



Chairman: Frank J. Vala
Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

Minutes – September 2, 2015 Meeting

Present in Springfield: Chairman Vala
Ed Bedore
Larry Ivory

Via Telephone: Rick Morales

Absent: Bill Black

Chairman Vala: I believe Jeff I hope I'm right I think we need a motion to accept Director Morales' telephone attendance in this meeting.

Member Bedore: Make a motion we accept Rick Morales to be on the phone, he cannot be on State property due to business.

Member Ivory: I second the motion.

Chairman Vala: All in favor say "aye".

The Board: All voting "aye".

Chairman Vala: Motion carries. Roll call please. By the way, hi Rick.

Chairman Morales: Hello, how are you Frank?

Chairman Vala: Great

Director Blount: Member Black

Director Blount: Member Bedore

Member Bedore: Here

Director Blount: Member Ivory

Member Ivory: Here

Director Blount: Member Morales

Member Morales: Here

Director Blount: And Chairman Vala

Chairman Vala: Here



Chairman: Frank J. Vala

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Chairman Vala: Second on the item is an introduction of Chairman Frank Vala. I'm naturally Frank Vala, from Springfield, born and raised here and honored to be appointed to this commission. I'm looking forward to working with the four other Members who have been here many, many years so I will be depending on a lot of help from them. OK, documentation in relation to lease 6268. This is a January 14th lease that was presented. Through lack of communication I was not present for the meeting. I apologize for that, but during that that lease showed my ownership as a partial ownership in that building for that lease. The attorneys did not complete all the documentation to release me. So I have now submitted all the legal documents showing that I have no financial influence at all in that building, totally resolved in that and I would like to have that on the record if the Board would allow me that?

Member Bedore: Absolutely, I don't know if you need a motion on that? I make a motion that we accept the explanation and the pages regarding the ownership regarding Frank Vala.

Member Ivory: Second the motion.

Chairman Vala: Roll call, all in favor.

Board Members: All voting "aye".

Chairman Vala: Thank you. Alright we will have approval of the July 14, 2015 minutes. Motion for approval.

Member Ivory: So moved.

Member Bedore: Second

Chairman Vala: Any discussion, additions, deletions, corrections... roll call please.

Director Blount: Member Bedore

Member Bedore: Aye

Director Blount: Member Ivory

Member Ivory: Aye

Director Blount: Member Morales

Member Morales: Yes

Director Blount: And Chairman Vala.

Chairman Vala: Yes

Chairman Vala: I would like to make a motion at this time a roll call vote now stands for all motions from here on out. The rest will just be by consensus of "ayes" or "nays". A motion on that?



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Member Ivory: So moved.

Member Bedore: Second

Chairman Vala: Roll call

Director Blount: Member Ivory

Member Ivory: Yes

Director Blount: Member Morales

Member Morales: Yes

Director Blount: Chairman Vala

Chairman Vala: Yes

Director Blount: And Member Bedore

Member Bedore: Yes

Chairman Vala: Ok. Will you want to take over on the introduction of the new officers?

Director Blount: Sure, I believe we have Ellen Daley and Lorri Lawton. They are the newly appointed CPOs that were newly appointed effective July 1 and I think they're going to come up and introduce themselves. Whoever wants to go first.

Ms. Daley: You can go first Lorri.

Ms. Lawton: Ok I'll go first. Good morning and thank you for inviting us here to introduce ourselves. Hopefully, I'm a familiar face to many of you. I have been with the CPO function since 2010, so basically from the very beginning and I have served in a variety of capacities throughout that time, and have had an opportunity to see that good work of the Procurement Policy Board to begin to learn and understand what the Procurement Policy Board does in its relationship to the CPO process. So in my role as the Chief Procurement Officer of the Capital Development Board (CDB) it's my goal as we move from the first 5 years of the Chief Procurement Officer function and the independent oversight by Chief Procurement Officers into a second 5 years to begin to build on what we have done in the first 5 years. So I think that through the growing pains and the initial stages of establishing the offices, establishing the roles, understanding the roles, and building the function we can now hopefully take it to a different level where we begin to refine, finesse the processes, and improve communications while maintaining the foundation of what the intent of what SB51 was. So I think that is just a really brief summary of what my intention is in a role as Chief Procurement Officer and I welcome questions now or we can let Ellen talk and maybe have questions after, whichever is your preference.



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Member Bedore: Well I will ask, I have one question. You know there has been a lot of discussion over the last couple years regarding the Veterans Program. You know, we had an example of an armory up in the Chicagoland about 6 months, 8 months ago, and very little veterans participation. So what is your goal going to be as far as getting veterans, because we're having a problem obviously with CMS and getting the Veterans Program up and running, I'm not blaming this particular group, this goes back many years. You know you had the former Governor signed this bill, was there with the American flag and the bands, and then we're up at I think years later we're talking three or four years later we only have 80 veterans groups signed on. To me that's a problem for me and to anybody that's a veteran and you know we have been talking about this, and talking about it and this armory really brought it to the fore, I mean it was terrible. The award was basically, wasn't given it wasn't signed, but then they had to run out and get a veterans group to sweep up the mess or cut the grass or whatever they did just to have a veteran on the group. You know that's wrong, you know when you're dealing with an Army facility, you would think that the CDB would really go out of its way have veterans as the lead on a project like that. That's my comments.

