



STATE OF ILLINOIS
NINETY-FIFTH GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

House Resolution No. 862

Offered by Representatives Susana A Mendoza-Jack D. Franks-
Chapin Rose-Careen M Gordon-Lisa M. Dugan, Monique D. Davis,
Annazette Collins and Kenneth Dunkin

WHEREAS, The Standard Procurement Rules promulgated to implement the authority granted by the Illinois Procurement Code provide that the policy of this State is to ensure that all State procurements shall be accomplished in the most economical, expeditious, and commercially reasonable manner, uniformly and consistently among and within State agencies, so as to facilitate participation in State procurements, encourage competition, and ensure that procurements are conducted in a fair and open manner; and

WHEREAS, The Illinois Department of Revenue issued a request for proposals (RFP) from responsible vendors to meet the State's long-term needs of a statewide 10-year Beverage Vending and Pouring Program Contract to be awarded to a single vendor; and

WHEREAS, Coca-Cola Bottling Company of Chicago, a Coca-Cola Enterprises company, and PepsiAmericas, Inc., bid on the FY 07 Beverage RFP #22011731; and

WHEREAS, Coca-Cola Bottling Company of Chicago submitted questions and asked for clarification concerning the RFP to State personnel serving with respect to the procurement activity and was advised by that State personnel that the State sent Coca-Cola a template with mistakes that the State would correct and re-send to Coca-Cola for re-submission, that the State would send a revised redraft of the proposed contract and service level agreement to Coca-Cola, that the State would send further volume data information that would help quantify the contract opportunity, and that the State would contact Coca-Cola at a later time and ask for Coca-Cola's best and final pricing; and

WHEREAS, The Chief Procurement Officer and State personnel serving with respect to the procurement activity failed to

provide Coca-Cola with the documents and information offered, and did not ask Coca-Cola for its best and final pricing before awarding the contract to PepsiAmericas without comparative evaluation between vendors in the spirit of true competitive bidding; and

WHEREAS, Based on current complaints, it appears that the Chief Procurement Officer's activities were not in accordance with the Standard Procurement Rules of the Illinois Procurement Code or good procurement practices and that the contract is otherwise not in the State's best interest; therefore, be it

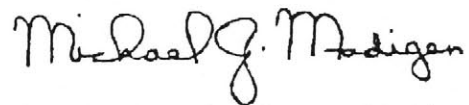
RESOLVED, **BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS**, that the Auditor General is directed to conduct an audit of the procurement practices in connection with the State's multi-year beverage vending and pouring contract awarded to PepsiAmericas, Inc., to determine whether good procurement practices were exercised in accordance with applicable State laws and rules; and be it further

RESOLVED, That the Auditor General is specifically authorized to review, determine, and publicly report on whether the Chief Procurement Officer's activities and decisions in connection with this procurement were in the State's best interest; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with the provisions of the Illinois State Auditing Act; and be it further

RESOLVED, That a copy of this resolution be delivered to the Auditor General.

Adopted by the House of Representatives on March 6, 2008.



Michael J. Madigan, Speaker of the House



Mark Mahoney, Clerk of the House