



STATE OF ILLINOIS
PROCUREMENT POLICY BOARD

Terrence Healy, Chairman

Members: Michael Bass, Ed Bedore, Ricardo Morales, Carmen Triche-Colvin

RESOLUTION OF THE ILLINOIS PROCUREMENT POLICY BOARD

WHEREAS, the Illinois Procurement Policy Board, (the "Board"), pursuant to statutory authority 30 ILCS 500/5-5 has the authority and responsibility to review, comment upon and recommend procurement practices,

WHEREAS, the general policy of the State of Illinois ("State"), as provided in the Illinois Procurement Code, is to award State procurement contracts on the basis of competitive selection, subject to certain exceptions as set forth in the Procurement Code,

WHEREAS, the Board has examined the policy and practice of awarding State contracts to vendors without competitive selection--said awards being justified as the "sole economically feasible source" ("sole source") of the goods or services that are the subject of the procurement,

WHEREAS, the Board recognizes that the Illinois Procurement Code and rules promulgated thereunder specifically provides for an exception to competitive selection requirements based upon certain circumstances where the subject of the procurement is available from only one economically feasible source,

WHEREAS, the Board supports the sole source exception to competitive selection and supports proper documentation of the justification for sole source procurements,

WHEREAS, the Board believes that documentation supporting a sole source procurement should be available for inspection by the Board and the public through the Procurement Bulletin,

NOW, THEREFORE,

BE IT RESOLVED, that the Procurement Policy Board, based upon the foregoing recitations, the Board is resolved to make the following comment and recommendation regarding sole source procurements:

1. Postings of notice of sole source procurements in the Procurement Bulletin should continue to be made in accordance with established law and regulations.
2. In addition, sole source procurement notices should identify the specifications and needs of the procuring agency regarding the goods or services that are being procured through a sole source.

3. Postings of notice should set forth the steps taken by the procuring agency to establish why competitive selection was not feasible.
4. A procurement business case template should be developed and/or a decision memorandum guideline should be established that sets forth justification for sole source procurements. This should be supplied to the Board for each proposed sole source transaction.
5. Sole source justification from procurement business case and/or decision memo should include reference to the statutory and regulatory justification for sole source procurement, along with the underlying reasons as to why the statutory and regulatory justification is supported by including the following explanations and supply to the Board for each proposed sole source transaction:
 - (i) Explain why the product/service is the only product/service that can satisfy the requirements.
 - (ii) Explain why alternatives are unacceptable, being specific with regard to specifications, features, characteristics, requirements, capabilities and compatibility.
 - (iii) Explain why this service provider, supplier, or manufacturer is the only feasible source from which to obtain this product or service and describe the efforts that were made to verify and confirm whether, or not, this is so.
 - (iv) Explain whether this purchase will obligate the procuring agency to a particular vendor for future purchases? (Either in terms of maintenance that only this vendor will be able to perform and/or if we purchase this item, will we need more "like" items in the future to match this one?)
 - (v) Explain the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayer's dollars.
 - (vi) Explain the consequence(s) to the State or Public, including an estimate of the impact (financial or otherwise), if this sole source is not declared?
6. Where possible, reference should be made to sole source examples enumerated in administrative rules on the posting.
7. State the length of term, with beginning and end dates, of the sole source procurement on the posting.
8. If the procurement is a renewal, describe on the posting its renewal terms and explain why circumstances are such that competitive selection is still not a viable alternative since awarding the original contract. Use of the sole source exception to competitive selection is discouraged simply because a contract is being renewed and the procuring agency has not made reasonable efforts to determine if competitive selection is feasible prior to the time for renewal.
9. Publish a closing statement to the effect of:

Any vendor who believes it can meet all requirements of this Sole Economically Feasible Source contract must submit a detailed written statement demonstrating its qualifications and

ability to perform as required, must also offer a price lower than that of the selected vendor, and must provide any other information to show how it can offset the cost advantage of the selected vendor.

Any such challenge must be submitted in writing within 14 days of the date shown below and to the person identified below. Late challenges will not be considered.

ADOPTED by the Procurement Policy Board this 20 day of June 2005.


TERRENCE HEALY, Chairman

ATTEST:



VOTES:

Ayes: 5

Nays: 0

Absent: 0