

Chairman: David Vaught

Members: Michael Bass, Ed Bedore, Ricardo Morales, Larry Ivory

Minutes – September 13, 2011 Meeting

Present in Chicago: David Vaught
Rick Morales
Larry Ivory

Present in Springfield: Ed Bedore
Mike Bass

The Board started the meeting by confirming attendance at 11:07 a.m.

First on the agenda was the approval of the minutes from July 29, 2011. Member Bedore made a motion to accept the minutes as presented and was seconded by Member Morales. The motion was unanimously approved.

Next on the agenda was Rules Review on IDOT Title 44, Part 6. In attendance was CPO Bill Grunloh. Mr. Grunloh stated that the rules are listed on the JCAR no objection list with very little public comment. Mr. Grunloh stated that he would be happy to answer any questions that the Board might have. Chairman Vaught stated that in Section 6.20, which refers to things that it does not apply to and among those items is the purchase of care and does not see under the definitions as a defined term. Mr. Grunloh replied that IDOT does not do purchase of care agreements and it was added in for a clean up to cover it all. Legal counsel for IDOT, Ellen Schanzel-Haskins stated that the Procurement Code has the definition of purchase of care contracts and did not include it in the rules, but would be happy to do so if needed. Todd Turner, legal counsel for the Board, stated that the purchase of care is defined in Section 1-15.65 and that purchase of care is one of the items that is excluded and not subject to the Procurement Code. Member Morales asked Director Carter if the changes the Board suggested had been made. Director Carter replied affirmatively. Member Ivory stated that he had a question on Section 6.600 and if there should be more information to the Procurement Policy Board in reference to any suspensions so that we may weigh in and have it on record. Mr. Grunloh replied that one of the questions from JCAR was the process written into their rules and how much due process do they give and why do they give so much due process. Basically in all of IDOT's suspensions and debarments and throughout the years that IDOT is a legacy of provision and over the years working with the industry that IDOT has more due process than any other agency. Mr. Grunloh stated that he has not reviewed any other agencies, but JCAR commented to IDOT why they have so much due process in protests, debarment, etc. Member Ivory asked if Mr. Grunloh could explain what the CPO's discursion is in terms of suspension, debarment, etc. Mr. Grunloh replied that the suspension process in a nutshell is that you would be suspended, but then you have the option for a hearing. There is a protest officer who handles these hearings and they are in a trial like setting. When the hearing officer prepares his recommendation on all of the information that

was given to him he then gives that information to the Chief Procurement Officer and, with the result of SB51, the decision would be left solely to the CPO.

Legal counsel for IDOT Ellen Schanzel-Haskins stated that the processes that are in place provide an opportunity for any contractor who is engaged in some sort of criminal violation or integrity violation or procurement process itself to be given full due process rights. As a former federal prosecutor she stated that their due process rules are very extensive. At the present time IDOT has about 32 trucking companies on suspension because of being involved in criminal violation of fronting in the Chicago area. There are several other contractors who are on suspension for various other reasons, but in all cases they move swiftly and provide due process in a full hearing on merits. Mr. Grunloh stated that it starts on subpart (i) section 4 6.480 and there is about 10 to 11 pages with the full process laid out.

Member Bass wanted to know that the changes in that section of the rules are a revisory change for SB51 and anything that became apparent in procurement reform. Is that fair? Mr. Grunloh replied that Member Bass is correct and that 99.9% of the changes that are seen in this document are a result of SB51. There are a few clean-up items, but most are changes resulting from SB51. Member Bass asked about the term 5-10. Ms. Schanzel-Haskins replied that it is a little problematic because IDOT always had a five year suspension, but there is a provision in the statute that allows 10 years so IDOT has moved it to 10 years. Member Bass asked if there is a process for the CPO's office to report those types of things to the PPB's office. Ms. Schanzel Haskins replied that after the hearing is done and the decision has been rendered then it is reportable to the PPB. It was always their intention to do that, but have not got that done as of yet. Mr. Grunloh stated that they could do a notice to the Bulletin when these situations come up. Mr. Grunloh stated that when a decision like this has been made he has no problem with posting it to the IDOT Bulletin and making it available to the PPB. With no further questions or comments a motion to approve the rules was made by Member Bass and was seconded by Member Morales. With a 4-0 vote the motion was approved with Member Bedore abstaining.

