

Chairman: David Vaught

Members: Michael Bass, Ed Bedore, Ricardo Morales

**Minutes – April 7, 2011 Meeting**

Present in Springfield: David Vaught  
Ed Bedore  
Mike Bass

Present in Chicago: Rick Morales

The Board started the meeting by confirming attendance at 11:10 a.m.

Member Bedore made a motion to approve the minutes of March 10, 2011. The motion was seconded by Member Morales. The motion was unanimously approved.

Next on the agenda was the resolution for Diego Ferrer. Director Carter read the resolution to the Board. Member Morales made a motion to adopt this resolution and was seconded by Member Bedore. With a vote of 4-0 the motion was adopted.

Next on the agenda was CMS Facilities. In attendance was Mr. Nick Kanellopoulos, Acting Director of Property Management. Mr. Kanellopoulos gave a presentation on Springfield leases. Mr. Kanellopoulos stated he wanted to update the Board on the leasing in Springfield over the last 18 months since Governor Quinn came into office. Mr. Kanellopoulos stated that in the beginning CMS was still working on holdovers and still working through processes for dealing with leases in the long term. CMS also was working on taking advantage of better rates and applying new space standards to their leases. In January 2009 the State was leasing approximately 3.56 million square feet of space in Springfield. Since that time CMS has terminated 28 leases in Springfield that were moved into existing State-owned or State-leased space. One example, IDOT Traffic Safety Unit also called the “Annex” moved out of a leased space and moved into EPA Sangamo, which eliminated over \$1.69 million in lease costs. Since July 1, 2009, 31 leases have been re-bid or re-negotiated in Springfield to date. CMS has also reduced the square footage of leased space in Springfield through terminations, re-bids, and re-negotiations by 564,756 square feet. CMS has also reduced their costs of those leases by \$12.5 million. Today CMS leases approximately 3,000,000 square feet of space in Springfield. This is a 16.76% reduction in leased space in the city. Mr. Kanellopoulos also provided the Board with a handout, which listed the costliest leases in Springfield. Chairman Vaught stated that he would be interested in seeing this done for Chicago as well. Mr. Kanellopoulos replied he would work on providing that to the Board.

Member Bass asked Mr. Kanellopoulos what the value of the 3.5 million square feet in January 2009 lease in Springfield was. Mr. Kanellopoulos replied that he could not answer that question because it was a more complicated number to figure, but would be able to provide it for the Board at the next meeting. Member Bass asked if when he referenced the termination of 28 leases and referenced \$1.6 million was that just traffic safety savings. Mr. Kanellopoulos replied

correct, but it is a cost reduction. Member Bass asked Mr. Kanellopoulos if the \$12.5 million was net or any of them were buy outs. Mr. Kanellopoulos replied that is the total cost to those leases and CMS does not have buy outs in any of their leases. Mr. Bass asked where CMS was on their Rules. Mr. Kanellopoulos replied that CPO Matt Brown and himself have been working and are in agreement to what belongs to the CPO and what rules belong to CMS. Director Aaron Carter stated that he spoke with the Index Department about 30 days ago and the closest date that they could provide was 90 days but they didn't seem real confident that it would happen at that time. Member Bass asked Mr. Kanellopoulos what that issue was again and if the Index Department had final say on how CMS splits it. Mr. Kanellopoulos replied that Mr. Brown would be able to answer that question. Mr. Brown stated the rules are required to go through a re-codification to transfer ownership from CMS to the CPO's office. In order to effect that, the Secretary of State would have to establish a new codification scheme and appropriate titles upon that establishing that they then publish their intent to do so and seek comment in response to that the transfer of ownership and upon conclusion of that period of time it becomes official. Member Bass asked if the rules have been accepted by JCAR. Mr. Brown replied that the rules under this process will be drafted by JCAR and accepted by JCAR in a performatory way, but cannot object per se to the codification scheme established by the Secretary of State. Member Bass asked if the rules have been drafted. Mr. Brown replied that the drafting process is underway at JCAR. They have not been filed for the re-codification process with S.O.S. yet. Member Bass asked why it takes 120-days to do this. Mr. Brown replied that he believes that it is just a schedule prescribed by S.O.S. office. Member Bedore wanted to know if Mr. Brown and Mr. Kanellopoulos have been working on the rules. Mr. Brown replied affirmatively that he and Mr. Kanellopoulos have been working on content while waiting. Chairman Vaught asked if the content will be ready when S.O.S. is ready. Mr. Brown replied that when they flip the switch they will be ready to make introduction to changes. Member Bass asked if this applied to all four CPO's. CPO for Higher Education, Ben Bagby replied that the Higher Ed rules have been and are under the CPO jurisdiction. In regard to addressing the content of the rules, they are being adjusted and worked on with content. Before those move forward HE wants to work with the other CPO's in the common areas to make sure there is some commonality across jurisdictions. Whitney Rosen, Deputy Director for the Executive Ethics Commission, stated that all of the CPO rules are being re-codified by the S.O.S. office. Mr. Bagby's jurisdictions are not changing, but are moving into a chapter within the title that deals with procurement. No further questions were asked.

