



Chairman: David Vaught

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

### **Minutes – June 8, 2012 Meeting**

Present in Springfield: Ed Bedore  
Larry Ivory

Present in Chicago: David Vaught

Present via Telephone: Rick Morales

Absent: Bill Black

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

A motion was made to allow Member Morales to participate by telephone by Member Bedore and was seconded by Member Ivory. The motion was unanimously approved.

First on the agenda was the approval of the minutes from the May 10, 2012 Board meeting. Member Bedore made a motion to accept the minutes as printed 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 updated the Board on CMS activities since the last meeting. CMS total cost reduction in leasing since Governor Quinn took office now stands at \$50.2 million. This number is annualized. CMS has eliminated 2.26 million square feet of leased space. Mr. Kanellopoulos also updated the Board on one of their larger consolidations. As reported a few months back, CMS is going to move HFS out of 32 W. Randolph in Chicago by the end of August. As he mentioned before, this lease is the 2<sup>nd</sup> most expensive CMS procured lease in the State. The FY12 cost is \$4.11 million and it also happens to be the fourth largest lease in the State by size at 142,000 square feet. This consolidation will occur by the end of August. This lease is the Child Support Unit of HFS and there are 351 staff that will be moved to several different locations throughout Cook County. Mr. Kanellopoulos stated that he could give more details if the Board would like. Chairman Vaught wanted to clarify that the lease will be terminated. Mr. Kanellopoulos replied that it expires. Chairman Vaught asked if they will move into existing leased space. Mr. Kanellopoulos replied that about 50 HFS staff will relocate to the ISAC building in Deerfield which is existing State-owned space. About 195 staff will move to the DES headquarters at 33 S. State in Chicago, that is also an existing State lease. Administrators for the Child Support Unit employees who don't actually see clients will be relocated to 401 S. Clinton in Chicago, which is HFS/DHS Chicago headquarters State-owned space. Then about 50 staff are going to be moved to DCF's Englewood office at 62<sup>nd</sup> and Emerald. In this case CMS will have to take some additional space. When CMS was working with HFS to eliminate the Randolph lease their Child Support Unit thought that this is the perfect opportunity to break it up into pieces and have a presence in northern and southern Cook County where they can more efficiently serve their clientele. Mr. Kanellopoulos stated that he will report to the Board once plans are finalized. Chairman Vaught clarified that the \$4.11 million will go away and our off-setting costs will only be in the expansion at 62<sup>nd</sup> and Emerald. Mr. Kanellopoulos replied affirmatively. Chairman Vaught asked if CMS was counting that as part of their \$50.2 million. Mr. Kanellopoulos replied that they do start counting that number when CMS sends out notices to expire. Chairman Vaught stated that you are counting that \$4

million elimination as part of your jump. Mr. Kanellopoulos replied affirmatively. It is easier for CMS to count it when they send out the paperwork versus trying to remember when moves occur in the future.

