



Chairman: David Vaught

Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

### **Minutes – May 10, 2012 Meeting**

Present in Springfield: David Vaught  
Ed Bedore  
Larry Ivory  
Bill Black

Present in Chicago: Rick Morales

The Board started the meeting by confirming attendance at 11:20 a.m.

First on the agenda was the approval of the minutes from the April 5, 2012 Board meeting. Member Black made a motion to accept the minutes as presented and was seconded by Member Ivory. The motion was unanimously approved.

A motion was made to have Member Bedore act as Acting Chairman until Chairman Vaught arrived. The motion was made by Member Black and was seconded by Member Ivory. The motion was unanimously approved.

Next on the agenda was CMS Facilities. In attendance was Deputy Director of Property Management at CMS, Nick Kanellopoulos. Mr. Kanellopoulos stated that the total cost reduction since Governor Quinn took office stands at \$45.8 million annually. They have eliminated 2.11 million square feet of space that the State previously leased. Mr. Kanellopoulos stated that the Governor listed 24 DHS consolidations statewide in his budget address. Mr. Kanellopoulos would like to report that 18 of the 24 consolidations are in motion, where new leases are in negotiation, terminations have been sent and CMS hopes to have all of them acted upon by the end of FY12, and he anticipates that they will have most, if not all, of the projects completed early in FY13. Also, on May 1, 2012, Mr. Kanellopoulos stated that CMS sent four termination notices on four adult transition centers for DOC. Those locations are in Aurora, Peoria, Carbondale and Decatur. Those leases required a 120-day notice to terminate and will be closing within 120-days of May 1, 2012. Last week COGFA voted 10-0 to accept the recommendations to close the DCFS Skokie lease. That lease is moving to Deerfield to a State owned facility. CMS had to send out a new 90-day termination letter to the landlord because no affirmative steps can be taken to close the facility while the COGFA procedures are going on so CMS had to resend the letter that was previously sent. The termination will be effective the beginning of August 2012 so the move will occur sometime before then.

Member Morales asked how many of 24 consolidations are in motion and how many are done. Mr. Kanellopoulos replied 3 are completed as of today, which was moving the Carlyle office into Centralia, moving the Vandalia office into Centralia and moving the Watseka office into Kankakee. Member Morales asked if he anticipated the other would be done this year. Mr. Kanellopoulos replied that all of them will be completed by the end of the first quarter of FY13. No further questions were asked.

Next on the agenda was the update on the State Police Headquarters/AIG Building. Mr. Kanellopoulos replied that CMS is moving forward with a construction project in the State Police building to house additional State employees. They do not have a final decision from the Attorney General on moving into the building, however, CMS has looked at several alternative plans and, in any case, the floor plan that CMS is constructing could be utilized by whatever agency they move in. The construction will take some time, but

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they plan to have it completed by November and will update the Board as they move along. No further questions were asked.

Next was the report on Printer/Electronic Consolidation. In attendance was Will Walker with CMS. Mr. Walker discussed a few of the projects they have going on. CMS continues to work with the Prisoner Review Board on digital imaging and so far they have sent 294 boxes of closed and inactive file to "Gone for Good" to be prepped for microfilming by the Secretary of State. This represents an estimated 8% of the 150,000 closed and inactive files.

Mr. Walker stated that as for DHS, they continue to move forward and have placed over 2 million documents into the Contents Manager Repository since the project went live in December 2011. These are documents that would have been printed if not digitized. The estimated savings is now almost \$90,000 a month and a little over \$1 million annually. Because of the efforts at DHS this program has received a little publicity through an IBM software news release. They talked extensively about what the program has done and how much the State of Illinois is saving and how many other agencies can apply for this and work with this program. At the Bureau of Benefits they have hit a little road block. A key employee left the program so they are trying to get the program back on track.

Mr. Walker stated that they met with IDOT recently and are putting together a schedule that involves a 3-5 year plan and are working on freeing up a lot of the storage space. They are working mostly with the voucher system and are going to try to get that live in July 2012 and make that a completely paperless program. Also, they are going to work with the letting plans they have spread around the State and try to get those digitized and stored.

Mr. Walker stated that with telecom savings there was another \$4,000 saved, which brings the grand total to \$456,000. DHS initiated a program where they looked at all phone numbers that have not been used in three months, which was about 3,000 phone numbers. So, they went through each of those lines and disconnected almost all of them and were able to save an estimated \$168,000.

Mr. Walker stated with the printer reduction they now have 7,500 fewer devices and a savings of just under \$4 million. They still continue to work with all of the agencies and are currently working with ISP, IDOT, EPA, DHS and DCFS.

The I-Cycle program is still moving forward. Just through the scrap metal savings CMS has generated an income of \$675,000, through paper and cardboard \$100,000 and through the industries program \$133,000. CMS has taken a program that used to cost the State to dispose of all of these products and have turned it into almost a million dollar enterprise for the State on an annual basis and it is growing rapidly every day.

Mr. Walker stated that he wanted to take a moment and talk about the LESO (Law Enforcement Support Office) program. This program continues to aid northern law enforcement agencies in anticipation of the NATO Conference in May. Most notably Cook County Homeland security has received more than 2,400 pieces of equipment including fire, street cleaning and road equipment, tactical equipment, sleeping bags, cargo, utility trucks and so much more valued at almost \$700,000. The city of Chicago has recently re-joined the LESO program in hopes of gearing up for the NATO Conference as well. Surrounding counties and cities are also detailing staff to assist and likewise continue to benefit from approvals.

Member Bedore wanted to know how the DCFS program was working. Mr. Walker replied that they have had a lot of discussions about that recently and are looking at consolidating the DCFS and DHS large printing programs to try to get some savings through more efficiencies, less printers, and coordination between the two agencies to make some things happen there.

Next on the agenda was the Illiana Report. In attendance for IDOT were CPO Bill Grunloh and Steve Schilke. Mr. Grunloh stated that he would be happy to answer any questions, but was going to turn it over to the project manager Mr. Schilke. Mr. Schilke began with an overview of the study and where they are currently at with the project and then go into future activities. There is a monthly legislative report that updates the legislature for this study. This started about a year ago. Currently, at this time, they are still in

the Tier One process. This process is a phase one process, which is the preliminary engineering and environmental study. This project is anticipated to be an environmental impact statement. They have broken that up into two tiers. Tier one being the “what is it and where is it” to try and come up with and define single corridor. By the end of tier one that single corridor for a new facility and new alignments is going to be about 2,000 foot width and 400 foot working alignment within it. Mr. Schilke stated that tier one is all GIS and computer database systems - it is no field surveys. The study area is large, about a 950 square mile area and what the tier one and tier two will allow them to do is just look at it on a 30,000 foot level to come up with the best solution for this rather large area. In tier two, once they determine what it is, this is when they will go and do the field surveys, critter studies and do the detailed geometry, plan a profile, and the detailed cross sections. Mr. Schilke stated that at this point they are still at the higher level. The tier one kicked off last May and to date they have held over 100 or so one-on-one meetings and have held three public meetings. They also have a corridor planning group/technical task force that has been formed in the beginning of the study. He has met with them seven times and it is comprised of over 80 members from the mayor and managers of the study area along with Will County, Kankakee County, Lake County and also has C-map, Nerf-C and KATs on that task force along with Will County Forest Preserve and other agencies. At the last public meeting they brought it down from 10 corridors’ to a preliminary recommendation of 1 corridor, which would have been the B3-Corridor. It is at a more central location of the study area, which is south of the proposed South Suburban Airport and south of Cedar Lake connecting I-55 to I-65. They are proposing an access control facility so a typical highway section with two lanes going in each direction. Since then, they have received numerous comments from the last public meeting. There was a stakeholder suggestion on a combination of three previously looked at corridors to the north of Midewin and the South Suburban Airport. Since the last meeting there was a new alternative that was suggested and created named A3S2 in Illinois, so they have two different alignments in Illinois. In Indiana they have received numerous comments about the B3 corridor shifting it further south so they have the B4 alignment that was suggested. Mr. Schilke stated that he wasn’t sure how in-depth the Board wanted him to go, but all of these are available on-line. At this point, they have three alternatives that they are carrying forward into the draft EIS. They are getting ready for a corridor planning committee meeting on June 6<sup>th</sup> and a hearing for the Illiana Corridor study towards the end of July if not early August. They will be taking comments on the three alternatives they will be bringing to the meeting in July. They also have one more CPG plan for the August – September time frame and then will release the final EIS. At that stage once all signatures are received they will get a record of decision, but that is not anticipated until the December 2012 January 2013 time frame. At that point they will move into tier two. Tier two would be the detailed studies on that preferred corridor in the final EIS. What DOT is looking to do is a P3 industry wide form perhaps later this year if not early next year and try to get ready for the public private partnership process during the tier two studies, which should be next year. The RFI process takes about 18-24 months so they would like to start that in the tier two once they have a preferred corridor defined. Mr. Schilke stated that he tried to make it brief, but could go into more details if the Board wanted.

