



City of Chicago



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Office of the City Clerk

Document Tracking Sheet

Meeting Date:	3/15/2023
Sponsor(s):	Dept./Agency
Type:	Report
Title:	Inspector General's report on Implementation of Recommendations of Procurement Reform Task Force
Committee(s) Assignment:	



CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL

20
23

Implementation of the Recommendations of the Procurement Reform Task Force

FEBRUARY 21, 2023

DEBORAH WITZBURG | INSPECTOR GENERAL FOR THE CITY OF CHICAGO

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I | Executive Summary

In 2015, the Chicago Procurement Reform Task Force (PRTF), comprised of the City of Chicago and a number of its sister agencies, undertook a six-month project to identify opportunities for local governmental entities to implement best practices for public contracting. PRTF reported its findings and made 31 recommendations. Pursuant to an intergovernmental agreement (IGA), the entities involved (collectively, the Participating Members) launched a responsive reform process. Over the past seven years, they have completed work on 28 of the 31 recommendations made by PRTF. The three recommendations which have not been implemented were critical to PRTF's mission and goals: *to create a single website providing contracting information and guidance from all Participating Members; adopt best practices for routine audits of procurement processes, ideally using shared services to that end; and implement a universal procurement system—a single point of entry for posting and responding to all Participating Members' contracting opportunities.*

In November 2022, a committee comprising Chief Procurement Officers of the involved agencies (CPO Committee) issued a "Close-Out and Status Report" announcing the termination of the PRTF project. Regarding the three incomplete recommendations: (1) the CPO Committee states the website has launched, but it has not; (2) the Committee asserts without substantiation that the Participating Members have done as much as they can to implement effective audit practices; and (3) the Committee concludes that a universal procurement system is unachievable due to lack of funds and differing governance rules and regulations, but does not explain how and why the considerable efforts on this front described in its prior public reporting have failed to come to fruition.

In accordance with its legal mandate, the Office of Inspector General (OIG) publishes this independent evaluation of the progress of the Participating Members' implementation of PRTF's recommendations.

II | Background

The Chicago Procurement Reform Task Force (PRTF) convened in May 2015. The City's Chief Procurement Officer (CPO) and then-Inspector General co-chaired the initiative, which included the Chief Executive Officer, Executive Director, or Chancellor of six other local governmental bodies: Chicago Public Schools (CPS), the Chicago Transit Authority (CTA), the Chicago Housing Authority (CHA), the City Colleges of Chicago (CCC), the Chicago Park District (Parks), and the Public Building Commission (PBC) (collectively, the Participating Members). PRTF was "tasked with developing recommendations to make procurement and contract management at the City and its sister agencies more uniform, efficient and cost-effective, while increasing accountability. Its goal was to distinguish successful practices, identify areas for improvement and promote a greater level of uniformity across City government and each participating sister agency."¹

In November 2015, PRTF reported its findings, grouped into five categories representing what the Task Force deemed the essential principles of government procurement: competition, efficiency, transparency, integrity, and uniformity. PRTF also offered recommendations designed to advance these principles—a 31-point plan for refining and standardizing the Participating Members' procurement operations. The recommendations in the 2015 Report, provided below in Figure 1, fell into three categories: the first 15 (grey) were proposed for "immediate" implementation (i.e., by March 30, 2016); the next 12 (green) for "mid-term" implementation (by December 31, 2016); and last 4 (blue) for "long-term" implementation (in "2017 and beyond").

Figure 1: PRTF Recommendations

Recommendation #1	Create a Committee of the Participating Members' CPOs to rule on certain administrative decisions, address obstacles to coordination, and ensure best practices across the City and its sister agencies.
Recommendation #2	Charge the CPO Committee with addressing the Task Force recommendations, tracking their implementation, and issuing quarterly progress reports.
Recommendation #3	Establish minimum standards by which all Participating Members will publish their anticipated sole source awards, receive public and vendor feedback, and make decisions about whether a solicitation is necessary.
Recommendation #4	Hire or secure pro bono services from a law firm to: (a) Identify contract provisions that could be subject to standardization across Participating Members' templates, and draft uniform contract templates incorporating the required terms of the Participating Members, including contract duration and number of renewals and (b) Where appropriate, standardize solicitation documents issued by Participating Members and the documents required in response.
Recommendation #5	Charge the Chicago Government IT Coordination Committee [ITCC], which consists of the CIOs of the Participating Members, with identifying the procurement-related systems that can be shared and developed jointly and developing a schedule for implementation.
Recommendation #6	Post all contracts, vendors, and subcontractors on agency websites in a user-friendly and searchable format.
Recommendation #7	Create an easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other