Next on the agenda was CMS Facilities Update and ISP Headquarters/Franklin Life Building. In attendance was CMS Deputy Director of Property Management, Nick Kanellopoulos. Mr. Kanellopoulos stated that as of today and since the Governor took office CMS has consolidated 121 leases. The total cost of those leases at the time they were terminated were about \$18.5 million and there were 1.13 million square feet of space. All of those leases were moved into existing owned or leased space. Also during that time CMS has re-bid and re-negotiated 201 leases. The difference between the total cost of the old leases and the new is about \$15.7 million and on average the new lease produced an 18% reduction in total costs. Also, the 201 new leases have 533,000 less space being leased with a reduction of about 11.8% of leased space. Also, when you add in security reductions in these transactions the annual total cost reduction is about \$37,338,000 and the total reduction in square footage is about 1.66 million.

Mr. Kanellopoulos stated that a question was raised at the last meeting about energy savings and what has been done at other leased facilities. Mr. Kanellopoulos stated that at the last meeting he spoke of a rebate program offered by DCEO. There have been six locations where landlords have taken advantage of that program to retro fit their buildings with more energy efficient lighting, exit signs, etc. There are a lot of locations where the State pays the electrical bill so the State is the direct beneficiary of these projects being done. Also, it has been asked if the State is deploying motion sensors in State facilities to achieve energy savings. Mr. Kanellopoulos stated that at a regional office in Marion, IL part of the building was re-done several years back and 120 sensors were installed. In other State owned buildings, like the Bilandic Building all of the

bathrooms have motion sensors and you will find that in a few other facilities around the State as well. Mr. Kanellopoulos stated that he will continue to give the Board updates of their progress moving forward. Mr. Kanellopoulos stated that he wanted to give the Board an update on the State's energy cost reduction since the Governor took office. In FY09 the usages were 546 million kilowatt hours. Since that time due to reduction and usage and reduction in square footage there has been an accumulative cost reduction of about \$8 million since FY09. In the area of natural gas CMS believes the same type of results has been achieved and an accumulative cost reduction of about \$6 million. Another update Mr. Kanellopoulos wanted to tell the Board about was CMS efforts on the amount of Green Power purchased by the State. In January 2009 the State was purchasing 24.5 million kilowatt hours of green power for the statewide electricity contract. Since that time CMS has taken two major steps. One is with CWLP – CMS entered into an agreement whereby 100% of the power provided the CMS managed facilities by leased and owned are certified wind energy power. Also, in May 2010 CMS increased the purchase of certified green power from ComEd and Ameren service areas from 5% of the total to 25% of the total usage and 5% of the usage is certified Illinois green power. The overall effect as we go on from 24.5 million kilowatt hours of green power purchased before the Governor took office to 176 million kilowatt hours of green power purchased in FY11. What this means that among States that participated in the USEPA Green Power Partnership Illinois received an award for being #2 on that list for the amount of green power purchased.

Member Bass asked if there was a cost differential if they would have bought regular power through CWLP and you are getting certified wind power is the rate per units the same? Mr. Kanellopoulos replied no there is an increased cost to buying the wind generated power and that is figured into the accumulative cost. Member Bass asked if he knew the relative spread on that. Mr. Kanellopoulos replied he did not have that with him, but would provide it to the Board.