Mr. Kanellopoulos stated that the next update he wanted to give the Board was about issues that have been discussed in the past regarding the fact that the State has many offices that have large file rooms and the Board has heard presentations from DHS and CMS in the past about how there is a big effort moving forward to try to do everything electronically, but there is a huge amount of historical files that are open or need to be kept for numerous years before being disposed and a lot of those files are in current offices that CMS is paying for office space rates. This has been a large issue to deal with. The Board may remember several months ago that CMS was doing a pilot where they were going to remove the vast majority of files out of DHS DuPage office in Villa Park to see if they could have open active files be managed off site. Where if someone needed paperwork it could be scanned to them versus housing those files in offices paying office rate or they could be held in a warehouse that would be much cheaper and simpler to have an operation that could manage those files off site. It showed CMS a couple of things. Yes, you can manage those files off site. The vast majority of files that are currently used by DHS, Human Capitol Development Offices do not need to be kept in the office space. Employees do need access to them, but they don't need constant up to the minute access. That is not the way the operations run, but their pilot program took all of those files and moved them to the Madden Mental Health Center. That didn't work. It may work for one office, but it was decided that CMS needs a more centralized file management shredding operation. Where you pull all of the files from all of the offices in one place where the open files can be separated from closed files and if those closed files meet whatever requirements they can be shredded on site. Moving forward, CMS is going to be setting up that operation and the Board will be seeing a lease fairly soon that will house those files in a warehouse in Chicago. It is a warehouse that CMS already had and has been renewed so it will be a new lease and an RFI with a much cheaper rate than any office space would cost. CMS also plans to have white papers show the Board that they will be able to get immediate savings in offices by doing this. The first one the Board will see is DHS offices that CMS is consolidating and a file room that would normally be 3,500 square feet will now probably be less than 1,000 square feet. Also, CMS plans to consolidate an office that currently costs the State almost \$600,000 a year. It will be consolidated to an office that is 3-4 blocks away by removing the files at both offices. It would create the space needed to consolidate these two operations. As new leases come up for re-bid or re-negotiation the Board will see that the file rooms will be drastically smaller or they don't even need file rooms at the new offices. Mr. Kanellopoulos stated that CMS thinks this is a better way to go and the Board will see in the leases that are presented in the future.

Chairman Vaught asked how this affects the scanning operation that Doug Kasamis told them about? Mr. Kanellopoulos replied that Doug's presentation to the Board talked about today going forward that they started a pilot in an office that they hope to take Statewide or at least citywide, where they would electronically create files going forward. That is progressing; however, it is not addressing the backlog at some of these offices. Some of those offices have 500 or more file cabinets and boxes of files on top of them, but again most of those are open files. CMS is going to set up an operation where those files do not need to be housed in the offices. Chairman Vaught clarified that these two changes will happen in parallel. Mr. Kanellopoulos replied affirmatively.

Next was the update on the State Police Headquarters/Franklin Life Building. Mr. Kanellopoulos stated that CMS is moving along and has a current project being bid out to start the work on space that is intended for the Attorney General's Office. They are to move their Montvale Office to AIG. CMS is also in the last stages of finalizing a floor plan for the AG for their files. Even in State-owned space it is CMS' position that they shouldn't be using office space to house files. CMS is working with them to determine the minimum amount of files that they actually have to have in their space versus what could be put into storage either at AIG or off site. There should be more movement in that area by next month's meeting. Member Bedore asked when the work goes out for bid. Mr. Kanellopoulos replied that he thinks they have contracts in place to do the work it is just the matter of getting the quotes for it. Member Bedore asked when he thought this project would be complete. Mr. Kanellopoulos replied that because there is asbestos and abatement that needs to be done before any actual construction can be done, the work won't be final until the end of the calendar year. Member Bedore stated that you have set this space aside for the AG so if they come over you will know where they will be. Mr. Kanellopoulos replied affirmatively. Member Bedore

asked if CMS was contracting an architect and others to lay out their floor plan. Mr. Kanellopoulos replied it is all being done in-house. We have our own staff that can lay out the floor plan. Member Bedore asked if CMS knows if they are coming. Mr. Kanellopoulos replied that he is confident that they will. Member Bedore commented that CMS has an idea of other open space such as the people on Chatham Road. Mr. Kanellopoulos replied that when this is done there will be no open space to house someone else. When CMS is done with this next phase they would be able to walk through the building to again move people around and re-stack to create an open space. This will eat up all of the space that is there. In addition, the Gaming Board has additional people coming on that need to be accommodated. Member Bedore asked if we are going to have a Gaming Bill. He was not aware the Governor signed it. Mr. Kanellopoulos replied that Gaming Board does have investigators that they are hiring that do need to be housed in Springfield at AIG. CMS does not have a final count of how many of those people will need to be accommodated. Once that is settled, CMS will walk through the building and see what additional re-stacking can be done. Member Bedore stated that when we walked through this building he remembered the Gaming people had a lot of space. He knows that they are important and are so-called watch dogs of the world, but he doesn't know if they need all of that space. If he recalled correctly you would hold a dance on their floor. Mr. Kanellopoulos replied that Gaming does utilize their space well and there is a lot of space on that floor, but it is not Gaming Board's space. Member Bedore wanted to know what was going to be done about all of the files and records being piled up on the floor. Mr. Kanellopoulos replied that CMS will have to work with State Police to come up with a solution for that issue.