Ms. Lawton: Yeah and I couldn't agree more. I think that the example that you site is a good one, and fortunately I have another example that I can share with regards to FY2015 and veterans participation. First of all my husband is a veteran, my father was a veteran so whether I bring that personal perspective into the work that I do every day is one thing, but the other thing is the Illinois Procurement Code and the Illinois Procurement Code is very specific in terms of what the goals are, the aspirational goals for veterans participation. Fortunately, in FY15 we also had the award of the Chicago veterans home contract. We set very high goals and as a result in all of FY15 we were able to achieve over \$5 million dollars in veterans participation across the board in contracts. The other piece of good news at least for the CDB's portfolio is of the 138 CMS certified veterans, currently 82 of those are construction or construction related like architect/engineers, of those 82, 40 of them are either prequalified with CDB or registered with CDB to do work as a sub-contractor. So I have opportunity in my portfolio with regards to availability of contractors to do the work and we set goals, we actually in this past year, we established with CDB a much more formal goal setting process, both for Business Enterprise participation as well as veterans participation so that the CPO's office is involved during the goal setting process and it's a discussion with CDB as the goals are being set. So we have input during the process as opposed to just simply looking at what happens when a solicitation is being posted. So it's through building communication with the agency itself and the supplies to the veterans participation program as well as everything else that we are doing that I think we are going to grow and enhance. I've also seen within CMS, Kim McCullough, Deputy Director there, has demonstrated some strong interest in both BEP and veteran participation, I think there is going to be an emphasis and a focus. Ultimately at the end of the day you know someone really needs to own that process and I think Member Bedore you talked about that before, who is assigned to this, who is doing this? And so I think that will be key going forward, but I can't emphasize it enough how important both veterans participation as well as the Business Enterprise participation is in our office.

(10.23) Member Bedore: I appreciate that.

Chairman Vala: Larry do you have anything to add?

Member Ivory: No I'm good Frank.



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Chairman Vala: What I would like if it pleases the Board is that this Board asks the Capital Development Board through you to give us a report no later than 90 days, I would prefer 30 or 60, on what are your actual plans? Show us what you're going to do as far as attending organizations, solicitation, whatever are your plans to let veterans know that there's even an opportunity for them to get contracts. I agree with all the other Board members and probably most people in this room, we owe our freedom to these people and we should make every effort to see that that's done. The Board concur?

Member Bedore: Absolutely

Chairman Vala: Rick

Member Morales: I agree

Chairman Vala: Okay, thank you.

Member Bedore: Yeah and I just have one other comment, just because of the statute sets a percent, a very low percent, there's nothing wrong with exceeding that.

Ms. Lawton: Agreed

Chairman Vala: It's your turn.

Ms. Daley: It's my turn? Welcome Mr. Chairman, it's a pleasure to meet you.

Chairman Vala: Will you slide that closer please.

Ms. Daley: How's that?

Chairman Vala: Thank you.

Ms. Daley: Usually I can be heard pretty easily I have a loud voice. My name is Ellen Daley, and I'm the newly appointed Chief Procurement Officer for General Services. I have a long background in procurement. I served for 11 years at the Chicago Public Schools as Procurement Legal Counsel and I started the Vendor Management Office at the Chicago Public Schools to encourage compliance with contracts and do vendor outreach to make sure that on the contract administration side at the Chicago Public Schools we were very much involved in getting as much participation and proper participation from our vendors as is required under the contract, it's always been kind of a struggle once a contract is in place by Chicago Public Schools to make sure we were actually getting the performance that we're doing. After I left the Chicago Public Schools I was honored to be appointed as the Senior Procurement Counsel and the Deputy General Counsel of CMS for Procurement and Strategic Sourcing. So I bring to the table 16 years of procurement experience and procurement legal experience, and I welcome the opportunity to be able to take that experience and apply it to the ability as CPO to be creative, to see that we can get, since we don't have quite the resources we used to have, to use with cooperation between the agencies. I come from the agency side, so I have a lot of resources there that I can use in addition to the CPO's office. CPO's office is a regulatory office so I have no problem saying no, if the agency isn't doing something right, but I think we have the opportunity now to build onto what has already been established



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as what Lorri said. To now do better procurements, get the best goods and services at the best price for the State, and to do our procurements in a manner that are transparent and that allows us to actually get what the agency needs, to work closely to understand what the needs of the agencies are and then as procurement experts to bring to the table the expertise in order to do that. Coming from CMS I have a very strong understanding and dedication to the BEP Program, as well as the Veterans Program. Now it's part of my program under CPO for General Services, I have a Small Business Program, which also involves both Veterans Programs and BEP Programs so it will be an emphasis of mine to encourage the agencies to use these programs because frankly small businesses are the back bone of the State of Illinois. So we need to make sure that the State dollar is used properly to help build the small business in order to allow us to have good solid economy in the State of Illinois and I pledge to do so. I look forward to working with you all. I've had the pleasure of working with some of you before and I'm happy to take any questions that you might have.

Member Ivory: I'll start, first of all let me congratulate both of the young ladies for the new role that you will be playing, we look forward to working with you. Obviously we've had 5 years of CPOs and one of the things that I saw from my perspective, which may not be a shared vision, but it seemed to be a great opposition sometimes between the CPO and the agencies that I saw. I'm hoping that the objective that we have is clear, in reference to the fact, that we want the great State of Illinois to be fair, transparent and get on track and move us in the right direction. That means that there are some things we need to work on in order to make that become a reality. It's easy to say it. You know I often find that a lot of people talk a good game, but the question is what is your plan? How do you execute your plan, and how do we hold each other accountable for moving the State in the right direction? I'm encouraged by the comments that both of you made in reference to the veterans, which I think is critical and also the BEP which obviously is critical to me. So I'll look forward to having your candid and honest open conversations about what we can do to make things better, but I am very, I am a person that is very focused on transparency and fairness. Too often I see in procurements and procurement gets through with no BEP goals for what reason I don't know in most cases. Then next week it has a goal on it, so I'm hoping in your role you will take a look at the processes that are working and make sure it's a level playing field fair for everyone.

