

2017



Annual Reports

2017

State of Illinois
Chief Procurement Office for
Institutions of Higher Education



Executive Summary

The CPO for Higher Education works with the State's public universities to meet their procurement needs free of undue influence through independent authority, oversight and approval. The CPO-HE further works with the universities to continually improve procurement policies and to establish best practices that recognize the specific needs of the universities in relation to their role and importance to the State of Illinois.



Background:

The CPO for Higher Education exercises independent procurement authority under the Illinois Procurement Code (30 ILCS 500) on behalf of and for the benefit of public institutions of higher education.

While retaining procurement authority, the CPO exercises this authority through independent State Purchasing Officers (SPOs). The SPOs have general direct oversight of the procurement activities of the university purchasing staff and give approval to proceed at various stages of the process.

By their statutory authority and independence, the CPO and SPOs ensure that procurements made by the State are transparent, accountable, and in the best interest of the State. Whenever possible, a competitive bid process is used and an award is made to the lowest-cost responsible and responsive bidder. The SPOs work closely with university purchasing staff to meet the needs of the university, to maximize the value of procurements and to act in a manner that maintains the integrity and the public's trust of State government.

The CPOs and SPOs have a fiduciary duty to the State of Illinois. In addition to ensuring that state agencies and universities conduct lawful procurements, we promote use of best practices in procurement and management to create efficient and streamlined purchasing policies and procedures.



Staff:

The Chief Procurement Office for Higher Education (CPO-HE) has a staff of thirteen, nine of whom are State Purchasing Officers (SPOs) who review and approve transactions for each of the nine public universities (thirteen campuses). The CPO and SPOs are required by statute to become certified and maintain that certification under the Universal Public Purchasing Certification

Council (UPPCC). The CPO-HE office has 100% of qualified staff certified. Of the thirteen staff members, eleven hold the UPPCC certification; two are not in qualifying positions. Of those certified, nine hold the CPPB designation and three hold the CPPO designation. One staff member holds both the CPPB and CPPO designation. Three staff members are also licensed attorneys. One staff member holds a CPM certification from the Institute of Supply Management.

The CPO-HE office has experienced very low turn-over in the past seven years. Four staff members have worked in the CPO-HE office for seven years, since its beginning in 2010. Another five staff members have been employed in the office for five years or more.

Whenever possible, we have tried to use available resources to the best interest of the universities. Four of the nine SPOs are assigned to more than one university; three are assigned to a single school; and two are assigned to specific transactions, cooperatives, and sole source.

Diversity has always been a consideration in hiring qualified staff for the CPO-HE office. Of the thirteen staff members, five are female, one is a minority, one is a veteran and staff ages range from 24 to 66.



Transaction Processing:

In FY2017, the SPOs processed 1986 transactions totaling more than \$2.4B, an average of 220 transactions per person per year. This included \$129M in Cooperative purchases, \$112M in emergencies, and \$325M in sole source procurements. The SPOs do not see or approve purchases made under an exemption, however, the universities made \$3.5M in exempt purchases during this fiscal year. The SPOs also do not see transactions under the small purchase limit, \$80,000 at the start of FY2017 and changed to \$100,000 on August 9, 2017.

Prior to FY2011, it took an average of 134 days processing time from the date of solicitation publication to award publication. Since the creation of the Chief Procurement Office, we have reduced the processing time to 88.8 days, a 33.7% reduction. On average, a competitive sealed bid (IFB) takes 49.5 days and a request for proposal (RFP) takes 91.6 days.



Initiatives:

We continuously strive to find ways to streamline the procurement process while maintaining the integrity and transparency that is so important. Over the past year, we have initiated a number of improvements to make procurement easier for both vendors and staff:

We have and will continue to hold discussions with the Auditor General's office on ways to streamline reporting of emergency purchases.

We took the lead in working with the Procurement Policy Board and other CPOs to revise the sole source justification form to provide more useful information and streamline the process by moving to an Adobe fillable form that allows for electronic signatures.

We developed a procedure for processing cooperative purchase requests. This ensures that some thought is put into choosing the best contract for the need.

We are working with IPHEC and the universities to add greater functionality to the Public Higher Education Bulletin including e-bidding and reporting capabilities.

We worked with the EEC and other CPO staff to create a one-stop website, the Pathway to Procurement, where vendors can obtain information on conducting business with the State agencies and universities. We also took the lead in designing promotional material to be distributed at outreach events.

We have begun research into developing a statewide training and certification program and will be holding the first-of-its-kind procurement conference in early 2018 to provide training that will count toward both UPPCC certification and MCLE credit.



Reporting:

Public Act 100-0043 revised the due dates of statutory reporting requirements to November 1st, therefore this booklet includes reports on the topics of Cooperatives, Emergency procurements, Exempt transactions, and Small Business. While the report on Sole Source procurements was previously filed in August, we have included it again here to have one comprehensive report.

To learn more about the Chief Procurement Office for Public Institutions of Higher Education and procurement reform in Illinois, visit the CPO's websites below.