Member Bedore stated that Mr. Schilke kept referring to the South Suburban Airport. He wanted to know if there was an airport that he didn’t know of. Has this airport gone forward? Mr. Schilke replied that he just mentioned it in relation to where the corridor was. Member Bedore wanted to know if that airport has been approved. Mr. Schilke replied that he could not answer those questions on the airport. That is IDOT Aeronautics, but he could get back to Member Bedore on that. Member Bedore stated that he doesn’t believe the FFA or anyone else has approved this. Member Bedore wanted to know how many acres of farm land that will be taken out of production. Mr. Schilke replied that in relation to the farm land the B3 corridor is 47 miles in length or about 400 feet so it would be around 2,400 acres that they would need to acquire. Now what percentage of that is farm land versus residential versus commercial he could get back to the Board on that. The actual impacts are unknown at this stage because they are still trying to find the best fit for the 2,000 foot corridor is then in tier two then they will find where the best 400 feet is. They have a very robust public involvement process very similar to what they have just done on tier one. In tier two they will primarily be reaching out to the farmers, residential and to the commercial. The A3S2 impacts a lot of residential and commercial properties along with a lot of farm land as well. There will be differing numbers between each corridor going through and having an exact number of how much acreage will be taken.

Member Ivory stated that he had a few comments. He is very aware of the disparity impact study that IDOT did a number of months ago. The study clearly stated that the under utilization of people of color. Member

Ivory said he would like to those numbers of minority participation in engineering as it stands right now and broken down by ethnicity. Mr. Grunloh replied that he remembers the meeting in Chicago when he asked for that and Chief Counsel Ellen Schanzel-Haskins was present and she stated at that time she would get that information to Member Ivory. Mr. Grunloh stated that it has been over a year and assumed that he received that information. Mr. Grunloh stated that he will contact Ms. Schanzel-Haskins after the meeting and make sure that Member Ivory does get that break down. Member Ivory replied that he did receive that information on the Illiana, but was more interested in the Elgin O'Hare bypass, which is under the Tollway. Member Ivory asked if IDOT still has involvement in that. Mr. Grunloh replied affirmatively. Member Ivory asked if there was a report on the Elgin O'Hare bypass. Mr. Grunloh replied that he has not seen anything on that yet. Member Ivory asked if at the next meeting he could have a report from the Elgin O'Hare bypass and Member Ivory will go back and see if he has those numbers. It is important to him based on the high number of unemployment of people of color in this State and the lack of participation and contracting opportunity and it concerns him. Mr. Grunloh replied that the Board will not have to wait until the next meeting he will get it sent out to the Board as soon as he can. Member Morales stated that he agrees and has the same concerns. Mr. Grunloh replied that he understands the concern and will relay that to the Department.

Chairman Vaught stated that he is also concerned about Member Bedore's comment on the South Suburban Airport. There is similar geography here where there is this tier two study for South Suburban Airport underway and the tier two environmental impact studies. As he understands it the study that is being done on the Illiana involves the same geographic area. Chairman Vaught wanted to know how those two studies interact and how one affects the other. Mr. Schilke replied that their traffic modeling had only the inaugural airport, which is consistent with C-maps 20-40 plan with one runway and four terminals. It added just a nominal amount of traffic to it. There wasn't any compelling case as far as whether or not the roadway itself is a purpose or need. The roadway is needed regardless of the airport or not. They have independent utilities from each other, however, in the monthly update he should have been clearer on that and it wasn't to the south of the South Suburban Airport, but was south of the IDOT Aeronautics. They do have their main access point from I-57 so wherever they connect into I-57 for example, especially the northern alignment, the A3S2 does impact where their main access into that airport is. They do have to work together as far as making sure that the alignments match up, but that is as far as the relationship is. The A3S2 does skirt on their north 400 feet of their property so they are working closely on that with them on the northern portion, but they are really independent of each other.

Chairman Vaught stated that he is looking at the Illiana Legislative report and it says that the tier one study on the Illiana includes an evaluation of transportation system needs as well as the development evaluation of multi-modal systems alternatives. What do you mean by that? Mr. Schilke replied that the Board could go on the [illianacorridor.org](http://illianacorridor.org) website where there is a transportation system performance report and it looked at all of the needs within this 950 square mile area including rail, transit, bike needs along with highway needs. A modal for example could mean an arterial widening, which would be taking a rural cross section into a four lane non-access control facility versus an access control facility like a freeway or a tollway. It looked at all of those needs. Based on those findings, IDOT did meet with class one railroads, the Illinois Rail Association and met with PACE, Metro, Kankakee Metro Valley and the conclusion was that there was not enough population to support hard rail transit, but they do see that it would be very complementary for a bus service along the Illiana to destinations along with the inter modals that are going up. As far as rail, DOT found the same thing, that the rail companies along with the Illinois Rail Association did not support a rail connection between the seven major couriers. Getting to the point they are at now they have recommended alternatives are all in access controlled facilities after looking at arterial widening, transit, and rail components. Chairman Vaught stated that on the freight rail did you do any independent analysis that might come from freight rail users that might have a different view point than the freight rail companies themselves. Mr. Schilke replied that they utilized the transportation system performance report and utilized the create program. The create program did a study for rail capacity needs and utilized that existing study. DOT also reached out to UPCN and some of the other rail companies and also received a letter from the Illinois Rail Association who does short rail to see if that would be viable. Did they specifically do a study for that? No, they utilized existing information that they had. Chairman Vaught asked if their studies include a broader definition of transportation or transportation related facilities such as pipelines, electric power grid, or fiber connections that might be associated with the roadway for transmission of computer

data. Mr. Schilke replied that no, it did not. Mr. Grunloh offered to send the link to the Illiana Corridor website for their viewing. No further questions were asked.

Next on the agenda was the discussion of Single Prime. In attendance were CPO Fred Hahn and CDB Construction Administrator Ron Wright. Mr. Hahn gave a brief outline. He believes that the single prime method should take in the design-bid-build scenario of delivering a capital project should make an architectural engineer contract a little less expensive, both on the design side and on the construction administration side. The point he is generally making on these three projects is that all of them are significantly in design and it appears that two of them are completed with a design and the other is on the way towards completion. Because of the multiple prime scenario there is a complexity factor and the Capital Development Board (CDB) recognizes that and has spoken about that before. His point is that they have already paid for a multiple prime design here and the cost they have paid is not insignificant. Mr. Hahn stated that regarding the construction administration portion of the equation he would expect there to be some savings on construction administration. They are not there on any of these projects yet because they have not been put out to bid, however, in a couple of previous projects that were approved for single prime where the design has been on-going there was no subsequent modification to the engineers contract to increase the costs for the architects engineer role in construction administration. It poses the question of will there be such modifications here to reduce the cost. Mr. Hahn stated that there are many other comments regarding the single prime method. Mr. Hahn stated that for many years CDB has not had a small business program. Virtually all CDB contracts are issued to entities that are pre-qualified with CDB either on the construction side or A E side. In measuring those entities and their annual business volumes well over half of the entities were small businesses as defined by the Procurement Code. In looking at how many contracts those entities got they got over half of the contracts. Recently those numbers have taken a dip and at least anecdotally CDB's explanation has been it is because of the single prime method. Mr. Hahn stated that they are perhaps getting less small businesses than they otherwise might be getting. He said that it remains a study point because single prime is in somewhat of its infancy while it has been on-going for seven or eight years and they have completed relatively very few projects and don't have any anecdotal experience to actually measure some of the impacts of single prime versus multiple prime, but he thinks some of the comments he has pointed out are of a concern.