Chairman Vaught wanted to follow-up that after the Attorney General and the Gaming Board space has been finalized CMS will have to make a determination about other space. What is that other space and does it include the 2 kitchens/cafeterias? Have they been renovated or utilized? Mr. Kanellopoulos replied that there is an employee cafeteria in the main building and that is being chopped up and creating three or four video conference rooms that will be shared by all of the tenants in the facility. If you are talking about the area on the Director's floor, there are no current plans for that floor. Chairman Vaught asked if it is still filled with that un-used and obsolete kitchen equipment and space. Mr. Kanellopoulos replied affirmatively.

Member Bedore wanted to know why ISP needs three or four video conference rooms on the same floor. Mr. Kanellopoulos replied that when those rooms are built and being used CMS will be able to eliminate other conference rooms. By centralizing the conference space and have it shared throughout the facility CMS will be able to better utilize the other conference rooms in a better way. Plus, CMS has existing video equipment that could be put into those rooms because there is always communication between Springfield and Chicago.

Chairman Vaught asked if he was involved in the communications consolidation that State Police is doing. Mr. Kanellopoulos replied no it has been a long time since he has been in a meeting. Chairman Vaught asked if there are any other leased facilities besides Ashland that are involved in that consolidation. Mr. Kanellopoulos replied that he did not have that information in front of him and would have to get back to the Board on that. Chairman Vaught asked if the communication consolidation involved some freeing up of State-owned space in other locations, besides Springfield or Franklin Life that might be available for consolidations with other agencies. Mr. Kanellopoulos replied the last time he was walked through what a potential plan would look like the answer was yes, but I have not been in meetings for a while so I don't have the most current information. Chairman Vaught was inquiring since ISP is downsizing some of their communication space and wondered if there was other potential space that could be utilized.

Member Bedore asked Mr. Kanellopoulos before CMS moves forward with the video conference rooms if he could show the Board a plan that they are going eliminate these other conference rooms or are you just going to try. Mr. Kanellopoulos replied that an example of what they plan to do is when CMS Benefits moved in they needed conference space, but didn't get it because CMS wants them to utilize the shared conference space. Member Bedore stated that he asked about State Police. Mr. Kanellopoulos replied that CMS wants to get the conference room space up and running before eliminating existing rooms. Member Bedore stated that he wants to see a plan. Mr. Kanellopoulos replied that as soon as CMS has that he will forward it to the Board.

Member Bedore asked regarding the kitchen if the State received any rent from the operator there. Mr. Kanellopoulos replied that he doesn't know that the cafeteria is a CMS contract so he will have to get that information for the Board. Member Bedore stated that it would be interesting since you have an outside contractor using State facilities' kitchens and supplying food and receiving money from employees for their lunch. I would believe there would have to be a contract with that outside vendor. Mr. Kanellopoulos replied that he will get that information to the Board. Member Bedore also stated that this operator also has three or four operations around the city and does a lot of his cooking there for his other facilities. Who is paying for all of the power, gas, etc. It is just something to look at. No further questions or comments were made.