¹ City of Chicago, *Procurement Services*, <https://www.chicago.gov/city/en/depts/dps/provdrs/procurement-reform-task-force.html> (last accessed February 15, 2023)

	procurement related information such as the buying plan, notices of award, and prequalified pools; a list of all debarred vendors; and all current contract and vendor databases.
Recommendation #8	Establish minimum disclosure requirements for subcontractors and require posting subcontractor information online.
Recommendation #9	Establish minimum standards for conducting due diligence of vendors before entering into a contract.
Recommendation #10	Establish uniform rules governing resolicitation of contracts due to significant changes in scope or value.
Recommendation #11	Evaluate the consistency of MBE/WBE/DBE certifications accepted by Participating Members.
Recommendation #12	Implement the uniform criteria and processes for evaluating Good Faith Efforts regarding requests for waivers of MBE/WBE/DBE goals that are currently being developed and will be recommended by the Government Procurement Compliance Forum.
Recommendation #13	Require a written, publicly posted protest process for each Participating Member.
Recommendation #14	Examine whether Participating Members should support a change in state law to eliminate the newspaper notice requirement for contract solicitations.
Recommendation #15	Establish a process for information-sharing and collaboration among Participating Members on personnel matters such as professional development efforts and recruitment.
Recommendation #16	Establish uniform standards based on best practices for approval of noncompetitive awards, including small purchase, emergency, and sole source.
Recommendation #17	Develop a common electronic Economic Disclosure Statement system that allows for the submission of uniform information for all Participating Members' vendors and subcontractors; integrates disclosures and certifications into Participating Members' procurement databases; automates conflict checks and due diligence; and can be updated in real time.
Recommendation #18	Establish a process for the use of joint pre-qualified vendor pools that recognizes the different statutory requirements applicable to Participating Members.
Recommendation #19	Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.
Recommendation #20	Require each Participating Member to create a comprehensive procurement manual for its staff that is user-friendly and available to the public.
Recommendation #21	Codify and provide training to Participating Members' employees on procurement rules and regulations, including appropriate authority, prohibited communications, and reporting obligations.
Recommendation #22	Develop universal programming for vendor outreach and training.
Recommendation #23	Develop uniform, minimum contract close-out procedures for use by all Participating Members.
Recommendation #24	Develop minimum standards for project managers and other on-site review personnel to ensure vendor compliance.
Recommendation #25	Establish a process for information-sharing among Participating Members regarding poor performance, noncompliance, or wrongdoing of a vendor.
Recommendation #26	Seek to establish reciprocal debarment among Participating Members through the use of a debarment review board or another mechanism as permitted by law.
Recommendation #27	Establish uniform practices, where permitted by law, to expand preferences for local vendors and support a workforce development or similar contract award preference.
Recommendation #28	Implement a universal procurement system that serves as a single point of entry for posting and responding to all Participating Members' procurement opportunities, and as a central repository for all contract and vendor information.
Recommendation #29	Identify compliance functions that can be shared among Participating Members, including MBE/WBE compliance activities, and establish a joint compliance field team.

Recommendation #30	Secure a pro bono study regarding the financial impact of the City's risk shifting contractual provisions.
Recommendation #31	Evaluate the benefits of center-led or consolidated procurement among the Participating Members.

Pursuant to an intergovernmental agreement (IGA) executed under the authority of an ordinance passed by City Council and approved by then-Mayor Rahm Emanuel in January 2016, included here as Appendix A, the Participating Members implemented PRTF's Recommendation #1 by creating a committee of their CPOs—the so-called “CPO Committee”—and charging it with addressing the Task Force's recommendations, tracking their implementation, and issuing quarterly and annual reports. The IGA also directed the Participating Members to implement Recommendation #5 by establishing a committee of their Chief Information Officers (the Chicago Government IT Coordination Committee, or ITCC) to manage the technical aspects of the process of implementing PRTF's recommendations.

The Participating Members agreed to issue four reports per year: quarterly reports within 14 days after the end of March, June, and September, and an Annual Report within 60 days after the end of each calendar year, beginning with 2016. The IGA provided for an initial five-year term (2016 through 2021) with two automatic extensions of two years each (2021 through 2023, and 2023 through 2025) unless all Participating Members agreed in writing not to extend the project, and stated that the Participating Members would “participat[e] annually in a public hearing of City Council to discuss the [PRTF] Annual Report.”² Finally, the ordinance directed the Office of Inspector General (OIG) to issue—within 90 days following the issuance of each Annual Report—an independent evaluation of the Participating Members' implementation of PRTF's recommendations.

