



Chairman: Frank J. Vala

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

Minutes – July 14, 2015 Meeting

Present in Springfield: Rick Morales
Bill Black
Larry Ivory

Absent: Chairman Vala
Ed Bedore

Director Blount: Did someone want to make a motion to appoint a temporary Chairman.

Member Ivory: So moved that we appoint Rick Morales as our temporary Chairman.

Member Black: Second

Director Blount: All those in favor.

The Board: All voting “aye”.

Acting Chairman Morales: Welcome everyone, as many of you know or don't know I'm announcing that we have a new Chairman who is not here at the time, so let's move things along and start with roll call.

Director Blount: Member Black

Member Black: Here

Director Blount: Member Bedore

Director Blount: Member Ivory

Member Ivory: Here

Director Blount: Chairman Morales

Acting Chairman Morales: Here

Director Blount: and Chairman Vala.

Acting Chairman Morales: Alright, moving forward is there a motion to approve the minutes if they have been reviewed from the prior meeting.

Member Ivory: So moved.

Member Black: Second

Acting Chairman Morales: Seconded by Member Black. All in favor of accepting the minutes say “aye”.

The Board: All voting “aye”

Acting Chairman Morales: Moving on we have a follow-up...do we want to change the agenda a bit.

Director Blount: We do. DOC would like to move up.

Acting Chairman Morales: For purposes of time, sure, I understand. Are there any objections to go ahead and move forward and have DOC present.

Mr. Vaughn: My greetings to the Board, my name is Bob Vaughn and I am the Chief of Staff with the Department of Corrections. I'm in my fourth week as Chief of Staff. I have approximately 20 years working in the corrections field and all levels of security in adult and juvenile settings as well. I know a significant...I spent the last couple of weeks and met three times with Director Taylor and I have met with her in regards to procurement and in regards to the commissary issue. We are committed to continue to work with CMS and the PPB to overcome whatever challenges we have not met to this point. As you are aware we've got significant changes in this department, we had a director for about 10 weeks and now we have a new director and again I'm in this role for four weeks. I understand the concerns, we spend a significant, or we offer significant opportunity in the commissary, I think is it \$54 million annually. I think we are obligated to do whatever we can to make a piece of that available to vendors or to BEP certified participants. Skirting the commissary issue, we have achieved our goal as part of the PPB's annual expectation with participation of the sheltered workshop. We have approximately about 95 doing about \$14 million of new business with the Department of Corrections. So we are continuing to place effort on it. I have a personal interest in seeing this happen and through my participation as a warden and superintendent it is imperative that we provide opportunity to the members of the public if they can help us with a service that we provide there.

Director Blount: Chairman if I might, by way of background for the Board members, in your meeting packets we have a timeline of the solicitation or solicitations for the DOC Commissary. We are going back about 11 years that this issue has been on the table. The Board has been involved since around 2011 and they have attempted to do two solicitations since 2011, both have been canceled for various reasons. So the last update that I received was that they are working on a new draft, but that was a couple of months ago.

Mr. Vaughn: This is our third run at overcoming this challenge.

Acting Chairman Morales: And that is what it has been right, a challenge considering the amount of time?

Mr. Vaughn: Considering and sometimes we...the commissary is a significant management tool for the facilities and maintaining service at a reasonable rate is just important to manage at a correctional facility. That's no excuse. There are opportunities, I think we just need to overcome the procurement expectations and I think we can achieve some new things at the commissaries.

Acting Chairman Morales: You said that it's been how many weeks for you now?

Mr. Vaughn: Four weeks.

Acting Chairman Morales: Four weeks, so obviously this is on your priority list it seems like.

Mr. Vaughn: We've met with CMS and talked about it, Director Taylor and I have spoken on three occasions regarding this. Mr. Brunk and I have also spoken in regards to the importance of this.

Acting Chairman Morales: Have you had a chance to look at the prior challenges from the first two attempts as the third attempt on getting this resolved.

Mr. Vaughn: I have had a brief conversation regarding what went right and what went wrong, but I have not been able to get into it.

Member Ivory: Why don't you introduce these gentlemen with you so we know who we are talking to.

Mr. Brunk: I'm Jared Brunk and I'm the Chief Financial Officer for the Department.

Mr. Brida: I'm Rudy Brida Assistant Deputy Director of Strategic Planning.

Acting Chairman Morales: Have you been on for a while or are you also new in your roles.

Mr. Brunk: I came on board with the Department June 1, 2013.

Mr. Brida: November 2013.