Next was the report on Printer Consolidation/New Printer Purchases. Director Carter stated that this item was brought to the Board because there were concerns on all sides in consolidating print operations from DCFS in with DHS. There were initial concerns so it was brought to the Board, but he has heard there has been an update that they may have been a tentative agreement reached and Will Walker is here to present the details. In attendance were Will Walker with CMS and Director Richard A. Calica of DCFS is here as well. Mr. Walker stated that he would speak on behalf of both agencies. Mr. Walker stated that it has been a long conversation, but an agreement has been made to consolidate the printing efforts at DCFS and DHS. DCFS was concerned about some of their costs and making sure those were kept in line so they don't exceed their budget and to make sure that their stuff is printed in a timely manner. Those are all valid concerns, but the end result is that they agree to do the consolidation and the printing will continue to be handled by DHS out of their print shop facility and they are confident they can reduce a number of these large printers down to probably two if not more and DHS is confident they can handle the work load. Mr. Walker stated that it was also agreed to have an inter-governmental agreement (IGA) in place by the next meeting in July. Mr. Walker stated that they have consolidated agencies DHS, Aging, HFS, DCEO, CMS, EPA, DPH and now DCFS as well as having combined ISP with IEMA and they have a few more agencies to go and are going to do it where it makes financial sense for the State and the taxpayers. There has been a lot done over the past few years and we are pretty proud of what has been accomplished, but have a ways to go. Member Bedore stated that he is very glad to see this and would hope they come back to the Board to give an update on its progress. Mr. Walker replied that he would be happy to give the Board updates moving forward.

Next on the agenda was the Qualification Based Selection (QBS) Study. Director Carter stated that at the previous Board meeting the Board asked that the CPO for the Capitol Development Board and the CPO for Higher Education come back and discuss qualification based selection. The PPB staff was working with the American Institute of Architects on this survey for architects in the State of Illinois and will open it up and have the CPO's answer any questions that the Board had from the last Board meeting on architect selection.

CPO Hahn stated that he and CPO Bagby have had some brief comments about this and think that there are some concerns raised about this study. They have discussed their own processes on what CPO Bagby oversees at higher education and what CPO Hahn oversees at CDB and there are enough differences in the process to sit down and study why there are those differences and try to decide if those differences could be eliminated or try to come up with a more uniform system. That would also include a review of perhaps how other entities do qualification based selection and what their processes are. QBS started long ago as kind of a federal way to procure architect engineers and it might be time to go back and look at exactly how they do it compared to how differently we are doing it and come up with a more uniform system.

CPO Bagby stated that he echoes what CPO Hahn said. QBS started with the Brooks Act in about 1972 as a federal initiative and then it spread across the country. CPO Bagby stated that he did take a look at some various other entities' websites to see how they conducted QBS activities. Generally it is the same as in Illinois. I have looked at Connecticut, Indiana and California. I also have a report called the Analysis of Issues pertaining to qualification based selection and think that it would be interesting to look into that in a little more depth to see how things are done. CPO Bagby believes it is what we are doing right now. CPO Bagby pulled a couple of University procurements ones that have never been brought before the Board from Northern and ISU and both of them are largely the same. They both follow the QBS Act; both have criteria, both have weights for the criteria, their compile committees and all of that. CPO Bagby stated that what he didn't notice was not necessarily the uniformity in the day-to-day activities and maybe how there was



documentation. He thinks that might be a good thing to look at so we have a better assurance that if something is done by Northern or by CDB it is done in the same order, the same manner and so that people can understand we are following the same law, the same policy and acting the same way. He thinks that uniformity will provide a better confidence than what is happening.

CPO Hahn stated that he would like to comment on some things in the study that talk about actual problems versus perceived problems. It goes into some detail with community colleges, which is particularly an area he is concerned about. Whether it is actual or perceived it does behoove us all to understand what the processes are, how well those processes are documented and that people have some assurance that there is a fair selection. He believes that the study indicates that there are a lot of people who believe that their selections are not fair.

