

Chairman: David Vaught

Members: Michael Bass, Ed Bedore, Ricardo Morales

Minutes – July 7, 2011 Meeting

Present in Springfield: David Vaught
Ed Bedore
Mike Bass

Present via Telephone: Rick Morales

The Board started the meeting by confirming attendance at 11:05 a.m.

First on the agenda was the approval of the minutes from June 14, 2011. Member Bedore made a motion to approve the minutes and the motion was seconded by Member Bass. The motion was unanimously approved.

Chairman Vaught asked to make a change to the agenda and have the new Director of CMS, Mr. Malcolm Weems make his introduction because he has a conflict and will not be able to stay for the full meeting, then proceed to item III of the agenda. Mr. Weems thanked the Board for the opportunity to introduce himself. Mr. Weems stated that he previously worked as the Chief of Staff at the Governor's Office of Management and Budget and before that he worked in procurement at CMS and looks forward to working with the Board in the future and knows the expectations of the Board.

Item III on the agenda was Potential Conflict of Interest Urban Real Estate, Inc. – IHDA. In attendance was CPO Matt Brown. Mr. Brown stated that the potential conflict of interest is for a multiple award contract where an employee of the Illinois Housing Development Authority legal counsel is the son of the owner of a commercial appraisal firm who received a portion of the multiple awards. The consideration before the Board was based on the fact that the son did not have a direct responsibility in the process for evaluation or selecting the firm. The conditions in the Procurement Code do not establish that as a direct conflict of interest, though the conflict was forwarded to the Board for further consideration on whether that relationship exists in such a way that it should be prohibited. Member Bedore asked Mr. Brown if the son was employed at IHDA. Mr. Brown replied affirmatively. Member Bedore confirmed that they are entering into a contract with Urban Real Estate Research Company. Mr. Brown replied affirmatively. Mr. Brown stated that this was done via competitive selection. It is a multiple award contract; where by other firms were selected to provide the services. Mr. Brown recalled that the award is less than \$10,000 that is distributed to this appraisal firm. Member Bedore asked if they had 13 respondents and 11 were deemed acceptable. Mr. Brown replied affirmatively. Member Bedore asked if there was any reason that this one was picked out of the 11. Mr. Brown replied no, that the 11 respondents that were chosen had done work for the agency in the past. There is also a necessity to appropriately distribute work among appraisers. The regulations that guide licensure and duties of appraisers are pretty strenuous upon various conflicts that exist between resident

owners as well as the appraiser who provided the service. They exist beyond the conflicts in our Procurement Code; they are of the trade for licensed traders. That was also taken into consideration before awarding 11 awardees in this solicitation. Member Bedore asked if this Urban Real Estate rated very high out of the 11. Mr. Brown replied that he could not answer this at this time. He stated that there were not ratings that prioritized firms from 1-11. This was a distributive pool where the agency knows that they are going to need to spread this appraisal work out across a number of firms. In most instances where firms qualify in this area, not just in this agency but in others, all firms applying are typically accepted as awardees so there is enough distribution pool to go around for the requisite work of the agency.

Member Bass asked Mr. Brown that in his position as CPO was there a potential conflict identified in the disclosure from the vendor. Mr. Brown replied that it was collaborative between the efforts of the agency and either the disclosure or agreement by the vendor on those conditions. CMS does have a conflict of interest checklist that needs to be filled out in each solicitation, which triggers most of this, but he can say from a duty stand point that this is the only thing that they rely on. If there are conflicts that are not disclosed either by way of misunderstanding or there is a vendor who is negligent in completing the conflict of interest portion of the solicitation, CMS does have a responsibility to explore that as well. Member Bass asked if the employee was making 60% of the Governor's salary. Mr. Brown replied that he would have to look back at the transaction file or defer to the agency to verify that information. Member Bass stated that this is not the only things they look at. Mr. Brown replied affirmatively. That is not exclusive to determining that the conflict is actual. Deputy General Counsel for IHDA, Christy Poskus, stated that she wanted to clarify that the employee's position is not the general counsel. He is a Co-Deputy General Counsel and oversees asset management functions and litigation. The conflict of interest was disclosed by the vendor in their proposal and has screened out their employee from any involvement in this contract, which is pursuant to the agency's ethics policy. The employee's salary she could not speak to how much the money the president of the appraisal company makes, but the employee salary is below the 60% of the Governor's salary. Chairman Vaught wanted to clarify that the attorney that is related to the vendor was in no way involved in drawing up the specs or participating in the screening committee in the procurement. Ms. Poskus replied affirmatively and the employee is also screened out completely from any involvement should this vendor receive a contract. Member Bass asked that no legal review was done by this employee on this contract. Ms. Poskus replied affirmatively. With no further questions a motion was made to allow contract to move forward by Chairman Vaught and was seconded by Member Morales. With a 3-0 vote the motion was approved. Member Bedore recused himself from the vote.

