



Chairman: David Vaught

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

Minutes – July 17, 2012 Meeting

Present in Springfield: Ed Bedore
Rick Morales
Bill Black

Present via Telephone: Larry Ivory

Absent: David Vaught

The Board started the meeting by confirming attendance at 10:00 a.m.

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

A motion was made by Member Morales and was seconded by Member Black to have Member Bedore act as Acting Chairman in Chairman Vaught's absence. The motion was unanimously approved.

First on the agenda was the approval of the minutes from the June 8, 2012 Board meeting. Member Black made a motion to accept the minutes as printed and was seconded by Member Morales. 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. As of today the total cost reduction stands at \$49.4 million. That is actually a little lower than the number given last month. The difference there is that the Department of Corrections and the Governor determined that a couple of adult transition centers that were scheduled to be closed would remain open. Mr. Kanellopoulos also gave the Board an update on the 24 DHS closures that the Governor mentioned in his budget address. As of today 6 of the 24 terminations are completed, 12 of the 24 have completion dates between now and the end of the year. There is one that will not be completed until April 1, 2013 due to build-out that has to occur. There are still 6 of the 24 that need to be acted on. Also, CMS is closing three leased DOC adult transition centers: Carbondale, Decatur and Chicago which will be completed by August 31, 2012.

Next was the update on the State Police Headquarters/Franklin Life Building. Mr. Kanellopoulos stated that his office has met with the Attorney General's office and they are in possession of two floor plans for the building at AIG to replace their Montvale office. Right now CMS is waiting to hear back from their staff on a decision or suggestions. Acting Chairman Bedore asked if Mr. Kanellopoulos has set any goals of how many additional employees CMS plans to get into the AIG building. Mr. Kanellopoulos replied that their goal is somewhere between 900 and 1,000 employees.

Next was CMS lease 6248 at 1014 East Laurel in Springfield. Mr. Kanellopoulos stated that this is for the federal surplus warehouse. The rate will stay at \$4.16 a square foot for the base rent. The location is perfect because it is a part of the complex that includes the State surplus warehouse so it can be efficiently run by the staff there. Mr. Kanellopoulos asked the Board for the approval of this lease. A motion for a no

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objection to this lease was made by Member Morales and was seconded by Member Black. With a 4-0 vote the motion was approved.

Next was DHS lease 6133 at 600 S. State Street in Elgin. Mr. Kanellopoulos stated that this is a fairly unique situation. This building uses to be a part of the Elgin Mental Health Center and was State owned. A large part of the property was sold back in 2003 and DHS remained in this property. There were various plans to move them out of this property, but those plans fell through. Currently there is a CDB project going on to renovate one of the vacant buildings on the Elgin Mental Health Center grounds that would house this facility. The project as of today is 23% completed and the estimated date of completion is December 10, 2012. As soon as this property is completed these people will move over. Mr. Kanellopoulos asked the Board for the approval of this lease. A motion for a no objection to this lease was made by Member Black and was seconded by Member Morales. With a 4-0 vote the motion was approved.

Next was DCFS lease 5463 at 1603-13 West Jefferson in Joliet. Mr. Kanellopoulos stated that CMS attempted an RFI in Joliet to consolidate several offices and received no response offers for that RFI. It was determined that it would not be helpful to do another RFI so CMS planned to renew several of the leases and this is the first one. DCFS is happy with the property and the services they get there. As you can see CMS did get a total cost reduction of about 7 ½% because of some space that was eliminated. Mr. Kanellopoulos asked the Board for the approval of this lease. Member Black asked if the total rent was \$3.3 million. Mr. Kanellopoulos replied that would be if they stayed there the entire 10 years. Member Black asked how many years is this one. Mr. Kanellopoulos replied it is a five year lease with a five year renewal option. A motion for a no objection to this lease was made by Member Morales and was seconded by Member Black. With a 4-0 vote the motion was approved.