Member Bedore commented that the staff took on a project and knows that there is still a lot of work that needs to be done. In the conclusion of this report it is quoted that “finally all interested parties including the Capitol Development Board, the CPO’s, the PPB, the American Institute of Architects, and the Institution of Higher Education and Community colleges should discuss and develop ways to improve the QBS in the State of Illinois.” Member Bedore stated that we are looking at a process that was developed in 1972. CPO Hahn stated that it was in 1991 for the State. Member Bedore stated that it has been a long time and the whole world has changed and he commends everybody if you would all sit down and try to work this out. CPO Bagby has already done some research and is sure that the PPB staff could also do some research and try to come up with a QBS that everybody in the outer world can understand. Member Bedore stated that this is the State of Illinois Government and would hope that everybody involved would sit down and work on this in the coming months. CPO Hahn replied that they agree and that is the plan. CPO Bagby stated that he does want to make one comment on the conclusion that is referenced to particularly the Universities. This was a study consisting of 26 responses. The difference between the responses and CDB and the Universities differs perhaps by one person doing one way versus the other. It is not statistically valid to say that we should pick out the universities more so than others, but for the first clause of it he agrees whole heartily with what was said and thinks uniformity is a good thing.

Member Ivory commented that when he takes a look at the QBS process, which he is quite familiar with, is that if he was an outside person looking, in one of the criteria he would ask himself is, does this process create an equal and fair opportunity for qualified firms to be selected. Because when you are dealing with a quality based selection process you are dealing not with a hard bid, but with a negotiated bid. So if you are qualified then there should be some degree of rotation because a lot of the firms are prequalified and can do the work. Member Ivory stated that when he looks at the numbers why is it on a consistent basis that he sees the lack of minority participation across the board if this is such a great process and it is working so well. This gives him an indication that when he sees the disparity that he sees on a consistent basis that there is something wrong with the process and he sure hopes that there is some smart people here that could explain to him why the Board is looking at, on a rule of thumb, less than 2% minority participation especially in African Americans and the QBS process. He would like to hear from CPO Hahn and CPO Bagby on why they think this process is not working for minorities. CPO Bagby replied that he is not sure what the distribution of minority, female, person with disabilities and the like in the vendors who are responding. He stated that he just does not know the answer to that, but each solicitation is different. He doesn’t know who is bidding, but let’s assume they have a participation of minority vendors. He would like to think that they are being treated fairly and the evaluation is being done properly. If that is the case then if they are the most qualified they should win. There is no question there. He has never studied that and does not know. CPO Bagby stated that in his past life it was not something that he dealt with so it is still new to him. CPO Bagby stated that QBS, while it does have a lot of discretion, is still a competitive process it’s just not one where price is considered one of the most salient factors. In terms of getting a process that we can say that we follow each time and you can rely upon them is the key to making sure that there is a degree of fundamental fairness in the whole process. Beyond that he is not sure and has not thought about that particular question.

Member Ivory commented that the Governor made the comment everyone in and no one left out. Fundamentally it is important since everyone pays taxes and everyone should have an opportunity to equally participate. We can fight a war and die for the country then there should be equal participation or at least we should be striving to get there. When we analyze things there is no thought, as mentioned, looking

at those factors he believes that we have perhaps not done the type of work to really ask the question. The question may be a legitimate question or it may be a real rational for it, but it is like Socrates said he stung people into thinking and posed the question that led people to their own standing. Member Ivory stated that he is imposing a question hoping it would lead us to some degree of understanding about whether this process is a process that needs to be tweaked slightly because we are missing something that no one imposed the question so it is my job to impose the question. Member Ivory stated that he still has some real concerns that what we did at the Community Colleges and Universities, especially when you spend the State's money, that somehow we have relinquished our input to some degree on the Quality Based Selection process and if an analysis is done where you don't have State involvement you will find that the minority participation gets a lot worse at the Community Colleges and he is betting that when CPO Bagby looks at it you will not see that participation is virtually non-existent. Member Ivory stated that the reason he can answer that question is because he has talked to almost all of the minority engineering firms and have been in meetings with them and asked the question if they are doing business, even though you are qualified, with the Community Colleges and he is getting a resounding no. He is just trying to find a way so that everyone can have a conversation about everyone in and no one left out and really analyze and try to figure out how to make it better and has to believe a better job can be done than what has been done thus far in terms of tweaking the process and making it fair.