Member Ivory wanted to make sure what Mr. Hahn was saying. On the single prime contract you are analyzing a single prime contract and you seem to think there is a correlation between small business participation and the lack thereof in terms of single prime contracting and also the cost based on your analysis that the single prime contract really may be more costly to the State than less costly to the State. Are you just estimating that or are you thinking that. Mr. Hahn replied that with respect to the small business issue the numbers of small business participants as direct primes have dropped. The only explanation that he has received from CDB is that they have used more single primes in the last couple of years. They are attributing it to the single primes. Whether that is accurate or not, again he believes it is a point that does need some study. With respect to the cost he does not know yet if single prime costs more. The main point that he is making is how CDB structures the role of architect/engineers in the delivery of a project. Member Ivory asked for Mr. Hahn's opinion on what is the positive about single prime contracting from his perspective. Mr. Hahn replied that at this point he thinks that it is still an issue for a position in development in evolution and thinks to some extent that maybe there would be less change orders and it may be better able to have better control on the project. From a common sense standpoint it does make sense that instead of the State holding seven or eight contracts, which are loosely assigned to a general contractor for coordination purposes, there is only one contract. Member Ivory asked if there was any consistency with how single prime contracts thus far that there have been certain companies that are winning. Member Ivory stated that he was just curious. Mr. Hahn replied that this is something that is under studied. A few months ago a single prime project was bid for the Illinois State Police Forensics Lab at Belleville. He believes there were seven or eight entities that submitted bids for that single prime \$25 million project. This might address your question. The one thing that was striking about those bids is that there didn't seem to be a significant mix of sub-contractors with respect to those seven or eight primes. If he remembers correctly, all seven of them were using the same electrical contractor. In single prime they have to submit the names of their subcontractors for the EMP (electrical, mechanical and plumbing) work and in all of those bids they were all using the same sort of pool of bidders. There does seem to be some limit as to who it supplies.

Mr. Ron Wright asked to make a comment. Mr. Wright stated that of the nine single primes that this Board has allowed CDB to do that are active right now, two have already been completed. Mr. Wright stated that in the five years this Board has allowed CDB to use this program they code their change orders in a certain way. He is not saying a single coordination change order because of delay claims or fights between the primes, which is one of the reasons single prime was born into effect. Another fact in a study, keeping in mind that CDB has 335 active projects under contract, they have nine single primes and they truly are as Mr. Hahn said a study. But as we have seen them scattered in central and southern Illinois the change order rate saved two of those projects in this system and any delivery system is it does not control user requests and undiscovered conditions have been under 3%. Their average at CDB for the past three years was 7.2% under multiple prime. This was their best year ever at just over 5%. What they projected to the legislature and to this Board through the years that they bring that change order down whenever possible and that is a fact so far for your review. On the minority and female and small business enterprise aspects the law requires that if you are primed with CDB to bid their smallest \$100,000 to their largest current job at \$71 million at the U of I in Urbana/Champaign. You work off the CDB pre-qualified list - the generals can't go and pull someone off the street who is not CDB qualified to be the prime and that was a compromise CDB struck with the mechanical contractors, minority, House and Senate Representatives. The minority goals have actually been more aggressive under single prime because it gives us a wider latitude versus the primes; heating, electrical, vent, plumbing and sprinkler in general have to meet their individual goals within their individual loosely assigned prime contracts that makes it a nightmare sometimes for the State to manage. The west wing of the Capitol is at 16%, which is very high for central Illinois. The EEC jobs are at 13% (9% minority and 4% female). Mr. Wright stated that their goals in Central and Southern Illinois under this method have been larger. He cannot address without careful review of over 330 projects of why there are more small contracts, but the single prime together impact about 40 contracts total. With 335 projects the CDB has a multiple prime system at certain dollar values they must be broken out. That would average roughly about 700 contracts. This impact 45 subs who are CDB pre-qualified. Mr. Wright stated that Mr. Hahn is correct there are some economy scales having to touch in seven different pay packages, seven different sets of lein waivers and all that work, but the majority of field construction administration is the benefit in the construction side. When CDB goes to a weekly trailer and they have plumbing, electrical, vent and heating if you equate it to building your own home. Imagine trying to keep a project on schedule with six different bosses under the protected sub method these ladies and gentleman are identified on bid day and by name and price and that they are pre-qualified and that they not be terminated without CDB's written permission. There are safe guards in the bill for consideration and to just give a perspective. Mr. Wright stated that CDB would certainly like to take a look of what was given to them today and try to answer the questions that Mr. Hahn has raised.

Member Morales wanted to know out of the firms getting single prime projects do you award many out of State firms. Mr. Wright replied not predominantly, but they can pull a contractors schedule values for the last nine projects and illustrate that. Predominantly they are Illinois, but just to understand the building trade, electrical and electronic components are made out of State. The majority of the sub-contractors and laborers are almost always with Illinois with a few fringes of the Quad-Cities, Paducah and Metro East, but the vast majority of them are Illinois labor. Member Morales thanked Mr. Wright for the response. Member Morales brought this question up because one of the three single primes on the agenda was awarded to a firm in Missouri and that is why he asked the question on how often we go out of State. Mr. Wright asked if Member Bedore was referring to the design professional on the Southern Illinois job. Member Morales replied affirmatively. Mr. Wright replied that what they are bringing today is for a construction method, but if you are a pre-qualified design firm with the CDB they are allowed in the QBS Act to apply for work. Mr. Wright stated that he could get a current list of all of their projects to show the number of Illinois offices and firms as compared to out of State. Member Morales replied that it would be nice to know.

Member Bedore wanted to know if the Board could get some type of report next month to say whether or not this is working and show the savings. Member Bedore stated that he is really confused because he was told that single prime was the greatest thing, but now he is hearing that it could be better. Member Bedore wants to know if this is working or not. Also, this break down when you talk about the County Center, McClain or the Brigade you have 100% submittal was rejected. What does that mean? Mr. Wright replied that this is on Mr. Hahn's report that he just received, but it is a 100% CD submittal. When you get a 100% submittal in it is the last time they see it before it goes to bid. Their own reviewers, technical group,

architects, engineers, plumbing, roof experts as well as Colonel Scott's reviewers take a careful look at it. If it is not 100% right it doesn't go on the street they kick it back. In the State of Illinois single or multiple prime makes no difference. In fact, the majority does not make it because they want the quality right before it is put onto the street. It is a non-factor and the designer absorbs that cost to them in construction. Member Bedore stated about a year ago Mr. Hahn gave the Board a list of all designs they had out there, but due to lack of funds nothing was done. Are any of these three from that list? Mr. Hahn replied he believes that none of them are from that list. Member Bedore stated that it was interesting that you have all of these backlogged and have already been designed and you are letting them sit in the files. Now you have money and CDB has decided to go with new ones. Mr. Hahn replied that he has no role in that decision. Member Bedore stated that his argument back then that we spent millions on design to put on the shelf. You spent millions and now you are spending millions more for new projects. Mr. Hahn replied that he has no role in that determination. Mr. Hahn wanted to address the general effectiveness of single prime he said he has his doubts. It has not been well studied. There was supposed to be a single prime report submitted to the General Assembly each year and has not. He has his doubts because a lot of the things that he sees does not bear the fruit that single prime was said would be born. There is a single prime project nearing its completion at SIU Transportation Enhancement Center in Carbondale and he thinks that it has had over 120 some change orders on that project, many of which go to the adequacy of the design. An example of one is the prime contractor who put the hand dryers in the washrooms didn't know that they had to have electricity and had to add a change order to add electricity. If that is what single prime is getting us then it is not working. Mr. Wright wanted to offer that he certainly respects any light of day shown greatly on the comparisons between the single prime and multiple prime. The same job at the tech center is dead on schedule has no claims and a significant amount of the change orders he believes are about 2.7% and is well under the average. Many of the user's requests, single prime, multiple prime, the delivery method does not control that for the users. Also, to offer error omissions from a design community it is recognized in their design contracts that no design architect engineer is perfect. There are allowances as accessed as an error or omission that is a very good job that Southern Illinois is quite pleased with and so is CDB. The real traction that they are concerned with is how they get the job done on time as their mission statement requires. Are they done in a quality manner? When CDB came to the legislature and through this Board for permission they like when CDB's overall change order is reduced down. They are happy, but when they can keep a job under 3% if you go to any HUC, General Contractor Association or AIA and say what is a good private job and it is under 3% when they don't hand pick their contractor over and over and over again. Remember this is a public low bidder methodology. That is a healthy job and he could not be more pleased. The reason one of the jobs is on the agenda today for SIU-Edwardsville is because it is a nightmare in the multiple prime that is there. Mr. Wright stated that he could show you five examples for every single and he does not debate that it is a study and it must be checked and it may be tweaked in the protocol. Auditor General Holland did an inspection report around this over eight years ago and identified 40 states that use this as a predominate method. There are only 5 left in the Union that do not. So, in the construction at CDB it is a vital tool. They meet their goals, get done on time and reduce claims. That is what they try to accomplish.