Member Ivory: My questions are you know pretty direct, before just looking at the time frame for this procurement, before we got involved there was really fundamentally you had no goals on the procurement of this size, there were no BEP goals at all, which is just amazing to me, but we have some now and we worked pretty hard to get to a 20% goal across the board and I guess I would like to know as best as you guys can give us, do you have any idea in terms of is something changing because I know that we had at one time we were looking at one vendor and they had changed a number of key things that I was very much involved and engaged in talking to a number of key people about. Can you give me some idea as to what the thinking is right now with this procurement?

Mr. Brunk: We are working with Central Management Services plus the CPO's office on coming up with the best possible way to get this procurement out and competitively procured as well as meet the BEP goals.

Member Ivory: Ok so we don't really have any new information so I guess I'll keep my comments short. I can just emphasize the grave importance from my position, not just on the Procurement Policy Board, but as a business leader representing African American business leaders and a number of Caucus members who call me up quite often about this particular procurement and with the Governor making a commitment to minority business I think this would be a priority and we should be very in tune with the objectives and whatever we end up with should be better, not worse than where we started. So I'm counting on you guys to make sure that happens and anything that we can do to assist that we would be more than happy to do so, but it is a very important procurement to us.

Mr. Vaughn: It's a lot of money and a lot of opportunity.

Member Ivory: Absolutely

Member Black: I would just echo Larry. We've made a significant effort towards veterans preference and I think we should do some outreach in that area. We have had some false starts I think Mr. Chairman on that, but I know that the prison in my hometown of Danville, we are the home of a rather large VA medical center and they would know what veterans would be able or willing and ready to do that, but our outreach just hasn't been what, and I don't speak for Member Bedore, but I know he is very concerned

that our outreach to the veteran community hasn't been what any of us would hope that it might be. I think that there is a misconception that when we talk about veterans most people automatically think of World War II veterans, well they are all in their 90's. There are a lot of veterans that are coming back and have come back in the last few years that would be willing and able to do this. So I would encourage you to try and reach out to the veteran community as well.

Acting Chairman Morales: Thank you. All very good points and again we understand things being the way that they are, that you are new to your role and there is a lot for you to take in, absorb and go through. You gentlemen have been on board and in your roles for a couple of years now. What we would like to see and I think that I'm speaking for the Board is that this does not fall by the wayside and not hear back from you, because for whatever other concerns might come up and push this to the side this is a priority for us and hopefully will continue to be for you. Timeline wise, what is the next step? I know it is hard for you to be specific, but...

Mr. Brunk: We are going to get together and we are going to treat this request as a priority and work with the CPO's office and CMS and once we get moving on it, it's realistic to shoot for about 4 ½ months from the time that we start working with CMS and that would be all the way through to the award process.

Acting Chairman Morales: So we can expect to hear back from you by August – September, what am I talking about we are in July right now, but before the end of the year?

Mr. Brunk: Sure we will definitely report back to you.

Member Ivory: Mr. Chairman one other quick question before we close out on this, because we haven't done this and it has been extended I'm assuming that procurement still goes on, so there is an emergency contract that you guys are using as we speak right now because you are still procuring goods and services and the longer we take in terms of the timeframe the more goods and services we procure and the emergency contract you have no BEP participation on emergency contracts, am I correct in that?

Mr. Brunk: We are not using emergency procurements right now. We are using the local vendors and vendors that can meet our needs for the products. So the goods sold in the commissary are not competitively procured. There are no contracts that govern them, and basically there are two vendors Bob Barker and Keefe that supply these types of goods nation-wide.

Acting Chairman Morales: These would be the local vendors?

Mr. Brunk: There are local and national vendors. We actually provided that to Director Blount yesterday in an Excel file.

Acting Chairman Morales: Thank you. Are there any other questions or comments? Thank you gentleman for taking time, we appreciate it. Next on the agenda moving forward we have old business discussion and action on CPO Matt Brown Resolution.

Director Blount: At the last Board meeting Member Bedore requested a resolution thanking Matt Brown for his service to the State of Illinois and in your meeting packets you will see that we have a copy of the resolution if anyone would like any changes I would be happy to make them.

Acting Chairman Morales: Have all the members had the chance or opportunity to read though? That's good.

Member Black: Mr. Chairman, congratulations for a well drafted resolution, certainly thank Matt Brown for his service and move at this time that we approve the resolution of the Procurement Policy Board recognizing Matt Brown's service.

Acting Chairman Morales: So it has been moved.

Member Ivory: Second

Acting Chairman Morales: All in favor say "aye".

The Board: All voting "aye".