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CPO Website: www.cpohe.illinois.gov

Illinois Procurement Gateway: <https://ipg.vendorreg.com>

Pathway to Procurement: <http://www.illinois.gov/cpo/PathwayToProcurement>



State of Illinois
Chief Procurement Office
Institutions of Higher Education



FY2017 Cooperative Purchasing Report

Cooperative Purchasing - Overview

The Governmental Joint Purchasing Act (30 ILCS 503) authorizes the Chief Procurement Officer to allow the purchase of personal property, supplies and services jointly with a governmental unit of this State or another, or with a consortium of governmental entities of one or more other states. Additionally, Section 25-15 of the Illinois Procurement Code provides that the Chief Procurement Officer may establish by rule, categories of purchases including non-governmental joint purchases that may be made without competitive sealed bidding and may establish the most competitive alternate method of source selection that shall be used for each category.

When the State of Illinois is a party to a joint purchase agreement, the State may act as the lead state or as a participant state. When the State of Illinois is the lead state, all joint purchases must be conducted in accordance with the Illinois Procurement Code. When Illinois is a participant state, all joint purchases are conducted in accordance with the procurement laws of the lead state; provided that the joint procurement is made by competitive solicitation, except where the chief procurement officer has determined that it would be impractical to obtain competition.

All purchases made under a cooperative procurement must be published in the Illinois Procurement Bulletin and all contract must contain the provisions required by Illinois law and rule.

In FY 2017, the nine public universities (thirteen campuses) purchased from 171 vendors using five different cooperative purchasing groups and the statewide master contracts put in place by Central Management Services, with a total value of \$235,909,552. In some cases, multiple orders were placed with the various vendors.

The use of these cooperative contracts saves an untold amount of dollars and man-hours in competitively bidding each individual need. Each cooperative purchase request goes through a process of justification and review by the CPO office prior to approval and contract execution. The process is designed to ensure that the cooperative award was conducted using open and fair competition and that the prices obtained are competitive in the market. If the cooperative awarded to multiple vendors, additional questions are asked regarding the universities selection process for one vendor over another. The purchases are then published on the Procurement Bulletin to ensure transparency.

This report summarizes the use of cooperative purchases made by State universities for Fiscal Year 2017 (July 1, 2016 – June 30, 2017).



Cooperative Purchasing Statistical Summary – FY 2017

Cooperative Contracts by Cooperative Organization

Cooperative	Spend
CMS Master Contract	\$1,220,813.97
E & I Cooperative Services, Inc.	\$18,489,932.07
Illinois Public Higher Education Cooperative (IPHEC)	\$112,837,575.50
Midwestern Higher Education Compact (MHEC)	\$26,890,120.26
Novation/Vizient	\$54,048,781.24
Big Ten Academic Alliance (BTAA)	\$22,422,329.43
TOTAL:	\$235,909,552.47

Cooperative Usage by University

University	Total # of cooperatives purchases	Novation	E & I	IPHEC	MHEC	CMS	BTAA
Eastern Illinois University	76		7	30	3		6
Governors State University (GSU)	24		1	17	3		3
Illinois State University	51		5	37	6		3
Northeastern Illinois University	43		4	29	3	5	2
Northern Illinois University	75		7	60	2		6
SIU School of Medicine	39	1	6	28	2		2
Southern Illinois University Carbondale	36	1	5	26	1		3
Southern Illinois University Edwardsville	40		6	28	2		4
University of Illinois (all three campuses)	128	51	4	52	10		11
Western Illinois University	17		2	14	1		
TOTAL:		53	47	321	33	5	40

Number of Vendors Used by Each University

University	Total # of vendors used
Eastern Illinois University	75
Governors State University (GSU)	23
Illinois State University	51
Northeastern Illinois University	42
Northern Illinois University	75
SIU School of Medicine	39
Southern Illinois University Carbondale	36
Southern Illinois University Edwardsville	38
University of Illinois (all three campuses)	128
Western Illinois University	17



FY2017

Emergency Purchases Report



State of Illinois
Chief Procurement Office
For Public Institutions of Higher Education

Emergency Purchases Process Overview

The Illinois Procurement Code (30 ILCS 500/20-30) allows State universities to make emergency purchases without competitive sealed bidding or prior notice under certain specified conditions. This report summarizes the use of emergency purchases by State universities for Fiscal Year 2017 (July 1, 2016 – June 30, 2017). This report is not required by statute; however, we are providing it for the first time this year in order to present a more comprehensive description of university procurement practices.

Most of the approximately \$12 billion in procurements conducted by the agencies and universities go through one of the competitive methods of source selection. However, the Procurement Code does allow purchases to be made without competitive sealed bidding or prior notice under certain circumstances:

- when a threat to public health or public safety exists;
- when immediate repairs to State property are necessary to protect against further loss or damage;
- 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.

The Procurement Code further allows the CPO to set by rule, standards by which an emergency procurement shall be made. In these standards, the CPO has allowed for quick purchases in certain circumstances when:

- protecting the health and safety of any person;
- items are available on the spot market or at discounted prices for a limited time so that good business judgment mandates a "quick purchase" immediately to take advantage of the availability and price;
- rare items, such as articles of historical value or art collections, are available for a limited time;
- the opportunity to obtain entertainment, speakers and athletic and other events or performances (not exempt under Section 1-12 or 1-13 of the Code) is available for a limited time;
- immediate action is necessary to avoid lapsing or loss of federal or donated funds.