Ms. Daley: I intend to do so, thank you.

Member Bedore: Chairman I have a few questions. You know the role of the CPO isn't really just to look at, "does the \$1.50 and \$1.50 add up to \$3.00"? We have an example here, and there is nothing absolutely wrong with this Springfield lease. The lease is very fair it's \$5.75 for storage. No problem with the owners, it's to do with why do we need this lease, and yet it's going to go into effect on October 1st. We're going to spend \$522,000, a half of a million dollars when the State's in real trouble, for storage, and the storage is going to be to store furniture, paper goods, and bulky items. Do you ever look at some of these leases? I know I did. We used to tour these buildings and there is furniture down in those basements which we're paying for leased space. The furniture that you wouldn't give to the Salvation Army or to Goodwill and yet we're going to spend a half million dollars to store it, why? Why isn't it turned right over as surplus and get rid of it? So instead of you just looking at "does it meet the goals" and all the other things. I think your job is to question the agency. Why do we need this? And the explanation is they never had one for 10 years and the explanation is because we didn't need it, because we stored it in the general area.

Chairman Vala: Ed could I interrupt I'm sorry, but this is on the agenda could we call Ellen...



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Member Bedore: No this isn't on the agenda.

Chairman Vala: Oh it's not...

Member Bedore: No.

Chairman Vala: I apologize.

Member Bedore: No this is not on the agenda because it's under the...no I'm raising the issue that the CPO has to look at something beyond just meeting certain goals and that. You got to start...I always looked at CMS and the CPO as questioning. Why do you need 100 cars? Why do you need this space, and the explanation is "well because we used to store it our regular leased area", come on. Somebody ought to look at this, and again I have no problem with the rate, I have no problem with the building, it's just the concept, why do we want to do this? And that should be a question that the CPO ought to ask. You agree with that?

Ms. Daley: I'll consider your comments Member Bedore. I think there is a fine line between what the role of the regulator of CPO is and what the Governor chooses to spend his money on. So I'll take it into consideration as I'm very new to this role so I'll take it into consideration, your thoughts.

Member Bedore: You do send letters and your letter always says, "in the best interest of the State of Illinois". What is the best interest?

Ms. Daley: I certainly, as I said...

Member Bedore: A half of a million dollars to store junk? I don't know, I seriously question that, but glad that you will look into it. The other thing is when you were at CMS and I believe you were party, it was a discussion by CMS to try to change SB51. It was this session. You tried to take the CPO and put it under the Governor and not as an independent agency. Do you still agree with that concept?

Ms. Daley: If you're referring to the legislation that I was asked to draft as part of being, as my job as a lawyer for CMS I was performing my job as a lawyer and advocating on behalf of my client. Do I believe that they should be moved from underneath the EEC, no.

Member Bedore: So you personally don't agree with what CMS was trying to do.

Ms. Daley: Right. That's my personal opinion, but you have to understand I was performing my job as an attorney, I have an obligation as an attorney, I have a fiduciary duty as an attorney to do what I was obligated to do, what the Director of CMS wanted me to draft as legislation. That's separate and apart from what my personal views may be.

Member Bedore: So your view is right now though that you would not like to see that CPO under the Governor.

Ms. Daley: Correct



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Member Bedore: What about the issue of the \$250,000 professional and artistic contracts?

Ms. Daley: I really don't have an opinion on that.

Member Bedore: You aren't...

Ms. Daley: I haven't thought about it really in that manner so I'm not prepared to offer an opinion at this time.

Member Bedore: Ok, because CMS was saying they should be exempt, which you were party to.

Ms. Daley: I understand that that was part of the proposal, but I have not thought through on my own personal opinion on that, Member, I cannot offer that at this time.

Member Bedore: Alright.

Chairman Vala: Ed had you suggested changing that \$250,000.

Member Bedore: No I'm not, no CMS was proposing that changing it from \$20,000 to \$250,000 would be exempt.

Chairman Vala: That's what I'm saying we don't...

Member Bedore: No, no we don't. CMS was proposing it and when Ms. Daley was there she was in her capacity they were proposing to do that, and I was just wondering if your views have changed since you were in a different position now.

Ms. Daley: I would say that I did not have a view, per se, I was performing my role as Deputy General Counsel and writing legislation at the direction of the Director of CMS. So I wouldn't say it was a view at that time either.

Member Bedore: So can I then interpret that as that you're fully supportive of SB51.

Ms. Daley: I think that S...I'm really not prepared to discuss that in detail today. There are things about SB51 I think that have been changed through legislation that are good, so there have been changes that have been proposed by the Governor's Office and CMS and agreed to by the CPOs. I think any changes should be universally agreed to between the people who are the stakeholders in procurement prior to them going forward.

Member Bedore: As opposed to what was done in the past. As opposed to CMS, you are submitting this language directly to the legislation without any consulting of this Board.

Ms. Daley: I was not part of whether or not the Board was consulting, all I did was draft the language sir.

Member Bedore: I can state it, we were not consulted.



