



To: Members of the Joint Committee on Government Reform

From: James P. Sledge, Chief Procurement Officer

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Subject: Overview of the Sole/Sole Economically Feasible Source Process

Sole Source is a lawful means of source selection, but as an exception to the full competitive process, use of this method must be and is controlled. By rule and policy CMS exercises control beyond what the law requires.

Examples of sole source purchases

- Information Technology licensing upgrades, renewals and maintenance of proprietary and/or custom software applications
- State Fair and DuQuoin Fair entertainment
- Lottery promotions for State and local fairs and events
- Acquisitions for the Lincoln Presidential Library
- Illinois Toll Highway Authority transponders and related equipment (due to compatibility requirements)
- Illinois State Police laboratory testing supplies and equipment (due to FBI requirements)

Authorized use of the sole source method

Sole Source procurements are used in three instances:

- When a vendor is the sole source of a supply/service
- When a vendor is the sole economically feasible source of a supply/service
- When germane and reasonable changes to existing contracts are necessary or desirable

CMS Authority over sole source procurements

All State Purchasing Officers must, by rule, submit sole source requests to CMS for approval before a notice can be published in the Illinois Procurement Bulletin. This requirement extends to all procurements under the authority of CMS.

CMS has authority over all sole source procurements except the following: (1) construction and construction-related services procurements conducted by the Capital Development Board and the Illinois Department of Transportation and (2) all procurements required by the Public Institutions of Higher Education (3) the Illinois Power Agency.

### Sole source procurement approval procedure

The requesting agency must prepare a procurement business case justifying the proposed decision. This proposed decision must be reviewed and approved by:

- Requesting Agency SPO
- CMS Legal Staff for legal compliance
- CMS Procurement staff for procurement compliance

After these approvals are obtained, there is additional review:

- General Public/Potential Vendors—a sole source notice is posted for 14 days on the publically available Illinois Procurement Bulletin. During that time all vendors registered in that class code receive an email notification of the pending procurement. Anyone may submit a challenge to the proposed contract.
- Procurement Policy Board—the Board has a 30-day period to review the sole source determination and raise any concerns they may have.

Only after all of the internal approvals and publication and review requirements have been met can a sole source contract be entered into.