

LEGISLATIVE AUDIT COMMISSION

M E M O R A N D U M

September 21, 2022

TO: All Members of the Commission

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

RE: Emergency Purchases, Fourth Quarter FY22

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.

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Attached is a summary of the 52 Emergency Purchase Statements that were filed with the Auditor General for the period of April 1, 2022 through June 30, 2022. In addition to these 52 Emergency Purchase Statements, there were 35 updates to prior Emergency Purchase Statements' estimated cost (or updated final cost).

Summary of All Emergency Purchase Transactions
April 1, 2022 through June 30, 2022

	Purchases	Estimated/Updated Cost
State Appropriated Funding	41	\$62,696,498.48
Federal and State Appropriated Funding	1	\$ 6,000,000.00
Federal Funding	1	\$ 33,350.00
All Other Funding	9	\$ 31,120,088.00
Total	52	\$99,849,936.48

The table above includes 24 purchases that are estimated to exceed \$250,000. The table below breaks down those 24 by entity. Those are summarized on the following pages by the categories in the table above.

Counts of Greater than \$250,000 by Entity	
Agriculture	1
Board of Elections	0
Capital Development Board	2
Central Management Services	1
Corrections	6
Human Services	0
Innovation and Technology	12
Natural Resources	0
Transportation	1
Southern Illinois University Edwardsville	0
State Police	0
University of Illinois	1
Veterans' Affairs	0
Total Count of Greater than \$250,000	24

State Appropriated Emergency Purchase Transactions

April 1, 2022 through June 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Agriculture	1	\$328,995.00
Central Management Services	1	\$324,475.00
Corrections	1	\$428,400.00
Human Services	2	\$174,430.00
Innovation and Technology	13	\$56,640,742.94
Natural Resources	2	\$240,000.00
Transportation	3	\$918,040.12
Veterans' Affairs	1	\$50,000.00
All Other Agencies		
Board of Elections	1	\$119,950.00
Capital Development Board	15	\$3,337,995.42
Universities		
University of Illinois	1	\$133,470.00
Total State Appropriated Funds	41	\$62,696,498.48

The table above includes 17 state appropriated emergency procurements that are estimated to exceed \$250,000. They are summarized as follows:

Agriculture

Estimated Cost - \$328,995 to provide waste removal services at the Illinois State Fair for a 24 hour schedule, seven days a week for the duration of the fair.

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.

Corrections

Estimated Cost - \$428,400 to provide weekly bread deliveries to the agency due to the closure of the ICI Bakery as the result of Covid-19.

Innovation & Technology

Estimated Cost - \$20,000,000 to ensure the ability for DoIT to continue to purchase desktops and monitors while a new contract is completely solicited.

Estimated Cost - \$2,000,000 to ensure continued radio maintenance services to support emergency radio services throughout the state while a new contract is negotiated.

Estimated Cost - \$3,926,900 to procure Salesforce licensing for multiple state agencies. The Department of Public Health accounts for 90% of these licenses purchased by the State while the remaining licenses are purchased on behalf of DCFS, DoIT, DCEO and Lottery. These licenses support services such as the Vax Verify program for DPH.

Estimated Cost - \$569,529 to replace aging Panasonic ToughBook devices that are currently running on outdated and unsupported operating systems, leaving them vulnerable to cyber security attacks. The emergency purchase statement justifies this purchase as a result of the world-wide chip shortage.

Estimated Cost - \$926,910 to ensure continued software licenses such as Adobe, Illustrator and Animate in anticipation of an IFB for a longer-term master contract.

Estimated Cost - \$12,000,000 for hardware, support and maintenance related to the State's enterprise VoIP system which currently supports more than 30,000 phones, 280+ video conferencing systems and multiple emergency and non-emergency VoIP call centers.

Estimated Cost - \$2,000,000 to purchase radio network communication equipment, portable radios and emergency dispatch consoles to ensure continued support for Illinois Law enforcement agencies for state, local and county officials until a new contract can be negotiated.

Estimated Cost - \$400,000 to proactively prevent ransomware attacks by acquiring a vendor under emergency procurement to eliminate legacy user accounts that present an extreme risk to State of Illinois Security.

Estimated Cost - \$1,000,000 to procure telecommunication plant engineering, design and project management services for a fiber optic backbone throughout the State. According to the emergency purchase statement, the normal procurement process was subverted since the vendor received the original contract and has continued providing these services under emergency procurement. It is stated that it would be financially hazardous to start over with a new engineer.

Estimated Cost - \$10,000,000 to ensure continued services under the expired JPMC Mobile Computers master contract while a new competitive solicitation is drafted. The services provided under this emergency procurement provides replacement devices to prevent a cybersecurity attack on state systems.

