

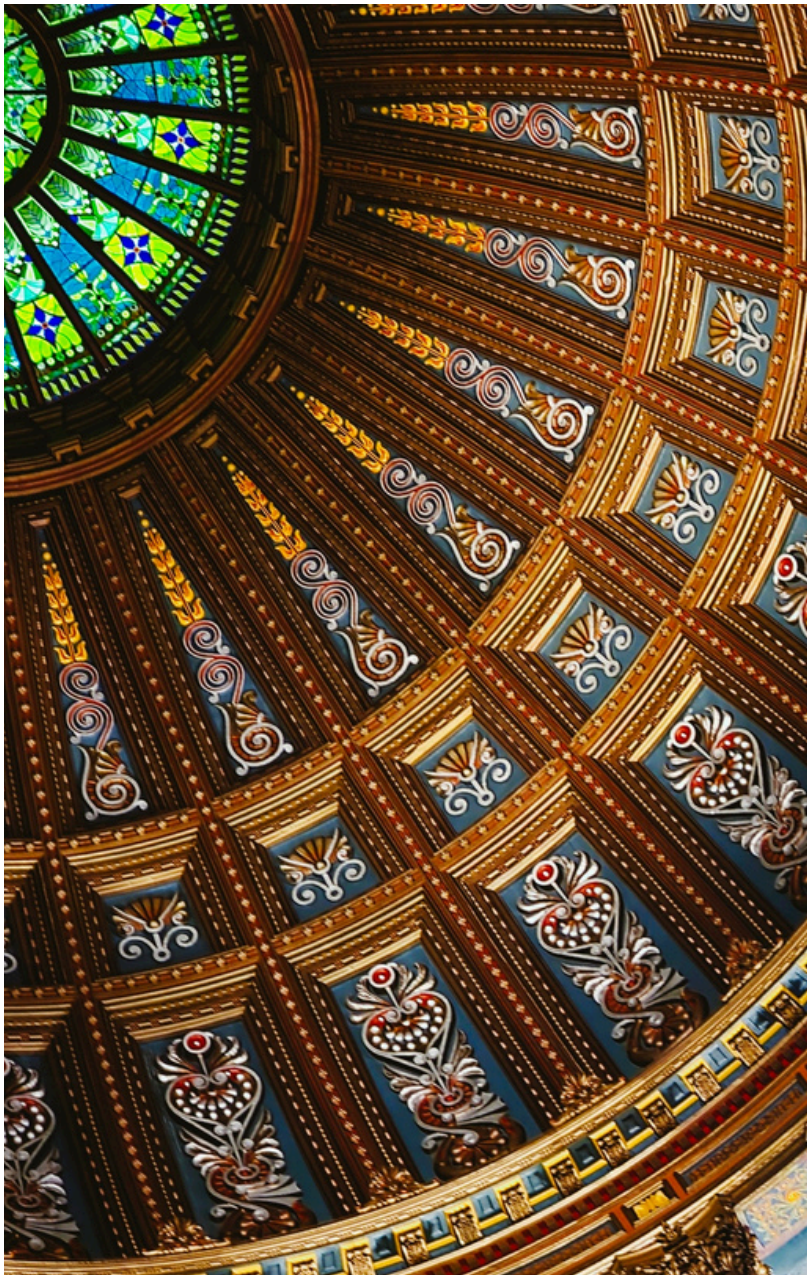


YEAR IN REVIEW

FISCAL YEAR 2024

State of Illinois

**CHIEF PROCUREMENT OFFICE FOR
GENERAL SERVICES**



“

Ensuring the public's trust and confidence in what we buy, from whom, and how we do it is my highest priority.

As procurement professionals, our work begins and ends with integrity... integrity in everything we do.”

Ellen H. Daley
CPO

Ellen H. Daley has been the Chief Procurement Officer for General Services since July 2015. Ellen is a licensed attorney and has worked in public procurement for 25 years. She holds both CPPO and CPPB professional procurement certifications and is nationally recognized expert in procurement. Ellen is Illinois' representative to the National Association of State Procurement Officials. She is currently serving on the American Bar Association's panel to update the Model Procurement Code and is co-chair of the committee to amend the Ethics in Public Contracting article.

The Chief Procurement Officer is a Senate confirmed position and owes a fiduciary duty to the State of Illinois.

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Purchase order information for UPP, SBSP, sole source, and exemptions is located on the CPO's website at <https://cpo-general.illinois.gov/publications-reports.html>.

To **navigate to content**, click on a heading. To return to this table of contents from any page, click on the return arrow symbol in the bottom right corner.

The Procurement Code requires the CPO to provide several reports to the General Assembly and Governor. Those reports are included in this Year in Review. Because the CPO wants more transparency into her office's priorities and performance, she discloses a lot more.

FROM THE CPO

Each year, I ask myself and my team “how well are we fulfilling our mission and purpose, and earning the trust of the taxpayers?”



Through this annual report, I share the past year’s accomplishments and challenges. However, as I begin my tenth year as the Chief Procurement Officer for General Services, I thought including a retrospective this year might provide deeper insights into answering the question.

Inside you’ll find a range of resources and reports about the services we provide to our stakeholders that include highlights from Fiscal Year 2024 and outcomes from the past nine years. We use metrics to drive improvements and give focus to what’s important. After nine years as CPO, these metrics also demonstrate the effectiveness of our strategies to create not only a lawful and ethical procurement system, but make State contracts more accessible to all vendors and more efficient to procure.

In July 2010, Public Act 96-795 created four chief procurement officers to independently enforce the State’s procurement laws and ensure that obtaining a State contract was free of political influence. This duty and responsibility from the General Assembly and taxpayers has been my highest priority. Every decision I make, from issuing policies to hiring employees, considers how that decision will impact the integrity and advancement of State procurement.

Since 2015, my State Purchasing Officers have ensured that agencies under my jurisdiction have procured approximately \$80 billion lawfully and ethically. That’s not to say that we haven’t prevented or caught bad actors circumventing the law. We have. By providing chief procurement officers with a fiduciary duty to the taxpayers and the independence to stop corruption and “pay to play” without fear of retribution, Illinois’ procurement regulatory system is the strongest and most principled in the nation proving the idiom that “an ounce of prevention is worth a pound of cure.”

In the first years of the independent chief procurement officers, the strict new procurement laws unavoidably complicated processes and slowed down the time to procure. But lawful and ethical procurements must also be efficient, inclusive, and understandable.

FROM THE CPO

(From the CPO cont.)

Since becoming the CPO, I have been implementing short and long-term strategies to improve efficiency, increase inclusivity, and simplify State procurement. The Retrospective sections throughout this report show how far we've come in a relatively short period of time.

Fiscal Year 2024 was a remarkable year as the General Assembly passed two measures to speed up procurements in two different scenarios. The General Assembly included those measures in House Bill 5511, now Public Act 103-865.

In the first scenario, we worked with interest groups and legislators amending the Governmental Joint Purchasing Act to permit one State agency to request authorization of their chief procurement officer to use another agency's supply contract. While agencies with the same need are encouraged to collaborate on joint procurements to maximize buying power, sometimes the second agency's need arises after the first agency has already procured. An agency's ability to use another agency's supply contract represents a tremendous savings of time and effort.

Additionally, this benefit extends to Illinois' local governmental units – such as cities, counties, and fire protection districts – enabling them to use State agency supply contracts. This will encourage local governments to capitalize on the state's procurement efforts, significant purchasing power, and thousands of contracts. My UPP staff presented this new opportunity to local government leaders at the Illinois Municipal League Annual Conference and received a welcome reception.

In the second scenario, we initiated an amendment to the Procurement Code to provide that a chief procurement officer may, at the request of the SPO and agency head, permit a cure during an active procurement if a violation of the Procurement Code occurs. Previously, such violations required the agency to cancel and restart the procurement from the beginning, or for me to void or ratify the contract.

Because violations are infrequent, cancelling and starting over may continue to be the common practice. But there are circumstances during a procurement when it will be preferable to cure the known violation and not restart the procurement. I can think of past instances where this new ability to cure would have saved months of time and millions of dollars.

FROM THE CPO

(From the CPO cont.)

I conclude by announcing that we officially launched the Illinois Procurement Training Academy in May 2024. This launch gives new structure and energy for my existing training program and is our response to the need for ongoing practical training for agency procurement staff.

Procurement is complex. For vendors and agencies to succeed, they must have ready access to learning opportunities. Our professional trainers develop and deliver content that engages participants instilling confidence and competence in conducting procurements. A skilled workforce and large vendor pool have the greatest impact on the efficiency and effectiveness of procurement overall.

I appreciate this opportunity to share my office's accomplishments. Procurement in Illinois has progressed by leaps and bounds. The effort has been collective and the recognition for our success is shared with the General Assembly, vendors, and agencies.

In gratitude,



Ellen H. Daley

CONNECT

Looking Forward



For the past nine years, the number and variety of CPO programs has increased. As the office has grown and matured, we needed a recognizable and common appearance for all of our heritage brands. Because our programs started in different years, they used separate and distinct logos that did not identify them as part of CPO-GS. The new logo integrates our services and reflects our modern, streamlined, and accessible approach to procurement.

As the regulator of procurement, we've been called many things. We know that comes with our jobs. So whether our name precedes a compliment or follows a comment, feel free to use "CPO-GS" or the State of Illinois Independent Chief Procurement Office for General Services. We answer to both.



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Commitment to Diversity (C2D)

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Unified Procurement Program (UPP)

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Illinois Procurement Gateway (IPG)

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CONNECT

Acronyms to Know

Spend 5 minutes with a procurement professional and you'll realize we speak in our own language.