Member Bedore asked about a lease with a \$20 per square foot rate, which is high because of amortization of fixing up the classrooms. He also noticed that they spend \$1.50 on electricity and wanted to know with the renovation are they putting in motion sensors. This would be an ideal time to install them. Member Bedore wanted the U of I to be aware of this program because it looks like they didn't apply it to this lease. Member Bedore also had question on lease 6393 with a 20% increase from \$15.30 to \$18.30. Is there a reason for such a big increase? Mr. Kanellopoulos replied that this lease was competitively bid and only one offer was received from the incumbent lessor. In this case there was only one bidder and no one else even seemed interested in submitting a bid. Mr. Kanellopoulos stated that there is some good news that they were able to reduce the square footage from 5,457 to 3,500. The current total cost of this lease is \$109,000 and CMS was able to reduce that to \$77,600. Although there was an increase in base rent they were able to decrease the square footage.

Chairman Vaught asked why this lease hasn't come to the Board for review. Chairman Vaught asked if these leases had termination clauses in them. Mr. Kanellopoulos replied they did. Mr. Kanellopoulos stated that the Paris lease is what caught CMS's attention. CMS went to DHS and the plan that they came up with is that DHS will give CMS the information for their office that is currently located in Paris, Charleston, Sullivan and Tuscola. CMS is going to put out a bid to consolidate those offices into one. CMS intends to locate an office Coles County that will service the six counties that were previously serviced by separate offices.

Chairman Vaught wanted to know if the DHS lease in Carmine from two months ago had gone out for bid yet. Mr. Kanellopoulos replied not yet – CMS is still waiting on some additional information from DHS. Chairman Vaught stated that he just told our new Board member that

when the Board gets representation it is expected to be carried out and they generally have been. Now you are telling the Board that this is wrong. Mr. Kanellopoulos replied that it is going to be carried out, but is just hasn't been yet. Chairman Vaught wanted to know who is holding this up. Mr. Kanellopoulos replied that he will find out.

Member Bass commented that his frustration is that the Board has talked about DHS over the years and potential consolidation and different plans. Don't you have to put it on them to bring something forward so that CMS can understand how this should be addressed? Member Bedore made a request that DHS attend the next Board meeting and have them answer questions from the Board.

Next Ken Sharkey updated the Board on the printer consolidation. Mr. Sharkey stated that CMS started doing consolidation on printers, copiers, scanners and fax machines and replacing them with multi-functional devices. To date CMS has eliminated 2,220 desk top printers, 332 fax machines, 795 scanners and 371 copy machines. That comes to a total of 3,718 and the annual projected savings from this program is \$1,915,449. The primary contributing agency that generated the majority of these savings is DHS. DHS has devised a comprehensive plan to expedite this cost savings initiative. The execution of this plan has been pretty terrific. CMS has recently held a couple of meetings with the Executive at DCFS and their combined efforts have lead to the formation of a similar large scale plan for DCFS to achieve significant savings. CMS hopes to report later this calendar year on the results of those cost savings efforts by DCFS. At the beginning of this calendar year BCCS started tracking annual savings that were realized with the reduction of the bureaus' phone and data lines. This year-to-date savings has resulted in the annualized cost savings within BCCS of \$34,129. At the beginning of this fiscal year other bureaus within CMS started looking at reducing their telecom expenses as well. To date CMS has eliminated the following: 95 phone lines, 8 cell phones, 6 wireless air cards for laptops and 1 pager. The total savings of this project generated another \$23,866 in tax payer savings. OMB has identified 17 phone lines that have been eliminated and this cost savings is \$4,488 per year. So with the combined effort between CMS and OMB is \$62,485 in cost savings and reduced telecom lines. DHS is in the process of identifying telecom savings within their agency. CMS has recently provided assistance to DCFS to identify potentially more savings at that agency. Another program under review is each legislator's have a toll free number, which is 177 numbers that CMS is billed each month. CMS pays over \$44,000 annually for this free number service. Going back six month CMS found out that 110 of those lines had no activity. CMS would save \$31,000 per year if eliminated. Another 37 had fewer than 100 calls within the same six month period. If those lines were reduced CMS could capture another \$5,640 annual in savings. There are about 20 legislators that use their numbers a bit more frequently and perhaps have them transfer these toll free numbers to their individual supported offices. The House has given them thumbs up to move forward and CMS is currently working with the Senate. No further questions were asked.