Member Bedore wanted to know if CDB is still going out for architectural design on buildings that they don't have any funding for. Mr. Wright replied that CDB released funds and given instructions on some projects to go through design because he believes they are always trying to balance the bonds that allows them to do design and construction. Sometimes at CDB they are told let's go design this project to X amount military funds come in as a separate allocation and sometimes they like to see what the cost and the scope will be. He stated that it is above his grade by about three clicks and is not trying to dodge his question, but some projects they get funded to take through design and then see if the legislature and the front office say you may go into construction. It still occurs in multiple prime, single prime, design-build any of the above.

Member Ivory stated that he was not aware of the amount of money that we spent on design and then had them sit on the shelf. From both of your perspectives is there anything that we can do to increase the efficiency in that area. Do you have any recommendations? Mr. Wright replied that they have taken their list of projects that they call "on hold" through several different administrations and it started at 143 about seven or eight years ago and that list is down to 81 now. What they do is go back and check with the Office of Management and Budget on which possibility is on the horizon. CDB talks to Military Affairs or if they have projects that are 75-95% design, if it is not dead or lost for several years they might have to re-check

code analysis and there can be some scope revisions if someone comes forward, but the 80 that remain on the “on hold” list now reflect real opportunities to go forward. No job goes on the street without construction monies as a matter of course and through Mr. Broughton and the rest of the team they take a good hard look before they start the QBS procedures for selecting designers so they are not wasting their time and money. Mr. Wright stated that he would be happy to take the Board’s concerns back to Director Underwood and ask for more guidance to answer your questions. Member Ivory stated that this is a question that they shouldn’t have to ask it should be happening when they are dealing with enormous amounts of money that is not being utilized.

Member Bedore wanted to know if Mr. Jim Reimer Jr. is involved in any of these projects. Mr. Hahn replied that he believes the answer is no, but will confirm.

Mr. Wright stated that the first single prime project is the Department of Military Affairs McLean County Readiness Center. There is \$16.2 million, which is what the law requires, and when CDB identifies a construction budget to this Board as they have done in the past they include the base bid, all known alternates and the full contingencies so they will never come back to the Board and say that it was \$17.5 or \$18 million. It is not how they work. CDB hopes to not spend that amount, but they identify all dollars in construction. It is a 40,336 square foot two-story building with masonry type construction with seam roof, concrete floors and mechanical and electrical equipment with emergency power generator backup. Support facilities include administrative, classrooms, latrine, locker rooms, kitchen, arms vault, turn-in sheds, military vehicle parking and access road, storage building, and full extension of gas, electrical, sewer, water and utilities. Physical security measures along with anti-terrorism measures are also included. CDB will also go for a LEED Certified Silver on this project as required by law and also by the desire to be a green design position for the CDB. Project Manager Bill Mabie is on hand to answer any technical questions that Mr. Wright cannot answer. The designer is Burns & McDonnell out of O’Fallon, Illinois. Mr. Wright respectfully asks the Board for approval of this single prime project and will answer any questions they might have.

Member Bedore asked how it was being funded. Mr. Mabie replied \$10 million Federal and \$8 million State money. Member Black stated that if the design build concept was to work the way it was sold to the General Assembly then when you go out for bid, which it would be known to the A & E people that it is a design build concept. Are you doing that or are you waiting until you get the A & E figures and the A & E schematics and then say you will make this a single prime. Mr. Wright replied no. Since these projects have to go through the CDB Board as well as this Board they do design bid build. The CDB does have the authority to do design build and when they do that they are using a bridging partner that helps them pull their scope out and they do about a 15% schematic design. Then they put an RFP on the street that is defined by law in a two phase process, so the pre-qualified CDB contractors as well as design professionals so they are all a part of the family that are trying and have been checked out through proper channels. Then CDB will submit an RFP proposal that is 75% by value through 7 criteria and 25% through schedule and cost. CDB does not use a hybrid design build and then turn it into a single prime. If CDB was to know their projects were single prime in advance it is more opportunity for the savings and an earlier time, but they don’t know what this Board will say so they have to plan that they may not be. Member Black wanted to know what protections there are in this if the single prime hires all of the subs and what protections are in there for the various MBE and DBE requirements, etc. Mr. Wright replied that the relationship is not a just a general contractor club only. The single prime might be the heating and in some work when the work that dominates it is. Electrical is who is usually the number two largest prime in a multiple prime job and CDB doesn’t care which one is the lead. Any of the other partners must be pre-qualified. All must be identified on bid day to be analyzed by Chief Procurement in contracts by names, by dollar and then they send letters out to check before they even take another step in a part of the approval process. They may not be terminated just because they bid shopped Member Ivory and got a better price with Member Black and then two weeks later I submitted the bid and you are gone. It is not done that way. Member Black wanted to know what safeguards are in place if the prime would go bankrupt. Mr. Wright replied that CDB just did an outreach in Moline last Friday and the thing that they ask and preach to the primes and the subs is there is a partial waiver of lien every 20 days in a projected pay flow. If you are a sub out there don’t sign that partial waiver of lien because CDB, whether you are a MBFB firm or one of the protected subs under the single prime protocols. SB351 has the exact same mythology for a minority and female partners. CDB is going to



look every month and if they signed a partial waiver of lien and they have been paid \$72,000 and they haven't you have to step up and help them half way. CDB takes it very seriously and will stop the next pay draw so they can't be more than a month behind. With no further questions a motion to approve this single prime was made by Member Black and was seconded by Member Bedore. With a 5-0 vote the project was approved.

Next was the single prime for Western Illinois University – Classroom Building. Mr. Wright stated that this is a new campus and the first phase of work was completed in January 2012. This is the second round of campus and he has Project Manager Tim Dietz on hand to answer any technical questions if needed. Mr. Wright stated that this is a three interconnected building project, brand new 94,830 square foot laboratories, administration, offices and facility spaces. Site development will be masonry cavity walls with brick veneer, geothermal will be a part of their mechanical systems for energy efficiency and with a minimum LEED Silver Certification. The design partner on this is Holabird & Root out of Chicago. Their construction cost is \$37.267 million fully funded with State dollars. With no questions a motion to approve was made by Member Bedore and was seconded by Member Black. With a 5-0 vote the project was approved.

Next was the single prime for SIUE – Renovation of Existing Science Building. Mr. Wright stated this is the renovation of an existing science building. On hand to answer any technical questions is Project Manager Terry Phelan. Mr. Wright stated that there is a current project being built about 50 yards away coming out of the ground multiple prime, which is the new science building. At the request of the Vice President of Administration they very much wanted a single prime or permission to at least try. This is to renovate a 183,000 square foot four story science building with lecture halls, classrooms and physics labs. It is not a ground to roof gutting, but it is a significant renovation to bring this back into play for Southern Illinois University. It will be constructed to reach LEED certification. It is hard to meet LEED Silver in renovation. Hastings & Chivetta Architects out of St. Louis, Missouri is the designer for this project. Director Carter asked if Chivetta has an office in Edwardsville. Mr. Phelan replied that is correct for the current project on the new building construction they leased space on campus so they have a close presence on construction. The estimated total project cost is \$28.6 million, all State funded, and the estimated total construction cost is at \$25.2 million. Mr. Wright stated that they are still waiting for the release of construction funds, but that is somewhat typical when they come to the Board. Sometimes they have the money and sometimes they don't. Southern is very open to this methodology and would be open to any Board questions.