CPO Hahn replied that he agrees that his concerns and goals are valid. He does think, within the last year or two, CDB has drafted some rules to make some changes in that area. Some initial steps have been taken, but the goals and concerns that you expressed will be a part of what we look at when we do our study group. Member Ivory commends CDB. He was in meeting with James Cockrell and the people from CDB and is happy to hear that they are taking some leadership in that area. Member Bedore stated that he would hope that it would be a part of the reviewing and analyzing of the whole QBS process and hope they move forward and report to the Board monthly with updates. CPO Hahn replied that he thinks it has to be a part of the study and would be happy to work with Director Carter on providing information on where CDB is at. Member Ivory stated that he and the Board would help in any way to help make this process better and to see us moving forward. CPO Hahn agreed.

Next was the Single Prime Study. Director Carter stated it was requested that this be held over from the last Board meeting for follow-up questions and more information. Again, the Board staff had been working with CPO Hahn and CDB as well as the vendors that are performing single prime in the State. PPB staff have been working on this study for a few months now and is ready to bring it to the Board. Something to remember while looking at it - a couple of the single prime projects, most notably at the Capital, are not conducted by CDB. Those would not be the percentages you would look at when you are talking about CDB bringing single prime change order percentages down and so forth. Overall, you will see that the single prime is a good process and that it is working as intended. That is not to say it is not an experience we can fine tune, but the data put together by the PPB staff speaks to it as a good process.

Member Bedore stated that the study was only for a couple of projects because there are two or three that are still out there and would hope that they would do some follow-up. Director Carter replied that they plan to do it annually. Member Ivory wanted to clarify that the PPB staff is saying that single prime contracting seems to make sense on the surface and that you are confident with that at this point. Director Carter replied that he is confident it is working as intended. Something that he would also bring up for Member Ivory is when larger projects are done there is a concern that certain firms will be bonded in a large enough dollar threshold to handle the bigger projects and is not sure if that would limit competition. Director Carter doesn't think that it addresses the single prime method, but just how many firms we will have bidding in the end. Mr. Wright stated that in the larger projects and when this question came up when it was first tried on the IEMA and the Capital projects - that is why the delivery method is a hybrid, not a pure single prime method and everybody at CDB tries to remember that and for their Board it is a protected-sub method. The multiple prime bidder who bid the vast majority 96% of their projects make up the protected-sub teams, hence they in part are partial to that team. It is somewhat easier, as their perception, so they don't have to come up with bonding if it is too big of a chunk the single prime can do it and bring the work partners on board. Plumbers do plumbing work, electricians do electrical work, vent does vent and that is the same prequalified pool that CDB goes through to make sure that no outside firm slips in that is not qualified that

understands MBFB, PLA requirements and specification requirements, it's the same pool if he could offer an answer.

Member Ivory asked if Mr. Wright could explain in his words why single prime contracting really works and makes sense from his perspective. Mr. Wright replied that it works because we have a team regardless of the multiple prime challenges, which is a comparison we have to bear in mind. A single prime works because the team is brought together in a competitive situation for low price. It works because their minority and female goals as emphasized by Mr. Martinez are even greater for single prime in their 12 projects to date and CDB plans to continue to do that. It works because of the 37 major projects done since CDB has started the 12 single projects to date that the Board is analyzing. There have been 37 other projects and phases of projects, 24 of which resulted in claims, lawsuits, ADR. Thus far, their single primes have one claim. That is what they hope to achieve. Again, it is a pilot and those projects need to come to fruition. It helps the owner, the State of Illinois, and the firms to have a single manager who is truly in control of the project yet it respects their MBFB goals, it respects the prompt payment goals and it pulls together a team to do that in a timely manner. Accountability is key for State projects. There are only four States left in the Union, not only by Mr. Holland's study that is noted in the report, but in the most recent study by the Leadership Environment and Environmental Design in project delivery methods not more than two years old that queried 32 States. Multiple prime is not even being used in these other States at all and still it is a pilot. We must go through and check it with the blessing of this Board and the review of the CPO to see that it continues to work, but we like it so far. CPO Hahn replied that it is going to be important with the same thing that Member Bedore expressed. We don't have a lot of data here, but again, we are all committed here to continue to study it to see how effectively it works and also echo Mr. Wright's comments.

