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## **Procurement 101**

**November 7, 2011**

# What is Procurement?

- Procurement is the process of acquiring goods and services that are purchased at the lowest cost that meets the needs of Tollway user departments

# Procurement Approaches

## ■ Invitation for Bids (IFBs)

- Award to lowest, responsible bidder
- Average time = 3-4 months

## ■ Request for Proposals (RFPs)

- Award to vendor that provides the best value
- Average time = 6-7 months

## ■ RFP Professional & Artistic (RFP P&A)

- Qualified by education, experience and technical ability
- Average time = 6-7 months



# Procurement Approaches

## ■ Sole Source

- Sole provider of good or service
- Average time = 2-3 months

## ■ Small Purchases

- Procurements less than \$34,000
- Average time = Less than a month

## ■ Emergency

- Life, health, safety or fiscal
- Purchase made immediately, quotes are obtained if time permits

# Contract Types

## ■ Central Management Services (CMS) Master Contracts

- Contracts that leverage multi-agency use to obtain the lowest cost
- Tollway is required to utilize these master contracts
- CMS solicits, evaluates and awards contract, and Tollway orders against these contracts

# Contract Types

## ■ CMS for Tollway

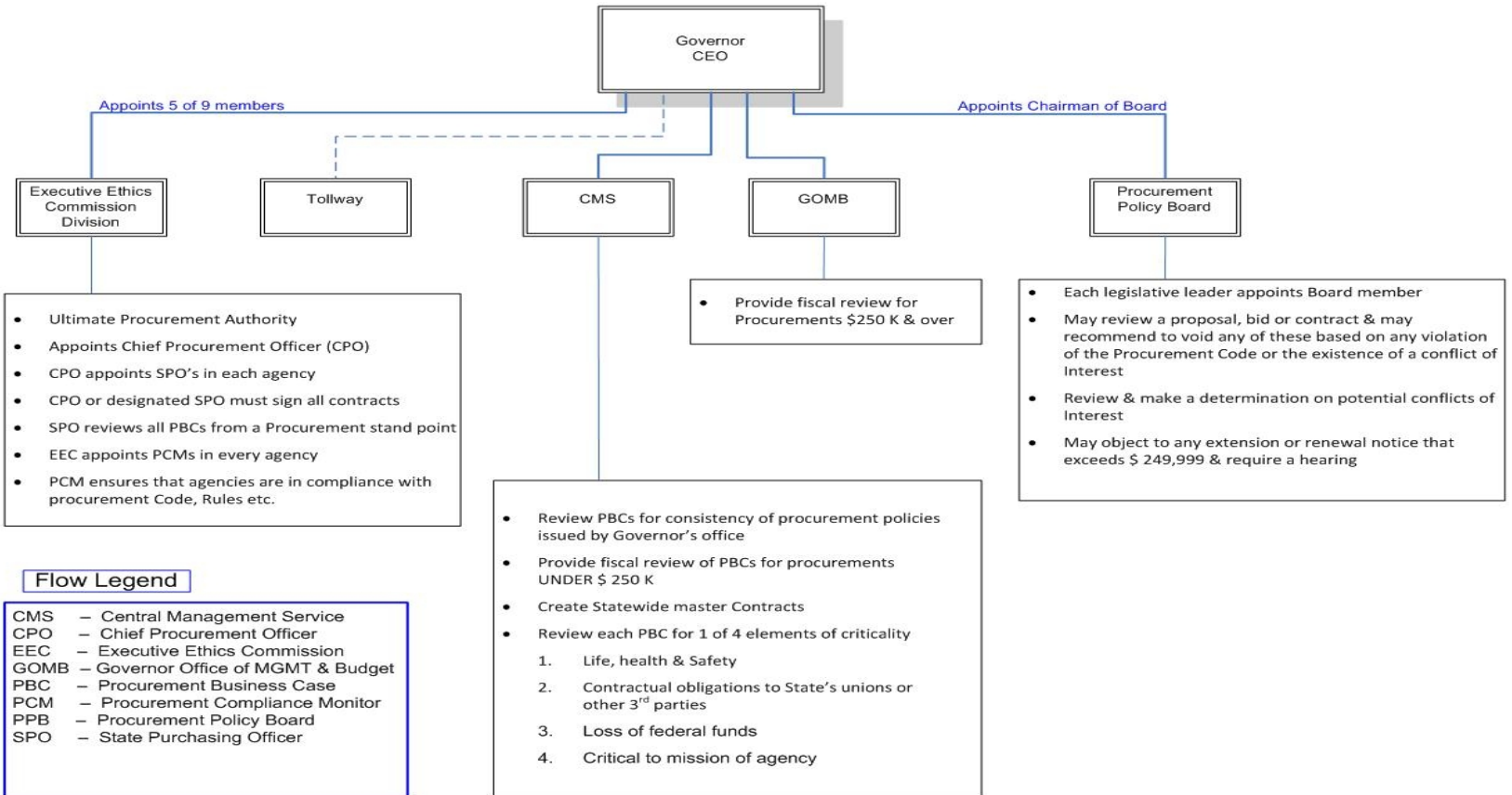
- CMS procures on Tollway's behalf
- CMS solicits, evaluates and awards contract

## ■ Tollway Contracts

- Generally service contracts
- Tollway solicits, evaluates and awards contract

# Procurement Organizational Chart

## Procurement Process Overview



# Entities in Procurement Approval Process

- Executive Ethics Commission
- Central Management Services
- Governor's Office of Management and Budget
- Procurement Policy Board



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# Appendix

# Executive Ethics Commission (EEC)

- **Senate Bill 51** - Procurement authority transferred from Central Management Services (CMS) to EEC
  
- **Chief Procurement Officer (CPO)**
  - Appointed by the EEC (5-year term)
  - Appoints State Purchasing Officers (SPOs) in each agency
  - Appoints Procurement Compliance Monitors (PCMs) in each agency
  - Review disputes and protests

# Executive Ethics Commission

## ■ SPOs

- Must approve all procurements within purview of the Procurement Code
- 5-year term
- Located at the Agency they serve

## ■ PCMs

- Oversee and review the procurement process
- 5-year term
- Ensure transparency

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# Central Management Services (CMS)

- Purchasing agency of the state
- Outside agency that approves our procurements
- Establishes Master Contracts for CPOs office

# Governor's Office of Management and Budget (GOMB)

- Provide fiscal review of procurements \$250K and greater

# Procurement Policy Board (PPB)

- Governor appoints Chairman of the Board
  - Each legislative leader appoints a board member
- Review and make determinations on potential conflicts of interest
- Authority to review all items on the Illinois Procurement Bulletin

# Sample of Purchased Items

Rock salt

Attenuators

Message signs

Automotive parts

Tires

Heavy equipment parts

Janitorial supplies

Office equipment

Vehicles

Transponders

Fuel

Weather forecasting  
equipment

HVAC parts

Aluminum extrusions

Collection services

Legal services

Investment banking  
services

Servers



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**THANK YOU**