



# Metropolitan Water Reclamation District of Greater Chicago

## *Review of Legal & Engineering Consulting Contracts*



### Project Scope & Approach



#### Task I: Business Process Review

- > Evaluate the current practices and procedures for soliciting and awarding professional legal services and engineering consulting contracts

#### Task II: Application of the Affirmative Action Ordinance

- > Review the steps taken to ensure that the District's affirmative action goals and substantiation requirements are met in both pre-award and post-award stages

## Project Participants



Baker Tilly greatly appreciates the assistance by the Internal Audit Department and the process owners who participated in the project:

- > Ronald Hill, General Counsel (retired)
- > Susan Morakalis, General Counsel (active)
- > Margaret Conway, Principal Attorney
- > Joe Schuessler, Principal Civil Engineer
- > Darlene LoCascio, Director of Procurement & Materials Management
- > P.J. Spencer, Diversity Officer

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## Task I: Business Process Review

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## Task I: Business Process Review



Baker Tilly assessed whether the steps taken to engage professional services enabled the organization to comply with relevant regulation, policies, and ordinances, including:

- > Purchasing Act (70 ILCS 2605/11.1-11/24)
- > District's Qualification-Based Selection Process
- > Affirmative Action Ordinance Appendix A

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## Task I Procedures



Baker Tilly performed the following procedures as it pertains the business process review:

- > Interviewed key personnel regarding current practices and procedures
- > Documented process flow diagrams and confirmed understanding of current practices
- > Evaluated current processes against compliance requirements, best practice, and comparable organizations
- > Developed recommendations and prepared future state process flow diagrams

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## Task I: Conclusions



*The Qualifications Based Selection (QBS) procedure, as currently designed and utilized by the Legal and Engineering Departments, enables the District to comply with the Purchasing Act as well as the District's policy.*

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## Task I: Opportunities for Improvement



Opportunities to improve administration of the Qualifications Based Selection process:

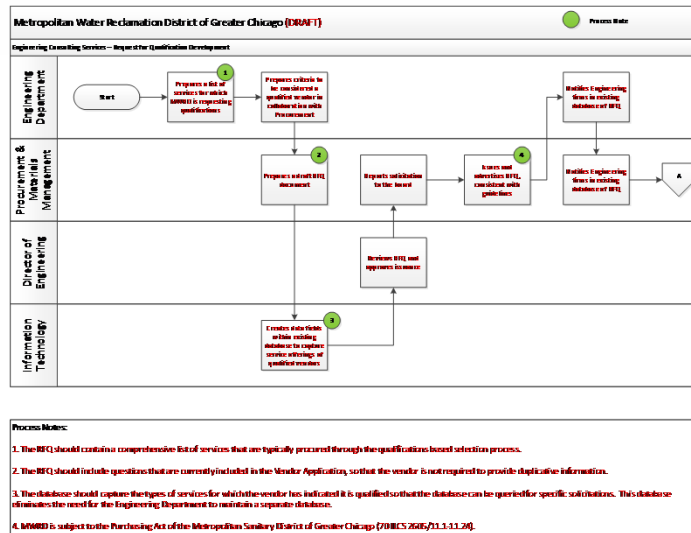
- > Increase involvement of the Procurement & Materials Management Department in the QBS process, including consolidation of departmental vendor databases with the database managed by Procurement
- > Implementation of a process to develop a database of potential vendors for certain specialized legal and engineering services which will enhance transparency in the solicitation process and potentially enable additional vendors to be considered for selection

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## Process Flow Diagramming



Candor. Insight. Results.



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Candor. Insight. Results.

