



Notice 2015.07 General Services

To: State Purchasing Officers
Agency Procurement Staff
CMS Bureau of Strategic Sourcing
Procurement Policy Board

From: Matt Brown *MB*

Date: May 26, 2015

Subject: Contracts Performed Outside of the United States

This CPO Notice is effective May 26, 2015.

Section 25-65 of the Procurement Code provides that potential contractors are required to disclose where services are to be performed under a State contract, including any subcontracts, and whether any services under the contract are anticipated to be performed outside of the United States. The Chief Procurement Officer may consider such disclosure and the economic impact to the State of Illinois and its residents in awarding the contract or in evaluating the bid or offer. If a vendor identifies work is to be performed in the United States and the vendor or subcontractor shifts the work outside of the United States, the vendor is deemed to be in breach of contract unless the CPO determines that termination of the contract is not in the State's best interest.

Public Act 98-1076 provides for the Chief Procurement Officer for General Services to prepare and deliver to the General Assembly a report on the impact of outsourcing services for State agencies. The report must include the State's cost of the procurement and must identify those contracts where it was disclosed that services were provided outside of the United States, including a description and value of those services.

Each state agency is required under this Act to provide the Chief Procurement Officer the information necessary to comply with this reporting requirement. 30 ILCS 500/25-65. Information regarding "where services are to be performed" is found under Section D.8 of the Request for Proposals template, including those RFPs which are professional and artistic in nature. This information may also be found under Section 1.7 of contracts issued under an Invitation for Bid.



CHIEF PROCUREMENT OFFICE

Matt Brown, General Services

Agencies are requested to review all contracts for services for Fiscal Year 2014, including those contracts that cover multiple years including FY 2014, and to complete the attached spreadsheet. "Services" is defined in the Procurement Code to mean "the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports or supplies that are incidental to the required performance." **This request does not address contracts for supplies, such as equipment and commodities.** Agencies are required to complete and return the attached spreadsheet "CPO Notice 2015 07 Outsourcing" by no later than June 30, 2015, to Joe Kim at Joe.Kim@illinois.gov.

In an attempt to assist agencies in identifying potential contracts to review for the outsourcing report, the CPO's Office ran a query from the Comptroller's SAMS data for service-related detail object codes. Refer to attached spreadsheet "FY14 Service Contracts". This may not be a complete listing of service contracts for your agency, but should assist in providing a base for agency review.

If there are any questions regarding this notice, contact your State Purchasing Officer or Joe Kim at 217-558-2231.

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