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Ms. Daley: I think it's important to have all stakeholders involved to have a discussion about procurement and Procurement Policy Board certainly is a stakeholder.

Member Bedore: Well in the future I would hope you would come and we can get into more detail on this that would be great, because you know there was a reason for SB51. We all know what the reason was, and I think we should, and there is probably some tweaking that should be done to it, but wholesale changes, no and to do that without even talking to this Board I thought was an insult.

Ms. Daley: I think all stakeholders should be involved in, discussion and I do believe the Procurement Policy Board is a stakeholder.

Chairman Vala: Rick have you got any questions?

Member Morales: No questions at this time. I always enjoy spirited conversation and I think Lorri and Ellen are probably, not used to it already, will get used to it from this Board, it's all for good intent. I welcome your expertise and I look forward to working with you, congratulations in your new role. All I ask is that you please bring common sense to the table at all times, thank you.

Ms. Daley: Thank you.

Ms. Lawton: Thank you, Rick.

Chairman Vala: No other questions, thank you.

Member Bedore: I forgot when I started to congratulate the both of you ladies.

Chairman Vala: I was just going to say, on behalf of the Board, congratulations or condolences I don't know, but thank you for taking over a major job like this and we are – we want to be allies, so conversation is the most important thing and keeping it open in both directions. Will is here to get you anything that you need at anytime and any of us Board members, I believe you have access to our phone numbers feel free to give us a call.

Ms. Daley: We have always had a pleasure with working with Will, we are excited to work with him as Executive Director.

Ms. Lawton: Yes we had a number of phone calls in the last 60 days so.

Member Bedore: You talking about Will?

Ms. Daley: Yeah, Will.

Chairman Vala: Thank you for coming.

Ms. Daley: Thank you for having us.



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Chairman Vala: Ok on the agenda Central Management Services facilities review, Will. you want to take it from here?

Director Blount: Sure, I think Ms. Florence is here and available to respond to questions any Board members might have for any leases not on today's agenda.

Ms. Florence: Good morning.

Member Bedore: Morning. I have a few, Mr. Chairman. First of all well I might as well continue on with that \$500,000, half of a million dollars for storage.

Ms. Florence: We've got Cindy Mills here for DCFS to answer any questions.

Member Bedore: Well it would be great if she'll tell us about why they need this, not having it for the last 10 years, why they need it now and what other, what items are you going to be storing?

Ms. Mills: Thank you, for the last 10 years we have consolidated a lot of buildings into other buildings into other facilities. We lost our storage back then. CMS basically put us down to small space. We have been using basements, areas that we're paying full price for to store items that we use periodically for new staff, for things that have broken and things. These items are not items that are broken, these are good items, they're good desks, good equipment that we are keeping. We take our junk, as you might say, to surplus on a regular basis. We also have been, in the last couple years, been struggling with big deliveries such as, we've been turning over new computer systems, right now we're getting ready, we're doing a new server refresh and those are very large items we have nowhere to put them when they get delivered and the places that we are putting them it's very cumbersome. We're having to have these big trucks come into facilities that are not used to getting a big semi truck in there, and then we're having to have man hours of putting them into basements and so forth where we need a warehouse that we can take those type of items and you know have a big garage and a loading dock or some sort that we can transfer these in and out, in and out. We just had a process to where we couldn't take a full delivery on a project we were doing for our foster parents for books that were being distributed that we couldn't take the full order. We had to take them into increments so that we could get them into DCFS in order to ship them out to the different entities, the private agencies and so forth. So you know we are looking for one main place to house all of our downstate, which is everything but Chicago, so that we can have a good inventory, not only that of items so that we can have our moving and our mailroom to come in and out of to take those things to the different locations, our 60 locations that we have.

Chairman Vala: Do you have a staff person that does inventory and deliveries and pickups and...

Ms. Mills: We utilize both, here in Springfield, we use a lot of our own Springfield staff. We have a vendor that we contract with for moving that we utilize. I mean, if it's small items we utilize our own staff to do so.

Chairman Vala: What about a decision whether it's worth \$5 a sq. ft. to store or better off for Goodwill or at the landfill? Who makes that decision?

Ms. Mills: To me, oh you mean for inventory items?



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Chairman Vala: Right.

Ms. Mills: We do, we make that decision and typically we keep desks, we keep items that are typical for an office, your desk, a bookcase, tables. We get rid of chairs that are no longer, that are broken, we get rid of desks that are broken, and we get rid of anything that is broken. We take to surplus or destroy through the normal process.

Chairman Vala: Do you have an inventory list? I'm sorry Rick go ahead.

Member Morales: Sorry Mr. Chairman I didn't mean to interrupt, I think you're getting to the point I was going to ask about. Why are you keeping furniture that is not being used?

Ms. Mills: For new staff, for things when we break, have broken items that break if a chair breaks we have to have a new chair you know ready to go for that person, a desk that possibly something breaks on it, all kinds of items with breakage. I mean we don't keep a large supply but we do keep a fair amount. Which otherwise we would have to procure which right now we don't have the means of monies to do so our budget for equipment is...

Member Morales: So we are going to pay over a half of a million dollars to store furniture that is not being used at the time, but it's there to provide somebody that might break a piece of furniture later on, is that correct?

Ms. Mills: Correct. I mean, but we are moving furniture constantly. I mean it's moving in and out daily and constantly and we also need a large place to store paper as well, envelopes that type of thing that we need to get out of basements that are here in the Springfield area that shouldn't be in basements due to the possibility of flooding.