The statute requires that public notice of each emergency award be provided to the Procurement Policy Board (PPB) within 5 calendar days of the award. It also stipulates that the term of the emergency purchase shall be limited to the time reasonably needed for a competitive procurement, not to exceed 90 calendar days. A contract may be extended beyond 90 calendar days only if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to 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.

When applicable, notice of intent to extend an emergency contract must be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing. The 14-day notice allows time for interested parties to present testimony. Hearing participants may include the person who requested the hearing, the State Purchasing Officer, an agency or university representative, a representative of the Procurement Policy Board, the vendor awarded the emergency contract, and a hearing

officer. Each party is given the opportunity to raise any issues pertinent to the intent to extend the emergency contract.

Based on the documentation and information presented at the hearing, the CPO decides whether to extend the term of the emergency contract. The CPO's decision is posted to the Procurement Bulletin, providing transparency of the decision-making process. An extension is not awarded unless approved by the CPO. Although not subject to formal competition, the universities must give substantial justification to use this process and work with the State Purchasing Officer to determine whether a particular need is appropriate for emergency purchase treatment. When an emergency is found to exist, notice is provided to the Procurement Policy Board and published in the Bulletin no later than 5 calendar days after the contract is awarded. Emergency statements are filed with the Procurement Policy Board and the Auditor General within 10 calendar days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement.

In Fiscal Year 2017, the Chief Procurement Officer for Public Institutions of Higher Education approved 14 emergency purchase transactions. The tables shown on the following pages indicate the number and type of justification used. In addition, the number of emergency purchases that cross fiscal years, where the purchase is started in one fiscal year but finalized in another, is also shown.



Emergency Purchases Statistical Summary – FY2017

Emergency Purchases Started and Finalized in FY17

University	# Contracts	\$ Amount
Chicago State University	2	\$ 874,302.70
Eastern Illinois University	1	\$ 95,800.00
Governors State University	2	\$ 377,151.71
Illinois State University	2	\$ 363,867.00
Northeastern Illinois University	0	\$ -
Northern Illinois University	0	\$ -
Southern Illinois University Carbondale	0	\$ -
Southern Illinois University Edwardsville	0	\$ -
Southern Illinois University School of Medicine	0	\$ -
University of Illinois at Chicago	18	\$ 5,898,070.05
University of Illinois at Urbana-Champaign	2	\$ 19,101,528.00
University of Illinois Springfield	1	\$ 40,000.00
Western Illinois University	1	\$ 17,845.46
TOTAL:	29	\$ 26,768,564.92

Emergency Purchases by Justification Type

(includes contracts that were started in FY16 and completed in FY17 and FY17 contracts that were started and completed in FY17)

Justification Type	# Transactions	\$ Value
Action was warranted to insure integrity of University records.	1	\$ 17,845.46
Immediate action was needed to prevent any disruption in University services.	25	\$ 14,410,402.55
Immediate action was warranted to avoid the lapse or loss of federal or donated funds.	1	\$ 32,500.00
Immediate repairs were needed to prevent further loss or damage to University property.	4	\$ 483,900.00
Items available on the spot market or at discounted prices were available for a limited time such that sound business judgment mandated a purchase immediately to take advantage of the availability and price.	6	\$ 2,042,466.50
Public health or safety was threatened.	8	\$ 2,902,202.70
The need for services to protect or further University interests was immediate and use of other competitive source selection procedures under the Illinois Procurement Code could not have been accomplished without significant risk of causing disadvantages to the University.	2	\$ 19,035,646.71
TOTAL:	47	\$ 38,924,963.92

*includes estimated amounts in cases where a final amount had not yet been determined at the time this report was created

Emergency Purchases – Started but Not Finalized in FY17

Under emergency circumstances, the final cost may not immediately be known. In such cases, the estimated cost is published and followed up with the final cost upon completion. The chart below reflects the quantity and dollar value of contracts that were awarded in FY17 but whose final cost has yet to be reported:

University	# Contracts	\$ Amount
Chicago State University	1	\$128,000
Eastern Illinois University	0	
Governors State University	0	
Illinois State University	0	
Northeastern Illinois University	0	
Northern Illinois University	0	
Southern Illinois University Carbondale	0	
Southern Illinois University Edwardsville	0	
Southern Illinois University School of Medicine	0	
University of Illinois at Chicago	13	\$6,208,399
University of Illinois at Urbana-Champaign	0	
University of Illinois Springfield	0	
Western Illinois University	0	
TOTAL:	14	\$6,336,399

FY17 Extensions of Emergency Purchases

A contract may be extended beyond the original 90-day emergency if the CPO determines additional time is necessary and the contract scope and duration are limited to the emergency. Prior to execution of the extension, the CPO must hold a public hearing.

University	# Extensions	\$ Amount
Chicago State University	1	\$720,000
Eastern Illinois University	0	
Governors State University	0	
Illinois State University	1*	\$0*
Northeastern Illinois University	0	
Northern Illinois University	0	
Southern Illinois University Carbondale	0	
Southern Illinois University Edwardsville	0	
Southern Illinois University School of Medicine	0	
University of Illinois at Chicago	2	\$5,100,000
University of Illinois at Urbana-Champaign	0	
University of Illinois Springfield	0	
Western Illinois University	0	
TOTAL:	4	\$5,820,000

*Denotes that extension applied only to the term of an emergency contract and had no cost associated with it.