Throughout this report, the following acronyms are frequently used.

1. BEP: Business Enterprise Program
2. C2D: Commitment to Diversity Program
3. CPO: Chief Procurement Officer for General Services (the person)
4. CPOG-GS: Chief Procurement Office for General Services (the office)
5. DEI: diversity, equity, and inclusion
6. IPG: Illinois Procurement Gateway vendor portal
7. IPTA: Illinois Procurement Training Academy
8. PO: purchase orders
9. SBSP: Small Business Set-Aside Program
10. UPP: Unified Procurement Program
11. VBP: Veterans' Business Program

Chief Procurement Office for General Services Springfield Headquarters





2023 DOC - Flower Seeds IFB P-46426



*2019 CMS - light bulbs
Novation P-12941*



2023 DNR - Live Rainbow Trout IFB P-50720

A vendor at an SBSP outreach event asked, “what does the State buy?”



*2023 DNR - Replace Trail Bridge
IFB P-54556*



*2018 EPA - Laboratory
Bottle Samples IFB P-4783*



*2022 SBE - Invest in Kids Act:
Research RFP P-41965*

All of the photos used in the FY 24 Year in Review are original photographs taken by Brie Urban-Haines. Brie is the DEI Procurement Strategist.

STRATEGY

Over the past nine years, we've transformed procurement in Illinois in significant ways. It seems incomprehensible today, but seven years ago vendors only used postal mail to submit offer documents, agencies didn't publish procurements of small dollar contracts, cooperative purchasing contracts were mostly unavailable for use, and every agency had to individually review vendor disclosures.

While Ellen Daley, Chief Procurement Officer for General Services (CPO), and her employees' highest purpose is protecting the public's trust by applying, enforcing, and giving transparency to State procurement laws, CPO Daley envisioned a procurement system that could also be efficient, inclusive, and understandable.

And so began a transformation of Illinois procurement.

VALUE BASED STRATEGIES

Any successful transformation requires a strong organizational culture and values to guide its strategy development and to persevere through setbacks. While every public official proclaims their values are to be ethical, transparent, and fair (we do the same), the CPO knows that earning trust from our stakeholders and our own staff is earned by what we repeatedly do and not what we say.

The CPO-GS' tactics and strategies have and will change over time, but the values that drive them remain the same. Our values in action look like this:

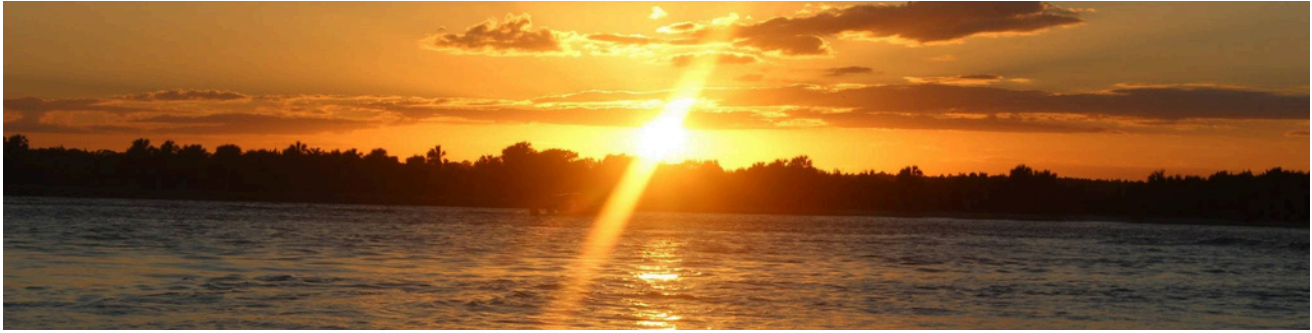
- Doing the right things in the right way;
- Showing people what you're doing;
- Standing up and taking responsibility for your actions;
- Answering when asked;
- Listening to and valuing other's opinions;
- Having fun.

Since the beginning, we've had four strategies: 1) develop a work culture where talented employees can thrive, 2) have a deep understanding of the people that we serve, 3) commit to continuous improvement, and 4) be accountable to our stakeholders and measure our progress



STRATEGY

Learn in the following sections how our values drive our strategies. Included are descriptions of CPO-GS programs and services, the stakeholders we serve, and the metrics we use.



Value Based Strategy #1: Work Culture

The old saying “culture eats strategy for breakfast” describes the secret sauce that motivates employees and drives customer satisfaction. A work culture of purpose driven employees is our foundation upon which all other strategies are based.

CPO Daley believes that the best determinant of employee success, happiness, and longevity in the organization is hiring people who believe in the CPO-GS’ purpose to safeguard the taxpayer’s trust and money. Achieving the our goals is not possible without talented and dedicated public servants.

CPO Daley believes that decision-making is improved and the organization is enriched when hiring people of diverse backgrounds, interests, cultures and races. We attribute our success to attracting and retaining smart, diverse, and accountable individuals. Every employee knows that their daily actions matter. Whether helping a State agency justify a sole source procurement, assisting a vendor complete financial disclosures, or ensuring that contractors have not made illegal campaign contributions, we strive to make procurement easier and to earn the public’s confidence.

The CPO is the ultimate authority and regulator of procurement for 63 state agencies, boards, and commissions. The CPO is a Senate-confirmed public official, has a fiduciary duty to the taxpayers, and is statutorily mandated to ensure the lawfulness of each transaction under the Procurement Code. She directs and manages an office of 45 employees. She and her staff act free of political influence.

STRATEGY

(Value Based Strategy #1: Work Culture cont.)

The CPO-GS reviews and approves thousands of procurements each year. If anything about a procurement is unlawful, we stop it.

The independent office receives its budget and administrative support from the Executive Ethics Commission (EEC). Public Act 103-008, the budget implementation bill for Fiscal Year 2024, and Public Act 103-865, amended Section 10-20 of the Procurement Code furthering the independence of chief procurement officers by no longer making them “responsible to” the politically appointed commissioners of the EEC.

In 2015, the CPO-GS had 33 employees and has grown to 45 employees in 2024. The practice of procurement is complex and stakeholders are not well served if a procurement is lawful but takes too long to complete, results in unexpectedly high prices, or awards an underperforming contractor. The expansion of personnel was necessary to not only properly review thousands of annual procurements, but to create and manage solutions that make procurement more efficient, accessible, and understandable.

In addition to State Purchasing Officers that regulate their assigned agency procurements, employees work in the following CPO-GS programs/solutions:

- Unified Procurement Program
- Small Business Set-Aside Program
- Illinois Procurement Training Academy
- Commitment to Diversity
- Illinois Procurement Gateway
- BidBuy

We’ve been described as procurement geeks and dedicated public servants. While we don’t believe in labeling people, we accept those.

Our values and a work culture of respect and support give us purpose and energy to show up every day. And, we have fun and really like each other.

STRATEGY

Value Based Strategy #2: Continuous Improvement

Improving State procurement requires trust, collaboration, integrity and perseverance. At the core of what the CPO-GS does is provide a direct service to State agencies and vendors. Every CPO-GS employee knows that their daily actions contribute to a procurement's success or failure. We have a continuous improvement mindset that encourages brainstorming and implementing the best ideas regardless of where they came from. We value delivering on promises that exceed our stakeholder expectations.

Every profession is a combination of art and science. The science is represented by facts and rules, things that are known and predictable. The art is the use of creativity, adaptability, and judgment to develop options and solutions. In public procurement, there is a natural overabundance of science which, at its worst, can lead to procurement being confusing, slow, and unfair. Yes, all CPO-GS staff follow a code of ethics and enforce State laws. But, what gives us value to our stakeholders is our ability to adapt effectively to ever-changing demands. We require and support our employees taking courses every year to further their procurement education and knowledge of best practices.

For the past nine years, the CPO's policies and procedures have made incremental and ongoing changes to the way we operate and interact with stakeholders. The result has been a continuous cycle of improvements to State procurement.

Through a talented team of procurement professionals managing the following CPO-GS programs and technologies, we have sped up the time to conduct a procurement, provided greater transparency into what the State is purchasing, and made procurement easier to understand and more accessible. Steps are being implemented even now to make these outcomes measurably better. Our stakeholders have high standards of what they expect from our office. Our standards are even higher.

Unified Procurement Program

The Unified Procurement Program (UPP) is a comprehensive joint and cooperative purchasing program that was created to deliver lower cost contracts and save agency staff time and effort. Joint and cooperative purchasing represents an alternative to individual agencies conducting their own procurements.

STRATEGY

(Value Based Strategy #2: Continuous Improvement cont.)

With fewer personnel and smaller budgets, State agencies seek more efficient use of staff time and greater value from each dollar spent. Through joint and cooperative purchasing, Illinois collaborates with other states and government entities to combine their purchasing needs and subject matter experts to procure best-in-class contracts. These contracts usually require fewer state resources to procure, are procured faster, and result in better pricing and terms due to leveraged buying power.

UPP ensures that State agencies comply with the Governmental Joint Purchasing Act (30 ILCS 525/). Joint and cooperative purchasing occurs when two or more units of government conduct a single procurement and share the resulting contract. This type of procurement may occur between State agencies or may include other governmental entities in or outside of Illinois.

Contracts procured via joint and cooperative purchasing have many benefits to State agencies including lower prices, reduced administrative costs, and convenience and time savings. UPP's priority is to make more joint purchase contracts available to State agencies, local units of government and qualified not-for-profit agencies.