Member Morales: So they don't look at purchasing supplies as needed, we buy it and store it?

Ms. Mills: We haven't purchased anything in I don't know how long. These are items that we keep on hand.

Member Morales: So you store paper and furniture things, such as computers that are purchased but not ready to be installed, all is in the warehouse. Shouldn't we coordinate that better so that the purchase is, the items being purchased are utilized when they're being purchased as opposed to storing them?

Ms. Mills: If we had the funds to do so I believe.

Member Morales: But you have the funds to store it, am I missing something?

Ms. Mills: Right. When we did our computer refresh we had to get a small storage in order, because we have to bring in the delivery, then there is a process. Number one we have to inventory everything, tag everything for our inventory system and then they do the software and whatever else needs to be done through the IT department before that gets shipped out to the locations.



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Member Morales: I see so we're not just buying stuff and storing it until it's ready to be used.

Ms. Mills: No

Member Morales: Gotcha

Chairman Vala: But your computer equipment is put right to use as soon as it's inventoried and software installed.

Ms. Mills: As soon as they can get it out, yes. I mean they come in, they go out, I mean it's a process, but yes.

Chairman Vala: What do you do with the replacements?

Ms. Mills: The old equipment?

Chairman Vala: Is it totally new or are you replacing computers, is that what you're doing is storing old computers.

Ms. Mills: No we're not storing old computers we take old computers surplus them, yes sir. I mean at sometime we have a staging area and we have to a space for that staging until we can get it to surplus because we do have to do the paperwork and such before we can take it to surplus.

Member Morales: I just hope that this is being managed properly. I went to the Chicago Public School System, went through the Chicago Public School system, I was pretty upset years later when I found out they discovered warehouses, with unused equipment, furniture and so on. I hope that isn't the case for us with regards to this. We are keeping good track of everything, right?

Ms. Mills: Yes we are.

Member Bedore: Another question, you say you're presently storing it in your facilities right now, correct?

Ms. Mills: Correct, which we need the space for staff. A lot of times we have to move it from one place to another because now we have had a new staff hired and so forth and we may have you know 20 chairs that we haven't gotten...out yet.

Member Bedore: So when you move all this to this new warehouse facility, what are you going to do with the space of these leased buildings?

Ms. Mills: Well, we have been working on a plan. Number one with CMS because we would like to get rid of a building or two and we're getting, we're working on a space for our Central State Central Registry hotline and once we get that space secured so that they can all be in one building together then we're going to backfill into some of our other space and we would like to down the road get rid of two buildings we have identified and been working with CMS on.



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Member Bedore: What do you mean do the road?

Ms. Mills: Well, we have to move one in order to backfill...

Member Bedore: Ok what are we talking about a year, 5 years?

Ms. Mills: Well we're hoping within a year to 2 years.

Chairman Vala: So your intended use of the storage, conference room will be to actually use it as a conference room to bring in new programs and new staff. The shortage of staff that you have now when or if we get the warehouse, that will give you room to expand programs, and expand staff is that what you're saying?

Ms. Mills: Yes.

Chairman Vala: So part of the reason that you are using storage is because of limited staff?

Ms. Mills: Right.

Chairman Vala: That you hope will grow.

Ms. Mills: That's correct too, yes.

Ms. Mills: Which our hotline grows constantly.

Member Bedore: Well hopefully it will grow. Under what budget, the State of Alaska budget or...

Ms. Mills: We understand that.

Member Bedore: What budget you talking about? You're talking about the State of Illinois?

Ms. Mills: We all hope we can get staff someday.

Member Bedore: Oh we all hope we can get staff. We like to get staff of five or six more people here, it's not real.

Ms. Mills: We understand that.

Member Bedore: Well if you understand that then why, well...

Ms. Mills: Well we would like to reduce some of our other space to put those staff into other space that we have storage in.

Member Bedore: So we're not going to reduce any of our space that we have, except taking on new space.

Ms. Mills: Yes we would like to, that's in our plan.



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Member Bedore: You would like to?

Ms. Mills: It's in our plan to do so.

Member Bedore: Yeah, but you can't give a date of 2 years you said.

Ms. Florence: We do plan, the hotline is going to move to Churchill, when that building restack is done, which is currently on schedule we're hoping by the end of the year or very early next year to move the hotline. Once the hotline is moved, we can then start restacking and backfilling, is it 406 Monroe? 406 E. Monroe, which will then hopefully allow help us reduce space at another facility. So it's kind of a domino effect, it's going to take some time to effectuate.

Chairman Vala: Does most of your growth will be based on the Federal money and then the minimum State match? Do you run on Medicare, Medicaid and all the other Federal supplements?

Ms. Mills: Yes

Chairman Vala: So that's where you're hoping a lot of your staff growth will come from if we can implement the programs?

Ms. Mills: Yes, for our State Central and State Hotline and our investigators that do the work.

Member Morales: You won't have to buy new furniture for them because it will be in the warehouse right?

Ms. Mills: Correct

Ms. Florence: Well and I would add that, much like we are using the space that the call center will occupy at Churchill is currently sort of swing space that we're using to move divisions into as we rehab their existing space. So the warehouse, the proposed warehouse will partly serve as a staging area as they restack and move around other buildings to store furniture temporarily as areas are being moved around and renovated.

Member Bedore: Well it would be very nice Mr. Chairman if we heard from them in another six months or so to see where there plans are and they keep saying you're in agreement with that.