In 2017, 2018, and 2019, OIG issued these Progress Reports in late spring, following the March issuance of the PRTF Annual Reports for 2016, 2017, and 2018, respectively. In 2020, the COVID-19 pandemic disrupted this timeline. The CPO Committee was unable to issue the 2019 Annual Report until June 2020. The pandemic likewise disrupted the issuance of the 2020 quarterly reports. Due to these and other related operational challenges, OIG did not issue its 2020 Progress Report until December.

In March 2021, OIG and the City's Department of Procurement Services (DPS) proposed to the Mayor's Office that the City—in consultation with the CPO Committee—amend the IGA to require a final consolidated report declaring a refreshed commitment to, and setting a calendar for, addressing the open PRTF recommendations. The Mayor's Office agreed with the proposal, but indicated it would not seek any changes until 2022. The CPO Committee informed OIG it would therefore return to the required reporting schedule in 2021. However, the Committee issued only one report that year: the 2020 Annual Report, in October. The Participating Members' delay in filing this report continued a historic trend of inconsistent compliance with the reporting schedule. Again, the IGA required three reports in 2016 and four in each subsequent year. Thus, the Members should have issued 27 reports from 2016 through 2022, inclusive. However, they issued only 17: three in 2016, three in 2017, three in 2018, three in 2019, two in 2020, one in 2021, and one in 2022. Rather than issuing a Progress Report assessing the seven-month-late 2020 Annual Report, OIG addressed the situation in its Report for the Fourth Quarter of 2021.

² To date, three such hearings have occurred: on July 14, 2017 and September 18, 2018 (before the now-defunct Committee on Workforce Development and Audit), and on October 7, 2019 (before the Joint Committee on Contracting Oversight and Equity and Ethics & Government Oversight).

The CPO Committee did not issue any reports in the first 10 months of 2022. When the Mayor's Office reengaged with OIG and DPS in August 2022, DPS expressed an intention to issue what it described as a "final, close-out report" on PRTF. On October 11, 2022, DPS informed OIG that it had scheduled a meeting for October 19, 2022, to discuss this so-called close-out report with the other Participating Members.

On October 14, 2022, as required by the Municipal Code of Chicago, OIG published its Quarterly Report for the third quarter of 2022. Therein, OIG noted that the CPO Committee's most recent Annual Report (covering 2020, issued in October 2021) acknowledged substantial efforts remaining to address the PRTF recommendations. OIG acknowledged the Participating Members' authority to opt out of the second extension of the IGA and end the PRTF project in early 2023, and explained that in the event they chose to exercise this option, OIG would issue a report assessing the Members' fulfillment of the recommendations. OIG suggested, however, that given the work remaining as of October 2020, the Members might choose to continue the project through the entire nine-year period (2016-2025) contemplated by the IGA as potentially necessary to achieve the recommended reforms.

On November 23, 2022, the CPO Committee transmitted to OIG, Chairwoman Pat Dowell of the City Council Committee on Budget and Government Operations, and Chairman Jason Ervin of the Committee on Contracting Oversight and Equity a document, dated "October 2022," more than a year before it was transmitted, titled "Close-Out and Status Report of The Chicago Procurement Reform Task Force" (Close-Out Report).³ The report's cover memorandum stated: "It has been determined by the participating members that the work of the PRTF is complete to the extent that all feasible recommendations could be and have been implemented. To that end, this will be the final report submitted." Likewise, the report itself stated: "At the final meeting of the PRTF which occurred on October 19, 2022, all Sister Agencies concluded that any recommendations partially implemented [sic] and could not be fully implemented were due [sic] legal governance matters, technological, or financial resources." As required, OIG publishes this assessment within 90 days of the issuance of that report.

Over the past seven years, the Participating Members have made considerable progress toward realizing the vision of PRTF. They have completed work on 28 of the 31 recommendations, either through implementation or determination after thorough consideration that particular recommendations are impracticable or will not actually achieve the benefits contemplated by PRTF.

Notably, however, substantial areas of potential reform have gone unaddressed or remain incomplete—including some of PRTF's most significant and potentially impactful recommendations. Specifically:

- The "easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other procurement-related information" prescribed by Recommendation 7 is not currently accessible, months after it was to become available.

