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March 21, 2011

Via Hand Delivery

Honorable John P. Daley
Chair, Finance Committee
Cook County Board of Commissioners
118 N. Clark Street
Chicago, Illinois 60602

Re: *Proposed Amendment to Purchasing Ordinance – Professional Services*

Dear Commissioner Daley:

This letter is written to respectfully request your consideration as the Chair of the Finance Committee, as well as the consideration of the other members of the Finance Committee, of a proposal by this office to amend Section 34-121 of the Purchasing Ordinance, regarding contracts for professional services.

As currently drafted, the Purchasing Ordinance provides for the procurement of professional services contracts, but it does not require that vendors who obtain professional services contracts with the County submit itemized time records or any other documentation regarding the work performed. Vendors are therefore allowed to submit very general invoices merely stating that services were rendered with no indication as to the specific dates that services were rendered or the amount of time spent performing the work. As a result, if questions are raised about work performed under a professional services contract, it can be difficult to verify whether work was actually performed or whether the County paid a fair price for the services (especially when the contracts were entered into without bidding). This lack of vendor accountability has created abuse and can give the appearance of impropriety. The problem is made worse by the fact that the County has on numerous occasions entered into professional services contracts without seeking competitive bids (based on claims of a “specialized skill or service” involved) and has paid vendors of professional services the full contract amount before any work has been performed. Such no-bid contracts should be subjected to heightened scrutiny.



In order to address these concerns, I propose amending the Purchasing Ordinance by adding a new paragraph to Section 34-121 as follows:

All contracts for professional services shall contain a provision requiring the vendor to submit itemized time records indicating the dates that services were provided, a detailed description of the work performed on each such date, and the amount of time spent performing work on each such date. Contracts for professional services shall also require vendors to submit a record of the types and amounts of expenses incurred related to the work performed if the vendor uses County funds to pay for any such expenses or seeks reimbursement for any such expenses incurred. All contracts for professional services shall further require that the itemized time and expense records be submitted with the vendor's invoice as a condition of payment for any services rendered. The Purchasing Agent shall not issue a purchase order in connection with any contract for personal services failing to comply with this section, and the Comptroller shall not issue a check to any vendor of personal services who has not submitted the requisite time and expense records. No vendor of professional services shall be paid in advance for work to be performed unless approved by the Board of Commissioners, and no vendor of professional services shall be paid for work performed prior to the issuance of a purchase order. Any contract for professional services not subjected to the competitive bidding process shall be reported to the Board of Commissioners by the Purchasing Agent within 72 hours of authorization (excluding Saturdays, Sundays and holidays).

This last requirement highlights the no-bid nature of a contract, separate and apart from the general contract information required to be reported by the Purchasing Agent under Section 34-151 (a) of the Purchasing Ordinance, *i.e.*, "the name of the vendor, a description of the item or service purchased, the Using Department and the budget account from which payment shall be drawn."

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Thank you for your time and consideration of this matter. Should you have any questions or wish to discuss these issues further, please do not hesitate to contact me.

Very truly yours,



Patrick M. Blanchard
Inspector General
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cc: Honorable Toni Preckwinkle
Honorable Deborah Sims, Vice Chair, Finance Committee
Mr. Kurt Summers, Jr., Chief of Staff
Ms. Laura Lechowicz Felicione, Legal Advisor to the President
Mr. Tariq Malhance, Chief Financial Officer
Ms. Lourdes Coss, Purchasing Agent
Ms. Constance Kravitz, Comptroller