Acting Chairman Morales: Yes I agree this is very well deserved and Matt has done a lot and not just for this Board, but for the State. So this is very well deserved and I congratulate him on all of his achievements and thank him for what he has done for us as well. Thank you. Next on the agenda we have...

Director Blount: We have Facilities Review and Discussion/Objection of Proposed Leases Under 30-day Review. We have Ms. Florence here and if any Board member has any questions or leasing issues that are for leases that are not on the agenda.

Acting Chairman Morales: Would you like to update us on anything?

Ms. Florence: There is nothing new.

Member Ivory: I guess my only question would be, since I'm located in the central region, especially Peoria, I guess I can ask staff anytime a lease comes up, because I think we've had in Peoria for my recollection that we sometimes haven't gotten a lot of competitive bids out there and I surely would like to reach out to a number of people who I know who are big time in the business leasing area that I have talked to and I told them I would keep them abreast because I think it would be good for the State to have competition. When we have a major contract or lease that comes up and there is no one bidding or one person bidding, but yet we have people who have lease space that may meet the needs then I want to make sure that everyone has an opportunity to be competitive and drive the cost down when there is real competition.

Ms. Florence: I don't think we have anything or bidding coming up in Peoria, but would be happy to let you know.

Member Ivory: Ok, Peoria and the surrounding area, Pekin, Peoria...

Ms. Florence: We just did one in Pekin, the offers just went out last week.

Member Ivory: Ok

Director Blount: I believe I forwarded that information to you.

Member Ivory: You did.

Acting Chairman Morales: Anything from you Member Black?

Member Black: Not at this time.

Acting Chairman Morales: Then I guess we can move on to the Lease Reviews.

Ms. Florence: So the first lease on the agenda is lease #6268 for DCFS in Springfield at 607 East Adams. I have Cindy Mills from the agency if any Board member has questions for them. The five year lease, termination at anytime with 90-days notice, the base rate is \$13.50 flat for the term, full gross except for the HVAC and electric and that rate has been in effect since 2009. Any questions?

Acting Chairman Morales: If there are no questions then we need a motion for a no objection on this.

Member Ivory: So moved.

Member Black: Second

Acting Chairman Morales: All in favor say "aye".

The Board: All voting "aye".

Ms. Florence: The second item on the agenda is lease #5192 for Employment Security and the Department of Human Services in Arlington Heights. It's a five year lease, termination at any time after the 36th month, base rent is \$12.50 and increases 2% annually and Jim McDonough from DES is here as well if anyone has any questions for the agency.

Acting Chairman Morales: Any questions or comments on this particular lease from the Board Members.

Member Black: Mr. Chairman, a lengthy discussion last month about electrical, sustainability etc., etc., etc. I noticed that the electric is \$1.19. Do you know whether or not they are near a LEED status or are these old light bulbs or...

Ms. Florence: I don't know, but I can find that out.

Member Black: I know we had quite a discussion a month ago that we are going to have to start being a little more concerned about our electrical costs if they don't have switches, they haven't replaced the old florescent tubes or if they haven't replaced the old incandescent bulbs at some point we are going to have to ask people who want to sign a lease, if you haven't done that you need to get started. I don't know if that's a large cost compared to some of the things that we get into, but I was just curious if they made any attempt to bring electrical standards up to what the Feds want us to do.

Ms. Florence: I don't know that specifically.

Member Black: And the security, are those State security people or are they hired by the owner of the building.

Ms. Florence: They are hired from the master contract.

Member Black: Ok thank you.

Acting Chairman Morales: On the space, this was re-measured?

Ms. Florence: Yes, this building came under new ownership a couple of years ago and they submitted to us shortly before we started to negotiate this lease new measurement that they wanted to put into effect. They actually were not measuring using the same measurements that we do in the Administrative Code,

so we asked for CAD9s and went out and measured ourselves and ultimately arrived at the increased measurement you see here.

Acting Chairman Morales: Is this something that we'll have to start looking at in all of the leases?

Ms. Florence: This doesn't happen often. They have been in this building since 2001. I can't really say why the measurement wasn't accurate from the beginning, but obviously we want to pay for the space that we are actually occupying.

Acting Chairman Morales: I mean the space hasn't changed then it's just been...the numbers changed, but the space stayed the same.

Ms. Florence: Correct

Acting Chairman Morales: Again, it doesn't happen often, but when it does happen how do we find that out?

Ms. Florence: Usually we have the landlord measure or we will go out and measure for some reason through an amendment or if perhaps we are taking additional space.

Acting Chairman Morales: I'm sorry, but is that something that should become part of the procedure?

Ms. Florence: We do try to do that and it is rare that we do find discrepancies.