Member Bedore wanted to know the age of the building. Mr. Phelan replied that it was one of the original buildings on campus from the mid 1960's. Member Bedore asked when they are doing renovation or even new construction are you doing the motion censored light switches. Mr. Wright replied they will do all energy efficiency like windows for the e-glass and roofs. It will be LEED certified, but they will not go into a gut that hasn't had anything for 60 years without doing the electrical top to bottom as far as their money can go. But it is not everything in the building so he is clear. Those are key processes HVAC and electrical that can save us money in energy efficiency. The goals on this one have yet to be determined 100% because they are still a ways from bid. Member Black stated that a person on the street would ask any of the Board Members why they are building a new science building and also renovating the old science building. So, obviously renovating the old science building is not to build a second or back-up science building he assumes it will become a general purpose building. Director Carter replied that he has been a part of a lot of these meetings and they built the new one next door combined with a walk way. Actually, Edwardsville had enough expansion where they need classroom space for science in both buildings. So, it is all going to be used for science. Member Black asked if there would be any general classroom space in the renovation. Mr. Wright replied that if he is not mistaken that it is problematically because they have that demand for the master science program and they need the space. Member Black wanted to know if the designer has a permanent office in Illinois or do they just have a temporary construction office in Illinois. Don Broughton, the Contracts Administrator for CDB, replied he believes that it is just a temporary office on site for that project. Member Black stated that he assumed that CDB tried to hire A & E people who have an office in Illinois. Mr. Broughton replied that when they look at the selection process whether a firm is located in Illinois is a huge consideration. They try their best to always select in Illinois unless a firm is far superior and sometimes that might happen in projects that have very complicated or specialized types of services. The Universities and the Community Colleges do the QBS process and the selection of the firms. Then,

because State money would be involved, CDB then takes it over and manages it throughout. He cannot speak for SIU Edwardsville on how they ended up with Hastings and Chivetta, but it is something that CDB and their QBS process take very seriously. When you get into the metro area he is not saying that it doesn't happen that a Missouri firm would get selected, but when CDB is handling or facilitating a QBS they have to be far superior to an Illinois firm because there are a lot of Illinois firms in that area. Chairman Vaught wanted to know what the difference between a temporary office and a permanent office and how do you take that into account. Mr. Broughton replied that in the QBS process, if CDB was facilitating it, what they consider to be an Illinois presence is if they have an established branch office that is registered with the Department of Professional Regulations to operate as an office. For those branch offices that are established each one is assigned their own pre-qualification ID numbers so they stand on their own.

Member Ivory asked in terms of the QBS selection process is there actually a matrix that they use and is it a part of the QBS selection process where you get a certain number of points if you have an office located or is it a mental thing that you are aware of. Is it something official or is it something subjective. Mr. Broughton replied that it more subjective. In the QBS Act it lists factors that they can use for evaluation and one of those is geographical.

Member Morales stated that it was mentioned that in this particular case for SIU the designer was selected by SIU. Mr. Broughton replied affirmatively. Member Morales stated that in a lot of these cases would you say that the higher education institutions are selecting their designers. Mr. Broughton replied affirmatively. In the projects that CDB manages the selections are done through a QBS process through one of the QBS Acts by that college or university. So, the university in this case follows the same QBS Act that CDB follows and there is a local QBS Act that the community colleges follow that are similar to K-12 school districts and municipalities.

Member Ivory stated that the QBS process is really being done by the universities so the CDB is not really a part of that selection process. It is all done internally at the universities and that committee that has been selected. Is that correct? Mr. Broughton replied that in the case where it involves a university or community college and more often than not they extend an invitation to CDB to have a staff member from CDB a part of that committee. Member Ivory stated that it is the State's money for the most part that is funding the project and yet you have no participation in terms of the QBS process at all. Member Morales asked unless they extend an initiation. Is that correct? Mr. Broughton replied affirmatively. Mr. Broughton replied that in their Rules they are allowed to delegate the selection process to them and that is what has been done for several years. Then they extend an invitation to CDB to have a staff member on the committee and the selection also gets taken to the CDB Board for Board concurrence. If the CDB Board has an issue with the selection they have an opportunity to vote that down if they so chose. Chairman Vaught asked if that is where Fred Hahn is the CPO. Mr. Hahn replied affirmatively.

Member Bedore stated that he is really confused on this. He always thought the CDB did all of the selecting and everything else. You mean that a bunch of professors down there in Edwardsville are now picking this. Member Bedore stated that we need to do away with CDB. What is your role? Mr. Broughton replied that CDB still does a large number of selections for their co-agencies. These are only involved in higher education. Member Bedore commented that they should turn everything over to the professors. Mr. Broughton replied that when there is no State money involved they go through QBS process and they manage projects similar to what CDB does and when there is State money involved then CDB is managing it. Member Bedore stated that he sees real problems here. We are having a problem at the U of I and he wants to know how CDB turns this over to the local school is beyond him. Chairman Vaught is trying to understand their definition of State money. Mr. Broughton replied it is the bond money that comes through the CDB. An example is like a recreation center that they fund through student fees over a long period of time. CDB is not involved in that. CDB is involved when the money comes through the CDB to pay out. Chairman Vaught replied that in some of the projects you are not involved at all. Mr. Broughton replied affirmatively. Mr. Hahn wanted to make one point about the discussion that in Article 12 of the CDB Act begins with language along the lines of notwithstanding anything else in this Act and then goes on to discuss higher education capital projects including discussions of both the higher ed institution and the CDB must approve the selection of the A & E's. Mr. Hahn stated that whatever that language does stand for it

resulted in some rules that provide for the process. This particular issue happens to be under some discussion between the CPO's office and the CDB.

Member Ivory stated that perhaps there should be a discussion at a later time about this. He has some concerns based on the last meeting where the Board voted to do something and the CPO decided to forget that and did it anyway, but that is water under the bridge now. Member Ivory stated that he respects Mr. Hahn's opinion on the single prime. He would like to continue to get information so the Board could have a better understanding so the procurement could be better and do whatever they can so the Board can do what is best for the State of Illinois. Mr. Hahn agrees.

Director Carter asked when CDB lets the university selected the A/E, does CDB have a concern when it comes to the lack of competition when the selection is sent to the CDB. Mr. Broughton replied that have had some concern on the community college level. On the university level they have to follow the same QBS Act that CDB does. They have to put that out for advertisement and get those submittals. Director Carter asked if he does see a lack of competition. Mr. Broughton replied that he guesses that it could be debatable. CDB likes to think that they are giving an opportunity across the board for a lot of different firms. Director Carter stated that he is asking about the ones that they had the university pick. If I was to ask you about the single prime project for the science renovation the A/E is Hastings Chivetta correct? Mr. Broughton replied affirmatively. Director Carter asked who is doing their new science building. Mr. Broughton replied Hastings Chivetta. Director Carter asked who did their fitness center. Mr. Broughton replied Hastings Chivetta. Director Carter stated that this is why he was curious. With no further questions a motion was made to approve the single prime project by Member Black and was seconded by Chairman Vaught. Member Bedore commented that he seriously questions on whether the Board should approve this project without further discussion and further knowledge of what is going on. Since this firm has three or four projects at SIU Edwardsville he has some serious questions. Member Bedore stated that he cannot support this at this particular time and thinks that there are a lot of questions here. Director Carter stated that the question is just on the method because Hastings Chivetta is going to get the project whether it is a single or multi prime is that correct? Mr. Wright replied affirmatively. They have been awarded and have been contracted and are in heavy design and will be awarded regardless if it is multiple or single unless someone rejects the contract. Director Carter stated that they are just looking at the method. Director Carter stated that the selection is going to be Hastings Chivetta regardless of the way the Board goes. The Board is asking whether to do single prime to do this project. Member Bedore commented that the University made the decision, oh great. Mr. Wright stated that the University made the decision on the design firm and CDB affirmed that several years ago and this is the construction delivery method. Member Ivory asked if it concerned Mr. Hahn or Mr. Wright about this. It appears that you are not bothered by this right now and I don't detect concern from you at this time. Mr. Wright replied that even as recent as the last CDB Board meeting two days ago, their Board is very active in working with the Community College Board because some selections are over years and are repetitive over and over again. Mr. Wright stated that Chairman O'Brien is very sensitive to the QBS Act, which is the law in how they select from the nine universities. Mr. Wright believes that if they can put fact to paper to present to the Board and show the nine universities selections it may put your mind at ease or it may not. The community colleges are a greater concern and CDB is in a active role trying to get them to use more of a QBS Act versus a local unit of government rule and pick the same firm over and over again. Member Black stated that he also has some concerns over this. Mr. Hahn stated that he does have concerns about the selection of A & E firms and in this case whether it is multi prime or single prime. It will be put out to bid to a pool of contractors who will submit competitive bids and the lower responsible bidder will win. Mr. Wright stated that these did come in a packet to the Board. They didn't get this and then gave them another contract and another contract. The site work, science building, and the renovation was all one legislative act in scope of work that they won in selection. CDB has phased it because of the availability of bond and construction money and how this interrupts the universities flow of work. This is not a second selection after the new building. Chairman Vaught stated that there is a motion on the floor about the single prime issue, but there was also a request about putting some of these related matters on the agenda for the next meeting. Chairman Vaught wanted to know what the Board wanted to do on the motion. The question is whether there is sufficient information to act on the motion or can they table this until next meeting. Member Bedore asked what if this was delayed a month. What impact does it have? Member Morales questioned that given that the anticipated bid date is January 2013 do they have a month. He would believe so being that far out. Mr. Wright replied that they are trying