Next on the agenda was State Police Headquarters. Mr. Kanellopoulos stated that CMS has had numerous meetings with ISP since the last PPB meeting. There is a plan in place, which is considered phase one of the consolidation. The plan has two components; first the Gaming Board is already in the AIG Building. Now that the video gaming has had their court issues cleared up they will be hiring about 50 people. CMS has confirmed with the Governor's office and OMB that this is real. CMS has worked out a plan that will accommodate the new hires in the building. Also, CMS plans to terminate a lease in Springfield that has a 136 headcount and cost the State \$804,000 a year. With these two moves CMS expected to have it happen very quickly and will increase the headcount at the Franklin Life Building by 187 people. Once phase one is complete

CMS will sit down with ISP and Gaming Board and the other agency moving into the building and work out phase two of the restack. CMS expected this to be done very quickly and anticipates that this will be done by the end of this calendar year. Member Bedore wanted to know what the cost would be to rent space somewhere else for the Gaming Board. Mr. Kanellopoulos replied that it would be a lot more. He stated that the space CMS is identifying is pure office space. They are going to reconfigure the cafeteria and make a shared conference room and take out some conference rooms in other areas. To give you a better idea of the difference is the lease CMS is looking to terminate is 40,132 square feet and believes the building can accommodate all of the people and are looking at something between 16,000 and 18,000 square feet of space. These plans are not finalized yet and might need to be adjusted a little. The space that is currently being used is not efficient and part of it is that CMS doesn't have to recreate all of the common areas because they are already there being used by the other agencies. It is just not 51 people that will be housed at AIG, but to house them in a lease you would have to provide everything else and the lease would be larger than the space they will occupy here. Member Bedore asked for Mr. Kanellopoulos to confirm that CMS is saving \$814,000, but also saving the space for 51 employees that you would have had to go out and rent space for. Mr. Kanellopoulos replied correct and that the figure that CMS is using as a goal is that they have identified potentially 65,000 sq feet of office space at AIG that could be better utilized. To go out on the market in Springfield today for that space the all-in cost would be about \$15-\$16 a square foot. That would be about \$1.7 million that would be eliminated by utilizing this building better. Once CMS moves into the project they can estimate for the Board, not just leases but what the value of that is. Member Bedore wanted to know if the Gaming Board was moving into the area that they currently occupy. Mr. Kanellopoulos replied affirmatively. Member Bedore wanted to know if the 136 people moving in would be moving into the 7th Street building. Mr. Kanellopoulos replied no that they are moving into three of the buildings. The original plan was to empty out most of the 7th Street building, but for the first phase and working with ISP that the simplest way to do this and would require the least, if any, build-out and could accommodate security concerns would be to empty out entire floors rather than a building. Mr. Kanellopoulos stated that he believes that it is the 6th floor of three of the buildings will be vacated and that is where the lease will be going to go. He stated that there might be some more space on another floor. Again the plans have not been finalized, but CMS and ISP determined that this would be the most efficient way to do this and also answer the security issues. This still will be capturing the same amount of space, but it will be configured differently than originally thought when CMS toured the building. Member Bedore stated that the ultimate savings would be about 65,000 square feet. Mr. Kanellopoulos replied that if everything works out right CMS should be able to do the equivalent of about 110,000 of leased space into 60,000 – 65,000 square feet of space at Franklin Life Building. Member Bedore wanted to know when CMS anticipates phase two being complete. Mr. Kanellopoulos replied that at this time he didn't want to make an approximation because he would be guessing. Mr. Steve McCurdy with CMS stated that there was an on-going elevator issue that might hold up phase two. There are currently only one set of elevators that are working and are currently in the process of getting the non-functioning elevators serviced, but it might interfere with the timing on phase two completion. Member Bedore asked that this be a standing request that this update will be on the agenda each month. Chairman Vaught replied affirmatively. No further questions were asked.