Next was the report on Printer Consolidation at DCFS, DHS and CMS. In attendance was Will Walker with CMS. Mr. Walker gave the Board an update on the consolidation of the DCFS, DHS and CMS print shops. Mr. Walker stated that they have a signed Inter-Governmental Agreement (IGA) between DHS and DCFS and should be able to start the consolidation process immediately. The IGA is for one year and should have it fully implemented by the beginning FY14. Through this printer consolidation they were able to reduce 1 maybe 2 printers which will save the State about a half a million dollars.

Next on the agenda was the CPO Determination on the BLDD Architects, Inc. Potential Conflict of Interest. In attendance was CPO Ben Bagby. Director Carter gave an overall summary of the letter CPO Bagby sent to the PPB on his determination of the BLDD contract. Director Carter stated that CPO Bagby wrote that he cannot accept the recommendation of the Procurement Policy Board to void the contract between the Board of Trustees of the University of Illinois and BLDD Architects for renovation of the Natural History Building. Based on the facts in this particular case there was no evidence that the potential conflict of interest resulted in any improper action. Further in this particular circumstance, the detrimental impact to the State by voiding the contract outweighs any theoretical harm based on the disclosed potential conflicts of interest. It also noted that if the University had to select another architect and assuming the substitute architect would perform for the same amount as BLDD the University would pay an additional \$336,000 for the conceptual phase, 10 months' time to complete the conceptualization phase. The construction escalation would amount to \$916,000 and noted the physical impact resulting from voiding the contract is simply not affordable.

Chairman Bedore asked if CPO Bagby if he would like to make a statement. CPO Bagby stated that the situation that we had and UIUC with BLDD Architects was definitely on its face something that would invite criticism. Understandably, any potential conflict of interest here cannot be ignored or be taken lightly. You cannot allow the procurement process to be used for individual gain for use of insider information, control the process or other needs. The Procurement Code in just good practice, requires that there be a disclosure many conflicts of interest. When a potential conflict is disclosed or otherwise discovered it has to be addressed. A conflict can be addressed in a couple of ways. One is to establish a bright line no tolerance policy. If anyone sees a potential conflict we can just say no. That is a very easy answer and he would question anyone going that direction. There are just too many circumstances for bright line to work with results to be in the State's best interest. CPO Bagby stated that he would have to think real hard to see the bright line in that argument. These situations require someone to consider the entire situation, do the right

thing, sometimes knowing that the decision could be unpopular. CPO Bagby stated that he made the decision not to follow the Board's recommendation for various reasons due to the fact that they didn't find any wrongdoing and did not hear or see anything that suggests anything other than truthful answers by the individuals speaking at the hearing. He doesn't think the University acted in bad faith and it would have been costly. He thinks that the Board will see that the decision that he entered that he agreed with the underlying concepts the Board was raising. In the end CPO Bagby has drafted a policy for consideration for dealing with situations such as this in the future.

Member Morales clarified that CPO does agree something does need to be done, but not to what is happening now. CPO Bagby replied that he thinks that needs to be a policy that everyone knows and then can adhere to and if they don't then there are sanctions that go along with it. Right now we don't have a real clear policy on how to deal with it. CPO Bagby stated that he has seen a lot of situations that have come to the Board where there is a potential conflict, but these situations are well outside the procurement office and believes the one which passed because there was no situation presented that seems to result in an improper action and any undue influence alike. We need to make sure this happens here as well as in the future for anyone who is in a procurement office or procurement function who may be involved in a conflict situation.

Member Morales asked if this has happened before and the Board just never knew about it. You stated at the last meeting that this has been going on for some time. CPO Bagby replied that what he was talking about there was in the past the Universities reviewed the conflicts and then decided whether it was a problem or not and in this particular situation based on the advice of University legal counsel the University Vice President cleared the conflict in accordance with their own procedures and did not submit it to the Board. That was just the practice and they didn't feel that there was an actual conflict that existed. CPO Bagby stated that after he found out about that the CPO's office brought that to the University's attention to stop that and that he didn't believe that was the right approach and they are not doing it any longer.

