

Memo to Senate Procurement Committee Co-Chairs Senator Don Harmon and Senator Pam Althoff:

On behalf of the Illinois Construction Industry Committee, we appreciate the opportunity to provide comments regarding P.A. 96-0795 (SB 51).

Overall, we are concerned that the creation of the new procurement structure has led to significant project delays and inefficiency, and in many cases resulted in significant increases in construction project costs. From our perspective, these are a few of the reasons:

There appears to be a lack of collective understanding about what the new requirements mean and how they should be implemented. A contractor bidding at IDOT will receive one set of directives and requirements, while one bidding at the Capital Development Board or a university will be instructed to follow a different set of guidelines. **A consistent set of processes across agencies would be a significant improvement.**

Similarly, there is a lack of consistency on the part of CPOs and SPOs about their roles versus those of project managers. At the Capital Development Board, for example, an extensive process for reviewing and approving change orders has been in place for decades and seems to have functioned without incident. The existing process is extensive and includes a review by the architect or designer of record, the project manager and, depending on the amount of the change order, as many as three additional levels of review and approval.

The implementation of P.A. 96-0795 (SB 51), however, now means that in addition to the agency's own (sometimes lengthy) review and approval processes, another layer of review is being required by the CPO. There is no timeframe by which that review must occur, meaning that work may halt for months awaiting a determination by the CPO. There is a real possibility that an entire construction season can be lost while waiting for this review.

In its testimony, the Executive Ethics Commission states that CPOs do not play a role in agency administration, and that a separate procurement agency was not created as a result of SB 51. Rather, the agencies retain procurement authority. **As a result, our recommendation is that this duplicative review process be eliminated.**

Bidding requirements and processes are more cumbersome than ever which is leading to an increase in rejected bids, oftentimes for immaterial items. When the state of Illinois does not award a construction project to the lowest bidder, it can cost thousands or even millions of construction dollars to award to a higher bidder. In some cases, as many as three or four of the lowest bidders are being rejected for paperwork snafus. We join with the Chamber, the EEC and the Governor's office in **recommending that agency staff verify a bidder's ISBE registration, and eliminate the requirement that this document be submitted with the bid package.**

Similarly, the number and extent of documents that contractors must provide at bid time has grown exponentially, to the point where it is frequently not possible to compile a bid in time to meet an agency's submittal deadline. Bid submittals are now as long as 40 or more pages. Considering that suppliers typically do not provide bid numbers to a general contractor until a few minutes prior to bidding, it is often physically impossible to obtain those numbers, enter them into bid forms, make the multiple copies required and deliver them to the state procurement agency by the required time. **We recommend that the myriad requirements to present documents at bid time be re-examined to identify opportunities for streamlining and moving some of these requirements to post-bid processing.** Apparent low bidders on bid day are already subject to additional review and processing prior to award of the project, so it may be a simple matter to defer some requirements to the post-bid phase.

Again, we appreciate the opportunity to provide comment.