Next on the agenda was the Illinana Expressway. In attendance was John Baczek with IDOT in Schaumburg and legal counsel for IDOT Ellen Schanzel-Haskins. Mr. Baczek gave a brief overview of the project. Mr. Baczek stated that both Illinois and Indiana are working in a partnership to work on a study of the Illinana corridor. It is a corridor that covers a 950 square

mile area, which is bounded by I-80 on the north, I-55 on the west and I-65 to the east. It covers a little bit of Kankakee County as well. The planning process, which will follow the requirement of the National Environmental Policy or NEPA would be pursued in two tiers with tier one currently underway. This includes an evaluation of transportation system needs as well as the development and evaluation of multi-modal system alternatives and will result in a preferred transportation system alternative and conceptual level of detail. The stakeholder outreach will be the key element of the study and will be based on both IDOT and Indiana DOT's context sensitive solution (SCC) policies and procedures. This encourages frequent and meaningful communication with all the stakeholders during every aspect of the project. They are currently working on this environmental impact statement. It is anticipated to be completed for this tier one portion of the project in spring of 2014. That will result in a record of decision. At that point they would be able to go into tier two of the environmental impact statement, which would allow them to go into more details. Tier one is the concept and defines the mode of transportation to address as well as the location of that. Where tier two will go into the actual detailed engineering like number of lanes, turn lanes, interchange location, etc., Mr. Baczek stated that it was brought up at the last Board meeting for more information on the consultants that are working for the project on behalf of the Department. Mr. Baczek stated that Parsons Brinkerhoff is the prime consultant for the team of consultants who they have under them. They have a team of 14 other sub-consultants working for them. Of those sub-consultants five of them are disadvantaged enterprises companies. Within the team of consultants they have got whole areas of issues covered from traffic and transportation modeling issues to public-private partnership expertise. Mr. Baczek stated that an organizational chart of the staff that is working on this is being provided to the Board members. This is background information for the Board members so they can see who all is involved in this project.

Ms. Schanzel-Haskins stated that she would provide a brief history of the project with reference to the way it came about and to the legislation and the law itself. Chairman Vaught stated the Board is interested in that because when reading the statute there are interim reports and then when the thing gets finality the Board is supposed to make findings. Because this is a new procurement technique and because of the role of COGFA and the Procurement Policy Board to weighing in on it providing information as things progress to base their decision on instrumental until waiting until the end.

Ms. Schanzel-Haskins stated that the way IDOT began with this is having meetings with Indiana to discuss initially going from I-65 in Indiana to I-57 in Illinois. IDOT then later decided to go all the way to I-55 to have the most economic growth and create the most jobs and help then infrastructure, inter-modal, the rail and traffic. IDOT entered into meetings with Indiana and the looked at Indiana's legislation because they already had legislation on the books in order to do public-private partnerships, but their legislation was very specific to two or three projects. IDOT looked at their legislation and compared it to what they wanted to do, had meetings and then prepared their legislation to not entirely track Indiana's legislation, there are a few differences. IDOT was able to get the bill passed through the legislature and does put forth a process that involves the Procurement Policy Board and COGFA. Ms. Schanzel-Haskins stated that IDOT is in the initial stages with a memorandum of understanding with Indiana, which was signed in December 2010 after the Governors of both states signed the Illiana legislation in June 2010. The memorandum of understanding provides for Illinois to pick up 75% of the cost and Indiana to pick up 25% of the cost because of the mileage within each respective State of the environmental assessment in the need for process. The tier one which Mr. Baczek was talking about is already covered at this point and the engineer and the working group from Indiana and Illinois are preparing the tier one environmental study. They will be doing that in each respective State, but