FY2017

Procurement Code Exemptions Report



Exempt Purchases - Overview

Public Act 97-643, effective December 20, 2011, amended the Illinois Procurement Code, adding Section 1-13. This Section allowed the State Universities and the Illinois Math and Science Academy (Institutions) to procure five types of supplies and services exempt from bidding and other requirements of the Code. Additionally, Public Act 97-895, effective August 3, 2012, amended the Illinois Procurement Code, adding Section 1-12. This section allows State agencies and universities to procure artistic or musical services, performances, or theatrical productions held at a venue operated or leased by a State agency exempt from bidding and other requirements of the Code. However, to provide some transparency, information about these contracts had to be posted to the Illinois Procurement Bulletin.

Public Act 098-1076 would have extended the exemptions beyond the original expiration date of December 31, 2014, however, a technical drafting error allowed both Section 1-12 and 1-13 to expire. On August 3, 2017, Public Act 100-0043 reinstated the exemptions as if they had never expired and also added some additional exemptions. It also requires posting of all exempt notices, including those identified in Section 1-10.

This report provides a summary of all exemptions published in the Bulletin for the time period of July 1, 2016 through June 30, 2017 (FY17) by the universities.

During FY17, the Universities posted 53 exempt transactions to the Bulletin, having a combined estimated value of \$3,416,487.

The statistical data is generated based on contract information posted to the Bulletin by the Universities. The Bulletin was originally designed in 1998 to display procurement notices and has limited ability to produce reports on spend. However, the information in this report is an accurate reflection of the exemptions that were posted to the Bulletin.

Most of the Universities have taken the position that if the cost of the supplies or services is less than the Procurement Code small purchase threshold (which was \$55,800 at the beginning of FY17 but adjusted to \$80,000 during FY17), they would make the purchase subject to the Code requirements for small purchases rather than using the exemption. Those small purchases are not posted to the Bulletin. That results in an under reporting of the number of transactions that fit the exempt categories. This practice is not detrimental, except for statistical reporting purposes. Those contracts pursued as small purchases would be subject to normal contracting requirements that could include standard certifications, financial disclosures, and consideration of potential conflict of interests, requirements that do not apply to exempt transactions. We do, however, lose the transparency that posting to the Bulletin provides. In addition, a large number of these small transactions are purchased using a purchase card (generally <\$5000) and these purchases do not include certifications.



Exemptions Statistical Summary – FY 2017

Exemptions by University

University	# Transactions	\$ Value	Avg. \$ Per Transaction
Chicago State University	0	\$ -	\$ -
Eastern Illinois University	0	\$ -	\$ -
Governors State University	0	\$ -	\$ -
Illinois State University	1	\$ 25,000.00	\$ 25,000.00
Northeastern Illinois University	0	\$ -	\$ -
Northern Illinois University	3	\$ 635,000.00	\$ 211,666.67
Southern Illinois University Carbondale	0	\$ -	\$ -
Southern Illinois University Edwardsville	0	\$ -	\$ -
Southern Illinois University School of Medicine	0	\$ -	\$ -
University of Illinois at Chicago	0	\$ -	\$ -
University of Illinois at Urbana-Champaign	37	\$ 2,081,200.00	\$ 56,248.65
University of Illinois Springfield	12	\$ 675,287.00	\$ 56,273.92
Western Illinois University	0	\$ -	\$ -
Totals	53	\$ 3,416,487.00	\$ 64,462.02

Exemptions by Justification Type

Exemption Categories	# Transactions	\$ Value	Avg. \$ per Transaction
This purchase is exempt from the usual selection processes of the Procurement Code because the procurement expenditure is for athletic, artistic or musical services, performances, events, or productions by or for a public institution of higher education. (30 ILCS 500 / 1-12)	51	\$3,362,487	\$65,931.12
This purchase is exempt from the usual selection processes of the Procurement Code because the procurement expenditure is for events or activities for which the use of specific potential contractors is mandated or identified by the sponsor of the event or activity, provided that the sponsor is providing a majority of the funding for the event or activity. (30 ILCS 500 / 1-13(b)(3))	1	\$23,500.00	\$23,500.00
This purchase is exempt from the usual selection processes of the Procurement Code because the procurement expenditure is for membership in professional, academic, research, or athletic organizations on behalf of a public institution of higher education, an employee of a public institution of higher education, or a student at a public institution of higher education. (30 ILCS 500 / 1-13(b)(1))	1	\$30,500	\$30,500
Total	53	\$3,416,487.00	\$64,462.02





State of Illinois
Chief Procurement Office for
Institutions of Higher Education

**Small
Business
Report**



**Fiscal Year
2017**

Small Business Contracts - Overview

The General Assembly enacted the Small Business Contracts Act (SBCA) 30 ILCS 503 on August 11, 2011, recognizing that contracting with Illinois' small business owners helps job creation and economic development. The SBCA created a goal that not less than 10% of the value of all contracts funded with State appropriated or Federal funds be awarded to small businesses. Though Public Act 100-0043 repealed the SBCA in August of 2017, its core stipulations and reporting requirements were moved under Section 45-90 of the Procurement Code.