Next was the Potential Conflict of Interest for the University of Illinois – BLDD Architects, Inc. Ben Bagby, CPO for Higher Education, stated that the University of Illinois issued a quality based selection proposal and received a response from BLDD Architects and the architects identified in their solicitation two potential conflicts of interest. One is the owner's wife is an Administrative Law Judge for the Department of Agriculture and another owner of the architectural firm's wife is an Associate Director of the Planning and Facility Service Unit at the University of Illinois. Mr. Bagby stated that because of these two identified potential conflicts of interest, in particular the second one where Jill Maxey, wife of Bruce Maxey, is the Associate Director of Planning for Facilities and Services. Mr. Bagby felt it best to turn this over to the Board for review. In the file is a statement from the Director of Planning stating that Jill Maxey had no involvement with the selection and also no involvement with the contracting activities should this contract go forward. Member Bedore stated that there is a possibility of two conflicts, one which is not in the department and the other which is the wife of the vendor. Mr. Bagby

replied that Bruce Maxey has an 8.16 % interest in the company and his wife is the Director of Planning for the U of I. Member Bedore said that it also states that Bruce, her husband, is the principle at this architectural firm besides having an interest in the company. Mr. Bagby replied along with others yes. Representing the University of Illinois was Joe Vitosky. Mr. Vitosky stated that the decision to select the services of BLDD Architects was wholly based on qualifications and their ability to perform specific services on a timely basis. Jill was not a member of that committee and had no input or decision making responsibilities in the selection of BLDD Architects for this service. She will also not be involved with the contracting, management or payment process for this firm. Mr. Vitosky stated that when looking at the Conflict of Interest Code, Jill is not a share holder in the firm and her salary is \$95,487, which is below the 60% threshold in the Code. Mr. Vitosky stated that the University takes the view of transparency and vetting of potential conflicts very seriously, but as looking at this did not perceive Jill's salary and her non-involvement in the selection and her future involvement in BLDD. The University believes that they took extra measures to ensure that the employee was screened from the selection in question. Because of that they believe that there is no conflict of interest. Mr. Vitosky also wanted to mention that the disclosures required under Section 50-35 of the Code were created to help identify potential conflicts of interest and it is their understanding that the information required in this section was sought and received and therefore the disclosure requirements had been met.

Chairman Vaught stated that some of this he does not find very helpful. He stated that the Board is hearing a lot of conclusions in these letters and he thinks that the Board's decision here is not to reach a conclusion, but to make a recommendation if they are concerned about this to a significant extent for further inquiry and a public hearing. Chairman Vaught stated that it is helpful to hear what Jill Maxey is not, but it also appears that the Associate Director of Planning and Facilities would be the responsibility for the Assembly Hall. Isn't it a facility? Mr. Vitosky replied affirmatively. Jill Maxey is the Assistant to the Director. Helen Coleman is the Director of Planning and she reports to Jack Dempsey who is the Executive Director of Facilities. Chairman Vaught asked if the Associate Director of Planning Facilities and Services have a lot to do with the master plan of the facility by the nature of her duties. Mr. Vitosky replied that for the preparation of the programs that are used for the facilities and the development of professional service agreements. Jill is included in some of these other projects, but when it comes to the Assembly Hall they tried to make sure they had the full services of the unit. Chairman Vaught said that he is interested in what he said about the intent of Section 50-35 and asked Mr. Vitosky to make it a little clearer about what he was saying about that. Mr. Vitosky replied that Jill is not a member of the committee and had no input or decision making responsibilities in the selection of BLDD for their services. The U of I thought that the disclosures are required to acknowledge Bruce Maxey's involvement with BLDD, which was done in accordance to Section 50-35. Chairman Vaught stated that he mentioned something about intent in 50-35 and didn't follow it. Mr. Vitosky replied that the intent was not to prohibit or prevent the contract, but to fully and publicly disclose any potential conflict. Chairman Vaught wanted to know why they are saying there is an intent here that he does not perceive as intent. Mr. Vitosky replied that he was just reading from Section 50-35 (b). Mr. Vitosky corrected himself that it was 50-35 (c). Mr. Bagby stated that what they are talking about here is the potential conflicts of interests and just because there is a potential conflict does not mean that the vendor is disqualified automatically just because of that. The situation has to be looked at and then a decision has to be made on whether or not a potential for a conflict rises to a level that they in good consensus move forward with the contract given the situation that is at hand. Mr. Bagby stated that here there is a situation where the employee in question does not have the salary that rises to the level that triggers Section 50-13, which is a stronger situation than the 50-