Acting Chairman Morales: Any other questions on this particular lease from the members? It just surprised me, sorry going back to the space, that's a large number.

Ms. Florence: I can't speak to why it has been incorrect all of these years.

Acting Chairman Morales: And again, for myself and I'm not being Ed here, but parking spaces 125 parking spaces is that....

Ms. Florence: We generally, I believe it's just the lot that is attached to the building. If we go out for bid for new space we calculate the number of spaces required in accordance with the number of clients the building sees.

Acting Chairman Morales: So we are not really paying extra for parking spaces, because we have a headcount of 76 and 125 it's not just for employees.

Ms. Florence: We actually don't provide employee parking for the leases.

Acting Chairman Morales: Ok if there are no other questions or concerns, is there a motion for no objection?

Member Ivory: So moved.

Member Black: Second.

Acting Chairman Morales: All in favor.

The Board: All voting "aye".

Acting Chairman Morales: None opposed, thank you.

Ms. Florence: Lease #6292...

Director Blount: Susan I'm going to jump in here real quick. Lease #6292, this was held over from the last Board meeting. The Board did not at the time grant a Certificate of No Objection. In your meeting packets you will see DES did provide an overview. The question at the time was whether or not the State was required to be with this particular partner and the memo goes into great detail on why they need to be where they are.

Ms. Florence: Also, there were some concerns about the rate that we were paying in the Pilsen neighborhood and I actually did some market research and this rate is well within what commercial real estate currently is leasing for in that neighborhood.

Member Ivory: When you say, well within...

Ms. Florence: The most recent data I could get those were going for \$17.00-\$18.00 triple net with an additional CAM of \$10-\$11 so that's TCO about \$27-\$29.

Acting Chairman Morales: How recent did you say that was for?

Ms. Florence: About 10 months ago and our TCO estimated is \$24.36 direct cost. The landlord is actually paying, we are on a sublease here and the partner we lease from is actually charging us less than what they are paying for their own facility.

Acting Chairman Morales: It pretty much covered what we were discussing at the previous meeting with regards to this lease. Did we have to be partnered with this agency, have to be partnered with that particular partner that we sublease from and that's what details in which you provided. Do any of the members want to speak more in detail about that or are you satisfied that we do have to be, this agency does need to be partnered with this particular agency, correct?

Mr. McDonough: Correct

Member Ivory: I would like them to let them do an explanation.

Mr. McDonough: Let me just introduce myself, my name is Jim McDonough, I'm Chief of Staff over at Employment Security. Our Director Jeff Mays would have been here, but there were a few storms in Quincy last night so he's without electricity and without that he is not going to leave home. He can't get squirrels going fast enough is what he said. In any case Barb Piwowarski has been our COO, Chairman, and she has been with the agency for a number of years. She is also no longer in that position she has taken on some new challenges in this Administration with the CIO, however her assistant John Rogers is with us, he is in Chicago and he can answer any of the questions you have as it relates to the property itself. As it relates to the program I might be able to fill you in on some of those partnerships that we have with some of the agencies.

Acting Chairman Morales: The question was regarding the partnership.

Member Ivory: Correct

Mr. McDonough: The partnership is mandated by the Department of Labor, the Employment Training Administration. Its partnership is mandated by what is referred to as the "WIOA Law" the Work Innovation and Opportunity Act and basically what we have are a number of different core State agencies, four different State agencies, that must share space in a one-stop shop going forward. It's a program, job training program ultimately designed to put people back into the workplace, but it requires a lot of local support. So there are a number of not-for-profit community based agencies that are also involved in it. Many of the activities are funded either through the Department of Employment Security, Department of Commerce and Economic Opportunity, the Illinois Community College Board and/or the Illinois State Board of Education. So we have a number of different agencies involved at the State level and as we refer to as core partnerships, but we also have a number of local agencies that we work with for the purpose of providing the training, actually going out to the community, knocking on the doors of employers, etc. So these are mandates that come from the Feds, they are mandates that make a lot of sense in terms of what we are trying to get done. Whenever we do have a partner we do have arrangements and memorandums of understanding with each one of those organizations.

Acting Chairman Morales: And according to this there are two one-stop centers, the one in Pilsen and one being in Arlington basically, do the same thing.

Mr. McDonough: Basically, correct.

Acting Chairman Morales: Ok, so two points that were brought up, one being the partnership and the other being the property itself. Is the agency over paying for that property? It turns out we are sub-leasing and we are being charged less than what they pay. I'm sorry, the individual in Chicago, John Rogers, the property in Pilsen, can you tell us a little bit about the property? I myself am familiar with it, for the other members and people here present.