it will be one environmental impact study at the end and they are expecting a record of decision on that. The tier one process requires a lot of public input and public meetings and assessment of environmental issues. When you get to tier two, which is the actual design, the legislation will kick in. IDOT and INDOT will proceed to do a procurement that will be a competitive request for proposal. It is the same for both Indiana and Illinois law. The goal is come up jointly with two potential entities that could finance and engage in the public private partnership (P3). Those are then submitted to the Procurement Policy Board and to COGFA. At that point there are 30-days, pursuant in the statute, for the PPB and COGFA to give their recommendations on whether IDOT has appropriate people or whether it is in the best interest of the State, etc. Once input has been received several public hearings are held as provided by law and then the final decision on the two bidders to accept or to move forward with the project lies with the Governors from both Illinois and Indiana. It is the Governor's call with the advice and consent of OMB and Illinois and the Indiana equivalent. When that occurs and there are good offers and it looks like a viable project and can move forward then it is moved to the construction and financing phase. Illinois law tracks Indiana law, although Illinois has a few more things than Indiana about how this will take place. It has all of the precautions built into it to be sure IDOT has an independent audit that will provide financial statements each year and a termination ability if needed that the property that is acquired on behalf of the State of Illinois stays owned by the State, but it is then either leased or whatever arrangement has been made with the P3 partner for the term of the P3 and at the end of the P3 or on termination on the property is still in the State's hands. Initially all the procurement through this law goes through the procurement processes and the CPO's office and the PPB. The Board will be weighing in on various procurements, but when the Board's part is really crucial is when they have the two offers and are ready to award.

Mr. Grunloh stated that everything that will be done will be quality based selection or land acquisition would be posted to the Bulletin just as they are now. The Board's role would not be any different; this would be all covered under the Procurement Code. Even the interim stuff still has to go just like everything else is done at IDOT. Member Bedore asked if the Board will get anything on the consultant that was hired. Mr. Grunloh replied that they were hired under a quality based selection and was posted to the Bulletin prior to the award. Ms. Schanzel-Haskins stated that the consultant IDOT currently has is just for the environmental portion of this phase. Member Bedore stated, as he did before in the previous meeting, of what the Board's role really is. He is confused and doesn't want it to come down to two potential offers and have IDOT say here they are you have 30-days, pick one. Member Bedore stated that he does not work like that.

Chairman Vaught stated that he just read that the report shall equip the status of public-private agreements or other contracting. Is that not the interim contracting for tier one or consulting or anyone else? Roger Driskell w/IDOT replied that IDOT is not in a public-private partnership arrangement at this time. Chairman Vaught stated that he has heard that from both him and Ms. Schanzel-Haskins, but he will read it again "or other contracting in any on-going or completed studies". This is coming from Section 60A. That is after public-private agreement it said "or other". If the Board is going to be informed of this just like Member Bedore's concern that at some point the Board will be faced with a 30-day decision and it seems to him that the monthly reports where suppose to prevent the sense of surprise. Chairman Vaught wanted to have some clarification of what that means. Ms. Schanzel-Haskins replied that IDOT does prepare a legislative report every month and thought it was being provided to the PPB. Chairman Vaught replied that it is being provided, but it does not mention a contract to anybody for a tier one environmental report. Ms. Schanzel-Haskins replied that it is a point well taken and must remedy this to make sure that you are getting what you need. Mr. Baczek stated that he wanted clarification of what the Board wants to make sure that it is in the meeting packet for the next

Board meeting. Chairman Vaught is interested about the preliminary contracts, which are clearly not a part of the public-private partnership, the things that are done in advance of the final financing. This seems to be one of the places where the potential surprise or lack of information would be.