When a non-State governmental entity conducts a joint purchase, UPP reviews and approves any cooperative entity compensated for facilitating the procurement, the lead entity's procurement method, and the application of the Business Enterprise Program, Veterans Business Program, and Small Business Set-Aside Program.

Section 2(a-10) of the Governmental Joint Purchasing Act permits the CPO to authorize State agencies to piggyback on competitively-procured contracts by entities like the federal General Services Administration, a consortium of governmental entities like MMCAP, or a group purchasing organization of which the CPO is a member, like NASPO ValuePoint. The term "piggyback" means the State agency uses the contract terms established by the authorized entity.

STRATEGY

(Value Based Strategy #2: Continuous Improvement cont.)

Piggyback contracts represent the most immediate cooperative purchasing resource and greatly speed up the time to procure a State contract. However, when the CPO approves a State agency's piggyback request, the CPO will limit use of the contract to one year unless exceptional justification exists for a longer term. Because the State and CPO were not involved in the contracting entity's solicitation, award, and evaluation, Illinois vendors that monitor BidBuy for procurement opportunities likely did not see the solicitation on the contracting entity's bulletin. This goes against the CPO's value of making procurement more accessible and transparent.

CPO Daley recognizes the benefits and potential growth in the State's use of joint and cooperative purchasing contracts. She also recognizes the need to carefully develop rules and policies around the use of contracts procured by non-State agencies. The CPO and UPP must continue to ensure agencies and taxpayers that all available joint and cooperative purchasing contracts were procured ethically and in accordance with State laws.

Small Business Set-Aside Program

One of the most important ways that state government directly supports small business is through purchasing their supplies and services. When quality, service, and delivery are nearly the same, is buying from an out-of-state vendor that bids \$5 less than the Illinois vendor really the better deal for the State?

Section 45-90 of the Procurement Code creates the goal that the State award not less than 10% of the value of all contracts to small businesses in Illinois. Section 45-45 authorizes the CPO to designate contracts as small business set-asides and limit competition for them to small businesses in Illinois. The Small Business Set-Aside Program (SBSP) is the primary vehicle that the CPO uses to drive small business contracting. SBSP manages this economic development effort and provides benefits to taxpayers, vendors, and agencies alike.

When State agencies purchase supplies and services from Illinois' small business owners, they are driving economic growth and employment in Illinois' cities and towns. The small business owner is paid with our tax dollars that they in turn use to pay local and State taxes, hire employees, and reinvest in their businesses and communities. This allows our tax dollars to remain in Illinois communities longer than when agencies buy from out-of-state vendors.

STRATEGY

(Value Based Strategy #2: Continuous Improvement cont.)

Agencies recognize the economic benefit in doing business with Illinois small businesses and appreciate their fast and personal service. SBSP works with agencies to recruit small businesses to the program and identify new contract opportunities to set aside. Through regular vendor outreach events and dedicated customer support for the Illinois Procurement Gateway (IPG) (vendors register for SBSP using the IPG), the CPO directly assists small business owners register for the program, learn about targeted procurement opportunities, and understand procurement requirements.

IL Procurement Training Academy

The Illinois Procurement Training Academy (IPTA) serves a strategic role in the transformation of State procurement by formalizing the CPO-GS' education and training of agency procurement staff. The CPO has committed professional trainers and resources to deliver a comprehensive training program imparting procurement knowledge to agency staff, connecting them to BidBuy and the IPG, and communicating changes in CPO policy.

Anyone who needs to buy something for their agency will tell you that procuring the item can be complex. The procurement practitioner needs to understand the Procurement Code, follow CPO policies and procedures, know which forms to complete, and use the BidBuy e-procurement system among other things. Even the most seasoned professional acknowledges that completing the multitude of steps in a procurement benefits from experience and knowledge about what to do, when, and why.

Responding to the need for more frequent and regular procurement training, the IPTA creates a continuum of engaging content to address all needs and levels of understanding. We meet agency procurement staff in the environments where they learn best. We provide live instruction both virtually and in-person, create on-demand videos, and maintain a library of reference material. Learning opportunities exist 24/7.

The IPTA develops content, provides instruction, and assesses learning in two general content areas: the fundamentals of public procurement and performing Illinois-specific procurement. Some of the lessons receive professional development contact hours by the Universal Public Procurement Certification Council.

STRATEGY

(Value Based Strategy #2: Continuous Improvement cont.)

The knowledge, experience, competence and confidence that agency staff have in conducting procurements is the single greatest determinant on how long most procurements take. With this in mind, the IPTA's importance on the speed and quality of procurements is undeniable.

Commitment to Diversity

CPO Daley created the Commitment to Diversity Program (C2D) to champion diversity, equity, and inclusion (DEI) in state procurement. The program's primary objective is to use State procurement to advance DEI awareness and practices in agencies and vendors. C2D has the potential to enhance community wealth equity, drive company success, and foster state progress.

C2D uses the state's procurement function to raise awareness and encourage habits of DEI within agencies, vendors, and vendor communities.

C2D includes two programmatic areas: Commitment to Diversity Training (C2D-Training) and the Commitment to Diversity Factor (C2D-Factor).

C2D-Training changes the behavior of agency employees with procurement responsibilities by training them on the impact of cognitive biases in procurement. Through the CPO's mandatory annual training, agency employees with procurement responsibilities learn how cognitive biases affect procurement outcomes.

The C2D-Factor influences the actions of vendors to promote and participate in DEI practices. The C2D-Factor incorporates DEI evaluation factors in Request for Proposals (RFP) that incentivize the promotion and participation of DEI practices. By performing actions that demonstrate a commitment to diversity, vendors earn points in their RFP and their employees, communities, and themselves also benefit.

Procurement Systems Group

The Procurement Systems Group (PSG) implement and manage the CPO's use of technology to streamline procurement. The PSG operate the Illinois Procurement Gateway (IPG) and BidBuy. Both web based systems are used by State agencies and vendors throughout the procurement process.

STRATEGY

(Value Based Strategy #2: Continuous Improvement cont.)

The IPG is a website with two important functions: (1) permits vendors to have their financial disclosures and certifications approved in advance of submitting a bid, and (2) provides registration to small business owners applying for the CPO-GS' Small Business Set-Aside Program.

The PSG staff are experts in understanding the Procurement Code's vendor disclosure requirements, navigating the IPG system, and communicating with vendors. Instead of each agency's staff reviewing vendor disclosures, the PSG staff standardize the review making this aspect of the procurement process more efficient and consistent.

Vendors may work directly with PSG staff on submission and approval of their disclosures before submitting a bid making procurement more accessible and easy to understand. Importantly, the IPG benefits both vendors and agencies by reducing bidder disqualifications.

BidBuy is a website and the CPO's e-procurement solution that modernizes all aspects of State procurement. It manages agency and SPO approvals, collects information on each procurement, permits electronic solicitation and awarding of contracts, and serves as the procurement file. BidBuy benefits all stakeholders by increasing procurement efficiency, transparency, and compliance. The PSG staff oversee BidBuy's daily operation and support agencies' access to the system.

The PSG and Procurement Training Academy staff provide ongoing instruction and assistance to agency employees in the use of BidBuy and the IPG. For the CPO, the success of State procurement relies on agencies and vendors being able to effectively and efficiently use these systems.

STRATEGY

Value Based Strategy #3: Stakeholder Expectations

We serve three distinct stakeholders: 1) taxpayers, 2) vendors seeking or holding State contracts, and 3) the agencies whose procurements we regulate.

Each stakeholder needs something from our office and expects us to perform at a level that satisfies those needs. We believe that improvement in the State's procurement system requires a deep understanding of each stakeholder's unique needs and a balanced approach to meeting them. Improving State procurement doesn't require winners and losers, but it does require trust, collaboration, integrity and perseverance.

Taxpayers

Few things erode the public's trust in government faster than a procurement scandal in the headlines. Stories of elected officials influencing the award of contracts, vendors colluding or bid rigging, and agencies unfairly favoring a particular vendor cast a negative light on the thousands of well-intentioned, law-abiding State employees and vendors procuring billions of dollars of supplies and services under the CPO's jurisdiction.

Above all else, taxpayers expect the CPO to ensure that no one is breaking the law when State agencies procure. This is the CPO's, SPO's, and CPO-GS' highest purpose.

Taxpayers expect the CPO to make procurement transparent to the public and readily understandable. Taxpayers (and the General Assembly) place the authority and accountability to enforce the Procurement Code, prevent wrongdoing, and "put sunshine" on procurement directly in the responsibility of the independent CPO.

The following metrics are used to evaluate our services to taxpayers:

- Regulatory Metrics: Preventing Unlawful Behavior
- Transparency Metrics: Small Purchase Procurement Method
- Transparency Metrics: Exempt Transactions

STRATEGY

(Value Based Strategy #3: Stakeholder Expectations cont.)

Vendors

Vendors expect the CPO to ensure that procurements are conducted fairly, openly, and competitively.

The agencies and CPO needs reliable vendors to directly compete for State contracts. Competition drives prices down, reduces risk, leads to innovation, and increases customer service. When the vendor pool for State contracts is low, agencies and taxpayers bear the burden.

What considerations go into the decision to pursue a State contract? Vendors spend a considerable amount of time and effort preparing a bid. Like other sales efforts, they weigh the cost of preparing the bid with their success of winning a State contract. For most businesses, a significant amount of the cost occurs in learning and complying with the State's procurement processes: understanding the solicitation's specifications, attending pre-bid conferences, reviewing terms and conditions, providing a variety of disclosures and certifications.