³ It is unclear whether the date on the transmitted report was an error

- Recommendation 19, to “[d]evelop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function,” has not been implemented. The CPO Committee evidently determined implementation is infeasible, but offers little meaningful explanation for that determination.
- The CPO Committee has abruptly abandoned its efforts to implement one of the capstone reforms proposed by PRTF—Recommendation 28, calling for the Participating Members to “implement a universal procurement system that serves as a single point of entry for posting and responding to . . . procurement opportunities, and as a central repository for all contract and vendor information.” Past reporting by the Committee had described multiple steps taken by the Members, in two phases, toward fulfilling this recommendation. The first phase—which, according to the Committee, was completed in 2021—“documented existing processes and legal or regulatory requirements and made recommendations for business process or other changes that would need to be implemented across all agencies to support a single system,” and stated that the “ITCC [would] determine whether a single system or common components will be best.” Close-Out Report at 10 (citing PRTF 2020 Annual Report). Phase 2 was to “implement the single system or common components across all agencies in approximately two years from the start,” with the caveat that “the BPR [business process reengineering] [would] assist in refining the Phase 2 timeline, elements, and estimated budget.” *Id.* Now, however, the Committee concludes that “a universal procurement system is not achievable across all agencies” because “funding resources prohibit a universal system” and “differing governance rules and regulations prevent a broad-based universal system absent an authorizing change from the governing body for each agency.” *Id.* at 11.

Unless and until the Participating Members launch a consolidated website announcing procurement opportunities and providing related supporting information developed throughout the project—thereby implementing recommendations 7 and 28—the core values of efficiency and uniformity identified by the Task Force remain unrealized. And without rigorous efforts to evaluate, reform, and (as possible) standardize processes for auditing the Members’ procurement operations, there is no way to monitor the improvements resulting from the PRTF initiative and ensure they are meaningfully sustained.

III | Implementation of PRTF's Recommendations

Figure 2 below illustrates the history of the Participating Members' progress in implementing PRTF's 31 recommendations, from the project launch in January 2016 through November 2022. For each recommendation, Figure 2 shows both the implementation status reported by the CPO Committee and OIG's evaluation of the implementation status in the immediately following Progress Report. For purposes of clarity and consistency with previous progress reports, OIG uses the term "partially completed" to describe the recommendations classified by the CPO Committee as "outstanding" in their Annual and Quarterly Reports.⁴

Figure 2: Implementation Status of PRTF's Recommendations Over Time

Rec. No.	PRTF 2016 Annual Report (3/2017)	OIG First Annual Progress Report (5/2017)	PRTF 2017 Annual Report (3/2018)	OIG Second Annual Progress Report (5/2018)	PRTF 2018 Annual Report (3/2019)	OIG Third Annual Progress Report (6/2019)	PRTF 2019 Annual Report (6/2020) and Q2 2020 quarterly report (10/2020)	OIG Fourth Annual Progress Report (12/2020)	PRTF Close-Out and Status Report (11/2022)
#1	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#2	Ongoing	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#3	Completed	Completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#4	Ongoing	Partially completed	Partially completed	Partially completed	Ongoing	Partially completed	Completed	Completed	Completed
#5	Ongoing	Partially completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#6	Ongoing	Partially completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#7	Ongoing	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed
#8	Completed	Completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#9	Completed	Completed	Completed	Partially completed	Completed	Partially completed	Completed	Completed	Completed
#10	Completed	Completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#11	Completed	Partially completed	Partially completed	Partially completed	Completed	Completed	Completed	Completed	Completed
#12	Completed	Completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#13	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#14	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#15	Ongoing	Partially completed	Partially completed	Partially completed	Completed	Completed	Completed	Completed	Completed
#16	Ongoing	Completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#17	Ongoing	Completed	Ongoing	Partially completed	Ongoing	Partially completed	Partially completed	Partially completed	Completed
#18	Ongoing	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Completed	Completed	Completed

⁴ In its close-out report, the CPO Committee places Recommendations 4, 9, 18, and 20 under the category "Outstanding." However, as shown in the table, in the past, it has categorized these recommendations as Completed, and the content of the close-out report related to the recommendations confirms that status. The Committee does not explain this inconsistency.

#19	Ongoing	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed
#20	Ongoing	Partially completed	Partially completed	Partially completed	Partially completed	Partially completed	Completed	Completed	Completed
#21	Ongoing	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#22	Ongoing	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#23	Ongoing	Partially completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#24	Ongoing	Partially completed	Completed	Completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#25	Ongoing	Partially completed	Partially completed	Partially completed	Completed	Completed	Completed	Completed	Completed
#26	Ongoing	Partially completed	Completed	Partially completed	Completed	Inconsistent implementation	Completed	Completed	Completed
#27	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
#28	Not addressed	Not yet begun	Ongoing	Partially completed	Ongoing	Partially completed	Partially completed	Partially completed	Partially completed
#29	Not addressed	Not yet begun	Ongoing	Partially completed	Completed	Completed	Completed	Completed	Completed
#30	Not addressed	Not yet begun	Ongoing	Partially completed	Completed	Completed	Completed	Completed	Completed
#31	Not addressed	Not yet begun	Ongoing	Partially completed	Ongoing	Partially completed	Completed	Completed	Completed

IV | Incomplete PRTF Recommendations

At the time of the issuance of its self-styled close-out report in November 2022, the CPO Committee had failed to implement three of PRTF's recommendations. Each is detailed below.