35 disclosures. But there is a 50-35 disclosure that is coincident with the Section 50-13 that still has to be looked at and it is a potential conflict of interest, but is it a potential of such magnitude to say we cannot move forward because Jill Maxey is so entwined with the University and in this area that you cannot divorce her activities from her activities at BLDD Architect. The University is saying that they have established circumstances where she was not involved whatsoever with the evaluation of this architect and have also walled her off from any involvement with the contracting activities that go along with this contract regarding the Assembly Hall. This is the situation the University would like the Board to consider and make a recommendation to determine whether to move forward with BLDD Architects on this transaction.

Chairman Vaught stated that in the statute it doesn't say anything about walling off people from potential conflict of interest. Where does the statute talk about that being part of the standby, he doesn't follow that in the sections that he is reading. Mr. Bagby replied that there is nothing in the statute that has those particular words. That is a factual situation we go into the determination or the circumstance that you would look at to determine whether you see a situation at hand as having a conflict that rises to the level that you have to say, "no we just can't go forward" or whether or not there has been sufficient division of responsibility such that there was no actual conflict that occurred in this situation. Chairman Vaught asked why he is limiting this to actual conflict. There is this whole issue in conflict of interest about the difference between actual and the appearance of conflict. As he understands it all the case law he has ever seen, the appearance is often a conflict of interest. Why are you drawing that distinction? Mr. Bagby replied that there is an actual conflict of interest such as in 50-13 where a member of the General Assembly cannot have a contract with the State. There is a potential conflict of interest where a State employee is involved and you find out that they don't have 60% of the Governor's salary and there is no actual conflict. And then there is an appearance, which just looks bad no matter what even if it is legal it just doesn't look good. Mr. Bagby thinks those are three different things. Chairman Vaught understands where he is coming up with that distinction but doesn't see the distinction in Section (d) of the statute that the Board has to deal with. The Board's responsibility is to determine whether it is in the best interest of the State that someone's overall responsibilities have to do with key facilities having a member of their family engaging in contracting that directly pertains to that. But this doesn't answer the question. Chairman Vaught stated that he doesn't see in these materials that the Board has been told very much at all about the duties and responsibilities of this employee and have not been fully informed what she does do and how that relates to this area of responsibility. This leads the Chairman to think that there is reason for a public hearing to determine that and if the Board moves to void the contract that is what will happen. Other members of the Board might have a different opinion.

Member Bedore agrees with Chairman Vaught that there seems to be a potential conflict of interest and having a public hearing to investigate this further. Member Morales also stated that he agreed with Chairman Vaught and Member Bedore with having a public hearing. A motion to void the contract was made by Member Bedore and was seconded by Member Morales. With a 3-0 vote the contract has been voided. Member Bass asked to recuse himself from the vote.

Member Bass asked Mr. Bagby if they are required to hold a hearing. Mr. Bagby replied no. Member Bass stated that he could agree with the Board and void the contract. Mr. Bagby replied that he could agree with the recommendations, yes. The statute actually says that if the Board votes to void and the CPO decided to move forward anyway he would have to hold a hearing. No further questions were asked.

Chairman Vaught stated that Member Morales had to depart the meeting, but a quorum is still maintained with three Board members.