Put simply, vendors expect the CPO to ensure that State contracts are worth pursuing. Vendors want to know that the entire procurement process, from writing the specifications to evaluating bids to making the award, is without bias and that the best bidder wins. Additionally, vendors want the CPO to make the procurement process easy to navigate and to hear their protest should they feel wronged.

Metrics to measure the CPO's effectiveness in promoting vendor participation by ensuring fairness, encouraging competition (limiting disqualifications), and making procurement more understandable are called "access" metrics.

The following metrics are used to evaluate our services to vendors:

- Access Metrics: Small Business Set-Aside Program
- Access Metrics: Small Business Outreach and Training
- Access Metrics: Illinois Procurement Gateway
- Performance Metrics: Commitment to Diversity

STRATEGY

(Value Based Strategy #3: Stakeholder Expectations cont.)

Agencies

Agencies need to procure from reliable vendors and receive the correct quantity and quality of items, at good prices, and delivered when needed. Agencies want the procurement process to be simple, quick, and effective.

As the actual solicitors, contractors, and users of the supplies and services being procured, the State agencies recognize the strategic importance that procurement plays in furthering their missions.

State agencies expect the CPO to develop systems and offer programs that make procuring easier and faster, while assuring compliance with all laws. Agencies do not want the CPO to institute policies and procedures that add extra work or time without significant justification, like a change in the law or a demonstrable benefit.

The following metrics are used to evaluate our services to agencies:

- Performance Metrics: Illinois Procurement Training Academy
- Performance Metrics: Unified Procurement Program
- Performance Metrics: Procurement Method
- Performance Metrics: Sole Source Procurement Method

STRATEGY

Value Based Strategy #4: Accountability and Metrics

An important way of being accountable to our stakeholders is being able to quantify our outcomes, assess performance, track progress, and measure success. Because numbers are objective and can be compared from year to year, we developed four types of metrics to assess outcomes, drive improvements, and give focus to what's important. These metrics provide for informed decision-making and demonstrate the effectiveness of our strategies to promote a lawful and ethical procurement system while making State contracts more accessible to all vendors and more efficient for agencies to procure.

The four types of metrics are: 1) Regulatory, 2) Transparency, 3) Access, and 4) Performance. We segment 62 metrics into primarily benefiting Taxpayers, Vendors, or Agencies.

Regulatory Metrics

Metrics to measure the CPO-GS' effectiveness and productivity in preventing or stopping unlawful behavior are classified as "regulatory" metrics.

Each year, State agencies conduct thousands of procurements to obtain the items they require to fulfill their missions. These procurements award billions of dollars to vendors. The CPO and SPOs promote the public's trust by ensuring that all these procurements are conducted lawfully and ethically.

The regulatory outcomes being measured result solely from CPO-GS staff developing, implementing, and enforcing regulatory policies and processes. While all CPO-GS staff have duties directly or indirectly related to these regulatory metrics, and while procuring agencies and vendors help police improper behavior in procurements, SPOs and the CPO have a statutory responsibility to regulate this behavior.

The five regulatory activities being reported result from daily reviews of vendor disclosures to deeper examinations of concerns within a procurement. While behavior that violates the Procurement Code or other laws is infrequent, it has been committed by all stakeholders. A low number or zero for any regulatory metric is good, and an indication that the CPO's measures to prevent improper behavior is working.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Regulatory metrics include:

1. Number of prohibited campaign contributions

Section 50-37 of the Procurement Code prohibits any business entity whose aggregate pending bids, offers, or annual contracts with State agencies total more than \$50,000 from making contributions to certain statewide officeholders, including the Governor, and candidates for these offices. Essentially, vendors must choose between acquiring and having State contracts, and making certain campaign contributions. In thousands of procurements each year, State Purchasing Officers (SPO) check for political contributions that violate the law.

2. Number of contracts voided

Section 50-60 of the Procurement Code describes when the CPO may or shall declare a contract void or ratify and affirm the contract.

3. Number of referrals to the Office of the Executive Inspector General or other Inspector Generals

4. Number of referrals to the Attorney General

Section 10-10 of the Procurement Code requires an SPO to report to the OEIG problems of procurement misconduct, waste, or inefficiency by a State agency if the agency does not correct the issue. Additionally, Section 50-40 requires the SPO and CPO to notify the OEIG and Attorney General when collusion or other anticompetitive practice is suspected.

5. Number of actual conflicts of interest identified

Section 50-35 of the Procurement Code requires bidders, offerors, potential contractors and contractors to submit disclosures of financial interests in certain procurement activities. When a potential conflict is identified or reasonably suspected, an SPO or the CPO must send the affected contract to the Procurement Policy Board and Commission on Equity and Inclusion for further consideration and action. Vendors that have actual conflicts of interest cannot have or acquire a State contract.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

- 6. Number of vendors suspended
- 7. Number of vendors debarred

Section 50-65 of the Procurement Code gives the CPO authority to suspend any contractor or subcontractor for a violation of the Procurement Code or for failure to conform to the specifications or terms of delivery. Section 1.5560 of the CPO's administrative rules permit debarment (permanent suspension) of a vendor from doing business with the State if the vendor is involved in bribery of a State employee.

Upon the discovery of unlawful, unethical, wasteful, or inefficient activity, the CPO may hold a subject matter hearing, cancel a solicitation or award, suspend or debar a vendor, refer the potential offender to the Office of the Executive Inspector General or Attorney General, or ratify or void the affected contract.

[Click here to see Fiscal Year 2024 Regulatory Metrics.](#)

Transparency Metrics

Taxpayers and vendors develop greater trust in the procurement process when they have more visibility and easier access to it. The metrics measuring small purchases and exempt contracts are called "transparency" metrics.

One of the actions that defines the CPO-GS' culture is "showing people what we're doing." Among other things, this means publishing and reporting on two categories of purchases: (1) small purchases, which are procurements below \$100,000 and not required by law to be published to a website, and (2) items exempted from the Procurement Code and procured without the oversight of the CPO or an SPO.

Transparency Metrics: Small Purchases

While the Procurement Code requires publishing information related to most procurement methods, like invitations for bid, requests for proposal, emergencies, and sole source procurements, it does not require publication of small purchases. The small purchase procurement method (procurements less than \$100,000) constitutes the majority of State agency purchases.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

To promote taxpayer trust, the CPO goes beyond the Procurement Code's requirements and requires the publication on BidBuy of procurements valued at \$2,000 and greater. This transparency policy allows taxpayers and vendors to monitor small purchases for conflicts of interest, unethical behavior, and new procurement opportunities.

Transparency Metrics: Exempt Transactions

Sections 1-10 and 1-12 of the Procurement Code exempt a variety of contract types, including purchase of care, hiring of an individual as an employee and not as an independent contractor, purchase of real estate, anticipated litigation, artistic and musical performances, and others, from following the Procurement Code.

To promote transparency, the Procurement Code requires that State agencies publish on BidBuy information about certain exempt contracts, including the name of the contractor, a description of the supply or service, the amount and term of the contract, and the applicable exemption utilized.

[Click here to see Fiscal Year 2024 Transparency Metrics.](#)

Access Metrics

Metrics to measure the CPO's effectiveness in promoting vendor participation by ensuring fairness, encouraging competition, limiting disqualifications, and making procurement more understandable are called "access" metrics.

Access metrics are segmented into three services: the Small Business Set-Aside Program, training and outreach for small businesses, and the Illinois Procurement Gateway.

Access Metrics: Small Business Set-Aside Program | Outreach and Training

One of the most important ways that state government directly supports small business is through purchasing their supplies and services. When quality, service, and delivery are nearly the same, is buying from an out-of-state vendor that bids \$5 less than the Illinois vendor really the better deal for the State?

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Section 45-90 of the Procurement Code creates the goal that the State award not less than 10% of the value of all contracts to small businesses in Illinois. Section 45-45 authorizes the CPO to designate contracts as small business set-asides and limit competition for them to small businesses in Illinois. The Small Business Set-Aside Program (SBSP) is the primary tool that the CPO uses to drive small business contracting. SBSP manages this economic development effort and provides benefits to taxpayers, vendors, and agencies alike.

There is a distinction between a contract with a small business that was or was not purposely set aside at the start of the procurement. A contract that was intentionally set aside limits competition from the outset to only Illinois small businesses. A contract with a small business that was not set-aside means the small business won the contract in open competition against potentially large businesses and non-Illinois companies.

The SBSP and CPO-GS staff conduct outreach events throughout the year, often in conjunction with other State agencies including the Commission on Equity and Inclusion, Central Management Services, and the Toll Highway Authority. Learning about the benefits of the SBSP and how to participate is as easy as viewing the SBSP webpage or making a phone call to the IPG Help Desk.

When State agencies purchase supplies and services from Illinois' small business owners, they are driving economic growth and employment in Illinois' cities and towns. The small business owner is paid with our tax dollars that they in turn use to pay local and State taxes, hire employees, and reinvest in their businesses and communities. This allows our tax dollars to remain in Illinois communities longer than when agencies buy from out-of-state vendors.

Agencies recognize the economic benefit of Illinois small businesses and appreciate their fast service and working directly with the owners. The SBSP works with agencies to identify and recruit more small businesses to the program and more contracts to set aside. Through vendor outreach events and dedicated customer support, the SBSP directly assists small business owners register for the program, learn about targeted contract opportunities, and understand procurement requirements.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Access Metrics: Illinois Procurement Gateway

The Illinois Procurement Gateway (IPG) makes procurement more accessible and easier to understand. It is a website with two important functions: (1) permits vendors to have their financial disclosures and certifications approved in advance of submitting a bid, and (2) provides registration to small business owners applying for the CPO-GS' Small Business Set-Aside Program.