The public universities use their own internal resources, along with the shared database of certified small businesses, to determine the number of small businesses that received contracts and the value of those contracts. Each university maintains their own separate contract and accounting systems and each collects data and extract that data from their systems differently. With no central or uniform system of data collection and extraction, it is a challenge to obtain and accurately report this information. As a result, the overall results do not show a true reflection of the level of contracting with certified small businesses by the state universities.

It is important to note that universities have access to spend from a variety of funding sources, including those not subject to the SBCA. In addition, this report shows only contracting activity with firms certified in the SBSP database.

The CPOs are responsible for reviewing and approving agency and university SBCA compliance plans, monitoring agency and university progress, and reporting on their outcomes. The State's progress towards the 10% goal is the subject of this report.

This report only addresses those contracts paid from State appropriated and Federal Funds. University "local" funds were not covered by the Small Business Contracts Act and are not covered under Section 45-90 of the Procurement Code. Five of the nine public universities did not allocate any State and Federal appropriations for contracting purposes, instead opting to use those funds for personnel and other operating expenses.

*In Fiscal Year 2017, the CPO-HE oversaw more than \$2 billion of expenditures whose procurements were subject to the Illinois Procurement Code. Of that, universities awarded over \$100 million overall to small businesses using all funding sources compared to \$90 million in Fiscal Year 2016. This gain of \$10 million represents a more than 11% increase overall in small business awards from all funding sources over the past fiscal year.



Small Business Contracts Statistical Summary - 2017

With no central or uniform system of data collection and extraction, it is a challenge to obtain and accurately report this information. For FY17, four of the nine public universities failed to report their small business usage. One university system provided data but it was not suitable to use in this report. Two of the four reporting institutions shown below do not allocate any state or federal appropriations for procurement.

University Spend with Small Businesses

University	Amt. of State & Federal Appropriations Subject to Goal	Goal to Award to Small Business - 10%	# of Contracts Awarded to Small Businesses	Value of Contracts Paid to Small Businesses
Chicago State University				
Eastern Illinois University				
Governors State University	\$1,417,447	\$141,745	34	\$115,190
Illinois State University	\$0	\$0	0	0
Northeastern Illinois University	\$0	\$0	0	\$0
Northern Illinois University				
Southern Illinois University	\$9,039,182	\$903,918	14	\$355,849
University of Illinois				
Western Illinois University				
TOTAL:	\$10,456,629	\$1,045,663	48	\$471,039

Historical Summary – University Spend with Small Businesses

University	Fiscal Year	Total State/ Federal Appropriations Subject to Goal	Value of Contracts Awarded to Small Businesses	% of Contracts Paid to Small Businesses	# of Contracts to Small Businesses	Average Contract Value to Small Businesses
Chicago State University	FY14	\$10,206,614	\$1,276,492	13%	669	\$1,908
	FY15	\$18,244,538	\$1,278,867	7%	669	\$1,912
	FY16	Did not report				
	FY17	Did not report				
Eastern Illinois University	FY14	\$43,578,100	\$0	0%	0	\$0
	FY15	\$1,980,058	\$0	0%	0	\$0
	FY16	\$25,033,600	\$448,575	2%	15	\$16,614
	FY17	Did not report				
Governors State University	FY14	\$6,289,274	\$264,859	3%	59	\$4,489
	FY15	\$525,000	\$523,214	99%	15	\$34,881
	FY16	\$525,000	\$543,428	104%	112	\$4,852
	FY17	\$1,417,447	\$115,190	8%	34	\$3,388
Illinois State University	FY14	\$0	\$0	0%	0	\$0
	FY15	\$0	\$0	0%	0	\$0
	FY16	\$0	\$0	0%	0	\$0
	FY17	\$0	\$0	0%	0	\$0
Northeastern Ill. University	FY14	\$0	\$0	0%	0	\$0
	FY15	\$0	\$0	0%	0	\$0
	FY16	\$0	\$0	0%	0	\$0
	FY17	\$0	\$0	0%	0	\$0
Northern Illinois University	FY14	\$25,175,867	\$251,759	1%	78	\$3,228
	FY15	\$6,420,177	\$1,979,280	31%	172	\$11,507
	FY16	\$0	\$0	0%	0	\$0
	FY17	Did not report				

Southern Illinois University	FY14	\$2,756,805	\$5,070	0.18%	2	\$2,535
	FY15	\$8,176,853	\$5,000	0.06%	2	\$2,500
	FY16	\$11,190,622	\$29,000	1.04%	3	\$9,667
	FY17	\$9,039,182	\$355,849	1.12%	14	\$25,418
University of Illinois	FY14	\$40,438,600	\$30,026,496	74%	505	\$59,458
	FY15	\$40,753,300	\$30,830,300	76%	4,034	\$7,643
	FY16	\$40,753,300	\$4,075,330	4%	409	\$174,243
	FY17	Information not usable				
Western Illinois University	FY14	\$1,226,604	\$314,239	26%	66	\$4,761
	FY15	\$1,433,780	\$457,848	32%	173	\$2,647
	FY16	\$4,620,124	\$121,757	16%	36	\$3,382
	FY17	Did not report				

Other Small Business Reporting Requirements

Small Business Set-aside Program

While the Illinois Procurement Code authorizes the CPO to designate a small-business set-aside, we have not yet felt the need to do so. Historically, the public universities have done a good job of using small businesses for their contracting needs.