Chairman Bedore wanted to give a little background here so everyone is on the same page. Chairman Bedore stated that this contract started in December 2010. The University of Illinois decided that they didn't need to send it to the Board based on Section 50-13, conflicts of interest based on 60% salary of the Governor. The attorney's office for the U of I said "no it is 50-13 and not 50-35". Chairman Bedore stated that he hopes that the University of Illinois does a better job with their law students than the attorneys in their office. If the U of I would have read on 50-35 "when a potential for a conflict of interest is identified and reasonable suspected the Chief Procurement Officer, that is you Ben, shall send the contract to the Procurement Board. It doesn't say you may send it to the Board, or should send it to the Board, but the word is "shall". There was the first error, first violation of the State's statute. You didn't send it to the Board. So, the U of I says that it doesn't apply to them, we are above the law. Chairman Bedore stated that this contract for the next phase was sent to the Board in April 2012. The Board, after hearing all of the issues, voted 4-0 to void the contract. The CPO, with a hearing officer, held a public hearing on May 1, 2012. Here are few of the statements. "I appreciate that you stated that Jill Maxey has no influence on this potential conflict." This is a serious concern given the very close relationship involved. "I am seeking opinion of University counsel before proceeding" and then they go back to 50-13. "Ms. Maxey acknowledged that moving forward facilities and services needed to do a better job on completely removing her from the job prior to selection". The person in question states that they may have a problem here. Then Ms. Coleman, her supervisor, acknowledged that there were probably were a few slip-ups. Chairman Bedore stated that even though there is supposed to be a firewall, which the statute doesn't talk about, Ms. Maxey was included on e-mails and other slip-ups were made, however, UIUC is own admission is that there are issues in regard to this project. If this project was at its conception stage he, the hearing officer, would whole heartily endorse the Board's recommendation to void this contract. Chairman Bedore stated that he agrees with us, but then says that the final scoring summary with the other architects is so close it is a coin flip. Then the University comes back and says this is going to cost up to \$91,000 a month. It is going to delay this project by 2 semesters. Now, CPO Bagby and the hearing officer accept the U of I's explanation and in best interest of the State they recommend going forward.

Chairman Bedore stated that the second violation is the mis-information to the CPO and the hearing officer by the U of I. Did you, as a CPO and hearing officer, do any investigation to determine if that was correct? I don't believe you did. Chairman Bedore stated that he remembers CPO Bagby's quote in the newspaper that

said “oh let’s just move on, move forward, we made mistakes but that is alright”. The only problem with that is that if you would have investigated the second and third architects, which the hearing officer says there was really no difference and were so close, you would have found out. A simple phone call would have found out that the second and third bidders do this all the time and come in after a conceptual design; there are letters to prove this. The number two bidder stated that they do this with the Public Building Commission and with Chicago schools. We do it all the time. They take a conceptual design from another firm and just pick up and said that it would be a delay of about two weeks. The third bidder stated that it would take three weeks, but you based your facts and your argument that it was going to be delayed by 8 months and cost over a million dollars. Hogwash. You based your finds on something that was presented to you by U of I that was incorrect. Based on the disclosures he doesn’t see how you could go forward with this. There are new facts you violated the State’s statutes. The State statute is very clear in 50-35 that when a potential conflict of interest is identified, discovered or reasonably suspected the CPO shall send the contract to the Board. You didn’t do that Ben. Chairman Bedore stated that he sees a violation first by not following 50-35, second he believes that U of I mislead everyone and would hope that the U of I would take this back or the Board of Trustees would open windows and shed some light on this. Their meeting is this Thursday and he wondered if the Board should take any other action on this.