Member Bedore believes that the questions raised at the last meeting was about the firm from St. Louis and believe that this is the second job he has for Edwardsville, if he is not mistaken. Member Bedore wanted to know if anybody has done any checking to see if the principals of this firm may be a graduate of the University and have they given any donations to the athletic fund or anything to this University. CPO Hahn replied that he has checked into the key owners/players of the firm and into some of their political contributions and doesn't find those connections. I wouldn't be able to easily, without exposing SIU, ask about the other donations that may have gone to a campus. CPO Hahn stated that he knows that CPO Bagby has looked into some of this, which is why he did not.

CPO Bagby stated that he did ask Edwardsville to give him a list of the architects who won QBS projects from about 2005 and there were 32 opportunities. He is not going to say that these numbers are 100% accurate, but 32 opportunities, 22 different vendors won, 2 vendors have three awards each and 6 vendors had two awards each. The distribution is 15 Illinois companies, 7 Missouri companies and a couple of the Missouri companies also have Illinois offices and 56% of the initial posted number of dollars went to Illinois companies and 44% went to Missouri. There are a number of vendors who are getting awards, it is not like one vendor is getting them all, like Hastings-Chivetta getting 2 out of 32 opportunities. Member Bedore stated that it was just a concern raised at the last meeting and is glad that they looked into it.

Member Bedore stated that he does have a concern. Just as we are trying to consolidate all of the printers we have across the State he also has a concern and thinks that he doesn't believe that the Universities or anyone else should be doing this work. It should all be under the Capitol Development Board where all of the experts are and everything goes out from one place and is analyzed and not 15 different people/agencies. Why does SIU have its own development group? Member Bedore stated that it is such a waste of money why do they have on staff experts who know how to go out and build and design a building and review all of the contracts. Shouldn't that be with CDB? Member Bedore wanted CPO Hahn to explain why they have the expertise. CPO Hahn replied that it is a big issue that frankly starts with the construction process. He agrees that there are some questions to be asked about how many capitol program staffs we have across the State. Unfortunately to some degree the colleges or universities are always going to be doing some of their own projects because the money that they use to do those projects with are either donated funds or funds that are not appropriated that either come from student fees or student union. Those things historically have never gone through the Capitol Development Board because of nature of the funding primarily. It is not to say that it couldn't happen. Some folks would have to agree to make some changes. Mr. Wright wanted to add that CDB did try to get a bill through in 2005 to bring that under the control of CDB and it was

defeated. It doesn't mean we can't look at options. Member Bedore stated in 2005 it was a different world and that CDB should probably make an effort to really look at this and do your homework to prove that there is money being wasted and he thinks that CDB could do a better job if it is consolidated and has better expertise. Why should SIU have a staff that reviews architects/engineers construction and puts out bids? Why should they have that? Should CDB have that? He is not trying to pick on Higher Ed, but smaller schools like Eastern, why do they have staff? CPO Hahn replied that those are valid concerns and it is not unlike the discussion we had about consolidating agency print shops. He understands that everyone wants their own system. He understands that and understands government, but these are tough times the money is not there to have the staff down in SIU. It is a great little school, but yet they have a full blown construction staff, why? CPO Hahn replied that it would require a major effort, but CPO Hahn and CPO Bagby have had several discussions about this topic. Member Bedore stated that just because it was defeated in 2005 doesn't mean you couldn't try again. You need to put together a plan to show the House and the Senate how much could be saved and the State could have a better product. You could also have better minority participation rather than SIU deciding what they should do. Here you would have it in one place. Member Bedore stated that he hopes that they will follow-up on this.