to improve upon that if they can aggressively. A month is not a deal breaker, but if we go much later than June then we start to have a problem. Member Bedore made a substitute motion to delay this until the June Board meeting and was seconded by member Morales. With a 5-0 vote the motion has passed.

Next on the agenda was the Procurement Compliance Monitors. In attendance was Chad Fornoff, Executive Director of the Executive Ethic Commission, Steve Rotello Chief Procurement Compliance Monitor and Matt Brown, CPO for General Services. Director Carter stated that they were asked to come before the Board to answer any questions on the reporting structure of the Chief Procurement Officer and the Procurement Compliance Monitors. Mr. Fornoff stated that about two years ago the Commission was given some responsibility in respect to procurement pursuant of SB51. It is a very different way than how it was done a few years ago. It is a complicated statute and they have done their best to interpret it and in a way it works. He understands there have been some concerns in the way the Procurement Compliance Monitors (PCM) report and would be happy to answer any questions the Board might have.

Member Ivory asked if the CPO agreed with the EEC interpretation that the PCM's should be separate from the CPO or should not report to them at all. He thought the statute said shall. In which, shall means must report to the CPO and was wondering what his interpretation is. Mr. Fornoff replied that the PCM's do report the findings they have to the CPO's. He believes that some people suggested that there should be more than report and more like a supervisory structure that is not written into the statute. Mr. Fornoff stated that you have to read the structure as a whole and cannot take little bits out and interpret them separately and that the procurement process is devised by and implemented by the CPO's. If you are going to have a supervisory relationship like some have suggested it would mean that the PCM's would be overseeing the work of their own supervisors and that simply doesn't work. Mr. Fornoff believes that the better interpretation is that the PCM's at identify matters they raise them in a meaningful way and in a way that can be grasped by the CPO's in a timely fashion. Then the CPO's can decide whether this is a legitimate concern and slow down or stop the procurement or whether it is not a legitimate concern and dismiss it and continue with the procurement.

Chairman Vaught wanted to know where he sees the overall supervision in the statute because he doesn't see it. Mr. Fornoff replied that the PCM's are to oversee and review the procurement processes. Chairman Vaught thought he said supervise. Mr. Fornoff replied that it was suggested by someone. It was in response to something they received in the Auditor General's report and from other conversations that he has heard take place in this Board there is a differentiation between supervising and reporting to. Chairman Vaught stated that he is in the first sentence in the role of the PCM to oversee and review. It is more clearly specified in paragraph (b) what review means, attend, access records, issue reports to the CPO and maintaining records to ensure transparency. That is pretty specific in terms of what the position is. Mr. Fornoff replied that is the role that the PCM's do carry out when they identify waste, fraud, and inappropriate behavior and reports that to the CPO.

Member Ivory asked if all PCMs are located within the agencies that they monitor as described in the statute. Mr. Fornoff replied some PCMs handle more than one agency. He believes there is one that handles as many as 14 or more agencies because they are so short handed. They try to place them in the agencies where they feel they would do the best work they are assigned to do. Member Ivory replied so the answer is no. Mr. Fornoff stated that Mr. Rotello could probably tell you better where exactly they are located. Mr. Rotello stated that if the PCM is placed in the agency they are assigned to the answer is no. Mr. Rotello stated as Mr. Fornoff mentioned before there are multiple assignments and he didn't think it was a prudent use of State resources to demand that an agency in which a monitor was assigned provide an office space for that monitor. They tried to have the PCM's in big offices or if they are too spread out is to have them in one central location. In general they have been trying to get them out to their agencies, but there are some that don't have them. Member Ivory wanted to know if there were tangible results thus far from Mr. Rotello's perspective whether the PCM is making a positive impact and making things better. That is what he hears listening to a lot of different people and tries to be objective as he possibly can. Member Ivory stated that he knows the statute, but is it adding some real tangible benefits that you can point out in terms of the PCM's. Mr. Rotello replied yes. One was mentioned earlier in the meeting when the topic of an annual report on single prime contracting. One of the monitors realized that there had been no reports filed for two years and her efforts were instrumental in getting a report filed for the 2011 year. In terms of

money, there are a couple of examples. One dealing with a proposed construction management services that was supposed to be \$250,000. The monitor did some work and looked at documentation and existing agreements and found that most of these services that were going to be covered by that contract were in fact were already covered by the existing A & E contract. Mr. Rotello stated that instead of a \$250,000 contract for construction management services they had a \$15,000 amendment to the existing A & E contract. There was another contract with an add-on for \$750,000 for construction observation. The monitor determined that there was no documentation that justified additional construction observation services and that whole change went away. The project is almost finished and there is no replacement of the \$750,000 effort to extend the contract. One of the first things that CPO Brown and Mr. Rotello worked on was the technical services program (TSP). They determined that the existing contract was being used for services that have not been subject to bid over \$10 million dollars a year in such services and no competitive bidding for a lot of those services. CPO Brown and Mr. Rotello went to a meeting together and CPO Brown cut off that particular use of that contract. There are other examples, but those are the kind of things that they are trying to focus on.

Member Bedore wanted to know who made the determination that the PCM's are independent of the CPO's. Mr. Fornoff replied that the determination was made by the Executive Ethics Commission. Member Bedore stated regardless of the statute. Mr. Fornoff replied that no they interpret the statute in a different way. Member Bedore stated that he interprets the statute in an entirely different way. He always believed the word shall and knows that you are going to dispute this, but he doesn't see how this works. Mr. Fornoff replied that the statute says that the PCM's shall report to the CPO's and they do report their findings to the CPO's. Chairman Vaught stated that Mr. Fornoff said that the EEC interprets the statute in a different way than the plain language indicates in the statute. Mr. Fornoff replied that he didn't say that. Chairman Vaught stated that the plain language in the statute says that each procurement officer shall have an office located in the State agency. Now that is very plain and it uses the word shall and you have interpreted that statute not to mean that. You have changed the plain meaning of the statute with the interpretation of the Executive Ethics Commission. That is the premise of the question. How do you go about that? Did the EEC adopt a rule, adopt a written policy or have a written legal opinion that enables it to make this change in the statute unilaterally. What was your mechanism for doing that? Mr. Fornoff replied that it was a determination at an EEC meeting. Chairman Vaught asked if it was in the minutes. Mr. Fornoff replied that he believed so. Chairman Vaught asked for a copy of those minutes. Mr. Fornoff replied that they don't fall under the Open Meetings Act. Chairman Vaught stated that the EEC is not being transparent. Mr. Fornoff replied that they are following the statute. Chairman Vaught stated that the EEC is changing the statute unilaterally and you are not willing to be transparent about it. Chairman Vaught commented that if you went through the rule making process at JCAR that would be a transparent process. Mr. Fornoff replied that is correct. Chairman Vaught stated that if you change a written policy wouldn't that written policy be subject to FOIA and be a transparent process. Mr. Fornoff replied that he is not familiar with that. Chairman Vaught stated that if you have a legal opinion upon which you make a determination and in some cases that opinion might be privileged. Mr. Fornoff replied correct. Chairman Vaught stated that in other cases it might be shared with other people so they would understand your rationale. Mr. Fornoff replied correct. Chairman Vaught stated that they have done none of those things in a transparent way. Mr. Fornoff replied that he disagrees. Chairman Vaught asked what they have done in a transparent way. Mr. Fornoff replied for example, letters go out to the agencies where the PCM's are placed and those letters explain the conditions and interpretation in those letters. The first one went out in September or October 2010. Mr. Fornoff stated that he is not trying to hide anything from anyone. Chairman Vaught stated that no, he is changing the statute without a transparent process and you are not hiding it. Chairman Vaught asked if the Board had a copy of the letter that went out. Director Carter replied that this morning Mr. Rotello provided a copy of the letter for the Board's review.