The Procurement Systems Group operates the IPG and explains to vendors what information the IPG application is requesting. Procurement requirements are complex and this personal assistance in submitting vendor disclosures is often necessary to achieve IPG registration. When vendors that are registered in the IPG bid on contracts, the likelihood of their disqualification is reduced.

The IPG integrates daily with BidBuy creating additional efficiencies for vendors registering in both systems. The CPO for Higher Education, CPO for the Capital Development Board, and the agencies they regulate also use the IPG. Taxpayers and vendors use the IPG's public searchable database of registered vendors when seeking businesses interested in State procurement.

[Click here to see Fiscal Year 2024 Access Metrics.](#)

Performance Metrics

The metrics that measure the CPO's impact on procurement cycle time and contribution to procurement success are called "performance metrics."

Performance metrics are more than 50% of those reported and are the direct result of CPO policies and procedures, CPO-GS staff guidance and training, and the CPO's technology solutions.

State Purchasing Officers (SPO) and Procurement Specialists directly work with State agencies to make sure that they get the supplies and services they need. With tens of thousands of transactions conducted each year, SPOs must be expert facilitators and have a deep understanding of procurement laws and best practices. While only State agencies decide what they need, the SPO and agency work together to ensure that the procurement process results in satisfying the agency's need while maintaining the interests of fair competition for vendors, value for taxpayers, and adherence to laws.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Performance Metrics: Commitment to Diversity

The Commitment to Diversity Program (C2D) staff identify actions that vendors can perform to earn commitment to diversity factor points in a Request for Proposal. They develop instructional materials, offer monthly training for agencies and vendors, and consult upon request.

C2D has established a goal that by the end of Fiscal Year 2027, all offerors will achieve at least 80% of the available commitment to diversity points in an RFP.

Pursuant to Section 50-85 of the Procurement Code, certain individuals with procurement and contracting responsibilities must annually complete the CPO's Diversity and Inclusion in Procurement Training.

Performance Metrics: Illinois Procurement Training Academy

The number of IPTA learning opportunities, participants, and contact hours are the best performance indicators of the IPTA reaching the hundreds of agency employees involved in State procurement.

Performance Metrics: Unified Procurement Program

Piggyback contracts represent the most immediate cooperative purchasing resource and increase procurement efficiency because an agency does not conduct the competitive procurement. Section 2(a-10) of the Governmental Joint Purchasing Act permits the CPO to authorize State agencies to piggyback on contracts competitively procured by entities like the federal General Services Administration, a consortium of governmental entities like MMCAP, or a group purchasing organization of which the CPO is a member, like NASPO ValuePoint. The term "piggyback" means the agency uses the contract terms established by the authorized entity.

The contracting entity must include piggyback language in the contract and the vendor must agree to extend terms to the State agency. When the CPO approves a State agency's piggyback request, the CPO will limit use of the contract to one year unless exceptional justification exists for a longer term. Because the agency and CPO were not involved in the contracting entity's solicitation, award, and evaluation, Illinois vendors that monitor BidBuy for procurement opportunities may not have seen the solicitation on the contracting entity's bulletin. This goes against the CPO's value of making procurement more accessible and transparent.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Performance Metrics: Procurement Method

The number and value of Purchase Orders by procurement method indicates the annual productivity of State procurement. Each procurement method is used for different reasons including the type of item being purchased, its dollar value, and whether or not a competitive procurement method can be used. The State Purchasing Officer or the CPO assure taxpayers that each procurement was conducted lawfully.

State Purchasing Officers (SPO) and Procurement Specialists directly work with State agencies to make sure that they get the supplies and services they need. With tens of thousands of transactions conducted each year, SPOs must be expert facilitators and have a deep understanding of procurement laws and best practices. One measure ("Number of protests upheld") of how well an SPO assists a State agency competitively procure what it needs is the number of times a protest is upheld. A bidder may protest a solicitation or award of an Invitation for Bid or Request for Proposal. While upheld protests can significantly slow down a procurement, they typically occur in only a fraction of a percent of procurements.

While only State agencies decide what they need, the SPO and agency work together to ensure that the procurement process results in satisfying the agency's need while maintaining the interests of fair competition for vendors, value for taxpayers, and adherence to laws.

Performance Metrics: Sole Source Procurement Method

Section 20-25 of the Procurement Code allows contracts to be awarded without using a competitive method of source selection when only one responsible and economically feasible source for a supply or service exists, and no other supply or service will satisfy the State's requirements. For example, sole source is appropriate when procuring public utilities or proprietary technology.

To the general public, the use of the sole source procurement method is a sensitive and often misunderstood means of awarding a State contract. After all, sole source procurements are non-competitive and sometimes characterized derogatorily as "no-bid" contracts. This may lead to the suspicion that the State improperly selected the awarded vendor by excluding competition.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

Because a sole source is an exception to the normal practice of competitive bidding using an Invitation for Bid or Requests for Proposal, the CPO requires State agencies to follow strict procedures to ensure the appropriateness and necessity of the sole source procurement method. These procedures are designed to thoroughly vet the State agency's request that the sole source method is appropriate under the circumstances and include at the request of an interested party or the CPO, holding a public hearing to examine whether the proposed vendor really is the only provider.

Prior to publishing a notice of intent to award a sole source contract, the SPO consults with agency procurement staff on the appropriateness of using a sole source procurement. The agency must justify and discuss their request with the SPO. In some instances, this consultation leads to the decision to alternatively use a competitive procurement method.

A notice of intent to enter into a sole source contract is published for at least 14 days to BidBuy providing stakeholders with information about the proposed contract. The Procurement Policy Board and Commission on Equity and Inclusion receive notice of the intent. The notice includes a description of the item to be procured, the intended sole source contractor, and information about a public hearing if requested.

The 14-day notice allows time for interested parties to provide comments and request a hearing where they may raise issues pertinent to the sole source.

After a hearing, the hearing officer analyzes the information and makes a recommendation to the CPO. The CPO takes the recommendation under advisement and issues her decision to permit or disallow the award. This decision and related documentation is posted to BidBuy. The heightened scrutiny in these procedures provides transparency through public notice and the opportunity for potential competitors and the public to object.

To apply a higher level of scrutiny over proposed sole source procurements, the CPO requires greater justification for sole source contracts lasting longer than one year. This policy forces agencies to review their own needs and the marketplace frequently whenever sole source vendors are used.

STRATEGY

(Value Based Strategy #4: Accountability and Metrics cont.)

The premise is that the marketplace is dynamic, and ever-changing technologies and vendors present an opportunity for the State to conduct a competitive procurement. A State contract may not be awarded as sole source unless approved by the CPO.

When evaluating the numbers associated with sole source procurements, caution should be used before drawing conclusions that some numbers are good while others are bad. In other words, if a State agency has a need to which there is only one legitimate supplier, then that sole source contract is appropriate whether its value is \$200 thousand or \$2 million.

[Click here to see Fiscal Year 2024 Performance Metrics.](#)



*2019 DHS - Music
Therapy Services Sole
Source P-12678*



*2023 ISP - Police Canines
IFB P-49715*



*2024 DNR - Giant City- New
Horse Barn IFB P-62551*



*2023 ALPLM - Concessions at
ALPLM RFP P-55234*

*A vendor at an
SBSP outreach
event asked,
“what does the
State buy?”*



*2019 AGR - FSAP - USA Herds Sole
Source P-14866*



*2018 CMS - Snow removal
multi locations IFB P-6130*

TAXPAYERS

Regulatory Metrics: Preventing Unlawful Behavior

Fiscal Year 2024

In Fiscal Year 2024, the CPO-GS worked closely with the Department of Finance and Professional Regulation on their procurement of an electronic licensing platform. Through our diligence monitoring this procurement and push for the agency to conduct a competitive procurement, the General Assembly passed legislation requiring a competitive procurement that resulted in a contract that saved the State nearly \$100 million over the proposed solution.

Retrospective

Over the past nine years, the CPO's many regulatory actions demonstrate that the State's creation of the independent chief procurement office was the correct decision. By removing political influence and increasing transparency measures, taxpayers in Illinois can trust that contracts are being awarded fairly and lawfully.

While agencies and the CPO-GS have worked together to ensure that thousands of procurements worth billions of dollars are procured economically and in the best interest of the State, there are a few examples each year where the CPO and SPOs have stopped improper procurements. These regulatory actions hold individuals accountable, promote fairness, and often save the State millions of dollars.

For example, in 2017 the CPO voided a \$12.5 million contract entered into by the Department of Healthcare and Family Services (HFS) with McKinsey & Company. HFS incorrectly exempted portions of the contract from the Procurement Code. The CPO determined certain services to be provided under the contract should have been competitively bid.

In 2019, the CPO identified an improperly awarded contract where the Illinois State Police performed construction services to repair a roof without involving the State's construction agency, the Capital Development Board. This contract was not procured pursuant to the laws governing construction and bypassed several safeguards affecting public safety and participation from potential contractors.

TAXPAYERS

(Regulatory Metrics: Preventing Unlawful Behavior cont.)

In 2019, the CPO identified an improperly awarded contract where the Illinois State Police performed construction services to repair a roof without involving the State's construction agency, the Capital Development Board. This contract was not procured pursuant to the laws governing construction and bypassed several safeguards affecting public safety and participation from potential contractors.

In 2020, the CPO upheld protests and found that the Toll Highway Authority should have offered disqualified vendors, in one instance the vendor was the low-cost bidder, the opportunity to cure BEP Utilization Plans. Consequently, the vendors were provided with the chance to cure.