The CPO-HE encourages universities to utilize small businesses whenever possible and the universities do contract with many small business vendors. In recognition of the policy of the State to promote the use of small businesses, we will be providing a larger focus on small business matters and may look at implementing set-asides as a way to increase utilization of small businesses.

SPOs also attend outreach events whenever possible and talk to small businesses, BEP, and Veteran-owned businesses about the benefits of doing business with the universities. They help vendors learn about the various registration processes as well as the procurement process.

Veteran Owned Small Businesses & Service-Disabled Veteran Owned Small Businesses

It is the goal of the State to promote contracting with qualified veteran-owned (VOSB) and service-disabled veteran-owned businesses (SDVOSB). Not less than 3% or the total dollar amount of State contracts is established as a goal to be awarded to VOSB and SDVOSB. Prior to the passing of Public Act 100-0043, the public universities were not subject to this goal requirement, however at least two of the universities did identify spend with veteran-owned businesses. Those are shown below along with the dollar value. Public Act 100-43 revised the definition of "state agency" to now include the public universities and we will be working with them over the next year to track and report on those contracts.

# of Contracts	Value of Contracts	% of Total Available \$
2	\$258,594.00	0.25%



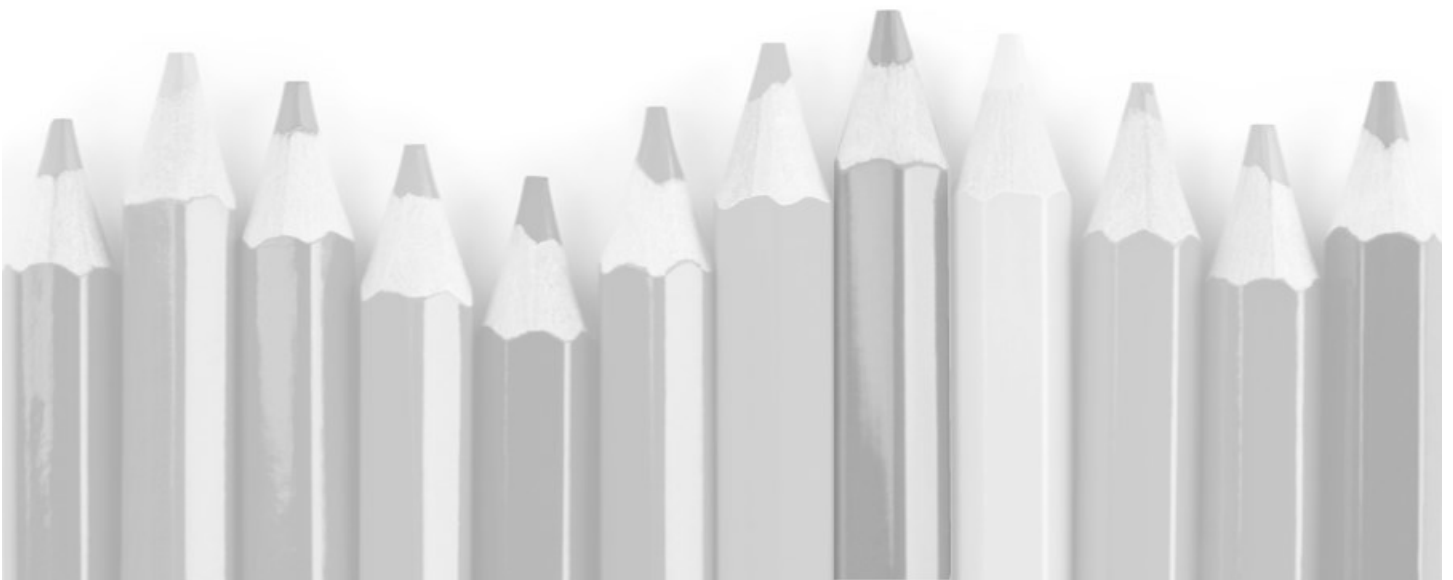


Fiscal Year 2017
August 1, 2017

State of Illinois
Chief Procurement Office
for Public Institutions of Higher Education

SOLE SOURCE

PROCUREMENTS REPORT



SUMMARY

The CPO for Higher Education works with the State's public universities to meet their procurement needs free of undue influence through independent authority, oversight and approval. The CPO-HE further works with the universities to continually improve procurement policies and to establish best practices that recognize the specific needs of the universities in relation to their role and importance to the State of Illinois.

The Illinois Procurement Code (30 ILCS 500/ 20-25)(Code) requires that each Chief Procurement Officer issue a report on sole source contracts on a fiscal year basis. This report is for FY17.

The report is provided to the Governor, General Assembly, and published to each Chief Procurement Officers' website.