Ms. Mills: We can do that I mean it's no problem. We hope to have our State Central Registry moved by then.

Chairman Vala: Years ago there used to be a USPFO Federal Government United State Postal something, whatever, and they stored a lot of property in the State of Illinois, I believe Central Management Services stored excess property there, does that still exist?

Ms. Mills: No.



Chairman: Frank J. Vala

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

Chairman Vala: You don't have a reallocation place? There used to be a gigantic warehouse and when a State agency needed a desk they would go out there and look.

Ms. Florence: That's State surplus, yes.

Chairman Vala: You still have that?

Ms. Florence: Yes.

Chairman Vala: So could the furniture and that type of stuff be there or once it goes there it loses it's....

Ms. Florence: Once it's there it's generally resold through the IBID program or destroyed if it's in that sort of condition. That's a constant cycle as well.

Chairman Vala: But by it being there it makes it available for a lot of not-for-profit agencies and to others that are struggling to just try to buy toilet paper let alone have a desk for somebody to sit at. Alright girls congratulations thank you very much or ladies, I'm sorry.

Ms. Mills: Thank you.

Ms. Florence: Thanks Cindy.

Member Bedore: I have a few more questions of our illustrious person from CMS if you don't mind. I have a real problem with the lease 6571. It's in Harrisburg where we're going to be paying \$40.35. That's \$40.35 a square foot. and the reason we're doing this is because we owe back rent.

Ms. Florence: Yeah umm...

Member Bedore: Well, let me just finish. I think it would be very bad, and there is another lease too, lease 6566 in Marion, where you're doing the same thing. There was no contract in force. You might not have even known they were there, and now we want to pay the back rent by raising the rate of the present lease. I talked to our counsel, I've talked to other people and I really believe that's the wrong way to go, I think it's I think it's illegal. You know you have under the procurement under the Code it says "a timely execution of contracts no voucher shall be submitted to the Comptroller for a warrant to be drawn on payment of money from the State treasury or other funds on any contract unless the contract is reduced to writing before the services are performed and filed with the Comptroller. Vendors may not be paid for any goods that were received or services that were rendered before the contract was reduced in writing and signed". So how can we do this and there is a provision, a waiver of this sub-section must be approved by the Comptroller and Treasurer and you can apply for an exception, but to raise their square footage rate I believe is illegal and wrong and I don't think this Board should be on record approving a lease of \$40.35 a square foot.

Ms. Florence: IDES did have MOUs signed, MOUs in place with these vendors for occupancy. You know right or wrong they were allowed to move in before there was an actual lease contract in place. DES did have MOUs in place. Again they have been occupying this space...



Chairman: Frank J. Vala

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

Member Bedore: But then, like you said there was no signed contract, is that correct?

Ms. Florence: No signed lease agreement.

Member Bedore: Ok. Then how can we pay? There is a process and I don't believe the vendor is wrong here. This person that owns this building deserves the money. I'm not arguing that, but there is a process of getting it under the Code and this is not the way to do it. That's my... I'm not arguing that this poor vendor thought he had something from the State, people moved in and yet you have contract and you didn't pay the person. And so then a year later you go, "oh we got a problem here, let's raise the rate to \$40.35." Totally, I believe totally illegal.

Ms. Florence: We will look into it.

Member Bedore: Well I want a hold on this. I mean I don't think you should go forward with that. I really do, I don't think this Board should be on record approving a lease for \$40.35 a square foot. What happens when we get a lease and the vendor will say, "well wait a minute I'm looking at minutes you approved a lease for \$40 a square foot." And this vendor does have a right to his money, no question, but there is a process to get that money and it's not this way and that's the same with the vendor in Marion. It's the same thing. You have two of them here, I have never seen this before and I just think it's wrong.

Ms. Florence: We will look into it.

Member Bedore: And I think this Board should really say we, the lease 6566, 6571 should be on hold and we should not approve it. I don't know how this Board can approve a square footage of \$40.35. I'll repeat myself, there is a way to get this vendor his money, and it's not this way.

Chairman Vala: (unintelligible)

Member Bedore: No these are under the radar.

Chairman Vala: Rick, you got any comments?

Member Morales: I agree with Member Bedore 100%. You know we have seen situations where things try to get done under the radar and part of our job as a Board is to make sure that things are done properly. I support what Ed said 100%.

Chairman Vala: Larry.

Member Ivory: I guess my only question is, and I see the creativeness of what you trying to do, is that is there a better alternative than something in else we can come up with that would be more palatable, so we hope that you would take time to maybe talk to counsel and CMS and see if we can come up with something else that would seem to make a little bit more sense from our perspective.

Chairman Vala: I have a problem with the square footage price also, but the bigger problem I have is paying money that there is no contract for. I'm not going to go visit Governor Blagojevich so I guarantee you that my motion will be a no vote.



Chairman: Frank J. Vala

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

Member Bedore: Yeah I don't believe we have the, we don't have the authority on these? These are under the threshold of the amount.

Chairman Vala: Don't we have the authority to hold them for review?

Director Blount: We don't, it's below the threshold that would allow us to do it.

Member Bedore: But I would hope the message from this Board is that you would hold it and look at it because I think you're opening yourself up to some legal problems, I really do.

Ms. Florence: As I said, we will take a look.

Member Bedore: And as I said we're not objecting to this owner. There is a way to getting him his money. It's a very simple way and it's not paying him \$40.35.