CPO Bagby stated that anything can be looked at, but remember the Universities have a long history of doing the construction on their own, long before CDB existed and they have been continuing to do that and there is more construction going on at any University than any State agency has. Each of these Universities is essentially a city and in order to coordinate the activities of a city you have to have somebody who really understands that particular city and the environment around it. Sometimes centralization works, but sometimes it just isn't appropriate for a particular situation. Mr. Wright wanted to make one comment, Member Bedore asked about the claim side of the House from CDB's Chief Counsel Tom Klein on the multiple prime train that they get across the United States to renew their legal licenses. The multiple prime method is called construction mismanagement not management and frankly defined by attorneys across the United States in that manner. Just so you understand that we are not just looking internal into Illinois, but to the external studies through the AGC webpage that doesn't even list multiple prime as a recommended method and to the legal community to help us use the best methods.

Member Bedore made a motion to grant this waiver for the SIUE Single Prime project and was seconded by Member Ivory. With a vote of 4-0 the motion was unanimously approved.

Next on the agenda was Legislation. Director Carter stated in the meeting packet there is a summary for SB2958. It was this year's procurement omnibus bill that everything was put in. It passed both Houses unanimously and was sent to the Governor June 6, 2012. There are a lot of points, but some interesting points to note, for whatever reason they separated in workers compensation reform in this bill, which allows the Chief Procurement Officer to procure a private vendor to administer the program. On sole source hearings, it now allows a hearing to take place only if requested. Currently they take place on all sole sources. It rolls the Math and Science Academy into the classification of Public Institution of Higher Education. It changes the definition of a subcontractor, raises the threshold to \$50,000 from \$25,000. It changes conflict of interest and applies some language to deal with conflicts that were not originally disclosed by a vendor that another firm or member of State government might have discovered on their own. It also initially provides that when the Board issues a recommendation to void a contract on a conflict of interest that recommendation will go to the Executive Ethics Commission and not the Chief Procurement Officer. The bill also provides for the creation of the central vendor portal. It allows everyone with a stake a little bit of communication with PPB and the agencies when creating that. It also provides some relief to the Chief Procurement Officers on receiving the State Board of Elections certificate. That has been an issue that has cost the State the most amount of money out of SB51 reforms. Right now if it is not submitted with the bid the bid does not count. Now it allows the procurement officer to verify that they are registered. Chairman Vaught asked if it changed the submission requirement. Director Carter replied that the law still provides it shall be included, it just allows the Chief Procurement Officer to certify that they are registered in the case that it is absent with a successful bid. Director Carter stated that this bill also provides some clarifications on communications reporting and also some general contractor protection against the subcontractor providing false information or be an unqualified bidder. Member Bedore asked that after the Governor signs the bill if he could get a copy of SB2958 to the Board. Director Carter replied he would. Chairman Vaught asked if it said anything about the PCM provision. Director Carter replied that it made an



additional clause that the PCM shall review a procurement contract or contract amendment directed by the EEC or the CPO and report any findings of the review in writing to the Commission, the affected agency, the CPO responsible for that agency and any entity requesting the review. Director Carter stated that he is not sure if that language went far enough to clear up the concerns the Board may have had. It is still a gray area of who directs these folks and it is still open to interpretation. No further questions or comments were made.

Member Bedore asked if at the next meeting we the Board could get an update on the meeting that they had with the EEC and the CPO's. He knows they wrote a letter, but wants an update of where they are at. Director Carter asked if that was about the PCM's. Chairman Vaught asked if the Board could take a closer look at the EEC rules. Director Carter replied that they don't have rules pertaining to the PCM's.

The next scheduled meeting for the Procurement Policy Board is set for July 12, 2012 pending Board confirmation.

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