Most of the approximately \$12 billion in procurements conducted by the agencies and universities go through one of the competitive methods of source selection. However, the Code does allow contracting without formal competition when there is only one or only one economically feasible source for the needed supply or service. For example, sole source is appropriate when procuring public utilities or where the item is proprietary and available only from the manufacturer. Although not subject to formal competition, the universities submit substantial justification to use this process and work with the State Purchasing Officer to determine whether a particular need is appropriate for sole source treatment. If we find in the affirmative, we provide a 14 day public notice of intent to contract on this sole source basis and allow any interested party to request a public hearing to voice any concerns.

This very open, transparent and highly justified sole source contracting process is among the best in the country. In 2015, The Center for Public Integrity issued a report ranking Illinois 1st among the 50 states in procurement integrity. One of the criteria in the ranking was the extent that a state's law limits the use of sole sourcing to specific, defined conditions. The Illinois Procurement Code's transparency requirements for sole sources received the highest rating.

In Fiscal Year 2017, the Chief Procurement Officer for Public Institutions of Higher Education awarded 296 sole source procurements, valued at \$270,915,253. Compared to FY 2016, the number of awards and their value was less than the FY 2016 totals of 465 awards valued at \$372,375,994.

We also held 8 public hearings in FY17 at the request of the public, the Procurement Policy Board or others as compared to 12 hearings in FY16 and 30 hearings in FY15.

STATISTICAL OVERVIEW—FY2017

Total Value of Sole Source Contracts	=	\$270,915,253
Total Number of Sole Source Contracts	=	296
Average Value of Sole Source Contracts	=	\$915,254
Total Number of Universities Awarding Sole Source Contracts	=	12
Total Number of Hearings Held	=	8

FY17 Sole Source by Transaction Type	#	Dollar Value	% of Total \$
Art, entertainment services, or athletic events	13	\$ 2,193,819.53	0.81%
Compatibility of equipment, services, etc. is a paramount consideration	58	\$ 30,534,763.47	11.27%
Copyrighted or patented and is not available except from the holder	38	\$ 90,295,281.20	33.33%
Critical changes to existing contract are best made by contract holder	2	\$ 550,000.00	0.20%
Federal or State grant requires a contract with the vendor	2	\$ 172,000.00	0.06%
Item is to be procured for commercial resale	14	\$ 58,191,600.00	21.48%
Items are required by an existing franchise agreement	5	\$ 1,975,000.00	0.73%
Required for research; no other source able to meet researcher's need	37	\$ 7,584,986.46	2.80%
Items are needed for trial use or testing	0	\$ -	0.00%
Media is for advertising	3	\$ 5,250,000.00	1.94%
Organization Membership	6	\$ 1,565,865.00	0.58%
Public utility service is regulated	5	\$ 2,100,000.00	0.78%
Radio and television broadcast rights	10	\$ 2,542,588.00	0.94%
Software license, upgrade, or maintenance	33	\$ 8,764,386.22	3.24%
Other (primarily to meet research and medical needs or library needs)	70	\$ 59,194,963.48	21.85%
TOTAL	296	\$ 270,915,253.36	100.00%

FY17 Renewals by University	# Renewals FY17	Dollar Value Renewals FY17
Chicago State University	1	\$ 102,638
Eastern Illinois University	1	\$ 51,000
Governors State University	1	\$ 150,000
Illinois State University	1	\$ 71,208
Northeastern Illinois University	0	\$ 0
Northern Illinois University	5	\$ 975,000
Southern Illinois University Carbondale	0	\$ 0
Southern Illinois University Edwardsville	1	\$ 152,000
Southern Illinois University Medical School	8	\$ 1,713,107
University of Illinois Chicago	29	\$ 23,493,205
University of Illinois Springfield	0	\$ 0
University of Illinois Urbana Champaign	32	\$ 17,110,154
Western Illinois University	1	\$ 61,500
Illinois Public Higher Education Consortium	0	\$ 0
TOTAL	80	\$ 43,879,813

SOLE SOURCE CONTRACT

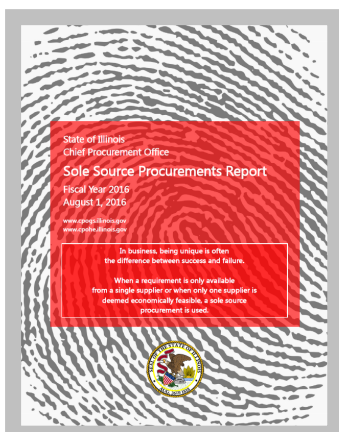
HISTORICAL STATISTICS

	FY17	FY16	FY15
Number of Universities Awarding Sole Source Contracts	12	13	13
Dollar Value of Sole Source Contracts	\$ 270,915,253	\$ 372,375,994	\$ 370,122,359
Number of Sole Source Contracts Published	296	465	466
Average Dollar Value of Sole Source Contracts	\$ 915,254	\$ 800,809	\$ 794,254