Member Morales stated that he agrees with his comments and with everything that he has read and was reported to the Board. Member Black commented that in the Champaign News Gazette there was an article Chancellor Wise was quoted “that under pressure the University of Illinois plans to rebid a multi-million dollar with BLDD Architects because of concerns of a potential conflict of interest”. She goes on to say that that she didn’t think there was a conflict of interest, but she added that they will re-bid the contract and it will cause a significant delay in the renovation. Member Black doesn’t know what significant means. Chairman Bedore stated that it may be far less than what the Board has been told. Member Black wants to know what CPO Bagby’s definition of significant delay is. CPO Bagby replied that there is a two to three week period to get someone else up to speed. That is assuming you can go back to 2010 and accept a bid from another vendor as opposed to rebidding the situation with current information. CPO Bagby stated that it was his assumption that it was going to be re-bid, the architect, going forward and that is why there would be a delay. Bidding for an architect was under the Quality Based Selection Act - they would post that once the specifications were written and it would be posted for a minimum of two weeks and have an evaluation committee established. If you have as many bidders like the last one it takes a long time to evaluate. Then you negotiate the contract and they start the design. Maybe someone will pick a build-design and only take two weeks going forward after the bidding process he does not know. Most architects prefer to design their own so they can understand the project from the beginning. CPO Bagby said they he did not mislead the Board as he was under the assumption that the architect selection would be re-bid and not going back two years and picking either the second or third bidder. Would it be impossible to do that, maybe not, but he doesn’t think that it is the best thing to do. Member Black asked could you in fact go to the firm that finished second or third in the scoring and ask the firms to review and potentially enter into a contractual arrangement or do you feel under the law it would have to completely re-bid, the entire project. CPO Bagby replied that all he can say is that a bid and evaluation that was done in 2010 and now you want to go back and look at it again and make an award after that. Could it be done? Possible, but is that the best thing to do? Not so sure. Member Black stated that he understands what CPO Bagby is saying. Is there an actual conflict of interest, perhaps not. If we were in a court of law he doesn’t know how a judge or a jury would rule as to there being an actual conflict of interest in this case, but coming through the six and a half years that many of us went through with a certain governor who resides in Colorado. It is the perception of a conflict of interest that created a problem and still creates a problem that we all have to be very careful of. But the perception of a conflict or the perception of the pay to play rule that people on this Board have tried very hard to move beyond and he can’t help but come back to the Assistant Vice President Ms. Sandretto, the U of I State Purchasing Officer saying the potential conflict was a serious concern given the close relationship involved. She consulted with the U of I legal department which advised that the statute did not apply to Ms. Maxey because she did not meet the salary threshold in the State Procurement Code. Member Black believes that Chairman Bedore gave an indication that many of us believe that is the case that perhaps there was a misinterpretation of what the Procurement Code says. There are other comments in the newspaper article that he picked up that the firewall had serious defects in it and another person then becomes involved in the process that also had a personal relationship with the architectural firm. While Member Black believes a case could be made, but there may not be an actual conflict of interest it certainly

appears to him that there is a perceived conflict of interest that would be best solved by moving on to either another bidder or as Chancellor Wise was quoted saying “perhaps the contract needs to be re-bid”. Member Black would like to think that something could be done with the two firms that were so closely ranked that would avoid a complete and total re-bid. He doesn’t want to see this project delayed 9-10 months and doesn’t think that it has to be, but that is above the scope of his expertise. Member Black doesn’t think anyone could look at this and say we do see the potential or perceived conflict of interest. That is where I wished it came before the Board long before it did. He sees nothing in the information that has been given to him to change his original vote.

Member Ivory commented that the integrity of the State is at stake here and the legislators at the same time for us to allow this to go on. It puts us at a very bad position from a State perspective to allow a very obvious conflict of interest or perception of conflict of interest and not to address that and not to fix it and get it done. It is critical that we protect the integrity of the State by making sure that everyone understands that it is not pay to play that SB51 was designed to ensure these things would not happen. For us to not do anything less than that we would be remising our responsibility as Board members not to do everything in our power to ensure that the great citizens of our State understand that we are operating above the line. The State has a real obligation to protect the integrity of this whole process by ensuring that SB51 is carried out the way it should be carried out in terms of any apparent conflict of interest and we should act quickly and do everything in our power to send a message to the public that they are going to do what needs to be done.

