

EMERGENCY PURCHASES

Emergency Purchase Number **AFF09-16**

Office/Division: Office of Finance and Administration, Bureau of Business Services
Illinois Department of Transportation
Address: 2300 South Dirksen Parkway
Springfield, IL 62764

Responsible Chief Procurement Officer: Gary Hannig

Vendor: RSM McGladrey, Inc.
Address: 1 South Wacker Drive
Chicago, IL 60606

Estimated Cost: \$250,000.00

This expenditure is justified as:

- An emergency involving public health.
- An emergency involving public safety.
- Necessary to protect State property from further loss or damage.
- Necessary to prevent or minimize serious disruption in State services.
- Necessary to insure integrity of State records.
- Quick purchase as provided by Section 20-30 (d) of the Illinois Procurement Code.
- Immediate action necessary to avoid loss of federal or donated funds.

The conditions and circumstances requiring this emergency expenditure are:

The Department is scheduled to receive funding as part of the American Recovery and Reinvestment Act (ARRA) of 2009, which we will award to sub-recipients throughout the state to perform specified construction projects. The ARRA requires that states properly coordinate and conduct oversight of all federal spending under the ARRA to prevent waste, fraud, and abuse

The oversight monitoring and reporting are critical to maintaining compliance with the ARRA program requirements. If we do not comply fully with the requirements, we risk loss of the ARRA funds. The Department does not currently have the necessary staff to ensure these activities are properly completed. Therefore, we feel it is necessary to contract with outside firms who have the resources to provide this service, in a timely manner. We normally would select a vendor or vendors to perform these services through the Request for Proposal process. Unfortunately, that process currently takes as long as 90 to 120 days to complete and award a contract. We need these services to start immediately. We will however, develop a RFP to award contract(s) for the continuation of the work in the remaining approximately 30 months of the program, after these six-month, emergency contracts expire.

The objective of the outside contracts will be to perform sub-recipient monitoring for all local projects and a representative sample of all state let projects using ARRA funds to ensure compliance with all ARRA requirements. Through the contracts, we will develop a documented program of sub-recipient monitoring and a review of the financial systems of participating local agencies to ensure sufficient control and capabilities are in place to

manage federal stimulus funds. The consultants will use a multi-faceted approach which will include at a minimum; financial report review and on-site monitoring for DBE compliance; review of contractor invoices; and, a review of employment reporting.

The consultants will also assist the Department in performing a risk assessment focused on the implementation of the ARRA federal stimulus funds.

The reports and records generated by the consultants are critical to documenting that the ARRA funds were spent properly and those state records will be reviewed by the General Accounting Office (GAO) to determine compliance with program requirements. Without these emergency services, we would not have properly prepared and documented state records to show compliance when the GAO reviews ARRA spending in Illinois.