Mr. Rogers: The property itself is on 18th Street and it's being re-developed all around it. It's just a booming piece of property. We went in there and we are in our 5th year and they built it from scratch and we are now looking at putting other people into the office because we removed them from another office and it's one of the busiest offices in the Chicagoland area. I think it is the busiest right now and it's our only office and it's located between 42nd Street and Lawrence Avenue, so it's right in the hub of the city. So it gets a mixture of all kinds of clientele.

Acting Chairman Morales: I believe it's also in the proximity of UIC.

Mr. Rogers: Yes sir, you would be right.

Acting Chairman Morales: So that is an area that has changed for the better in the last few years, actually in the last 10 years I would say has improved dramatically, medical center being close by as well and there is continued changes. Again, I'm familiar with the area and I think you are as well, but there was the question of comparison of what we are paying here compared to just east near to the Chicago Loop area and properties being what they are we need to ask and see if we are getting the best for our buck, if you will. Any other questions or conversation around that from the members?

Member Black: Mr. Chairman this amount according to the lease takes care of 17 people. I assume those are State employees, the 17. Right?

Ms. Florence: Yes sir.

Member Black: Alright, under partners it lists zero. Anybody else going to be in the building, if so are they paying a portion of this lease?

Ms. Florence: Well we lease from the partner in this case. They don't occupy our space, we occupy theirs.

Member Black: Ok the lease seems high to me, but I don't know Chicago real estate, for 17 people. How can I find out if we are paying a share of the building or we are paying all of the cost of the lease?

Ms. Florence: Of the partners lease?

Member Black: Yeah...

Ms. Florence: We are paying for our portion. We lease not quite 7,000 square feet.

Member Black: What's the total square footage?

Ms. Florence: Of the building?

Member Black: Yes

Ms. Florence: I don't have the lease in front of me, we are in 32.5% of the building.

Member Black: So we are leasing 25% of the building.

Ms. Florence: Yes

Member Black: I'm in the wrong business. Security cost of \$11.62 a month? I know cities in my district don't have that many police officers.

Ms. Florence: They have two full-time security guards, that cost is spread out of a fairly small square footage, which is why it is at such a high rate.

Member Black: They have two full-time...

Ms. Florence: They have two full-time, which is about \$90,000.

Member Black: Are these people armed?

Ms. Florence: In this lease, no they are not.

Member Black: Well I rely on Member Morales and other people who know the Chicago market far better than I, but it seems like a rather expensive lease to me for 17 people and then if they are renting out additional parts of the building to other partners it's going to be a pretty good lease.

Ms. Florence: The partner that we lease from, they don't own the building, they lease their office space from the landlord and we lease a part of their space from them.

Member Black: So maybe rather than do that we should just divide up the money and send those people to school and then maybe they will all get hired. Is there any way we can get records of these programs of people who get this training and then they are going to get hired and in my background and experience, some of those programs do not have a very good track record of who got hired and who is still hired. Do you keep, does DES keep records of how many people come in, how many people are employed, how many people are employed six months later, how many people are employed a year later?

Ms. Florence: I'm certain that they do.

Member Black: Do you have that information?

Acting Chairman Morales: I guess that's a question for...

Mr. McDonough: Yes we do.

Member Black: I would love to see that from this area.

Mr. McDonough: We would suggest, as a matter of fact in Danville, Director Mays has just been there last week and we worked with some of the local community agencies there that put together some programs designed to take young adults, develop some training skill levels, and make placements in the community for specific kinds of jobs. Those are the most successful kinds of programs.

Member Black: I'm familiar with the one in Danville. Of course we lost the Employment Office as a result of remodeling, which I still don't understand. We had an unemployment rate of 10.25% and you moved everything to Champaign and who had an unemployment rate of 6%. I'm just an old country boy, but that didn't make a lot of sense to me.

Mr. McDonough: Well there were over the last two or three years a number of consolidations. We had at one time over 60 offices now we are at 28 John? 26?

Mr. Rogers: Yes sir.

Mr. McDonough: We've had a number of more employees at the time. We were at a little over 1,800 almost 2,000 and now we are right at about 1,120. So we have lost a lot of jobs. As the economy got better unemployment went down so did the DES number of employees so that is just the nature of the counter cyclical nature of DES, but back to your question we would be glad to share some information with you regarding some of those programs, but you will have to understand they are not just DES programs.

Member Black: I know I understand that.

Mr. McDonough: They are also programs that also include the Department of Rehab Services and the Department of Human Services as well as ICCB and a few others. We would be glad to share that information with you and send you some information, Mr. Chairman, however you wish to do it.