Next on the agenda were CMS Facilities, Printer Consolidation Initiatives Follow-up and ISP/Franklin Life Building. In attendance was Director of Property Management Nick Kanellopoulos. Mr. Kanellopoulos stated that every month he provides the Board with an update regarding leases with the State of Illinois, cost reductions that CMS has achieved and square footage reductions. Mr. Kanellopoulos stated that because a lot of their activity is leases that have taken effect in recent 6 month period looking year to year does not give an accurate picture. This is a snap shot of what has happened since the Governor took office. In December 2008, a month before Governor Quinn took office, CMS paid out just over \$11 million in total lease costs. On that date CMS had 543 leases in its portfolio. Since that time CMS has terminated 117 of those leases and re-bid or re-negotiated 183 leases. This number is not entirely accurate because some of those leases have been re-bid or re-negotiated twice in that period of time. Today there are 426 leases in their portfolio - a reduction of 25 ½ %. In April 2011 CMS will pay out just over \$9 million in lease costs, which is a 17.64% reduction. A couple of caveats in those numbers are; first 35 re-bids that equal approximately \$4.85 million in first year cost reductions took effect after April 2011. Also, 14 terminations equaling \$2.6 million in first year cost reductions took effect after April 2011. Those things together, and CMS estimates are right on cost reduction, are about \$620,000 in additional monthly cost reductions that are not a part of that April number. A large number, roughly 60-65% of the 543 leases CMS has in January 2009 have not been re-bid or re-negotiated yet. In many of those leases they have had rate increases since December 2008. Mr. Kanellopoulos stated the master contract for security statewide had a 5.5% increase in pay for security guards that took effect July 1, 2010. Even with those caveats their total cost decreased 17.64% roughly between those periods of time. If CMS is right on their estimates on first year costs reduction for the 35 re-bids their total costs should be about 23.25% over what they were in December 2008.

Chairman Vaught wanted to know if Mr. Kanellopoulos had done any review on the clauses in the lease contracts that say that all lease contracts are subject to appropriation to see if their agencies operational appropriation to continue those leases when facing a situation you need to terminate early. Mr. Kanellopoulos replied that every contract in the State of Illinois is required to have the fiscal funding clause you just mentioned. All of their leases have the fiscal funding clause in them. The difficulty exercising that clause is because agencies are not appropriated funds for particular contracts. The issues are tying any reduction in appropriation to a particular lease contract. Yes they have not looked at issues with ISP, but have looked at the issue generally. Mr. Kanellopoulos stated that he has been with CMS for over 5 ½ years and CMS has exercised that clause once in his time. It is difficult to do.

Member Bedore asked how CMS is doing with IHDA with their move/non-move. Mr. Kanellopoulos replied that IHDA initially was pursuing an amendment to their current lease contract at 401 N. Michigan in Chicago to add space for a new program that was coming online and they needed space to house an additional 53 employees. Through discussions involving IHDA, CMS and others IHDA is now utilizing space at another leased facility CMS has. It is the FPR's lease at 122 S. Michigan and they are utilizing space in that facility. Member Bedore wanted to know what the difference in rent was. Mr. Kanellopoulos replied it is somewhere in the rate of \$7.50 a square foot, but don't quote him on that. He believes the total cost of additional space at 401 N. Michigan was going to be \$41 and change and he thinks that the FPR lease is in the \$32-33 range. Mr. Kanellopoulos stated that the space that IHDA is taking is space the State is currently leasing. It is space they are on the hook for so IHDA using that space does

not increase the money our taxpayers are paying towards lease costs - it is just another agency utilizing space the other agency was not using. Member Bedore asked if this was the green building. Mr. Kanellopoulos replied affirmatively. No further questions were asked.