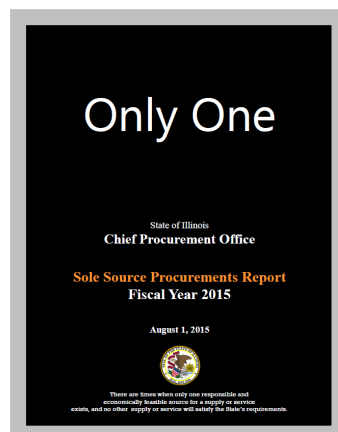
Sole Source by University	Dollar Value		Dollar Value		Dollar Value	
	Contracts	# Contracts	Contracts	# Contracts	Contracts	# Contracts
	FY17	FY17	FY16	FY16	FY15	FY15
Chicago State University	\$ 0	0	\$ 4,038,514	4	\$ 1,202,168	5
Eastern Illinois University	\$ 2,121,138	5	\$ 501,434	4	\$ 1,493,788	8
Governors State University	\$ 244,950	2	\$ 425,000	3	\$ 2,321,000	9
Illinois State University	\$10,604,788	15	\$ 8,797,173	24	\$ 6,589,054	26
Northeastern Illinois University	\$ 0	0	\$ 5,958,654	2	\$ 690,000	1
Northern Illinois University	\$ 3,271,413	19	\$ 3,684,776	11	\$ 13,002,499	13
SIU Carbondale	\$ 8,299,683	21	\$ 9,994,114	16	\$ 7,447,713	28
SIU Edwardsville	\$ 1,815,174	10	\$ 2,670,283	19	\$ 7,029,728	21
SIU Medical School	\$ 2,552,250	20	\$ 5,022,774	25	\$ 2,981,493	17
Univ. of Illinois Chicago	\$ 63,554,041	76	\$ 96,336,700	135	\$ 60,587,716	92
Univ. of Illinois Springfield	\$ 1,045,450	11	\$ 2,613,108	12	\$ 2,565,495	14
Univ. of Illinois Urbana Champaign	\$ 128,018,365	113	\$ 62,937,894	154	\$ 78,210,727	167
Western Illinois University	\$ 388,000	2	\$ 2,755,570	12	\$ 10,620,148	9
IL Public Higher Ed. Consortium	\$ 49,000,000	2	\$ 166,640,000	44	\$ 173,374,500	55

Click on the image below to view Sole Source Reports from previous fiscal years:

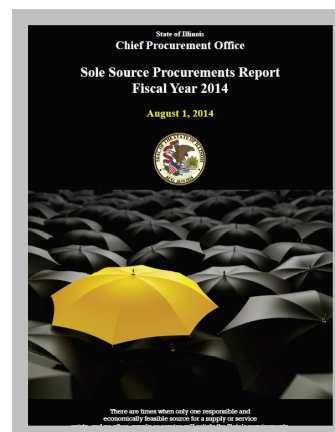
FY2016:



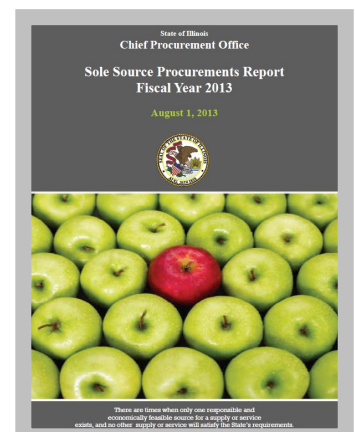
FY2015:



FY2014:



FY2013:



SOLE SOURCE OVERVIEW

Section 20-25 of the Illinois Procurement Code (30 ILCS 500/20-25) allows contracts to be awarded without using a competitive method of source selection when there is only one economically feasible source for an item. For example, sole source is appropriate when procuring public utilities or where the item is proprietary and available only from the manufacturer. However, because these are exceptions to the normal practice of competitive bidding, awarding a sole source contract requires heightened scrutiny, including a 14-day public notice period and an opportunity for a public hearing, allowing for an open and transparent process.

Agencies and universities must justify a sole source request using a standardized justification form. If the request appears to meet the statutory requirements for sole source as the procurement method, a notice of intent to enter a sole source contract is published in the publicly available on-line Illinois Procurement Bulletin. Notice is also provided to the Procurement Policy Board, a 5-member bipartisan board that has the authority to review and comment upon the request. The notice is published for a minimum of 14 days and includes a description of the item to be procured, the intended sole source contractor, and the date, time, and location for a public hearing if requested by an interested party.

The 14-day notice allows time for interested parties to provide comments and request a hearing. Hearing participants may include the person who requested the hearing, the State Purchasing Officer, an agency or university representative, a representative of the Procurement Policy Board, the vendor identified as the sole source, and a hearing officer. Each party is given the opportunity to raise any issues pertinent to the intent to award a sole source contract.

Based on the documentation and information presented at the hearing, the CPO decides whether to permit or deny the sole source award. The CPO's decision is posted to the Procurement Bulletin, providing transparency of the decision-making process. A contract is not awarded as a sole source unless approved by the CPO.

CPOs have a fiduciary duty to the State of Illinois. Their independent structure allows them to operate free of political influence and pressure. In addition to ensuring that state agencies and universities conduct lawful procurements, CPOs use best practices in procurement and management to create efficient and streamlined purchasing policies and procedures. To learn more about the Chief Procurement Office for Public Institutions of Higher Education and procurement reform in Illinois, visit the CPO's websites below:

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CPO Website: www.cpohe.illinois.gov

Illinois Procurement Gateway: <https://ipg.vendorreg.com>

Pathway to Procurement: <http://www.illinois.gov/cpo/PathwayToProcurement>