Chairman Vala: My suggestion is if we don't have legal authority to stop this I would like Jeff to draw up a resolution that this Board acknowledges that money was spent without a contract, we did not approve of it and we have no approval rating or no reason to be involved in this. I'm not going to look at gold badges. The Board agree?

Member Bedore: Absolutely, make a motion that our legal counsel draw up a resolution expressing what the Chairman just said.

Member Morales: Second.

Chairman Vala: Rick do you agree?

Member Ivory: He seconded it.

Chairman Vala: Roll call I mean, motion please you got a second Larry, all in favor say "aye".

The Board: All voting "aye".

Chairman Vala: Opposed? Motion carries.

Member Bedore: I have one other one and it is regarding the lease in Rockford where you're consolidating lease 6508. There seems to be some concern whether legitimate or not, but the present owner is raising some questions. I have some questions before I even saw the letter from this gentleman. I was just questioning \$1.2 million of improvements to a K-Mart and to me that seems like an awful lot. So I would really like to make motion Mr. Chairman rather than taking up a lot of time right now, I would make the motion that we defer this until next month with a full explanation and ask the staff to really work with you and get all the answers and all the questions that the present vendor is raising. You know there is some concern about... I raised the issue of the \$1.2 million, also you raise the issue of are you taking it out of a poor neighborhood and moving it away from the poor section, the service area and moving it into a more upscale neighborhood? I just think I'd like to make a motion that this contract, this lease be put on hold until next month.



Chairman: Frank J. Vala

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

Director Blount: Ed the motion has to be to object.

Member Bedore: Oh we have to object to it and then it can come back. Make a motion that we object to this lease.

Member Ivory: (unintelligible) I would like to before we do the objection to carry the motion, I would like to kind of hear because I'm trying get acquainted with this whole process in terms of this lease. Can you give me from your perspective, how we, you know, what's the value of this lease from your side because we're going to review it and probably object to it obviously, but I would like to kind of hear from you in terms of you know, what did you see and why did this make sense to you?

Ms. Florence: The new consolidation lease?

Member Ivory: Yes, correct.

Ms. Florence: The using agency is currently occupying three buildings in Rockford, two of which are in not very good condition and not really able to be brought up to better standards just because of the age and the structure. There is a severe shortage of parking at both the FCRC and the original DRS office, there's actually no parking at the DRS office, it's all on street, inadequate parking at the FCRC, and just a lot of ongoing longstanding issues. The FCRC is in a bad area. There was a shooting there across the street just a few weeks ago. The agency requested to relocate and consolidate and we have tried to facilitate that process.

Member Ivory: I just want to make sure as we begin to take a look and examining the pros and cons of this from our side and our position I wanted to hear from your position in terms of why it makes sense so...

Ms. Florence: Sure, and we're prepared to respond to the protest accordingly.

Member Bedore: And it doesn't affect anything because this is a lease that's out there for awhile. I mean we're not going to hold up any programs or anything like that?

Ms. Florence: No.

Member Bedore: Ok I made the motion.

Chairman Vala: So on the question of voting on an objection, all in favor signify by saying "aye".

The Board: All voting "aye".

Director Blount: We need a second.

Member Morales: On the record Mr. Chairman, I would like to second that.

Chairman Vala: I'm sorry I thought Larry had I apologize.



Chairman: Frank J. Vala

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

Member Morales: I apologize maybe I didn't hear if he did.

Member Ivory: No I didn't second it, Rick has so.

Chairman Vala: We will learn this Rick just give me time.

Member Morales: All right.

Chairman Vala: Okay now the next process will be 90 days 60 days?

Member Bedore: Well no the lease is, as far as we're concerned, is finished.

Chairman Vala: Oh, okay.

Member Bedore: But CMS will come back to us.

Chairman Vala: Come back with a...

Member Bedore: Right.

Director Blount: Now we need to do the vote.

Chairman Vala: We need to vote again now that we...

Director Blount: We have a motion, we have a second, we just need the vote.

Chairman Vala: Alright again on the motion and the second for the Rockford lease all in favor signify by saying "aye".

The Board: All voting "aye".

Chairman Vala: Opposed? Motion carries. Thanks Rick.

Member Bedore: I have just one other question. I know that you're still working on the Concordia lease. I have just one question, has the elevator not entered into the picture, I hope?

Ms. Florence: An Elevator?

Member Bedore: Yes, there was proposal the last time this lease came up for an elevator.

Ms. Florence: Well, we're working with the owners regarding that, there are a number of facilities that need some ADA compliance upgrades and we're working with them to determine what can be done, what feasible to do so I can't really answer that right now.



Chairman: Frank J. Vala

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

Member Bedore: Well the issue was there was money being held every month from that lease for money to be set aside for an elevator to a 3rd or 4th floor space that was not being used. You go back in your files and look at it.

Ms. Florence: I don't recall that.

Member Bedore: I mean this is long history. I have no objection to the rates or anything like that I just...

Ms. Florence: They did offer an allowance that was abated from the rent, but I don't recall what that was...

Member Bedore: That's right, it was for the elevator.

Ms. Florence: Ok I don't recall that.

Member Bedore: I was just wondering if the elevator is back in the picture.

Ms. Florence: Not to my knowledge, no.

Member Bedore: Well would you...

Ms. Florence: I will.

Member Bedore: Let us know?

Member Morales: Ed, I actually recall that.

Member Bedore: I'm sure you and I are the only ones Rick. Yeah that, it was an unusual arrangement. The owner was holding so much money aside every month to put into an escrow account for an elevator. It was for a 3rd and 4th floor space in one of the buildings, one of the out buildings.