Next was Printer Consolidation Initiative Follow-up. In attendance was Ken Sharkey with CMS. Mr. Sharkey stated that the reductions achieved often times involves the installation of a shared multi-functional device. Prior to the deployment of the multi-functional devices, assessments are preformed to lay out a network plan with the targeted office floor plan while taking into account the operational needs. CMS is pleased to announce the following accumulative reductions across 11 agencies: there is a reduction of 1,111 desktop printer, 194 fax machines, 264 copy machines, and 276 scanners. The total number of reduced pieces of equipment is 1,850. The estimated annual savings is \$1,438,692.00, which amounts to an average savings of \$64.81 per piece per month for each piece of removed equipment. To supplement the removal of this equipment CMS has installed 180 pieces of Xerox equipment and 33 pieces of Lexmark equipment. CMS's efforts in tighten up the approval process for new equipment for agencies has lead to many denied requests. Approvals can be issued only after a valid assessment has been completed and then supported by a more overall cost effective printer network layout. Recently CMS has observed an uptick in agencies requesting service for older printers and believe that agencies are trying to wait out the difficult approval process for new equipment. This delay is a little more costly in the long run. The next objective is to review the service requests over a pre-determined threshold.

Mr. Sharkey wanted to update the Board on the State recycling program. Mr. Sharkey stated that State surplus has received 61,016 pieces of electronic devices for recycling since April 2010. Approximately 1800 pieces of that inventory has been re-deployed to other State agencies or Boards or Commissions. Currently, there are two State Use vendors under contract for electronic recycling that has saved the State \$2,225,282.00 compared to the previous contract that was in force prior to February 2010. No further questions were asked.

Next were State Police Headquarters / Franklin Life Building. In attendance was ISP Director Hiram Grau. Director Grau stated that he has only been at the agency for two months and is not really familiar with the building, but also in attendance was Colonel Patrick Keen, who is in charge of Administration and better versed on the building. Mr. Keen stated that they are aware and have been on a couple of tours with CMS and others in the building to review the State's use and to determine if there is room for one or more agencies to be moved in the building. Mr. Keen stated that ISP was under the impression that the entities that were being looked at moving into the facility were fairly small (i.e. ISP Merit Board, Executive Ethics Commission and Prison Review Board). All of which are small agencies with not a lot of employees. They were under the impression that this is who they would have to accommodate if it does come to pass. ISP was very reluctant to allow any other agencies to come into the building due to the nature of the business. They are a law enforcement agency and have intelligence information that are on laptops that are sitting in offices, they have weapons, transport prisoners, victims, witnesses to crimes in and out of the facility. As you can imagine ISP is reluctant to having another agency within their facility. Mr. Keen stated that they do have some great concerns but they are at the point that they are willing to listen to the plan. Mr. Keen stated that just before the meeting Mr. Kanellopoulos briefed them on what CMS' suggestion is going to be, which took them by surprise. That is where they are right now and are willing to listen to whatever plan is proposed and review it, make suggestions and see where it goes. Mr. Keen stated that they were imagining one of the smaller units that they could potentially absorb that was one issue, but the proposal they just saw an hour ago indicated that ISP would have to move a tremendous number of their

employees out of the main building back into either the North or South Annex Building and have been trying to imagine how that will happen. He doesn't know if they have the usable space to absorb that many people back into our facility. Director Grau stated that they are not saying no and have a closed mind to this, but what they are trying to say is that historically police departments are stand alone facilities for a number of reasons: confidentiality, security, prisoner transports, the possibility of a terrorist target and there are some issues they would like to discuss that what is planned is doable.

Member Bedore stated that nobody wants to put anything in jeopardy with regards to security, but is sure that Mr. Kanellopoulos and his talented staff could come up with a way of sectioning off the building, but there is a potential of saving millions of dollars to the State, which he believes everyone is in agreement with. Member Bedore hopes that something can be worked out to make everyone happy. Member Bedore asked if Mr. Kanellopoulos had a plan yet. Mr. Kanellopoulos stated that Ron Wheeler toured with Rick Tate, the Statewide Facility Manager and the Chief Engineer of the Building and initially Ron Wheeler did come up with a few options. One option was discussed with ISP just before this meeting with ISP that would be a starting point that they would look at. Mr. Kanellopoulos stated that he is not saying that this is the plan, but it is just the beginning of the discussion. Member Bedore asked if they could come back monthly to give an update of their progress.