Member Bedore asked Mr. Fornoff if they had rules and regulations that are published. Mr. Fornoff replied affirmatively. Member Bedore asked if they are available to the public. Mr. Fornoff replied affirmatively. Member Bedore asked if they have gone through JCAR or anyone else. Mr. Fornoff replied that it is Title II of the IL Adm. Code 1620 those are their rules that went through the JCAR process. Director Carter asked if they addressed the PCM structure. Mr. Fornoff replied no, it does not. Member Bedore replied oh it doesn't. Mr. Fornoff replied that he was asked if they had rules and he assured the Board that they do. Member Bedore replied that that was a very arrogant statement. Mr. Fornoff replied that he would be happy

to answer any questions the Board has for him. Member Bedore asked if he has to be very specific, is that what you are saying and if he tweaked it just a little wrong then you don't feel like you have answer. Member Bedore asked Mr. Rotello who he takes direction from. Mr. Rotello replied that he was appointed by the EEC and he reports to the Executive Director. Member Bedore asked if he has a set of procedures for your PCM's. Mr. Rotello replied they do. Member Bedore asked if they were published. Mr. Rotello replied they are published within the CPO/SPO/PCM organizations. They are internal just like any other agencies would be. Member Bedore asked how he reports to the Commission. Mr. Rotello replied that is a good question. They are still trying to work out exactly how they should report, how often, what the form should be and what information should be in the report. Most of the reporting thus far is done to the CPO's or through the SPO's. The primary point of the PCM is to inform the CPO to make sure that procurements are good procurements and most of that reporting is informal. Member Bedore stated that you haven't worked that out yet and have been in existence for more than a year, but yet you have rules and regulations and the rules don't apply to this so you don't have any process right now of how you report. That is what you just said. Mr. Rotello replied that is correct. Mr. Rotello asked what is it that they are going to report? They are still working out a way to collect data and put it in a reportable form. Unlike all of the other actors in this reform package they are the one function that is brand new. Member Bedore stated that the CPO and SPO's were also brand new and stated that the PCM's are not the only ones out there. Mr. Rotello replied that he is not talking about the individuals he is talking about the function itself. Member Bedore replied that the CPO's and the SPO's are a new function. Mr. Rotello replied in 1998. Member Bedore replied no. Mr. Rotello replied yes. Mr. Rotello stated that the CPO office was created back in 1998 as was the SPO. So all he is saying is that when you get back to how we started they tried to get people placed, figure out where they go, get enough data to figure out where they should go and put monitors into the agencies as their first charge was to figure out how their agencies work and then to make their own recommendations for how best to insert themselves into the process. What they did not want to do is on day one write procedures based on a total lack of information. They have been trying to rely on the statute and the rules. When you ask if there is a process, there is one for procurement and from day one what they have been charged with is doing what they can to ensure compliance with that Code and those rules. Mr. Rotello stated that he carries the Procurement Code around with him in a notebook everywhere he goes and when he is asked a question based on the Code he wants to have it there. They look to make sure that the processes already provided for are in statute and in rule are followed. It is that simple as to what monitors are to do. As the Chairman mentioned it is specific what their powers are. They can go to meetings and have access to records. Those are the primary things they start with and all they try to do is make sure that the people involved in this process is, as Mr. Fornoff would say, they oversee the procurement process run by a CPO and that is what they are trying to do. When they see problems with how that process is running they try to let the CPO know that there is a problem and that he might want to guide his SPO on this one or might need to take action on that one. This is all they have been trying to do the entire time. Director Carter asked if they see value in the altered interpretation for the last two years if you would have allowed the CPO to direct the PCM's to areas where he has the greatest amount of trouble or exposure we might have had some more value the last few years. Mr. Rotello replied not so much because anytime the CPO has called their attention to a particular problem they try to get them monitored because they are responsive to the CPO. He is not sure if they would have directed them much differently than the suggestions they have already given them. That is why it is hard to say they would be adding any value.

Member Bedore asked if they could stop a procurement. Mr. Rotello replied that they can, but only to the extent that they have the power to persuade someone else to do so. They cannot stop a procurement on their own power. All they have is the opportunity to try and persuade other people that it is in their best interest to stop a procurement. Member Bedore asked what happens when the CPO, SPO or the Agency doesn't agree with you and they go ahead. Has it been said out in the real world that you then throw road blocks up against them on that procurement. Mr. Rotello replied that he knows that people point fingers at PCM's, SPO's, and CPO's because there is always someone who wants to avoid responsibility for something that is going on. Mr. Rotello would certainly like to think that they have the ability to go to a CPO and say that they think that this transaction violates the law and the CPO would take that seriously and in most cases agree and do something in response. We cannot assume that every procurement complies with the Code. If it did there would be no point for this whole structure. Member Bedore asked what would happen if the CPO or the SPO doesn't agree with you or what do you do. Mr. Rotello replied that if there is disagreement at the monitor and SPO level it depends if the disagreement is between those two or with the agency

because it can happen in any of those ways. If the disagreement is with the agency and the PCM finds the problem, the PCM will endeavor to work with the agency directly, but with at least the knowledge of the SPO, sometimes assistants and sometimes it might be brought to the SPO's attention that there is a problem and the SPO will deal with it. A lot of that is based on the relationship between the SPO and the PCM. To a larger extent they work out their own working relationship and how they want to handle things. Some SPO's and monitors are real comfortable with monitors bringing everything through an SPO. Some SPO's are with the monitor going directly with the agency. The fact is that under the statute the monitor has the authority to go either way. They are supposed to bring things to the CPO after consultation with appropriate State officials. We believe that to be agency officials. Mr. Rotello stated that what they try to do is figure out the most effective way to get the problem resolved. That is what their main charge is, whichever avenue that happens to be, based on the circumstances is where they will go. Mr. Rotello stated that he doesn't actually directly supervise the PCM's anymore. There is a Senior PCM who is their supervisor and he deals with issues primarily. He is called upon to deal with and handle disagreements or a difficult issue to help bring it to closure.

Member Ivory stated that he is still having a hard time figuring out who is responsible for whom because he does not see it. He wanted Mr. Rotello to help the Board understand a little bit better in terms of how this creates better efficiency from your perspective. Mr. Rotello replied that it is like looking at a system of checks and balances and no single individual makes the call. He stated that from a procurement process standpoint there is no doubt that the CPO has the final decision making. When it comes down to the involvement of the monitor it's just, like the statute says, an oversight rule. Director Carter stated that earlier you stated that if the SPO and the PCM disagree you run it up to the respective supervisors. He is curious does Director Fornoff make the decisive decision on that. Mr. Fornoff replied that he has no authority to make decisions when it comes to procurements. Director Carter asked what he thought if those two entities disagree and they ran to their supervisors. How would you resolve that dispute? Mr. Fornoff replied that there is no question that CPO Brown has the ultimate authority. Director Carter commented that in the Code it mentioned that the CPO has complete procurement authority is that correct. CPO Brown replied that the CPO's have been issued the procurement authority utilized by the State for the procurement for all of their goods and services. Director Carter stated that it reads that all authority created by this Code would include SPO's, CPO's, PCM's and everyone else. CPO Brown replied that he believes that is one interpretation. Director Carter stated that with that interpretation wouldn't you have the authority to direct this Code the way you wanted it including the PCM's. CPO Brown replied that he thinks the fundamentals that we are working with and some of the examples that he has heard is how things are interpreted. Interpretation has been challenging for our organization. In the essence of something being new he knows that PCM's are an entirely new function and an entirely new form. CPO's are an old form, but a very new function and he would draw a distinction there. This has been a challenge for any CPO to try and figure out how to bring the State to its highest and best. That is always his goal. We are all working towards better procurement and if we can establish common goals that are going to help all of us.