In 2022, the CPO worked with the Illinois Attorney General and the Commission on Equity and Inclusion to address the findings of the Office of the Inspector General for the Department of Children and Family Services (DCFS OIG). The DCFS OIG had conducted an investigation and concluded that Public Consulting Group LLC (PCG) misrepresented and falsely reported the use of a Business Enterprise Program subcontractor on a 5-year \$4.8 million contract that PCG had with DCFS. The CPO conducted her own analysis into the matter, identifying potential violations of law and identifying remedies available through the Procurement Code.

On December 31, 2022, PCG entered into a settlement agreement where PCG agreed to pay the State \$1 million and voluntarily abstain from participation in State contracts through August 1, 2025.

TAXPAYERS

Transparency Metrics: Small Purchase Procurement Method

Fiscal Year 2024

In February 2024, the CPO issued a policy permitting agency directors to conduct small purchases below \$20,000, without the direct oversight of the SPO, when following specific procedures. This policy designating responsibility to follow the CPO's process has streamlined thousands of procurements each year.

Small purchases continue to represent the most used procurement method making up nearly 36% of all Purchase Orders. This efficient procurement method may be used when the value of the contract is below \$100,000. Despite the frequency of its use, the total value of small purchases is only 2.2% of all procurements.

Retrospective

In July 2015, the small purchase maximum was \$50,400 for supplies and services. In October 2017, Public Act 100-43 increased the small purchase maximum to \$100,000 where it remains today.

With the launch of the BidBuy e-procurement solution in January 2018, CPO Daley required that agencies use BidBuy for small purchases greater than \$2,000. This requirement provided an unprecedented level of transparency for taxpayers and vendors into what agencies purchased below the small purchase maximum.

In June 2018, the CPO issued a policy permitting agency directors to conduct small purchases below \$10,000, without the direct oversight of the SPO, when following specific procedures. This policy designating responsibility to follow the CPO's small purchase process has streamlined thousands of procurements each year. All agency directors agreed to the designation. In February 2024, the CPO revised the policy by increasing the amount to \$20,000 at which designated agencies may conduct small purchases without direct SPO oversight.

Random checking of agencies' compliance with these procedures has revealed overwhelming compliance. Four agencies have had their designations revoked due to instances of non-compliance, but have all been reinstated.

TAXPAYERS

Transparency Metrics: Exempt Transactions

Retrospective

In October 2017, Public Act 100-43 required agencies to post information about certain Procurement Code exempt transactions to the Procurement Bulletin. Agencies notify their SPO when they have created an exempt award notice that requires posting.

The policy of the State and the purpose of the Procurement Code is for all purchases and contracts to be conducted through competition and economical practices. 30 ILCS 500/1-5. Yet, the Procurement Code provides 31 current conditions when agency purchases and contracts under the jurisdiction of the CPO are exempt from the Code:

- 22 in Sections 1-10(b)(1) - (23),
- eight in Sections 1-10 (c), (d), (e), (h), (j) (k), (l), (m), and
- one in Section 1-12 of the Code.

Section 7.1 of the State Fair Act (20 ILCS 210) provides a 32nd exemption from the Procurement Code.

Because the default is that all purchases and contracts are subject to the Procurement Code, the decision to permit new classes of exempt contracts should be compelling. Exemptions lose the Procurement Code's protections of competition, fairness, and transparency.

Competition ensures that all qualified vendors have an opportunity to win the contract and that the State pays the lowest cost or receives the best value. Fairness ensures that contractors are free of conflicts of interest and the procurement laws are equally applied. Transparency ensures that all stakeholders can see how the procurement is conducted.

Additionally, exempt contracts are not subject to the Procurement Code's preferences, including those for Illinois' small businesses and veteran-owned businesses.

TAXPAYERS

(Transparency Metrics: Exempt Transactions cont.)

There is no test governing when it is best to exempt a class of contracts from the Code. Much like contracts resulting from sole source or emergency procurements, there should be no judgment on the number of exemptions since conditions dictate their existence. All current exemptions have at least one standard in common. When a new class of contracts is proposed as exempt, the CPO reviews it and looks for any of the recognized standards found in existing exemptions.

The history of exemptions from the Procurement Code:

- Pre-2010: 10 exemptions

Prior to the existence of the independent chief procurement offices in 2010, the General Assembly (GA) had created 10 exemptions.

- 2010 – 2015: 10 exemptions

In the five-year period, from 12/23/2009 through 1/1/2015, the GA added 10 exemptions or two per year.

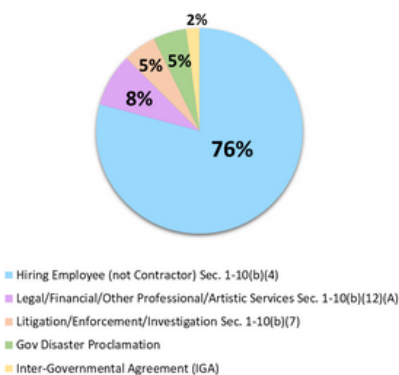
- 2015 – 2020: 7 exemptions

In the next five years, the GA slowed the additions by 30% and added 7 exemptions with effective dates from 1/1/2017 through 6/25/2019.

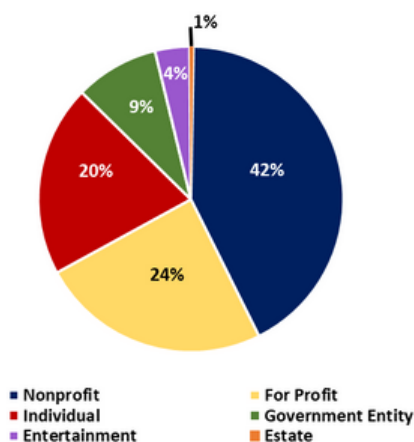
- 2020 – 2024: 10 exemptions

Recently, the GA added 10 more exemptions with effective dates between 7/29/2021 through 1/1/2024.

Top Exemption Codes Utilized



Average Exempt Contracts by Vendor Type



% of Exempt Contracts and Spend across FYs



VENDORS

Access Metrics: Small Business Set-Aside Program (SBSP)

	FY 24	FY 23	FY 22
1. Number of vendors registered in the Small Business Set-Aside Program (SBSP) =	2,402	2,404	1,769
2. Number of unique SBSP vendors awarded POs =	898	624	796
3. *Value of POs received by SBSP vendors =	\$802,377,235	\$412,444,659*	\$200,804,351
4. *Number of POs resulting from SBSP set-aside procurements =	5,658	49*	4,915
5. *Value of POs resulting from SBSP set-aside procurements =	\$159,656,265	\$102,930,295*	\$95,660,685
6. Number of unique vendors awarded POs that are dually enrolled in SBSP and Business Enterprise Program (BEP) =	28	128	117
7. Number of POs awarded to vendors dually enrolled in SBSP and BEP =	366*		1,475
8. *Value of POs awarded to vendors dually enrolled in SBSP and BEP =	\$178,131,828*	\$147,180,375*	\$38,155,720

* FY23 and FY24: metrics 3, 4, 5, 7, and 8 are reported as awards and not purchase orders (PO). Awards are the total actual or estimated value of a contract inclusive of renewals.

Fiscal Year 2024

This year experienced record growth for Illinois small business participation in State procurement. 898 vendors registered in the SBSP saw a 94.5% increase in the value of awarded contracts compared to Fiscal Year 2023. The number of vendors being awarded a contract rose by 43.4%. When the contract was set aside for only small business competition, the value of contract awards increased by 55.1%.

Vendors that are dually certified in the SBSP and Business Enterprise Program saw an increase in the value of awards by 21.0%.



VENDORS

Access Metrics: Small Business Outreach and Training

	FY 24	FY 23	FY 22
1. Number of Training Sessions =	14	28	17
2. Number of Participants =	1,300	602	203
3. Number of Contact Hours =	18	36	16.5

Fiscal Year 2024

While SBSP staff conducted 50% fewer outreach and training events, the events were more targeted and marketed to small businesses. Participation increased by 116% and enrollment in the SBSP remained the same.

Retrospective

Informing small business owners and start-up entrepreneurs in Illinois about increased opportunities to win a State contract through the SBSP has been a CPO priority for the past nine years. By setting aside contracts for Illinois businesses, the program uses procurement for economic development.

Recruiting more businesses into the program has had two benefits. First, agencies procuring a contract as a small business set-aside want many registered businesses competing for that contract as competition improves both pricing and service.

Second, the small business vendors that learn to navigate State procurement, its laws and procedures, realize that State agencies are a reliable market with constant need that pays fair prices. When these vendors become registered in the SBSP and invest in learning procurement, they develop a competitive advantage.

VENDORS

Access Metrics: Illinois Procurement Gateway (IPG)

	FY 24	FY 23	FY 22
1. Applications Received	7,499	9,587	9,109
2. Applications Returned	5,414	4,043	3,671
3. Applications Accepted	4,259	4,945	4,384
4. Vendor Phone Consultations	1,950	427	573
5. Vendor Support Tickets	2,810	1,680	133

Fiscal Year 2024

This was the first full year operating the IPG with a new contractor and software. The IPG staff worked with the vendor so that the IPG's design and features functioned as expected. There was a loss of first-time and renewed applications at the beginning of the year. But by the end of Fiscal Year 2024, both vendor segments had returned to levels comparable to before switching software.