Acting Chairman Morales: It's always good to know how well these programs are doing that are occupying the space that is being discussed to know that they are being successful, that those locations are needed and how effective they are. Do you agree that this square footage is needed?

Ms. Florence: Yeah, it is very well utilized in this office.

Acting Chairman Morales: That is the question at hand. It seems like a lot of space for 17 individuals, but it is just the 17 individuals that are using this space. Obviously a lot of the space is used by the public.

Mr. McDonough: Mr. Chairman if I may, just to kind of give you what one-stop shops typically are. There may be 17 different individuals in our department that are on the payroll, but again with the other departments that we share the space, they have additional employees. The biggest reason that a one-stop shop tends to be a little larger is because we have a large gathering area. What we do is we set up

computers for individuals who are looking for work. We will get them set up on those computers, be it through the department's Illinois Job Link Program or for some other kinds of job boards, if you will. We typically will have anywhere from, on a typical day, we will have anywhere from 25-60 individuals who will be coming in off the streets trying to meet the mandates that they are required to have, but at the same time utilize some of our computer equipment because they may not have that themselves. We also have them sitting down with a number of different individuals who will talk to them about benefits such as the TANF or Food Stamp Program, Temporary Assistance for Needy Families, other kinds of programs that are available to individuals in their situation. So it's not always the easiest thing to describe, but for 17 people that are working in the facility they probably will be treating on a given day 75-100 individuals in that community. Certainly at the 18th Street location, by the way we did correct that it was showing up on the agenda as 118th?

Ms. Florence: It's accurate on the white paper.

Mr. McDonough: Thank you.

Acting Chairman Morales: So one thing we shouldn't picture in our minds is that there are 17 individuals, with very large offices. That's sometimes the misconception.

Ms. Florence: Most DES offices do have some sort of resource area, computer resource area, computer training center, training classes, job training.

Member Ivory: Also, in terms of those areas, as they have been hit hard economically, the criteria for the enterprise zone obviously people put in their applications, give them hopefully a competitive advantage when you take a look at some of the criteria, the 10 point criteria that is used on employment people who have funded lunches and all of the other factors, vacancy rates, all those factors are a part of the decision making process to be a part of the enterprise zone, which hopefully has an economic impact if those communities are participating and putting an application together.

Mr. McDonough: That's a very good point, it's one of the reasons why the Federal Government mandates the, in our case, the Department of Commerce and Economic Opportunity and the Department of Employment Security and our job is more labor market exchange issues, labor exchange in terms of those seeking jobs and those having jobs. Theoretically the whole purpose is to impact the economic development of a given area and at the local level, and again it involves a number of different local community agencies too.

Acting Chairman Morales: Any other questions?

Member Black: Mr. Chairman I'll just say when I was in the General Assembly I certainly was a strong supporter of the one-stop shop and I think in most places it has worked better than the old system, but I look forward to getting some information from you and at the appropriate time I would move that we offer a no objection to this lease.

Member Ivory: Second

Acting Chairman Morales: It's been moved and seconded, all in favor.

The Board: All voting "aye".

Acting Chairman Morales: None opposed, this lease moves forward with no objection. Thank you.

Director Blount: The last lease that we have is lease #6281 for CJIA at 300 West Adams Street in Chicago. This lease was on the Board's agenda last month. CJIA, in the interim, you will see in your meeting packets has provided an overview of what they do and why they feel they need to be in this location. They did get a rate decrease of \$0.50 a square foot.

Ms. Florence: Mr. Chairman, actually the gentleman here from CJIA is Director Maki, he has asked to speak before any additional discussion on the lease.

Acting Chairman Morales: Yes absolutely, thank you.