Member Bedore asked if the PCM should report to the CPO. CPO Brown replied that if they reported to him then he could use them. He could use resources and could make a lot of good things happen in procurement. Member Bedore asked if he feels that these layers that were built in are automatic delays. CPO Brown replied that he can't see that automatic delays were built in. They have nothing procedural directed by the CPO that speaks to delays. What they do have is a responsibility to distribute information throughout the organization conclusive of PCM's from start to finish. We want them by our side and to point them to things that the CPO sees, and again, find a mission were everyone does that in highest and best. Organizationally we don't have that built in. From a functional standpoint we see delays in the procurement process as a result of all of their reviews and that is an area in need of some improvement. Member Ivory asked that if people have suggestions if you are open to re-examine as CPO that this really doesn't make sense and adds no value to the procurement process and slows it down and should do something to tweak it a little to make it better. Because the ultimate objective from your perspective is a shared vision of this Board to help make procurement better and flow better to prevent the barriers that doesn't have value to the process. Is that correct? CPO Brown replied that is a fundamental requirement. This Board exists to recommend policy along with the members of the public recommend policy through the public process. CPO believes there is a charge and it is his responsibility to implement those procurement policies in the best way possible so he cannot turn a deaf ear to that ever. Mr. Rotello stated

what they strive to do as monitors is to get involved in the process as early as possible so things go in the right direction. So when questions are asked there is ample opportunity to resolve those problems at an early stage.

Member Bedore wanted to know how they choose what transactions to look at. Mr. Rotello replied that the monitors are given a basic set of guidelines, even before those were developed and he took the job. When he talked to people about what this job would entail they said there are two areas that you are going to want to look at. One is the writing of specifications and the other is evaluations. These are the two areas that are most susceptible to problems. Those are their highest priorities in terms of what they look at. The Senior PCM has a list that also includes dollar value and the nature of the solicitation. A simple IFB for a very well defined general commodity is probably not going to take a lot of attention. Whereas a complicated RFP would and also a professional and artistic one might take even more. He would like to think they are the things that you would think that they should be looking at. Member Bedore asked if there was a policy manual for the PCM's. Mr. Rotello replied that there is. Member Bedore asked if it is available to the Board to look at. Mr. Rotello replied that general internal manuals are exempt under FOIA, but that doesn't mean that they wouldn't share them with the Board if you wanted them. Member Bedore stated that he would be interested in reading it. Mr. Rotello stated that it is a summary of what they have been developing over the year and a half they have existed. It is not incredibly detailed and he doesn't know if it would be considered a final work, but it is something that has been put together by a small group of PCM's based on the experience they have had doing the job. Member Bedore wanted to confirm that they had 17 PCM's. Mr. Rotello replied that the number is a little lower now. Member Bedore asked how much of a turnover have they had. Mr. Rotello replied that he does not have an exact number for him, but there have been more departures than he certainly would like. Member Bedore wanted to know what the qualifications are for a PCM. Mr. Rotello replied that there are no statutory qualifications. What they generally look for is experience in procurement, financial, or auditor type backgrounds and a background in law certainly has been helpful. They evaluate every resume that they receive and try to find people who are going to contribute. Several of them have had private sector procurement experience and some of them from a vendor perspective on preparing bids for State projects. Member Bedore wanted to know what training they have in place. Mr. Rotello replied that what they have been doing for training was have weekly meetings and as they put people out there and started getting into issues they started preparing agendas that would outline sections of the Procurement Code that they would present on a regular basis. When someone would encounter an issue that they would resolve they would talk to the CPO's and SPO's about it would have very frequent meetings to share those issues with the whole group. So that was essentially the training-they don't have a formalized training program. They are working in that direction and have established a list of priorities of subject matter that they believe needs to be addressed. Member Bedore asked if they had PCM's with the four CPO's. Mr. Rotello replied affirmatively. Member Bedore asked how many do they have in Higher Ed. Mr. Rotello replied there is one at EIU, one at UIC, some based here in Springfield who cross CPO lines. So there are only two who are full time Higher Ed and the others are part Higher Ed and part General Services. Member Bedore asked if there was one in Champaign. Mr. Rotello replied that there are two that are responsible for some of the procurement in Champaign. We have not been able to find a full time PCM for that location yet.

Member Black stated that he is looking for a clear definable line where what you do is not available to the public or to this Board and where what you do clearly and total is available. If your training manual is not FOIA-able and your minutes are not FOIA-able nor are they available, where is the line where he could find out exactly what you do and find a locked door where I can't find out what you do? Mr. Fornoff replied that in terms of ethics the Executive Ethics Commission releases reports and there was one released today. When they make a determination when a wrong doing has occurred that becomes available to the public. The minutes of the EEC are not subject to FOIA-they are confidential by statute and cannot be released and that was a decision the General Assembly made. When it comes to procurement matters he doesn't know any reason outside of the EEC meetings could not be released to the public. Member Black stated he is having a hard time wrapping his arms around this. The EEC was created out of necessity to look at individuals and their conduct. Is that correct? Mr. Fornoff replied affirmatively. Member Black wanted to know how the EEC moved over into procurement. What is because of SB51? Mr. Fornoff replied that is correct. It was not something they asked for. Member Bedore stated that he is very happy they had the discussion, but still has a problem. Member Bedore stated that he still finds it interesting that the EEC and Mr. Fornoff just decided



that the PCM's would come under you. You made that decision because your commission is mainly made of attorneys and you attorneys just sit here and say we're going to do it. We don't care what the General Assembly said. Member Bedore stated this was his feeling and thinks that they have interpreted it incorrectly and doesn't know what recourse the Board has, but he doesn't agree with it the way it is. Member Black asked if anyone considered or asked the Attorney General for an interpretation of the statutory language. Mr. Fornoff replied in part yes. With respect to the relationship between the Commission and the Chief Procurement Officers they requested the General Attorney's opinion. Mr. Fornoff stated that a week or two ago he had a discussion with someone in that office and asked whether the interpretation would also apply to the relationship between the CPO and the PCM. The question was answered "I don't know, but we are looking into it". Member Black asked if it was submitted in writing. Mr. Fornoff replied that the first one was submitted in writing, but the second was just a conversation he had with someone in that office. Member Black asked if it was permissible to have a copy of what you sent. Mr. Fornoff replied he would be happy to provide that to the Board. Director Carter asked that since all of the meetings, suggestions and opinions are you going to start making changes on your own or dig in your heels. Mr. Fornoff replied that the important thing regardless of how the statute is being interpreted is that everyone gets along and works toward procurement. To that end the Commission itself has taken a genuine interest in this and came down last week and met with the CPO's. To the extent that they can come up with procedures so that complaints are raised in a timely manner that they get addressed in a timely manner and everyone can be on the same page would be a wonderful thing and they are going to continue to strive for that.

Next on the agenda was Legislation. Director Carter stated that there is only one item moving, which is HB4136 for the vendor portal creation under the CPO office as well as transfer the authority of the bulletins to the CPO's. Director Carter stated that he still has a strong sense that there will be a procurement omnibus towards the tail end of this session. From the draft he has seen of that there are no big concerns from the Board's perspective. No questions or comments were made.

The next scheduled meeting for the Procurement Policy Board is set for June 7, 2012 pending Board confirmation.

With no further business to discuss a motion to adjourn into Executive Session to discuss personnel was made by Member Ivory and was seconded by Member Bedore. The motion was unanimously approved.

The meeting was brought back to order following Executive Session and a motion was made by Member Bedore and seconded by Member Black to keep the Board Executive Session minutes closed or confidential. The motion was unanimously approved. With no further business to come before the Board a motion was made by Member Ivory and seconded by Chairman Vaught to adjourn. The motion was unanimously approved and concluded the May 10, 2012 meeting of the Procurement Policy Board.