Member Bass asked about spreadsheets that were provided to the Board and wanted to know what the square footage per employee was. Mr. Kanellopoulos replied that if you were to measure the outside walls, which it is 433,000 sq. ft. CMS looked at the rentable square feet today to be less than that, plus there is a print shop that has not been dealt with, it would be over 400 sq. ft. per employee. Chairman Vaught stated that 433,000 sq. ft. would be over 800 sq. ft. per employee. Chairman Vaught asked how he got down to the lower number. Mr. Kanellopoulos replied that Ron Wheeler gave it to him. Chairman Vaught asked what the lower number was. Mr. Kanellopoulos replied roughly 200,000. Chairman Vaught asked if that was a typical number. Mr. Kanellopoulos replied that if CMS would spend some money they would be able to convert the print shop into usable office space. You would have to spend some money to capture some more rentable space. As of today with no cost there is 200,000 rentable square feet of office space. Member Bass asked if there were three shifts. Member Bass asked on an average day at 9:00 a.m. how many of the 540 employees come through the doors. Mr. Keen replied that there are way fewer people working evening and midnight shifts. On an average day at 9:00 a.m. you would have close to 500. The District 9 and the help desk are 24 hours a day operations. For the most part Monday – Friday you will have close to 500 people in the building. Chairman Vaught wanted to clarify 200,000 sq. ft. currently of usable space and 539 employees is about 379 sq. ft per employee. Mr. Kanellopoulos replied affirmatively to both. Chairman Vaught stated they are not used to seeing numbers that high. Chairman Vaught asked if there was another 100,000 sq. ft. of space that could be adaptable to usage. Mr. Kanellopoulos replied affirmatively, but is not exactly sure of the amount of additional space they could get. Mr. Keen stated that part of the 100,000 sq. ft is part of their central evidence vault and areas such as that where there are not a lot of people, but the space need is still there. Chairman Vaught thanked them for the information on this building and it has been very helpful. No further questions or comments were made.

Next on the agenda was Governor State University / CDB Update. In attendance were Director of CDB Jim Underwood, CPO Fred Hahn, CDB Contracts Administrator Don Broughton, HE CPO Ben Bagby, and Tracy Sullivan Director of Procurement for Governor State University. Mr. Hahn stated that GSU is ready to begin construction on this roughly \$20 million project except it

was stuck with the architect engineer firm who needed a contract adjustment to reflect some work that was done to move this project along. CDB spent a significant number of hours discussing with that firm what should be via this adjustment and arrived at an understanding about a week ago and a modification was prepared and is in the process of being finalized. There was some question about the 10 year limitation on contract issues and the architect engineer understands that the modification provides a contract amount that will carry them through the full performance of the services of the project, although that may go beyond the 10 years. The architect engineer also understands that sometime towards the end of this calendar year or next there will be a sole source action to give them a new contract to include what is their construction administration phase of services. We are moving forward and the project will be bid later this month, which will allow to some extent, GSU's concern about their federal grant project would be evaluated. Mr. Hahn stated that there is some discussion to make this a single prime project. It is currently being designed and is ready to bid as a multi prime project. If it was to be changed into a single prime project it is his understanding that there would have to be a subsequent modification to allow the architect engineering firm to do that and it is also his belief that because of the nature of that change it would reduce the architect engineering fees compensation dollar amount. Mr. Hahn stated that there is some confusion, CDB's fees are largely negotiated on the size of the dollars going into the project and in this project there has been some confusion about what is the dollar size of the project. It appears when the project was ready to begin in 2004 and it was \$7 million then it was delayed 6+ years and later increased to \$8 million due to escalation for being delayed since 2004. In the 2009 – 2010 time frame GSU went out and procured a \$2.3 million federal grant. It is not entirely clear how the fee fits into the total project budget for what is really needed versus does it include \$2.3 million from the federal grant. At this point it appears not to.