Chairman Bedore stated that he is a little disturbed about this article in the News Gazette by Chancellor Wise stating that it would be wise to rebid it. To him it is the U of I and CPO saying that it is going to be delayed 8 months and then they will put out a release saying that everything is going to be delayed because of the Procurement Board. That does not need to happen. When the Board sent letters to the second and third bidders we also sent them the conceptual design. They have reviewed it so they are not coming in cold as you are suggesting Ben. They have reviewed it and the question was asked that if this contract with BLDD was to be voided would your firm be willing to take over phase II and continue the work from the conceptual phase and the answer was yes. The firms replied that it is current industry standards for conceptualization plans and transfer packages to be given to another architect and engineers that were created by another firm or entity for completion. They have done this type of thing countless times for such clients as Public Building Commission of Chicago and the Chicago Public Schools to name a few. Chairman Bedore stated that based on lengthy conversations with team members along with a cursory review of the Natural History conceptual plan prepared for the U of I by BLDD the firms believe that it would take two weeks to get up to speed. The argument that we have to go back to square one doesn’t hold any water at all. You are using the U of I line. You are a tool of the U of I.

CPO Bagby told Chairman Bedore that he is going to have to stop with that. He is not a tool of the U of I. He has no particular relationship with the U of I or anyone there. He didn’t go to school there, rejected going there and doesn’t roll over for the U of I as you stated before, which is a professional slander that should not come out of a Board Member. That kind of comment is not productive. You may disagree with the decision and that is fine, but don’t think that there is any place for you to be saying things like that. Chairman Bedore recalled that CPO Bagby told the Board that the U of I would have to go back to square one. CPO Bagby replied that he did not say that they had to go back to square one. He told the Board that it is not clear that you could go back two years and re-open something. The situation that even the Board has indicated in the past that when things are stale, which has been a comment from the Board, and not just go back and resurrect something. Could you legally? Yes if everyone agreed you could do that, but you could also look at this and maybe the best thing to do is to do a new contract and maybe re-bid it. The initial situation was for the conceptual design. Now we are talking about just going forward based on a project lead by someone else. Isn’t that a new project, which would require compliance with the Procurement Code, including QBS. CPO Bagby stated this would have to be something to examine. He is not going to give a quick answer off the cuff on these kinds of things because we are talking about a large situation here that has precedent on how we treat things here. CPO Bagby stated that this is not an easy situation to deal with. It wasn’t a good situation from the beginning and he is trying to figure out the best way to deal with it. Again he looked at this as a situation where he didn’t see anyone doing anything where they were using their influence or insider information for a bad purpose. It looked like it was going to be very costly and looked at it as a situation where we were rebidding the project and not going back.

Chairman Bedore stated that the appropriate thing to do is for CPO Bagby and the U of I is to submit to this Board that you shall bring it to the Procurement Board. You talk about the problem, which started back in December 2010 when you didn't submit it to the Board and based it off some attorney at the U of I saying that 50-35 doesn't apply. There is the major mistake. CPO Bagby replied that he didn't know that that situation existed at that time just because of the temporary structure that was in place. When he did get an SPO under that jurisdiction assigned to the University and found out about the situation he immediately changed the process. It was just an unfortunate situation during the transition in the beginning. If it would have been brought to his attention in the beginning it would be a different story. Chairman Bedore stated that BLDD did nothing wrong. On all of their forms they submitted they stated that there is a conflict of interest. They spell out that my wife works there and the CPO's office didn't catch it. It is pure and simple. They didn't violate the law they filled out all of the conflict of interest forms right up front and you say you missed it. CPO Bagby replied that he didn't say that he missed it it; wasn't brought to his attention. Chairman Bedore stated that when you look at the forms it states that there is a conflict. BLDD wasn't hiding anything. Chairman Bedore stated going back to the reason you have to maybe have to rebid he went back to the letter; "the current industry standards conceptual plans and transfer package given to another architect and engineers that was created by another firm or entity for completion. Our team members have done this countless times". So your argument is that we have to rebid this and you have someone from the U of I saying a significant delay as we will have to rebid this. Chairman Bedore stated that he see the scenario coming that this is being delayed and is going to cost millions of dollars and it is all on the Procurement Board.