Ms. Schanzel-Haskins stated that IDOT will provide the Board with not only the generic report, but will also give actual information about the environmental and how that is progressing and the contracts involved in that. Also, the land acquisition as they move forward with that as well. Member Bass asked if design build is allowable on the roadway construction. Ms. Schanzel-Haskins replied that they do have a new law that does allow for that.

Member Ivory asked to know the break-down of the BEP participation in terms of category, in terms of ethnicity across the board. Ms. Schanzel-Haskins replied that at IDOT when they talk about the participation they are talking about Disadvantaged Business Enterprises that is a combination of women owned business and minority owned businesses. Under the federal regulation and IDOT is required to use those federal regulations in all of their contracts. IDOT can provide and will provide the break down on this particular situation for the Board. No further questions were asked.

Next on the agenda was EIU Renewable Energy Center Presentation. In attendance was Paul McCann, Director of Business Services and Treasurer for Eastern Illinois University, along with Monty Bennett, Director of Purchasing and Ryan Siegel, Director of Sustainability. Mr. McCann stated that the project had its origins back in the early 2000 and EIU had a full plant that was failing. The current coal boiler was installed in 1925 and has out-lived its usefulness. The current location of the plant was at the far end of the south campus, but now it is in the middle of campus. EIU has had significant system failures and deferred maintenance issues within the project. There is about \$16 million worth of deferred maintenance in the facility. Primarily it was built as a coal plant and EIU has tried to add natural gas over the years. The insulation within the boilers is falling off the walls along with many other things. Now EIU is looking towards a renewable energy center. When they first started looking at this process EIU didn't have a lot of good things to be heard when they started talking about coal. EIU started looking at what their alternatives were. EIU hired a consultant back in the 2005 – 2006 timeframe that recommended the university look at wood as a potential fuel. Currently the plant sits a few feet south of Old Main, which is the main administration building on campus. What is being proposed in the project is that the facility would be moved out about a mile to the edge of the property along Illinois Route 130. The community wanted EIU to make it look better and less like an industrial site and more attractive. In the facility there will be four boilers, two natural gas boilers and two bio-mass boilers. One of the bio-mass boilers will generate enough electricity to cover the operations of the plant itself. The two bio-mass boilers are about 50,000 tons of steam and the natural gas boilers are about 40,000 tons. Any one of the boilers can just about handle the load of the campus. Where the issues are is on high peak days like the coldest days of the year and maximum air-conditioning where they would have to run two boilers at the same time. EIU's desire is to do all of that with the bio-mass boilers. Right now the fuel specs are 2 ½ inch wood chips. Their EPA authorization is for virgin material, which means they can take wood out of forest, but can't take used building materials. They also do have a requirement that it does have to be less than 10% bark. The timeframe originally started back in 2009 and EIU has approval for the 20 year payback. Ground breaking was done back in December 2009 and today EIU is in the process of commissioning that plant and October 7, 2011 there will be a ribbon cutting ceremony. EIU will save about 6 million kilowatt hours of electricity and 13 million gallons of water and 50 million pounds of steam. What this will amount to in the way of campus usage will

be around 30-40%. From an environmental standpoint the emissions will be significantly less in all of the main categories that the EPA looks at. As part of this overall program EIU does have 22 other energy conservation measures that are permitted in the University Energy Conservation Act. Those additional projects then allow for the payback of this project within 20 years solely from energy savings. In terms of cost, EIU is looking at about \$55 million for the actual renewal energy center and \$25 million in other projects with a total cost of \$80 million.

Member Bedore wanted to know what will be done with the old plant. Mr. McCann replied that they are going to de-commission the old plant and turn it into a student service center. Member Bass asked if EIU got special legislation in order to do the plant. Mr. McCann replied that they did get a pilot legislation to do the plant. Member Bass asked if that took longer. Mr. McCann replied yes it does. No further questions or comments were made.

Next on the agenda was Legislation. Director Carter stated that there was no new legislation since the last Board meeting.

The next scheduled meeting for October of the Procurement Policy Board will be set pending Board confirmation.

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