Next on the agenda was CDB Presentation for Single Prime Projects and Future Single Prime Projects. In attendance for CDB was Ron Wright, Construction Administrator. Mr. Wright stated that he has an update of the first year's single prime projects. CDB has 3 years allocation under the statute, the first two in calendar year 2010, is how this law is laid out, \$100,000,000 a years of authority. Calendar year 2010 includes two projects in active construction. The first one is the Southern Illinois Technology Center at the airport in Carbondale/Murphysboro. There is a single prime contract in River City, \$43.5 million under construction. The project is tracking well on schedule for a July 17, 2012 substantial completion date. CDB change orders both executed and anticipated are well under 1% at this stage in the project and are 26% complete as of this morning. Bills are being paid and users seemed to be pleased and are very happy with this project to date. This is one of the projects that the Board has allowed authority in calendar year 2010. The second calendar year 2010 project that the Board allowed CDB's authority on was the University of Illinois Lincoln Hall renovation. Unlike the tech center, which was a new project, this is a \$164,000 multi-story renovation on a building from the 1900's. It is 33% complete at this time and scheduled completion date is April 30, 2012. Their change orders to date are less than 2% and that does include a significant change order for two elevators. There are no claims to date and CDB is very thankful for this single prime system. Mr. Wright stated that he would

be happy to answer any questions on the calendar year to date. Mr. Wright stated that the Board has allowed CDB authority on 2011 projects to date and CDB has an Illinois State Police project at \$26 million for a 64,000 square foot new forensic lab, fully designed, ready to bid and standing by for release of construction funds. CDB does anticipate bidding in calendar year 2011 as allowed in the Metro East Area. The second project in calendar year 2011 is a Western Illinois University Performing Arts Center in Macomb. This project is a design development or 15% of design dollars spent so far and they have a full release of design money. One of the purposes today is to ask permission to move the authority for the calendar year 2011, which is \$60.1 million for the performing arts center and move that in to calendar year 2012 authority, which is the third and final year of the Public Act. The reason is that CDB went to “building information modeling” as an enhancement for quality. This is a project that was on hold for some years and is now able start again. CAD drawings are good, but building information modeling really shows the Performing Arts Center to the owners in 3-D as well as its force quality control for the architects and engineers and on certain projects CDB, with permission and review, the management and the CPO would like to put this in. It really helps the end quality of the end documents before they hit the street to avoid change orders. That has cost a little time in design, but CDB thinks that it is a wise move. Mr. Wright stated that if this is allowed to move to the third year of their authority under the law this would create some capacity this calendar year.