Member Morales commented that this Board is charged and held accountable to make sure that they address issues such as this. He feels that this is a violation of the Code. We see it addressed and we need to do something about it. Member Morales stated that he knows CPO Bagby is doing his job to the best of his ability, but we are held accountable to make sure that these things are brought up. CPO Bagby replied that he doesn't have any problem with the Board bringing this issue up. He said at the beginning that this is not a good situation and wished he would have been involved in this back in 2010, but he wasn't. Maybe things would have been different. CPO Bagby stated that there is always room for disagreement, but with more information you never know, maybe things will be different. CPO Bagby stated that there is a situation that just arose this morning that the U of I has decided to rebid this. Rebid from scratch or rebid from a certain point he is not sure and will talk about that with some of the attorneys to see what they can and cannot do. We also have to go forward and figure out how to deal with this. CPO Bagby submitted a draft to the Board to show a way. It is not complete and is not perfect and does need more information and forms to go with it. This is a step to make sure that this kind of thing does not happen in the future and everyone knows the standards to which they have to meet instead of something that wasn't clear at the time. He would like to go forward with something and put it in place so we know how to deal with this better in the future.

Member Black stated in closing that the Board has to do what it was set up to do and is drawn to a section in the transcript and is not trying to pick on her, but Ms. Coleman was asked about the seemingly informal nature of the conflict of interest policy. She stated that the University is in the process of formalizing and documenting a policy in response to this and another BLDD conflict. We are not in any fundamental disagreement that we need more formal policies along with the Universities. Given what the Board has seen and what we know he can't back off of his earlier vote and still needs some review. He feels it is the right thing to do for the University, the right thing to do for the taxpayers and for this Board. He is prepared to cast the same vote he did two months ago and appreciates CPO Bagby's comment.

Todd Turner, Board legal counsel stated that there were two choices for the Board, either the State statute was violated or a conflict of interest violated the Procurement Code. To void the contract it takes a formative vote of 3/5 of the Board members.

Chairman Bedore asked what the Board wanted to do-either to void this contract going forward leaving the conceptual contract in place and voiding it in the future based on the violation of the Procurement Code and State statute. Member Morales made the motion to void the contract going forward and was seconded by Member Black. By a vote of 4-0 the motion was passed.

Member Ivory requested clarification if the Board was making a recommendation that it would be appropriate to put it out for rebid. Is it appropriate to do so? I just want it to be on record that we looked at this issue very carefully and made a strong recommendation that, not to detour more costs, but to do the prudent and appropriate thing for the State of Illinois. Chairman Bedore stated that you are saying you are asking this Board to recommend to the U of I and the CPO, and not use the word shall, but just say recommend. Member Ivory replied that is correct. Member Ivory stated that he would put it as a form of a motion and open it up for discussion and he knows that this has been the subject for a while but he thinks that it is appropriate to be addressed and move on. Member Morales wanted to know what the motion was again. Director Carter stated that the motion was to void the contract going forward based on violations of State statute and the Procurement Code. Director Carter stated he is not sure since there is a motion to void that the Board make a recommendation because the recommendation in itself is to void the contract and would be going to the CPO.

Chairman Bedore stated that he would assume that the CPO would have picked up the Board's thoughts on this and hoped that the U of I, after reading the newspaper article from Champaign, would re-consider what they are talking about. The Board is not trying to get this delayed and cost more money. There are possible ways out of it, but that is for the CPO and the U of I to decide. Chairman Bedore stated that they will leave it up to the CPO and the Board of Trustees to determine what course of action they want to take if that is alright with the Board. No further questions or comments were made.

