for the detection of all species of Ebola. There was no mention in the emergency purchase statement as to why this was not purchased through competitive solicitation.

Transportation

Estimated Cost - \$400,000.00 to repair damage to south bound I-90/I-94/Dan Ryan exit ramp to south bound I-55/Stevenson in Chicago. The damage was due to a fire and the exit will be closed until repairs can be made.

10/1/22 – 12/31/22

Federally Funded and State Appropriated Emergency Purchase Transactions

October 1, 2022 through December 31, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Commerce and Economic Opportunity	1	\$400,000.00
Total Federal and State Appropriated Funds	1	\$400,000.00

This purchase shown in the table above is estimated to exceed \$250,000.

Commerce and Economic Opportunity

Estimated Cost - \$400,000.00 to support continued service by the statewide, in person call center for the Low-Income Home Energy Assistance Program (ILHEAP) and the Community Services Block Grant (CSBGP program). The vendor under emergency contract was selected under competitive bidding, but didn't meet the required BEP goal, so another solicitation is underway.

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Federally Funded Emergency Purchase Transactions
October 1, 2022 through December 31, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Employment Security	1	\$550,000.00
Universities		
University of Illinois - Chicago	1	\$599,678.55
Total Federal Funds	2	\$550,000.00

Both purchases in the preceding table are estimated to exceed \$250,000.

Employment Security

Estimated Cost - \$550,000.00 to procure bulk metered postage for equipment that allows IDES to pay for postage remotely and as needed. This ensures mailings inform citizens of the status of their Unemployment Insurance (UI) benefits applications and the level of their benefits. The status of the competitive solicitation for these services was not mentioned in the emergency purchase statement.

University of Illinois - Chicago

Final Cost - \$599,678.55 to upgrade an existing scientific instrument manufactured by Keysight that contains technology that is proprietary to Keysight. The upgrade was provided to the state at a discounted rate.

Other Funded Emergency Purchase Transactions
 October 1, 2022 through December 31, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Corrections	5	\$30,000,000.00
Natural Resources	1	\$50,000.00
Universities		
Chicago State University	1	\$1,184,848.00
University of Illinois	1	\$2,286,624.00
University of Illinois - Chicago	4	\$240,000.00
Total	12	\$33,761,472.00

The table includes 9 purchases that are estimated to exceed \$250,000. They are summarized as follows:

Corrections

Estimated Cost - \$6,000,000.00 to provide commissary items for individuals in custody to purchase. (E Ford Commissary Inc). This emergency purchase dates back to FY22 Q1.

Estimated Cost - \$6,000,000.00 to provide commissary items for individuals in custody to purchase. (Performance Group dba Vistar). This emergency purchase dates back to FY22 Q1.

Estimated Cost - \$6,000,000.00 to provide commissary items for individuals in custody to purchase. (Keefe Group). This emergency purchase dates back to FY22 Q1.

Estimated Cost - \$6,000,000.00 to provide commissary items for individuals in custody to purchase. (Walkenhorst’s). This emergency purchase dates back to FY22 Q1.

Estimated Cost - \$6,000,000.00 to provide commissary items for individuals in custody to purchase. (Union Supply Group). This emergency purchase dates back to FY22 Q1.

Chicago State University

Estimated Cost - \$1,184,848.00 to procure immediate engagement with an outside vendor for interim leadership and project management necessary due to personnel adjustments within the IT Department on campus. Hiring to fill positions within the IT Department are underway.

10/1/22 – 12/31/22

University of Illinois – Chicago

Estimated Cost - \$428,118.00 to procure temporary cleaning, housekeeping and disinfection services in campus buildings. This emergency serves as a stop gap to ensure custodial and environmental cleaning services on campus continue.

Estimated Cost - \$437,736.00 to procure temporary EVS/hospital-grade cleaning, housekeeping and Covid-19 disinfection services at the UI Hospital (Building 949) due to staffing shortages.

Estimated Cost - \$1,274,322.00 to install 12 Evolv Weapons detections systems at access points within five UI Health buildings. The Evolv system is a next-generation intelligent security system that combines sensor technology with artificial intelligence to produce more accurate threat detection. This emergency procurement was required due to increased violence and attacks in public areas.