The IPG is in its tenth year of existence. Agencies prefer when vendors bidding on contracts are registered in the IPG as it speeds up their review and reduces disqualifications. The CPO requires all vendors with contracts obtained through a cooperative entity to be registered in the IPG prior to doing business with an agency.

VENDORS

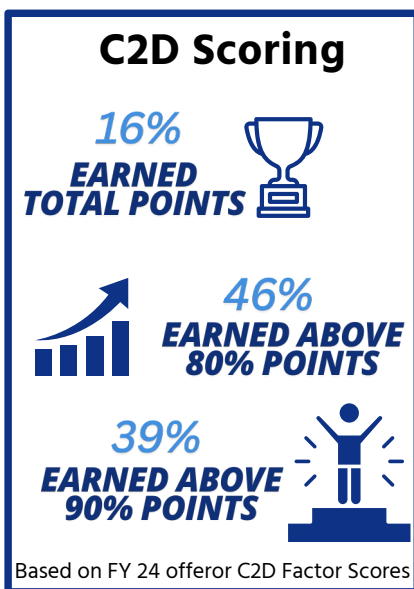
Performance Metrics: Commitment to Diversity (C2D)

	FY 24
1. Number of RFPs including C2D	18
2. Percentage of Awarded Offerors that Achieved 80% of C2D Points	46%
3. Percentage of Awarded Offerors that Achieved 90% of C2D Points	39%
4. Average Score of All Offerors that Achieved 80% of C2D Points	

Fiscal Year 2024

The Commitment to Diversity Program (C2D) completed its first full year of operation in Fiscal Year 2024. This year the Commitment to Diversity Program (C2D) ensured that 1,717 agency staff with procurement and contracting responsibilities completed Diversity and Inclusion in Procurement training. The training explores how biases can affect the fairness and integrity in procurement.

Additionally, C2D released guidance and provided training to agencies on how to best evaluate commitment to diversity factors in Request for Proposals.



Commitment to Diversity Factor Impact

33%
**OF AWARDS RESULTED
FROM OFFEROR'S C2D
SCORE**

44%
**OF AWARDS WENT TO
OFFERORS WITH HIGHEST
C2D SCORE**

VENDORS

(cont.)

Retrospective

The Chief Procurement Officer for General Services (CPO) created C2D to champion diversity, equity, and inclusion (DEI) in state procurement. This impactful program provides training for state employees with procurement responsibilities and encourages offerors to demonstrate their commitment to DEI.

The program's primary objective is to address biases affecting procurement outcomes and to incorporate DEI evaluation factors in RFPs. By May 2024, C2D had engaged nearly 600 evaluators in assessing the DEI actions of 176 offerors. The potential benefits of this innovative program are vast, including the potential to enhance community wealth equity, drive company success, and foster state progress. C2D has the capacity to catalyze more than a thousand actions focused on diversity, equity, and inclusion annually. This program is undeniably creating a substantial and meaningful impact.

Innovation

C2D uses the state's procurement function to encourage habits of DEI among offerors and their communities. The program aims to achieve this by training state employees on the impact of cognitive biases in procurement and incentivizing offerors to promote DEI. The CPO aims to reflect the shared aspirations of the people of Illinois, the legislature, and the Governor, ensuring that taxpayer dollars are maximized for the benefit of institutions, communities, and lives, while realizing the values of DEI.

C2D includes Commitment to Diversity Training (C2D-Training) and the Commitment to Diversity Factor (C2D-Factor). C2D-Training aims to change the behavior of state employees with procurement responsibilities for the benefit of offerors and state agencies. The C2D-Factor is intended to influence the actions of offerors to benefit their employees, communities, and themselves.

C2D-Training - Promoting DEI in procurement starts with individuals recognizing how their biases can restrict competition and result in an unfair evaluation of an offeror's proposal. By the end of calendar year 2023, 1,596 agency employees with procurement responsibilities completed a mandatory CPO-developed training titled "Diversity and Inclusion in Procurement." The training consisted of self-guided slides with learning reinforced through case studies.

VENDORS

(cont.)

When a published solicitation contains instructions and specifications based on the procurer's cognitive biases, potential offerors are intentionally or unintentionally excluded from participating. When an evaluator uses preconceived and prejudiced perspectives to make biased judgments and conclusions, an offeror's score is influenced favorably or unfavorably—biases in procurement lead to exclusion, unfair treatment, protests, and even lawsuits. C2D-Training consists of ongoing training and conversations, creating a culture in state procurement that values increasing offeror diversity as equally important to, as much as receiving the right item at the right price and at the right time.

C2D-Factor - How can public procurement go beyond the narrow scope of diversity contracting goals to make meaningful and broad change? The recently amended Section 20-15 of the Procurement Code requires offerors to demonstrate a commitment to DEI through their business practices — taking DEI aspirations beyond state purchasing and expanding it to the community at large. The Request for Proposal (RFP) process now includes a third evaluation factor to be scored independently from the technical requirements and pricing factors.

The Commitment to Diversity Factor (C2D-Factor) goes beyond the narrow scope of procurement preferences and diversity goals by affecting more than just those vendors winning government contracts. The C2D-Factor awards RFP points to offerors that intentionally recruit, promote, donate, volunteer, and diversify suppliers. This initiative creates an essential opportunity to advance our shared vision of more diverse, equitable, and inclusive workplaces and communities. The C2D-Factor is the beginning of the next innovation curve in public procurement.

The C2D-Factor has benefits beyond diverse contractors and subcontractors in state procurement. It also benefits community organizations, educational institutions, and diverse businesses and individuals not directly involved in state procurement. It has been over forty years since public procurement started providing meaningful advantages to diverse companies. In 1984, a year after Congress passed the Disadvantaged Business Enterprise law, Illinois enacted the Business Enterprise Act, which set contracting goals for minority, female, and persons with disabilities-owned businesses.

VENDORS

(cont.)

This unique approach not only provides year-round DEI benefits, but also ensures their sustained impact, extending beyond the procurement process or contract period. Similar to diversity goal programs, the federal and state governments have successfully used other preferences in public procurement to incentivize vendors. For instance, Illinois, like many other states, has over 30 preferences that benefit the environment (e.g., recycled materials, corn-based plastics), locations (e.g., Illinois small businesses, HUB Zones), and people (e.g., veterans, persons with disabilities). However, the true benefit of these preferences is often only realized upon contract execution.

Notably, the C2D-Factor accounts for up to 20% of the technical score, requiring offerors to prioritize their diversity initiatives if they hope to be competitive.

There are six categories and elements within those categories, where offerors can earn points by demonstrating DEI actions for the extent to which they have engaged women, minorities, or persons with disabilities (WMD) in their businesses, education, and community.

C2D-Factor categories:

1. Achievement in the state's diversity goal-contracting program.
2. Contracting or subcontracting with any WMD business in the prior year.
3. Money spent with the objective of supporting DEI in the workplace and assisting WMD businesses, organizations, and communities in the prior calendar year.
4. Commitment of a non-monetary contribution, like mentoring or volunteering, to WMD businesses, organizations, and communities in the prior calendar year.
5. Having a current DEI Actionable Policy for their company.
6. Percentage of total, managerial, and executive diverse staffing.

This transformative approach to DEI has the power to revolutionize the way systematic change is achieved, fostering equity across a company's culture and values, and extending beyond state procurement. It holds vast potential to impact society by enhancing accessibility, creating more opportunities, advocating for fair practices within companies, and strengthening companies' contributions to their communities.

VENDORS

(cont.)

By May 2024, 155 RFPs from Fiscal Year 2023 and Fiscal Year 2024 have included these DEI evaluation categories in their evaluation process. 176 offerors were required to assess their role in promoting these values and 28 agencies conducted thorough evaluations of approximately 528 DEI actions. The CPO-GS evaluated and used these findings to shape and improve the factor categories, elements, and scoring.

C2D is benchmarking and starting an innovation curve for diversity and inclusivity in procurement.

More data from Fiscal Year 2024

Agency Engagement

 **18**
**PURCHASE ORDERS
WITH C2D FACTOR**

13
**AGENCIES USED
A C2D FACTOR** 

 **5**
**PURCHASE ORDERS
USED NEW C2D FACTOR**

Based on FY 24 RFPs

BEP Vendor Participation



28%

**PARTICIPATING CERTIFIED
BEP OFFERORS**



33%

**CERTIFIED BEP
OFFERORS AWARDED**



31%

**BIDS WITH PRIME
BEP VENDOR**

Based on FY 24 RFPs



AGENCIES

Performance Metrics: Illinois Procurement Training Academy (IPTA)

Fiscal Year 2024

Providing information and training to agency procurement staff and vendors is one of the most important functions of the CPO-GS. The IPTA accelerates procurement learning and development by creating and delivering instructional material, job aids, and hands-on and recorded instruction.

This year, these efforts resulted in higher job satisfaction for procurement staff, greater compliance with regulations, and an increased efficiency in purchasing. The IPTA provided four types of training:

- Training Tuesday is a weekly WebEx that allows for real-time communication regarding CPO Notices, process changes in BidBuy, training on various procurement topics, and an opportunity for agencies to ask questions.
- Monthly BidBuy Training is an all-day BidBuy-intensive training. Additionally, a twice-monthly follow-up training titled "BidBuy Practice Sessions" where agency personnel can practice in BidBuy with a trainer at hand.
- "Introduction to Illinois Procurement" is approved by the Universal Public Purchasing Certification Council (UPPCC) for two contact hours and offered multiple times each quarter.
- Agency specific trainings occur upon need and request.