Next on the agenda was the Procurement Compliance Monitor Update. In attendance were the four CPO's. Director Carter stated that the Board requested an update on the Procurement Compliance Monitors and how they fit into the process. The Board member supplied a letter from the four CPO to the Legislative Leaders. It states the revision to the internal reporting structure of the CPO and the PCM origination where the PCM will report to and be under the general jurisdiction of the CPO. The Board was looking for a general update on the letter and how that process is going and if there are any concerns.

CPO Bagby replied he believes that the process is going very well. The CPO's have had a meeting with the Executive Ethics Commission's staff and had guidelines and worked through some policies and procedures that identified that the PCM's will be reporting to the CPO's for general operations. Chairman Bedore stated that the letter was in response to a piece of legislation that was advancing in the last General Assembly. The EEC thought this isn't good so they reached out to these four and say they are going to really work with them. You four signed the letter and the legislation died. Are we back to the old way of delay? It states that these changes will be made very soon. This was dated by May 17, 2012. Did the CPO's give this to kill the legislation and then go back to the old ways? CPO Bagby replied no because the CPO's have an agreement where general concepts were identified and now have presented to the Commission the format on which this will be happening. CPO Bagby stated that he set it up as an organization and functions manual what defines what his office does, what the PCM's do, what the SPO's do and how they relate to each other. Chairman Bedore asked what their new target is. CPO Bagby replied that the Commission's meeting is next week and as far as he is concerned they can start right after that.

CPO Grunloh wanted to add that he thinks that the legislation may have had some effect on it, but have heard from many people the last session and through the year on some of the issues of what the Code says and what was actually being done. He thinks that it was more than just that. No one jammed anything down their throats. The CPO's came up with an agreement that is signed between the CPO's and the EEC on what they are doing and how they are sending it out. One deliverable on the agreement is a process and procedure that CPO Bagby mentioned that states their target date is August 1 and they have full expectation that the processes and procedures will be voted on or accepted by the Commission or at least our hope from their meeting on the 25th and this agreement will be in place in full force on August 1, 2012. The PCM's will be reporting to the CPO's and will be operating under the new guidelines. Chairman Bedore asked if the Board could make some changes. CPO Grunloh replied affirmatively.

CPO Brown also wanted to comment that as of July 1, 2012 the CPO's did have an implementation strategy ploy and have been working very diligently in the last couple of weeks to understand the dynamics of seeing that many personnel effected by a new policy as well as the budgetary impact. Each of the CPO's shares a lump sum budgeting that is issued by the General Assembly to the Executive Ethics Commission

and has undertaken some significant effort to identify how each CPO and resulting change will be affected. As well they have also created an electronic data capture system which theoretically could be up and running by the August 1 so all of these implementation strategies will be in full effect. That is their goal. Chairman Bedore clarified that everything is going to be wrapped up August 1. CPO Brown stated that from a target perspective the reason they chose August 1 is because the implementation effectively was signed prior to July 1. The Commission as well as the CPO's all signed the implementation strategy. It is now really giving them a short timeline to take all of those recommended changes and have them effective within those 30 days. Again, their goal is August 1 and was picked because of shortly following the July 25 meeting of the EEC where the CPO's are asking for favorable review of all of their policy documents, the implementation strategy and the use of budget and other resources across the agency. Chairman Bedore asked if they would be ready to present at the August meeting to the Board. CPO Brown replied that he would be happy to appear. No further questions or comments were made.

Next on the agenda was Legislation. Director Carter stated that SB2958 the Procurement Omnibus Bill is still with the Governor. As early as this morning there still is not a signature on that bill yet, but he has until the middle of August to sign the bill and will keep the Board posted as that progresses.

The next scheduled meeting for the Procurement Policy Board is set for August 9, 2012 pending Board confirmation.

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