## Task II: Application of the Affirmative Action Ordinance

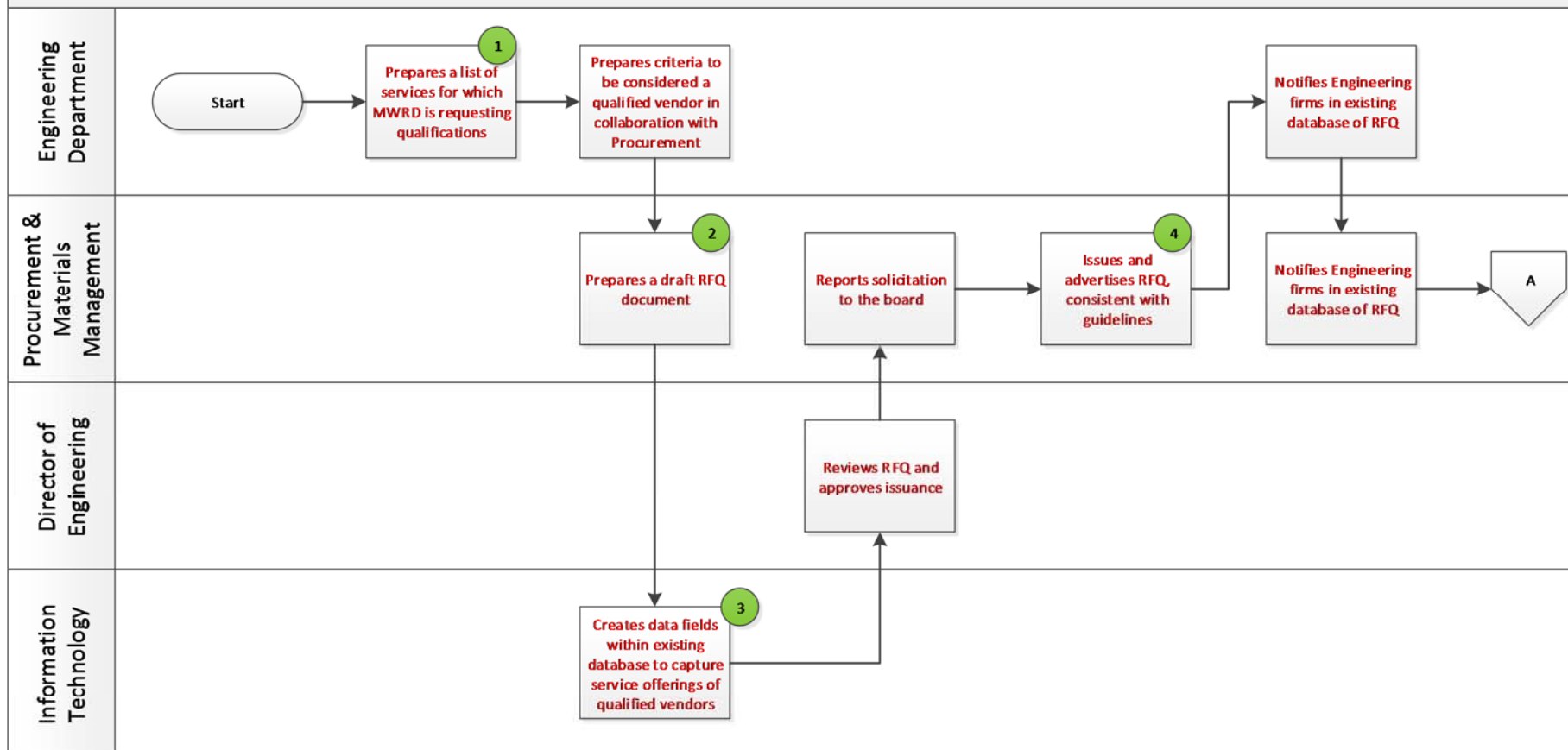
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# Metropolitan Water Reclamation District of Greater Chicago (DRAFT)



Process Note

## Engineering Consulting Services – Request for Qualification Development



### Process Notes:

1. The RFQ should contain a comprehensive list of services that are typically procured through the qualifications based selection process.
2. The RFQ should include questions that are currently included in the Vendor Application, so that the vendor is not required to provide duplicative information.
3. The database should capture the types of services for which the vendor has indicated it is qualified so that the database can be queried for specific solicitations. This database eliminates the need for the Engineering Department to maintain a separate database.
4. MWRD is subject to the Purchasing Act of the Metropolitan Sanitary District of Greater Chicago (70 ILCS 2605/11.1-11.24).

## Task II: Application of the Affirmation Ordinance



Candor. Insight. Results.

Appendix A of the Affirmative Action Ordinance requires the consultant to:

"Undertake 'Good Faith Efforts' to ensure that qualified MBE, WBE, and SBE firms are utilized in the performance of the contract and will provide maximum opportunities for MBE, SBE, WBE participation, notwithstanding the fact that the consultant may have the capability to complete the project without the use of sub-consultants."

Standard participation goals of 20% MBE, 10% WBE and 10% SBE are applicable to District proposals when estimated expenditures exceed \$100,000.

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## Task II Procedures



Candor. Insight. Results.

Baker Tilly reviewed the following attributes for a sample of legal and engineering consulting contracts:

- > Diversity reviewed the solicitation prior to issuance and/or approval
- > Prime consultant completed the MBE/WBE/SBE commitment form
- > Stated commitment conforms to the District's requirements
- > Monthly Status Reports include information related to the sub-consultants involvement in the project (e.g., % of \$)

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## Task II: Opportunities for Improvement



Through sample based testing, Baker Tilly identified the following opportunities to improve administration of the Affirmative Action Ordinance:

- > Develop policies and procedures to guide the consistent administration of the ordinance
- > Develop an improved tool to track each consultant's progress toward affirmative action goals/commitments
- > Establish a mechanism through which Diversity reports issues to and resolves concerns with the prime consultant

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# Questions

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Thank you!



*Baker Tilly greatly appreciates the opportunity to continue to serve the District!*

If you have any questions regarding this report or the observations and recommendations identified, please do not hesitate to contact us:

***Jodi Dobson, Project Partner***

Direct 608 240 2469

Email [Jodi.dobson@bakertilly.com](mailto:Jodi.dobson@bakertilly.com)

***Kyle O'Rourke, Project Manager***

Direct 312 228 7246

Email [Kyle.orourke@bakertilly.com](mailto:Kyle.orourke@bakertilly.com)