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OFFICE OF THE INDEPENDENT INSPECTOR GENERAL

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INSPECTOR GENERAL

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April 8, 2011

Via Hand Delivery

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

Re: Proposed Amendment to Purchasing Ordinance – Services (Sec. 34-121)

Dear Chairman Daley:

This letter serves to supplement correspondence issued on March 21, 2011 proposing an amendment to Section 34-121 of the Purchasing Ordinance. Attached to this letter is an amended version of the March 21, 2011 proposed amendment for your consideration.

Subsequent to our prior submission, we had the opportunity to discuss the March 21st version with Purchasing Agent Lourdes Coss relative to concerns raised by her involving the prior version. We have amended the proposed ordinance to address Ms. Coss' concerns and a general issue concerning the limitation of the proposed ordinance to "professional services" as opposed to "services" provided. By expanding the application of the proposed ordinance amendment to service providers, we are eliminating confusion that could arise when a vendor assumes that "Professional Services" only involves accountants, lawyers, architects, etc. The amended version eliminates the limiting language by referring generally to "services." We have also attached a copy of the amended version reflecting the new language addressing Ms. Coss' concerns by underline for your reference.

Thank you for your time and consideration to this issue. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Patrick M. Blanchard
Inspector General

Encl.

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



Proposed amendment to Section 34-121 of the Purchasing Ordinance:

All contracts for 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 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 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 provisions of this paragraph do not preclude the use of alternative compensation structures in contracts that are not based upon compensation for hours worked; however, time and expense reports are required of all service vendors regardless of whether their compensation is based on the number of hours worked or other formula. Any invoice submitted that is based upon an alternative compensation structure shall indicate the basis upon which payment is being sought. The Purchasing Agent shall not issue a purchase order in connection with any contract for services failing to comply with this section, and the Comptroller shall not issue a payment to any vendor of services who has not submitted the requisite time and expense records. No vendor of services shall be paid in advance for work to be performed unless approved by the Board of Commissioners, and no vendor of services shall be paid for work performed prior to the issuance of a purchase order. Any contract for 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).

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