



OFFICE OF THE COMPTROLLER  
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**COMPTROLLER MENDOZA CALLS FOR REVIEW OF RAUNER  
ADMINISTRATION'S \$100,000-A-DAY TOLLWAY DEAL**

*Deloitte Consulting to receive additional \$9 million for 90 days of 'emergency' help on costly statewide tech overhaul*

CHICAGO, IL— Illinois Comptroller Susana A. Mendoza on Tuesday called for further review by independent procurement officials of an \$8.9 million, 90-day 'emergency' contract between the Illinois Toll Highway Authority and Deloitte Consulting for the 'continuation of implementation services' for the State's Enterprise Resource Program (ERP), a state Information Technology upgrade project that has ballooned in cost under the Rauner Administration.

In a document published online on Jan. 11, Tollway officials said the additional dollars are needed because the funds assigned to the project through the State's Department of Innovation Technology (DOIT) are depleted.

"Failing to properly estimate cost and overspending is not an emergency - it's poor project management. This is part of a pattern of cost overruns, missed deadlines and contract mismanagement by Governor Bruce Rauner and, once again, taxpayers are footing the bill," Comptroller Mendoza said.

State procurement practices by the Illinois Department of Healthcare & Family Services were the topic of a series of recent hearings hosted by lawmakers. In December, the State's Chief Procurement Officer determined the Rauner Administration had misapplied an exemption to award a \$12 million consulting contract to McKinsey & Company. In an unprecedented step by the Chief Procurement Officer, the McKinsey contract with the Illinois Department of Healthcare & Family Services (HFS) was invalidated.

Mendoza pointed to a \$67.5 million sole source contract with the state's Department of Human Services (DHS) for additional work on another Deloitte project to provide food stamps and other benefits to Illinoisans as another recent example of contract mismanagement by the Rauner Administration. The cost of the Deloitte benefits contract has skyrocketed to \$288 million—more than double the original \$143 million budget approved in 2012.

The 'emergency' Tollway deal is not subject to competitive bidding or a public hearing. Unlike a sole source contract, there is no waiting period for it to take effect. It is not subject to review by the State's independent Chief Procurement Officer or the State's Procurement Policy Board. A contract bulletin posted last week provides no details as to how the \$9 million will be spent.

Comptroller Mendoza has criticized the Rauner Administration for failing to publicly disclose information regarding ERP program goals, deadlines and costs. For nearly a year, DOIT has failed to answer basic questions from the Office of the Comptroller and lawmakers regarding the status of the ERP, program staffing and funding levels. Pending a response to repeated inquiries, the Office of the Comptroller has placed a hold on payment of certain ERP contracts, representing just two percent of the FY2017 DOIT budget.

Comptroller Mendoza said applying an emergency contract designation when it's not merited sets an alarming precedent.

“Procurement rules should be a check on irresponsible spending. Those rules are being circumvented here and we would ask that the State’s independent procurement officials review the contract and determine if this is an appropriate use of an emergency contract. To me, the Tollway has failed to make a convincing case. This isn’t a broken water main that poses a danger to drivers on a state roadway. Before a cash-strapped state starts handing over \$100,000 a day there should be vetting via an open and transparent process.” Comptroller Mendoza said.

By statute, the conditions under which emergency procurements can take place include a threat to public health or safety; protecting against further loss or damage to State property; preventing disruption in services that affect health, safety or the collection of substantial state revenues; or capitalizing on a discounted price to take advantage of cost savings.

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