Mr. Wright stated that moving it to calendar year 2012 would open up capacity of \$60 million for calendar year 2011 and he has two candidate projects that CDB would like to bring to the Board for review. The first is at Parkland Community College and it is for construction of a Student Services addition. It is an estimated \$23 million construction budget and is currently at a DD or design development stage, which is about 15% complete. This is a 100,000 square foot space consisting of two above grade stories and a partial basement, which creates bookstores, admissions and records offices, testing and assessment classrooms, career center, adult re-entry, student life offices, counseling, and business offices. Perkins and Will is the designer of record. CDB believes that this is a good fit for the single prime and would ask the Board’s permission and consideration for calendar year 2011 use of the single prime on this project.

The second project that would fill the calendar year authority is at Illinois Valley College for a Technology Center. There is an estimated construction budget of \$21.7 million. Currently CDB is at 100% construction document approval, which means when construction funds are released it could be on the street with CPO review in weeks. This construction is a two story 80,000 square feet building and would be LEED certified as new construction as required by law. It will include classrooms, labs, offices and instructional spaces and some partial remodeling of building G. This also could be bid very quickly if construction funds are released.

Member Bass asked if the law allows \$100 million per year with no carry over. Mr. Wright replied affirmatively. Member Bass stated that at some point CDB will be running into a decision on whether the Board extends this opportunity legislatively. Mr. Wright replied that CDB does have a bill out of the Senate, SB1352, and is very early with strong support that extends the single prime pilot with a 4 year extension with \$200 million a year. Mr. Wright stated that the bill is out of committee and is going to the Senate. Member Bedore asked if CDB had any requests for State facilities like CMS. Mr. Wright replied yes they look at all State facilities.

A motion was made to move the \$60.1 million project in Western Illinois University to calendar year 2012 to free up \$60.1 million for calendar year 2011 and was seconded by Member Bass. The motion was approved with a 4-0 vote.

A motion was made to approve the projects for 2011 for Illinois Valley College and Parkland Community College in the amount of \$21.7 million and \$23 million and was seconded by Member Bass. The motion was approved with a vote of 4-0 vote.

Next on the agenda was HB1450. Director Aaron Carter stated that the Board asked for legal counsel to provide the Board some policy in regards to the passage of HB1450 and due to an illness of legal counsel he was not able to provide anything for this meeting and asked if there is discussion or if the Board would consent to move this item to the next agenda. The Board agreed to continue this until the next meeting.

Next on the agenda was PPB Recommendations Regarding Communication Reporting Rules. Director Carter stated that, again, the Board asked that legal counsel provide his opinion of these rules. His medical concerns didn't allow him to do so. Director Carter stated that he did give a version of the second round rules that were filed with JCAR and will be addressed at their April 12 meeting. Members of the EEC were kind enough to come before the Board if there were any questions or comments. Mr. Chad Fornoff, Director of the EEC, stated that they have been working with PPB staff to revise their first notice and their second notice is on the JCAR meeting agenda. Member Bedore asked if he was to call someone from CMS, for example Mr. Kanellopoulos, and ask him about a specific lease they would not have to report that. Mr. Fornoff replied affirmatively. Member Bedore asked if legal counsel looked at this draft. Director Carter replied that he did look at a draft that was very close to this and he did agree with the EEC staff on C8 as to the communications with other agencies and so forth and didn't anticipate any major recommendations from legal counsel. Mr. Fornoff stated that he would make himself available for questions before the next JCAR meeting. No further questions or comments were made.

Next on the agenda was Legislation. Director Carter stated that he provided the normal legislative report to the Board but has highlighted SR118 that passed the Senate providing that it creates a procurement committee that studies all aspects of the procurement system and would anticipate that this Board would be called to answer questions in front of that committee and if the Board would like to provide guidance in any interest or concern would be appreciated. Member Bedore stated that he is sure that the staff would be able to answer anything that would come up. No further comments were made.

The next scheduled meeting for the Procurement Policy Board will be set for Thursday, May 5, 2011 pending Board confirmation.

With no further business to discuss a motion to adjourn at 12:10 p.m. was made by Member Bedore and was seconded by Member Bass. The motion was unanimously approved.