Estimated Cost - \$3,500,000 to allow DoIT to engineer, furnish and install new uninterruptible power supply systems, generators and related equipment as needed at the

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new state office building at 555 W. Monroe in Springfield. Per the emergency purchase statement, there was no explanation as to why the State purchased a new state office building that immediately needed millions of dollars' worth of work to it.

Transportation

Actual Cost - \$ 708,900 to mill and resurface the intersections of IL Rt 125 and US Rt 67 from Virginia to Beardstown. Rapid deterioration occurred after winter operations were completed, followed by intermittent rain that accelerated the damages to the aforementioned stretch of roadway.

Capital Development Board

Estimated Cost - \$1,328,000 on behalf of the Department of Agriculture to repair and/or replace the fire alarm and sprinkler systems at the DuQuoin State Fairgrounds. This procurement would provide for demolition and reinstallation of the dry pipe sprinkler, standpipe system and wet-pipe sprinkler system.

Estimated Cost - \$593,000 on behalf of the Department of Agriculture to repair and/or replace the fire alarm and sprinkler systems at the DuQuoin State Fairgrounds. This emergency purchase is for the demolition and reinstallation of the main fire alarm control panel, associated cabling, pathways, and end devices.

Federally Funded and State Appropriated Emergency Purchase Transactions
 April 1, 2022 through June 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Innovation and Technology	1	\$6,000,000.00
Total Federal and State Appropriated Funds	1	\$6,000,000.00

The purchase shown in the table above is estimated to exceed \$250,000. It is summarized as follows:

Innovation & Technology

Estimated Cost - \$6,000,000 to procure Informatica products, support and services used by agencies such as HFS, DHS and the Health and Human Services Innovation Incubator (HHSI2). According to the emergency purchase statement, the selected vendor is the incumbent vendor and is familiar with the state’s needs. The vendor agreed to use the same pricing and contract terms, except as will be updated in the resulting contract. There was no explanation as to what will be updated in the resulting contract and there was no information as to where the competitive solicitation process was in formalizing a proper contract under the Procurement Code.

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Federally Funded Emergency Purchase Transactions
April 1, 2022 through June 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Military Affairs	1	\$33,350.00
Total Federal Funds	1	\$33,350.00

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

Other Funded Emergency Purchase Transactions

April 1, 2022 through June 30, 2022

	Purchases	Estimated/Updated Cost
Code Departments		
Corrections	5	\$30,000,000.00
State Police	1	\$37,500.00
Universities		
Southern Illinois University Edwardsville	1	\$132,588.00
University of Illinois	2	\$950,000.00
Total	9	\$31,120,088.00

The table includes 6 purchases that are estimated to exceed \$250,000. They are summarized as follows:

Corrections

Estimated Cost - \$6,000,000 to provide commissary items for individuals in custody to purchase. (E Ford Commissary Inc). This is a zero-dollar contract. The State does not fund the expense; however, the vendor who receives the revenue was not procured under competitive solicitation.

Estimated Cost - \$6,000,000 to provide commissary items for individuals in custody to purchase. (Performance Group dba Vistar). This is a zero-dollar contract. The State does not fund the expense; however, the vendor who receives the revenue was not procured under competitive solicitation.

Estimated Cost - \$6,000,000 to provide commissary items for individuals in custody to purchase. (Keefe Group). This is a zero-dollar contract. The State does not fund the expense; however, the vendor who receives the revenue was not procured under competitive solicitation.

Estimated Cost - \$6,000,000 to provide commissary items for individuals in custody to purchase. (Walkenhorst's). This is a zero-dollar contract. The State does not fund the expense; however, the vendor who receives the revenue was not procured under competitive solicitation.

Estimated Cost - \$6,000,000 to provide commissary items for individuals in custody to purchase. (Union Supply Group). This is a zero-dollar contract. The State does not fund the expense; however, the vendor who receives the revenue was not procured under competitive solicitation.

Note: DOC issued a solicitation for statewide commissary in March 2021. In July 2021, DOC was set to make an award resulting from the solicitation. However, there were

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subsequent protests filed prohibiting the issuance of the award. All vendors except E Ford Commissary Inc. have worked with DOC before. The vendors who were selected all operate in the niche market segment of providing items in a secure environment such as corrections. Please note that due to security issues the vendors' products and packaging require special consideration in terms of packaging (clear, no metal, etc.) and product ingredients (no alcohol, internal parts like a stick within a tube of deodorant, etc.).

University of Illinois

Estimated Cost - \$700,000 to replace a hot water expansion tank in the Physical Education Building and repair/replace the surrounding infrastructure that was flooded due to a major leak in the tank.