Recommendation 7 | Create an easily accessible website for vendors and the public that provides a single location for: all of the Participating Members' current procurement opportunity listings and other procurement related information such as the buying plan, notices of award, and prequalified pools; a list of all debarred vendors; and all current contract and vendor databases.

The CPO Committee reports that Recommendation 7 is "Partially Completed." While the CPO Committee describes efforts made to build a website responsive to Recommendation 7, no such website is available as of this writing. OIG's assessment, therefore, is that Recommendation 7 is Not Completed.

The CPO Committee states:

During 2020 and 2021, the ITCC representatives, in conjunction with the City's consultant Electronic Knowledge Interchange (EKI), designed and built the Chicago Procurement Information web site to comply with this recommendation. The ITCC decided to deploy the web site with the available data of the participating agencies—COC, Park District and CTA. Other participating agencies (PBC, CHA, CCC and CPS) are to add their data as it becomes available.

The consolidated site, Chicago Procurement Information, will be hosted by the City at <https://procurementinfo.chicago.gov>. The site features a consolidated opportunity listing and allows users to sign up for notifications of opportunities by interest area, a consolidated list of awarded contracts, the City of Chicago Consolidated Buying Plan, debarred vendors, and agency procurement procedures

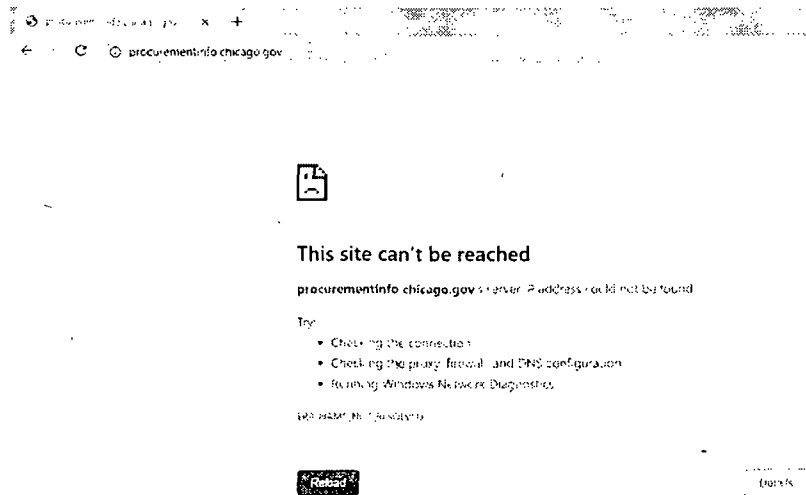
The City's Assets, Information and Services (AIS) Department, through its staff and consultant EKI, will support the consolidated web site and onboard additional participating agencies as their data becomes available.

At [the time of the] Close-Out Meeting on October 19, 2022, CTA and the City had fully implemented the above recommendation. CPS was in the process of implementing the recommendation but is overcoming technical formatting matters prior to implementation. CHA, CCC, [Parks], and the PBC committed to advocating for additional resources to fully implement this recommendation. At the Close-Out Meeting, all participants concluded that the ITCC continue to meet to monitor the progress of the implementation of this recommendation.

According to the CPO Committee, <https://procurementinfo.chicago.gov> was "scheduled for a soft launch in August 2022 and [to] go live in September 2022;" the site would "go live with the City,

Park District, and CTA information;" and "Park District opportunities and awards [were] anticipated to be available after go-live."

As of February 20, 2023, however, the website is inaccessible. The following is displayed at its address:



Notably, by its terms, the close-out report contemplates an ongoing role for the ITCC (and, evidently, AIS) in maintaining and updating the website. Given this, it is not clear why the CPO Committee definitively declares "the work of the PRTF is complete" with respect to the implementation of this recommendation.

Recommendation 19 | Develop best practices for routine audits of procurement functions and contract awards, and evaluate use of shared services to perform this function.

The CPO Committee reports that Recommendation 19 is Completed. It is OIG's assessment, however, that it is only Partially Completed.

The CPO Committee states:

All participating members of the PRTF have fundamental audit principles in effect to ensure integrity of the procurement process for an awarded contract. In addition, members [sic] agencies have varying levels of audit for contract compliance (post-award). PRTF Members determined that a universal audit may not be applicable as each procurement's (and each agency, overall) funding may be of [sic] different sources such as federal funding, state funding, local funding, grant funding, or not-for-profit funding. Based on the funding source, contract compliance auditing may differ. Nonetheless, each member agency confirmed that audit processes are in place and that a routing [sic] review of the audit practices are [sic] conducted.

