



**State of Illinois
Central Management Services**

TO: Honorable Members of the Joint Committee on Government Reform
FROM: James P. Sledge, Director
DATE: March 27, 2009
RE: Strengthening Procurement in Illinois

Thank you for the opportunity to submit information to the Joint Committee on Government Reform regarding CMS initiatives for proposed procurement reform. CMS is committed to an ongoing program to improve the procurement process. As part of that effort, my office has initiated a program entitled Strengthening the Procurement Process. CMS' Procurement, Legal and Policy staff, along with key State Procurement Officers of other agencies, have been working to accomplish this goal. We are focusing on three core principles, identified as follows:

1) Enhance Competence and Professionalism

- Create a Procurement Code of Ethics.
- Expand current procurement training programs including assessment of courses offered, content, frequency, and method of delivery.
- Adopt web-based training platforms to make training more economical and accessible.
- Provide focused training on recent developments in procurement and other critical and timely topics at each regularly scheduled meeting of State Purchasing Officers.
- Develop a comprehensive training manual for both new hires and veteran staff.
- Benchmark the procurement organization and functions against national standards with goal of obtaining national certification for CMS (e.g., by the National Institute for Governmental Purchasing or the National Purchasing Institute).
- Encourage additional professional procurement staff to obtain national certification. Evaluate mandatory certification requirements for large-agency State Procurement Officers and other key procurement staff.
- Participate in national and local procurement organizations to share best practices and cost-savings opportunities.

2) Increase Transparency

- Chair an annual meeting of Chief Procurement Officers to discuss procurement-related problems, new initiatives, set and review progress towards goals and set a legislative and regulatory agenda.
- Publish Request For Proposal evaluation tools as part of the solicitation process.
- Publish Invitation For Bid "lowest bid" formulas as part of the solicitation process.
- Publish contracts awarded pursuant to the Illinois Procurement Code or the Architectural, Engineering and Land Surveying Qualifications Based Selection Act.
- Establish a policy to ensure that all material communications by third parties relative to a pending procurement are proper and disclosed.
- Publish all material questions posed by vendors during the procurement process as well as the answers provided on the Illinois Procurement Bulletin.
- Publish ownership disclosures of all winning vendors.
- Publish conflict of interest disclosures of all winning vendors.
- For all Invitation for Bid solicitations awarded to other than the lowest bidder, publish detailed information concerning the bid and the reason for the award to other than the lowest bidder.
- Fully document the necessity of all procurements.

3) Increase Competition and Price Competitiveness

- Actively solicit additional vendors for bid categories that have in the past received only 1 bid.
- Establish a policy for analysis and handling of solicitations that only receive 1 bid response.
- Strengthen outreach efforts to vendors to make them aware of the State procurement process.
- Improve Procurement's web presence to make information more easily available to vendors and the public.
- Develop policy to provide feedback to disqualified vendors in all appropriate situations.
- Pursue cooperative purchasing (HB 3919) and reverse auction (HB0379) legislation to give the State additional tools to realize cost reductions.
- Establish procedures to ensure that specifications reflect actual need of the agency and were not written knowingly or inadvertently to favor any particular vendor or brand.

We are seeking input from other agencies and developing written policies regarding each of these initiatives. As you can imagine, some of the projects that

may appear simple on their face are complicated by our current procurement IT system capabilities and other constraints. Additionally, the form of some of these initiatives will be shaped by the final version of the Accountability Portal bill currently pending in the Illinois legislature. Nevertheless we will continue to work to find the appropriate solutions to implement these important initiatives sooner rather than later. We consider this a continuous improvement program and we continue to work to identify additional ideas and initiatives to pursue.

We have kept the Chairman of the Procurement Policy Board apprised of our initiatives and will be briefing the entire Board in more detail over the next few months. We will also work in tandem with the Board to elicit their ideas and initiatives as well as soliciting their support for ours. Additionally we are providing this information to the Illinois Reform Commission. We welcome your comments and criticisms and if there is any additional information we can provide to the Joint Committee, please let me know.