Director Maki: Thank you very much. I want to thank the Procurement Board staff and CMS for helping us work through some of this stuff. To just repeat what I said last time and a little about the agency and why we feel like the downtown Chicago location is essential to our mission and our operations and why we think this lease in particular is a good thing for the State of Illinois. The Illinois Criminal Justice Information Authority seeks criminal justice research, policy information sharing agency. Also the agency, by statute, we are mandated to use research information sharing and technology to improve public safety outcomes not only at the State, but the local level. The Authority has 73 staff primarily graduate degree researchers, accountants and lawyers. By statute we also have a 25 member independent oversight board made up of law enforcement leaders and government officials. Now a majority of our Board works in Chicago and most have offices within walking distance to our agency. This includes the Superintendent of the Chicago Police Department, the Cook County State's Attorney, the Public Defender of Cook County, the Cook County Board President, and the County Clerk. While some of our Authority Board members are not from the Chicago, Cook County area our location provides an ideal kind of centralized location. My Board's Chair, a retired judge, Elizabeth Robb, former Chief Justice of McLean County from Normal, Illinois. She told me that she could not imagine doing her work as Board Chair with ICJIA being outside of the downtown location in Chicago. Our staff, as I noted, is highly skilled professionals that we recruited over the years. All of them really rely on the centralized location to travel to and from work, 40% of the agency staff are African American or Latino who live in Chicago's south and west sides and many others are from the suburbs who take the metra train into work. We have many working relationships with Chicago area Universities including the University of Illinois at Chicago, University of Chicago, Loyola University, Northwestern University and DePaul University. Our location is an ideal place for us to bring in interns and externs and partner with professors and therefore add value to our operations. Similarly we are developing many relationships with Chicago area foundations including the MacArthur Foundation, the Joyce Foundation, the Chicago Union Trust and again, a lot of those places are dependent on having a location where we are able to go to and from their offices and our offices. One more thing on operations, we house three other projects, the Adult Redeploy Illinois, the Motor Vehicle Theft Prevention Council and staff from the Illinois Sentencing Policy Advisory Council. All those staff live in Chicago and it would be very difficult for those staff to go outside the Chicago area, being from where they live and where they were recruited from. Now we are not essentially married to this particular lease, but it's our understanding that it was a very good deal. It's an excellent price given our location. We are downsizing our space from 19,000 square feet to 18,000 square feet. We are at a very efficient 246 square feet per employee, well below the State's 275 square foot per employee lease. Moving in the next 12 months or so would really significantly disrupt our operations. We are involved in many projects including the Governor's projects, Illinois Criminal Justice and Sentencing Reform Commission. Once more our current location has excellent internet capacity and that has been a problem for other agencies. A lot of their research is dependent on having pretty heavy databases and it requires strong internet access. It's our understanding that CMS' RFI covered a very, very extensive area in the Chicago area and our current landlord was the only respondent. Finally, it is our understanding that it would cost \$60,000 to move from our current location. So I think for all of these reasons based on our mission, our operations and the particular aspects of our leasing is a really good deal for the State of Illinois and certainly for my agency and I ask you to consider it favorably.

Acting Chairman Morales: Thank you for the presentation, we appreciate that, members any questions or comments?

Member Black: Mr. Chairman one of the things that we had mentioned in the past, I assume the location of this is adequately served by public transportation, CTA, etc., etc.

Director Maki: Yes sir.

Member Black: Parking?

Director Maki: We don't use parking. There are parking garages if people need to travel to and from, but we don't have any parking. We have two State-owned cars that are parked actually next to the Thompson Center, but that is not for employees or people coming to and from.

Member Black: Ok thank you very much.

Acting Chairman Morales: Member Ivory

Member Ivory: I think you have made a great presentation of the value of the location. It's clear to me that it makes good business sense and you've considered all of the options and have done a good job in my opinion of justifying why this space may be appropriate and convenient for the right reasons.

Acting Chairman Morales: I liked the fact that after the last meeting the results showed a thousand square feet less and a savings of over \$46,000, which shows that we can always try and do a better job and appreciate you going back and doing that.

Director Maki: I just again, thank my colleagues at CMS and the Procurement Policy Board for helping us out with that.

Acting Chairman Morales: We do have a good staff, don't we? I would say though in some of your comments and I can appreciate some of the names you mentioned and they not being able to see that it can be nowhere else but that location. I don't agree with that, there are many locations in Chicago, but as we have discovered we can always try and do a better job and a lot of the times the results are in the positive as it did here. If there are not any other comments or questions on this particular lease...

Member Ivory: I make a motion for no objection.

Member Black: Second

Acting Chairman Morales: First and second all in favor say "aye".

The Board: All voting "aye".

Acting Chairman Morales: None opposed, we thank you.

Director Maki: Thank you.

Acting Chairman Morales: I think that is it for leases we are down to the legislative report.

Director Blount: No new legislation or other legislation that we are concerned about other than our budget obviously.

Acting Chairman Morales: Not much going on except for the budget.

Director Blount: That's about it.

Member Black: They've had plenty of time.

Acting Chairman Morales: Being no discussion on legislation we have, what do we have next...

Director Blount: Calendar of future meetings is August 6th, but we can have staff reach out.

Acting Chairman Morales: Sure we'll figure out that date because we always have to be fluid with that. Is there any public comment at this time?

Ben Bagby: Thank you, Ben Bagby CPO for Higher Education. Earlier I think you announced the new Chairman and if you did we couldn't hear the name.