This describes an improvement over the status quo in 2015, when only CPS and CCC engaged in regular procurement audits. *See Report of the Chicago Procurement Reform Task*

Force at 31. It falls short, however, of the standardization recommended by the Task Force, and provides no compelling reason for this outcome. The CPO Committee does not explain why the Participating Members cannot engage a single auditor to perform routine reviews of each entity's procurement processes (or to review the audits performed in-house, as the case may be). The Close-Out Report articulates no basis on which to assume that a qualified auditor would lack the capability to account for the variety of funding sources highlighted by the Committee, or any other variations across the Members' operations. Without more explanation, OIG is unable to conclude that the Participating Members fairly evaluated the use of shared services. Instead of settling for a regime where each Member handles its own audits, the Committee could have undertaken further efforts to maximize standardization in this area.

Recommendation 28 | Implement a universal procurement system that serves as a single point of entry for posting and responding to all Participating Members' procurement opportunities, and as a central repository for all contract and vendor information.

The CPO Committee reports that Recommendation 28 is "Partially Completed." This is, however, at odds with its statement that it has abandoned its intention to pursue the system altogether. On the basis of that statement, OIG's assessment is that Recommendation 28 is Not Completed.

In its close-out report, the CPO Committee concludes that "a universal procurement system is not achievable across all agencies. Primarily, funding resources prohibit a universal system. In addition, differing governance rules and regulations prevent a broad-based universal system absent an authorizing change from the governing body for each agency."

This conclusion is in sharp contrast to the Committee's representations in its 2020 Annual report (issued in October 2021), where it stated with regard to the universal system:

The first phase of the phased project [was] completed in 2Q2021. The first phase documented existing processes and legal or regulatory requirements and made recommendations for business process or other changes that would need to be implemented across all agencies to support a single system. The ITCC will determine whether a single system or common components will be best. Phase 2 of the recommendation would implement the single system or common components across all agencies in approximately two years from the start; however, the [Business Process Reengineering (BPR)] will assist in refining the Phase 2 timeline, elements, and estimated budget.

The CPO Committee does not account for having reversed its intention to implement this recommendation. The Committee now rests heavily on the notion that the recommendation cannot be implemented because of funding constraints, but does not describe the steps (if any) undertaken to establish funding. The close-out report does not provide sufficient information to assess the soundness of the decision to abandon the planned-for implementation of this recommendation.

V | Conclusion

In 2015, PRTF performed an important public service by closely scrutinizing the purchasing processes of the City and its Sister Agencies, and offering clear and comprehensive recommendations for collaborative improvement and reform. For the next four years, the Participating Members expended considerable time and resources to implement those recommendations. Beginning in 2020, however, the initiative languished, and reporting obligations have gone unmet. By its terms, the Participating Members' agreement to undertake this project contemplated its taking up to nine years to complete. The CPO Committee, however, has elected to stop short of the finish line without a clear explanation for doing so, abandoning significant investments of time and resources and failing to live up to PRTF's mission and goals.

Appendix A



City of Chicago

Office of the City Clerk

Document Tracking Sheet

02015-8868

Meeting Date:	12/9/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Intergovernmental agreement with Sister Agencies regarding implementation of task force recommendations
Committee(s) Assignment:	Committee on Budget and Government Operations

CHICAGO, January 13, 2016

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an Ordinance authorizing the execution of an intergovernmental agreement between the City of Chicago and the Board of Education of the City of Chicago ("CPS"), the Chicago Housing Authority ("CHA"), the Chicago Transit Authority ("CTA"), the Chicago Park District ("CPD"), the Public Building Commission of Chicago ("PBC"), and the Board of Trustees of Community College District No. 508, ("CCC"), the ("Sister Agencies"), necessary for the implementation of the Report of the Procurement Reform Task Force ; and having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the Ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

1 members of the Committee with 1 dissenting vote(s).

(Signed) Carrie M. Austin
Carrie M. Austin
Chairman



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 9, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Chief Procurement Officer, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the city's Sister Agencies regarding the implementation of task force recommendations.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink that reads "Rahm Emanuel". The signature is fluid and cursive, with the first name "Rahm" and last name "Emanuel" clearly distinguishable.