In Fiscal Year 24, the instructor-led Introduction to Illinois Procurement course had 120 participants in six sessions spanning 18 hours. 53 individuals participated in the self-paced BidBuy Practice Sessions which is hands-on case based learning. The IPTA's recorded videos received 6,609 views constituting 848.2 hours.

IPTA staff delivered six sessions specifically for vendors and had 288 participants.



AGENCIES

(Cont.)

	FY 24	FY 23	FY 22
1. Number of Weekly Training Tuesday Sessions =	51	51	49
1.1 Number of Participants =	12,719	14,690	11,390
1.2 Number of Contact Hours =	25.5	25.5	29.5
2. Number of Monthly BidBuy Training =	12	12	12
2.1 Number of Participants =	263	255	318
2.2 Number of Contact Hours =	60	84	84
3. Number of Agency Training =	8	19	10
3.1 Number of Participants =	238	303	99
3.2 Number of Contact Hours =	13	25	14

Retrospective

In 2017, the CPO prepared agencies for BidBuy's January 2018 launch. The new e-procurement system would radically change the way that both agencies and vendors would interact with each other and training on the system would prove to be the launch pad for the IPTA.

The CPO-GS has been the leader of procurement training to agencies and vendors since the office's inception. Formal and informal instruction addressed needs as they were voiced or seen as in the case of mistakes, protests, and disqualifications. Most training in the past resulted from changes in procurement laws, new CPO policies, and the issuance of new forms. These are still common reasons to educate stakeholders today, but the majority of content creation is now based on the incremental steps to make procurers more confident and competent in performing all procurement types, from the simple to the most complex.

AGENCIES

Performance Metrics: Unified Procurement Program (UPP)

	FY 24	FY 23	FY 22
1. Number of piggyback contracts =	8	17	18
2. Number of joint purchase contracts procured as sole sources =	10	3	5
3. Number of joint purchase contracts procured as emergencies =	3	8	28
4. Value of Purchase Orders for all joint purchase contracts used by State agencies =	\$300.7 M	\$215.3 M	\$252.3 M
5. Number of cooperative and group purchasing organizations approved for use =	14	15	15

Fiscal Year 2024

The use of joint and cooperative purchase contracts increased in value by 39.6% compared with the previous fiscal year. Twenty agencies executed 346 purchase orders of which 122 had BEP goals. The CPO's increased participation from the beginning of a cooperative's solicitation means that the resulting contract does not require agencies to piggyback on them. Thus, the use of piggyback contracts saw a significant decrease.

We reduced the number of approved cooperatives by one upon learning that a the cooperative had absorbed a group purchasing entity that we previously disapproved. Until UPP staff better understands the implication of the absorption, contracts procured after the absorption are not available to agencies.

Public Act 103-865 amended the Governmental Joint Purchasing Act permitting one agency to request CPO authorization to use another agency's supply contract. Like the amendment that permitted piggybacking, this creates a new method for an agency to secure a contract.

Retrospective

With the issuance of CPO Notice 2018.04 on December 15, 2017, the CPO introduced her new joint and cooperative purchasing program branded as the Unified Procurement Program or UPP.

AGENCIES

Performance Metrics: Unified Procurement Program (UPP)

(Cont.)

In August 2017, Public Act 100-43 went into effect amending the Governmental Joint Purchasing Act (GJPA). The CPO supported these initiatives that permit “piggybacking” off existing contracts, creating joint purchase contracts using sole source and emergency procurement methods, and providing that a chief procurement officer may establish joint and cooperative purchasing programs.

Prior to these amendments, the agencies under the jurisdiction of the CPO for General Services were not authorized to use cooperative contracts unless the State agency led the procurement on behalf of the cooperative. This never occurred.

Since its creation in December 2017, UPP has provided training to agencies and vendors on maximizing the usage of joint and cooperative purchasing. There are numerous examples where use of these contracts has saved the State millions of dollars, filled gaps in service when an agency was unable to finish their own competitive procurement, and saved countless hours benefiting from a consortium of states’ efforts to solicit and award contracts.

AGENCIES

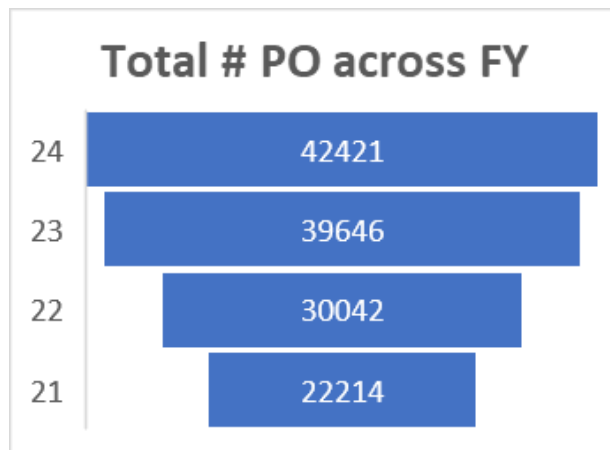
Performance Metrics: Procurement Method

	FY 24	FY 23	FY 22
1. Number of POs =	42,095	39,564	30,042
2. Value of POs =	\$5,771,033,566	\$5,032,848,066	\$6,538,477,076
Number and value of POs by procurement method (includes release orders off a master contract):			
3. Invitation for Bid (IFB) =	18,658 = \$2,830,023,490	15,649 = \$1,813,710,569	15,016 = \$1,526,426,553
4. Request for Proposal (RFP) =	6,929 = \$1,939,965,916	8,736 = \$2,013,738,026	627 = \$1,468,629,978
5. Emergency =	249 = \$415,537,917	497 = \$190,970,630	303 = \$2,101,328,143
6. Sole Source =	333 = \$350,500,111	319 = 445,475,090	427 = \$353,676,322
7. Small Purchase =	15,109 = \$126,048,797	17,139 = \$130,731,942	11,725 = \$98,458,471
8. Number of protests upheld =	4	9	0
9. Number of sole source contracts denied =	2	0	1

Fiscal Year 2024

As the Covid pandemic became a little more distant, agency procurements increased in the number of purchase orders and their value. The number of purchase orders increased by 6.4% from Fiscal Year 2023 and 40.1% compared to Fiscal Year 2022.

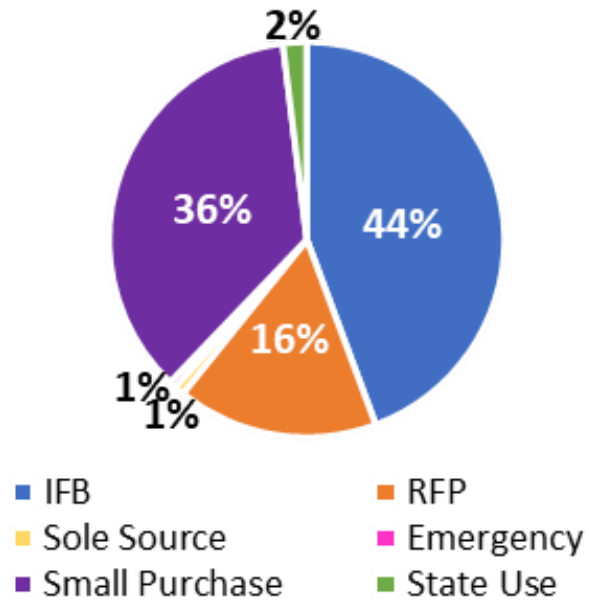
The value of purchase orders increased 14.6% compared to the previous year.



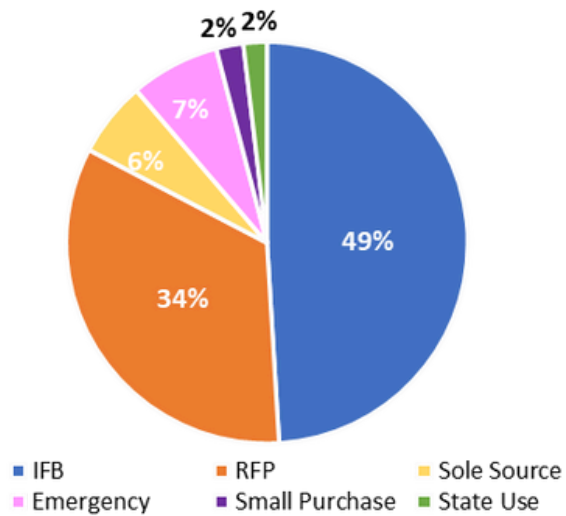
AGENCIES

(Cont.)

FY24 # POs by Method



FY24 \$PO by Method



AGENCIES

Performance Metrics: Sole Source Procurement Method

	FY 24	FY 23	FY 22
1. Agencies Awarding Sole Source Contracts =	34	33	29
2. Dollar Value of Sole Source Contracts =	\$350.5 M	\$445.4 M	\$449.0 M
3. Sole Source Contracts Approved =	333	319	259
4. Sole Source Contracts Denied =	2	0	0

Fiscal Year 2024

While the number of sole source contracts increased by 4.3%, the value of the contracts went down 21.3%. The average contract value is \$1.05 million.

The Department of Healthcare and Family Services awarded a \$107.6 million sole source contract, the largest in Fiscal Year 2024, to Deloitte Consulting LLP. The one-year sole contract is to maintain the services of the incumbent vendor (Deloitte), to provide maintenance and operations for the State's Integrated Eligibility System, and to perform additional development work for optimizing the IES as needed. The contract includes a 15% BEP goal.

The next largest award of \$30 million was made by the Illinois Gaming Board to Light & Wonder to operate a central communications system. Without this system, IGB cannot audit and monitor video gaming terminals throughout the state and video gaming cannot function.