Acting Chairman Morales: I'm sorry I thought that I did.

Director Blount: It's Frank Vala.

CPO Bagby: Ok thank you, and I want to acknowledge the retirement of Fred Hahn the first independent CPO for CDB. I want to thank him for his service as CPO and his concurrent services as a National Guard Officer and to wish him a happy retirement. Thank you.

Acting Chairman Morales: Thank you for that, we appreciate that.

Member Black: Chairman can I ask a question, its related to what we do and maybe Ben can set me on the right track. I was watching the local news, I don't know about a month ago and some good friends of mine who work for the University, and I'm sure you are aware of this, said that this Board cost the University \$100 million last year. How did we do that? If it's taxpayers' savings then good for us, but if it's not taxpayer savings and we cost the University \$100 million then how did we do that?

CPO Bagby: I don't think those numbers are real, they are not supportable, there is no basis for them.

Member Black: I'm shocked, totally shocked.

CPO Bagby: At one of the appropriation hearings the President of SIU indicated the Procurement Code cost them \$24 million a year, the President of the U of I said \$70 million and Senator Rose brought that up and I said hey if that's the case for the Universities then extrapolate that by five to the agencies because it is five times bigger, but I also said that number is not real to begin with. Once it gets into the news as a nice sound bite it gets replicated and replicated even though you tell people that it's not real, there is no basis. The Universities haven't been able to come up with a number anywhere near that. Now there are costs, there is no question. When we have to disqualify a vendor because they didn't file with the Secretary of State at a certain time, go to a higher priced vendor or re-bid that cost. There are definite costs that come about because of those kinds of things. I don't think you will see any cost because of oversight, the SB51 structure, the independent CPO or the Procurement Policy Board they don't cost anything. If you don't have oversight people just go and do their own thing. It's sort of a way of doing things that maybe is ok, but maybe they don't think about how to do it better. The "whys" aren't always asked and I think you ask why a lot. I think oversight is good and if we were costing \$100 million I think we should go away, but that is just not true.

Member Black: I'm glad to hear that. I reached out to the University, my alma mater asked for some information on how they got that figure and I got a very nice answer that they were between presidents and it would take a while, but the only thing that I can remember where we had any kind of push back from the University, and you should remember this Larry, we had a husband and wife combination where the husband was in an architectural engineering firm and the wife was on the board that picks those people and we thought that was a conflict of interest and I don't think that they agreed, but I think that we were right. But they did say that it pushed it back a year and cost them a lot of money. Well a conflict of interest can cost you a lot of money too. I appreciate that, I wondered if that figure was based on any factual data or what. I'm like Everett Dirksen, \$100 million here, \$100 million there, pretty soon it adds up to a billion and then you are talking about real money.

CPO Bagby: Even if it's a cost of \$100,000 on a \$10 million contract, if we can fix the Procurement Code so you don't have to spend that I think we are all better off for it.

Acting Chairman Morales: Very much agree.

Member Black: As things change as they do everywhere, more people have left the General Assembly who remember why this Board was created, you get a lot of questions and they don't remember the 99% of our contracts or bids were professional and artistic and they always went to the same company and I think that is why Senate Bill 51 was introduced to shed a little light on that.

CPO Bagby: And the Procurement Code before that when we moved from the Purchasing Act and that actually did deal with the P & A issues back in 1998.

Acting Chairman Morales: Well we'll just have to remind people every now and then why we do what we do.

Member Black: So see if we can bring Senator Schoenberg back.

CPO Bagby: I have his quote from back in 1992, "we can save millions of dollars and what price ethics".

Member Ivory: Well the reality of it is that as we evolve as a State, as we evolve as an agency and all, it's really transparency, challenging the status quo, challenging the culture because what I tend to see that happens sometimes is that Universities and everyone you get a habit of doing certain things a certain way it creates a culture, and that culture begins to quite frankly not look at itself, and ask itself what can we do to make things better? Without organizations and agencies like what we serve on I believe it costs the State a lot more money if you don't have the type of things that we have to do whether it be the CPOs, us or everyone else. I think it's just the evolution of getting better.

CPO Bagby: It's not a bad motive, but it is like you said when cultures exist it's hard to change those unless somebody is on the outside looking in and is not invested in the culture, but can ask the questions and get an answer.

Acting Chairman Morales: Thank you for that we appreciate it and appreciate your comments as well. That being done are there any other comments? If not is there a motion to adjourn?

Member Ivory: So moved.

Member Black: Second.

Acting Chairman Morales: All in favor say "aye", none opposed, thank you very much.