Contract Administrator Don Broughton stated that at the June 14, 2011 PPB meeting this issue was discussed a lot. The issues and urgency of making sure not to lose the NSF grant that has a September 2011 deadline. Several staff at CDB, the CPO's office, the PPB staff as well as the architect spent a lot of hours dealing with this issue and situation. Mr. Broughton would like to thank all of the people who were involved in this and believes that everyone has done their best on what to do with this to come up with the best deal and solution to move forward. CDB has negotiated the contract modification with LCM Architects and have they agreed to that modification and returned it signed and moved it through the CDB for signatures and will go to the CDB Board meeting for passage. Based on the cooperation of everyone and the architect returning the signed documents they are on target to meet those dates. There has been some internal discussion at CDB, the University and the architects themselves feel this could be an excellent candidate for a single prime bid and contract and that is really due to the complexity of the renovation of the laboratories and also the fact that there will be two separate contract situations going on with CDB contracts for construction and with GSU contracts for construction within the same area. Member Bedore asked if Tracy Sullivan agrees with the new timeline that the project will be completed before the grant runs out. Ms. Sullivan replied that she does agree that they will be able to meet the timeline and their hope is that their bids with the NSF project will be back in early September and will give them ample time. Ms. Sullivan also wanted to thank the CDB, CPO's office and also this Board for helping achieve those goals.

Next on the agenda was the Vendor Assistance Program. In attendance for CMS were Donald Lynch and Curt Clemons-Mosby. Mr. Clemons-Mosby stated that the Vendor Payment Program is a mechanism that brings together the vendors/purchasers who have been pre-qualified by the State in order for the vendors to sell receivables to the program. In order to pre-qualify for the program the vendor must have vouchers which are over 60 days old. The vouchers must be

eligible for prompt payment interest and the vouchers must not be Medicaid eligible. The vendor process begins with the vendor visiting the website payments@illinois.gov. On that site the vendor can learn about the program and read the program turn sheet. If the vendor decides that the program is for them then they can follow the link at the bottom of the page to the qualified purchasers who are willing to purchase the vendor's receivables in exchange for the prompt payment interest. Currently the program has one qualified vendor and is in negotiations with several potential qualified purchasers. Once the vendors go to the qualified purchaser's website they will fill out the necessary forms. The vendor supplies the qualified purchaser with the information about the vouchers and the amounts they are owed by the State. With their current qualified purchaser there is an open enrollment that runs between the 15th and the 10th of each month. At the end of the open enrollment the qualified purchaser takes the information they have gathered from the vendors and engage in a per-certification process. During this pre-certification stage State agencies confirm the information provided to the qualified purchaser to the vendors. Once that process is complete the qualified purchaser executes a contract whereby the vendor agrees to assign the receivables to the qualified purchaser. The qualified purchaser pays the vendor 90% of the face value of the voucher and the purchaser places 10% into an escrow account. The qualified purchaser waits and is finally paid by the State at which they pay the vendor the remaining 10% at which the vendor is paid in full. The qualified purchaser then waits and collects the prompt payments interest from the State of Illinois at that point the transaction is complete. Member Bedore asked if there was any thought of working with the State Treasurer who works with a lot of large banks within Illinois. Ms. Turner replied that from a policy stand point Member Bedore is correct and it is something that CMS should consult with its joint partner, which is the Comptroller's Office, and reach out to the Treasurer's Office on this issue. Member Bedore understand, but if you really want this program to work then you will need of the big boys and girls in the act and the biggest influence is the State Treasurer. Ms. Turner replied that she agrees with Member Bedore and CMS will certainly look into.

Next on the agenda was Legislation. Chairman Vaught stated that there are 550 bills on the Governor's desk to sign. Chairman Vaught stated that most of the legislation was discussed at the previous meeting and wanted to know if any Board member had questions. Member Bass stated that there was a reference to a single prime for GSU and wanted to have an update. Ron Wright with the CDB replied that it was SB1352. Member Bass wanted to know if that was signed what would it mean today. Mr. Wright replied that there are two projects completed, IEMA and the south wing of the Capitol. There are six that are active under the current pilot program: Western, Parkland, Illinois Valley, Lincoln Hall which is currently under way, tech center at SIU-Carbondale is under way and the project just bid ISP Forensic Center. The new legislation hopefully to be signed soon would allow CDB four years, \$200 million a year running fiscal year to end of fiscal year. CDB has identified 25 projects over the next four years to be done within those dollar amount thresholds and will bring those to the CDB Board and the PPB Board for review. No further questions were asked.

The next scheduled meeting for the Procurement Policy Board will be set for Thursday, August 4, 2011 pending Board confirmation.

With no further business to discuss a motion to adjourn was made by Member Bass and was seconded by Member Bedore. The motion was unanimously approved.