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Board of Education of the City of Chicago ("CPS") is a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, the Chicago Housing Authority ("CHA") is an Illinois municipal corporation, the Chicago Transit Authority ("CTA") is an Illinois municipal corporation, the Chicago Park District ("CPD") is an Illinois municipal corporation, the Public Building Commission of Chicago ("PBC") is an Illinois municipal corporation, and the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, ("CCC") is a body politic acting on behalf of City Colleges of Chicago, and

WHEREAS, the Procurement Reform Task Force (the "Task Force") has issued a report dated November 17, 2015 (the "Report") detailing findings and recommendations for reforming the procurement policies and practices of the City and six of its sister agencies (its "Sister Agencies"): CPS, CHA, CTA, CPD, PBC and CCC; and

WHEREAS, the Report includes recommendations to improve efficiency, increase accountability, and economize public funds in government procurement (as described more fully in the Report, the "Recommendations"); and

WHEREAS, one of the Recommendations calls for the creation of a committee of Chief Procurement Officers of the City and its Sister Agencies (the "CPO Committee") that is charged with addressing the Recommendations, tracking their implementation, and issuing progress reports, among other responsibilities; and

WHEREAS, the City and its Sister Agencies desire to enter into an intergovernmental agreement, in substantially the form attached as Exhibit A (the "Agreement"), to set forth the terms and conditions governing their respective obligations to implement the Recommendations; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1 The above recitals are incorporated here by this reference.

SECTION 2. Subject to the approval of the Corporation Counsel as to form and legality, the Chief Procurement Officer of the City or his or her designee is authorized to execute the Agreement, and such other documents as are necessary, between the City and its Sister Agencies in substantially the form attached as Exhibit A. The Agreement shall contain such other terms as are deemed necessary or appropriate by the City.

SECTION 3 The City of Chicago Inspector General, within 90 days following the issuance of each Annual Report required of the CPO Committee pursuant to the Agreement, shall prepare and make publicly available an independent evaluation of the progress of the parties to the Agreement in implementing the Recommendations.

SECTION 4. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance,

the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

EXHIBIT A

PROCUREMENT REFORM TASK FORCE
INTERGOVERNMENTAL AGREEMENT

See attached pages.

PROCUREMENT REFORM TASK FORCE
INTERGOVERNMENTAL AGREEMENT

This Procurement Reform Task Force Intergovernmental Agreement (this "**Agreement**") is made and entered into as of the ____ day of _____, 20__ among:

- the City of Chicago, a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois (the "**City**"),
- the Board of Education of the City of Chicago, a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois ("**CPS**");
- the Chicago Housing Authority, an Illinois municipal corporation ("**CHA**"),
- the Chicago Transit Authority, an Illinois municipal corporation ("**CTA**"),
- the Chicago Park District, an Illinois municipal corporation ("**CPD**"),
- the Public Building Commission of Chicago, an Illinois municipal corporation ("**PBC**"), and
- the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, a body politic, on behalf of City Colleges of Chicago ("**CCC**").

(the City, CPS, CHA, CTA, CPD, PBC and CCC shall each be known herein as a "**Party**").

RECITALS

WHEREAS, the Procurement Reform Task Force (the "**Task Force**") has issued a report dated November 17, 2015 and attached as Exhibit A (the "**Report**") detailing findings and recommendations for reforming the procurement policies and practices of the City and six of its sister agencies: CPS, CHA, CTA, CPD, PBC and CCC; and

WHEREAS, the Report includes recommendations to improve efficiency, increase accountability, and economize public funds in government procurement (as described more fully in the Report, the "**Recommendations**"); and

WHEREAS, the Parties desire to work cooperatively to implement the Recommendations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows.

Article One: Incorporation of Recitals and Exhibits

The recitals set forth above and exhibits attached hereto are incorporated herein by reference and made a part hereof.

Article Two: Implementation of Recommendations

The Parties agree to work cooperatively to implement and effectuate the Recommendations, including without limitation by taking the following actions:

(a) establishing a committee consisting of the Chief Procurement Officer ("CPO") of each Party (the "CPO Committee"), which shall meet at least quarterly or on such other more frequent schedule determined by the CPO of the City (the "City CPO") and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CPO of each Party;

(b) establishing a committee consisting of the Chief Information Officer ("CIO") of each Party (the "CIO Committee") which shall meet at least quarterly or on such other more frequent schedule determined by the City CIO and which shall have the authority to establish one or more subcommittees consisting of at least one representative of each Party appointed by the CIO of each Party;

(c) establishing a committee consisting of at least one representative of each Party appointed by the CPO of each Party (the "Working Group") which shall meet at least quarterly or on such other more frequent schedule determined by the City CPO;

(d) effectuating and complying with the implementation measures agreed to by the CPO Committee, the CIO Committee and the Working Group, in each case subject to the approval of the CPO Committee;

(e) within 14 days after the end of each calendar quarter ending in March, June and September, beginning with the quarter ending March 31, 2016, preparing and delivering to the Mayor of the City a quarterly report (the "Quarterly Report") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations;

(f) within 60 days after the end of each calendar year, beginning with the year ending December 31, 2016, preparing and delivering to the City Council of the City of Chicago ("City Council") an annual report (the "Annual Report") on the progress of the Parties, including the progress of the CPO Committee, the CIO Committee and the Working Group, in implementing and effectuating the Recommendations; and

(g) participating annually in a public hearing of City Council to discuss the Annual Report.

