

MAFBE Participation in Professional and Artistic Services at the University of Illinois



**Presented to the Board of Trustees
November 18, 2010**

Professional and Artistic Services Activities at the University of Illinois

- **Professional and artistic (p & a) services are defined in the Illinois Procurement Code as those services provided under contract to a State agency by a person or business, acting as an independent contractor, qualified by education, experience and technical ability**
- **Among the types of professional and artistic services contracted by the University are consulting services, architectural and engineering services, financial services, legal services, honorariums, and artistic services such as performances, concerts and cultural events**
- **Two types of selection processes are utilized:**
 - **Request for proposal (RFP) where selection is based on best value and price is one of the evaluation criteria but not the dominant factor**
 - **Qualifications Based Selection process for the selection of architects and engineers**

Application of MAFBE Goals to Professional and Artistic Services

- **Capital Programs updated the Qualifications Based Selection Policy for Architects and Engineers in FY10 to clarify expectations for the inclusion of minority and female business enterprises in qualification-based proposal by including goal achievement as one of several criteria in the proposal evaluation.**
- **The Purchasing Departments have issued their first two Requests for Proposals that include good faith efforts to satisfy MAFBE subcontracting goals as one of the criteria upon which proposals will be evaluated**
 - **UIMC Health Care Consulting Services RFP**
 - **Diversity RFP**

Recent MAFBE Participation in Professional and Artistic (P & A) Services

- **The variety of activities included under p & a services makes it more difficult to analyze opportunities for increasing MAFBE spend. For example, expenditures such as honorarium to individuals, artist commissions, and sole source p & a contracts with our administrative computer system vendor and hospital medical records vendor provide few MAFBE opportunities.**
- **We estimate that approximately 4-5 percent of our addressable spend in p and a services is with MAFBE vendors**
- **Specific areas where we can do better include consulting (especially IT and hospital) and audit services**
- **We do have a good MAFBE track record in the following selected p & a services**

MAFBE Participation in Selected P & A Service Areas

- The University's financing team has issued multiple awards that have resulted in the following MAFBE expenditures as a percent of total expenditures:

	FY09	FY10
Underwriters*	7.5%	0.0%
Financial Advisors**	87.7%	0.0%
Bond and Issuer's Counsel	18.8%	50.0%

* Including diversity firms increases the percentages to 21.2% and 100%, respectively, for FY09 and FY10

** FY10 total spend was only \$51,500

- Expenditures with MAFBE architects and engineers (a & e) on retainer as a percentage of FY10 total expenditures for Urbana and Chicago were:
 - UIUC 9.7%
 - UIC 39.0%
- FY10 MAFBE a & e prime and subcontractor expenses as a percentage of all a & e expenses for Urbana and Chicago were:
 - UIUC 16.4%
 - UIC 36.0%

MAFBE Participation in Selected P & A Service Areas (cont'd)

- The selection process for some legal services is different than for other services. The following legal services are exempt from the Illinois Procurement Code: contracts necessary to prepare for actual or anticipated litigation, enforcement actions or investigations. All other awards above \$20,000 are competitively bid.
- University legal counsel have made concerted efforts to identify and solicit proposals from MAFBE firms, resulting in the following awards by service area:
 - Business Organization General Advice: 2 of 8 contract awards (25%)
 - Labor and Employment General Advice: 4 of 16 contract awards (25%)
 - Capital Finance Counsel: 3 of 11 contract awards (27%)
 - Litigation - Procurement Code Exempt (periodic competitive selections)
 - UIC Labor & Employment Disputes
 - 3 of 11 contract awards (27%)
 - Medical Malpractice Defense
 - 1 of 12 current contracts (8.3%)

How Can We Do Better in MAFBE Participation in Professional and Artistic Services?

- **An RFP was issued on October 5 to request the services of a diversity consultant who will be expected to provide, among other services, the following:**
 - **An assessment of current MAFBE efforts and opportunities for improvement**
 - **An identification of opportunities to increase MAFBE spend in professional services, supplies and equipment and construction**
 - **Proposed strategies for increasing MAFBE spend in these areas**
 - **Recommendations on MAFBE goals by campus and/or commodity area**
 - **Recommendations on staffing levels, training and communication**
- **The results of this engagement are expected to generate strategies and opportunities for increasing MAFBE participation in Professional and Artistic Services**

Questions?