The CPO Committee is authorized to establish rules, policies and procedures that the Parties shall implement and follow, consistent with the spirit of the Recommendations and in furtherance thereof, and to establish remedies for noncompliance.

Each Party's respective Inspector General or equivalent shall have the authority to investigate the Party's performance under and compliance with this Agreement. Each Party shall cooperate with the City's Office of Inspector General ("City OIG") to provide information pertaining to the Party's progress in implementing the Recommendations as necessary for the City OIG's completion of its annual independent evaluation of the implementation of the Recommendations.

Article Three: Term

This Agreement shall be in effect for a five-year period beginning on _____, 20__ through and including _____, 20__, and shall renew automatically for successive two-year periods unless all Parties agree in writing not to renew the Agreement.

Article Four: Consent

Whenever the consent or approval of one or more Parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Five: Notice

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified mail, return receipt requested. Telephone numbers and email addresses below are included for convenience only.

If to City	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: Department of Law City Hall, Room 600 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
If to CPS	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: _____ _____ Chicago, Illinois 606____
If to CHA	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: _____ _____ Chicago, Illinois 606____
If to CTA	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: _____ _____ Chicago, Illinois 606____
If to CPD	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: _____ _____ Chicago, Illinois 606____
If to PBC	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ Email _____ _____	With copies to: _____ _____ Chicago, Illinois 606____
If to CCC	_____ _____ Chicago, Illinois 606____ Phone: 312-74_____ _____	With copies to: _____ _____ _____

Email	Chicago, Illinois 606
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The addresses above may be changed when notice is given to the other Parties in the same manner as provided above. Any notice, demand or request sent pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (c) shall be deemed received two (2) days following deposit in the mail.

Article Six: Assignment; Binding Effect

This Agreement, or any portion thereof, shall not be assigned by a Party without the prior written consent of the other Parties.

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the Parties hereto and such successors and permitted assigns.

Article Seven: Modification

This Agreement may not be altered, modified or amended except by written instrument signed by the Parties hereto as of the date of such instrument; provided, however, that any material alteration, modification or amendment shall require the approval of the governing board or governing body of each Party.

Article Eight: Compliance With Laws

The Parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

Article Nine: Governing Law and Severability

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Article Ten: Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Eleven: Entire Agreement

This Agreement constitutes the entire agreement of the Parties regarding the Report and the Recommendations

Article Twelve: Authority

The Parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder; provided, however, that the obligations

of the Parties to implement and effectuate the Recommendations are subject to, as applicable: (a) the appropriation and availability of funds, and (b) the approval of the governing board or governing body of each Party and/or third parties.

Article Thirteen: Headings

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Fourteen: Disclaimer of Relationship

Nothing contained in this Agreement, nor any act of a Party hereto, shall be deemed or construed by any of the other Parties hereto or by third persons to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the Parties.

Article Fifteen: No Personal Liability

No officer, member, official, employee or agent of any Party shall be individually or personally liable in connection with this Agreement.

[signature pages follow]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Rahm Emanuel
Title: Mayor

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Name: _____
Title: _____

CHICAGO HOUSING AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO TRANSIT AUTHORITY

By: _____
Name: _____
Title: _____

CHICAGO PARK DISTRICT

By: _____
Name: _____
Title: _____

PUBLIC BUILDING COMMISSION OF CHICAGO

By: _____
Name: _____
Title: _____

Board of Trustees of Community College District
No. 508, County of Cook and State of Illinois

By: _____
Name: _____
Title: _____



Christopher Norborg
Associate General Counsel for Audit & Program Review

The City of Chicago Office of Inspector General is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, effectiveness, and integrity in the administration of programs and operations of city government.

OIG's authority to produce reports of its findings and recommendations is established in the City of Chicago Municipal Code §§ 2-56-030(d), -035(c), -110, -230, and -240. For further information about this report, please contact the City of Chicago Office of Inspector General, 740 N. Sedgwick Ave., Suite 200, Chicago, IL 60654, or visit our website at igchicago.org.

Suggest Ways to Improve City Government:
igchicago.org/contact-us/help-improve-city-government

Report Fraud, Waste, and Abuse in City Programs:
Call OIG's complaint hotline at (866) 448-4754 / TTY: (773) 478-2066
igchicago.org/contact-us/report-fraud-waste-abuse/

Cover photo by @400tmax via Canva.com.
Alternate formats available upon request.