Ms. Florence: Okay I...

Member Bedore: But they weren't occupied and so it was raised by this Board. The State said, "oh we didn't even know about this" and so the escrow money was then given back as an abatement. I believe you can remember this, this was under Nick and so that's how we got the State money back.

Ms. Florence: Ok, that makes a little more sense.

Member Bedore: And I just don't think we want to get into that again of an elevator. Like you're saying ADA, well okay do we need the 3rd and 4th floor of that building? We haven't in the past so I was just curious.

Ms. Florence: I'll have to review the file.

Member Bedore: Okay that's all I have as far as general.



Chairman: Frank J. Vala

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

Chairman Vala: Any more comments on this? Will?

Director Blount: We're at item 4, Lease Review and Action on Certificates of No Objection. The first lease is 4313.

Ms. Florence: I believe the Admin Services Director for the agency is in attendance in Chicago. The lease is the beginning base rent we got a 3.15% rate reduction. The area per person adjusted is 283 per, square feet per person, excuse me. This is one that we did bid in the end it was determined that the agency couldn't really afford re-location so we re-negotiated a new contract with the existing landlord. Any questions?

Chairman Vala: Questions?

Member Bedore: You've been in this building 34 years, is there any improvements going to be made or...

Ms. Florence: Well under this lease the landlord is going to replace portions of the carpet that need to be replaced and is doing an ADA repair at the front entrance. The paint is in good shape, there was really no other work that needed to be done.

Member Bedore: I don't have any problem.

Chairman Vala: I have a legal question.

Ms. Florence: Yes.

Chairman Vala: One of the owners is the Chief Corporation Counsel for the City of Springfield, who reports to the Mayor, which the Police Chief, the Fire Chief, the Fire Marshall, the Building Inspectors, the Health Inspectors all report to the Mayor. What if we have a problem in this building? Are we going to get enforcement? Do we have a problem with allowing somebody with that much power to have a State lease?

Jeff Jurgens: If there is any statutory prohibition on it I don't know, in practice if there has ever been any issue with something like that.

Ms. Florence: No.

Chairman Vala: There have been no problems as far as legality.

Mr. Jurgens: The legal issue would become if he actually had some sort of a state position or another state contract. So I'm not aware of, Will I don't know if you are aware of any issues like that coming up before.

Director Blount: No.

Mr. Jurgens: I don't think there would be a legal statutory issue with it.



Chairman: Frank J. Vala

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

Chairman Vala: Good. I want to keep everybody downtown that we can, and if we've been here for 30 years apparently everybody is pretty happy, I just noticed the name and I was just questioning his power or his position would affect any physical problems we would have with the building. Whether it be altercations with the police or whatever, but if it's legal that's fine. Larry?

Member Ivory: I'm good.

Chairman Vala: Rick?

Member Morales: I have no questions and I motion to accept a no objection to this lease.

Member Ivory: Second.

Chairman Vala: All in favor signify by saying "aye".

Board Members: All voting "aye".

Chairman Vala: Opposed?

Member Bedore: On the condition that...on the question I should have said on the question that this is legal.

Mr. Jurgens: Yes and I think the only issue would become if there was an issue he probably would have to recuse himself from representing the city or that kind of thing, but I think that would be in his position as the attorney with the city. I don't think there would be a State prohibition about having an interest in the contract with the State.

Chairman Vala: Well, we know there is laws and we know there's enforcement Jeff and that was my concern is that, is the enforcement looked at with a blind eye if the ownership is in there, but if he has the legal right to do it, fine. I want this building, I think the price is right and I think the location is great, so I guess the motion carries.

Member Bedore: The motion carries.

Member Morales: I have a question Mr. Chairman for CMS is there somewhere where when you are renewing a lease or putting a lease in place, you ask of the ownership if there is any conflict or potential conflict.

Ms. Florence: Yes sir.

Member Morales: I thought so. So it is disclosed thank you.

Chairman Vala: Alright. Next one.

Director Blount: Next lease is 6269.



Chairman: Frank J. Vala

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

Ms. Florence: Jim Stavrou is here from DHS Business Services as well. This is lease 6269, the agency has been in this location since 2002. Base rent will remain static for another two years at the rate that's been in effect since 2013. The adjusted area per person is 275 square feet per. There is a tax escalation clause, we do pay for two full-time security guards. Any questions?

Chairman Vala: Questions?

Member Bedore: I definitely have a question. You have \$1.79 in CMS employee cost, so in other words you have a CMS person there?

Ms. Florence: Yes.

Member Bedore: On premise to help clean up and so forth. Which seems always to bother me why it's not covered under janitorial, but...

Ms. Florence: Again, janitorial contracts are generally after hours. This is an exceedingly busy office, they see in the neighborhood of 200 clients a day, walk-ins. The bathrooms get dirty very quickly. The paper goods are depleted very quickly. One of the jobs of the day porters, as we refer to them, is to make sure the bathrooms are well stocked with soap, with paper goods, that they're cleaned up during the day, the trash is emptied during the day.

Member Bedore: Well I have some other questions, regarding improvements that the Board want to look at improvements. This is a building, you been in this building since 2002, correct?

Ms. Florence: Yes sir.

Member Bedore: And you have a person from CMS that goes out and looks at these buildings? Right?

Ms. Florence: Yes.

Member Bedore: To see that they're still operating okay and the agency is using this facility and has not said a word, right? Okay, let's look at repair or replace all broken or cracked tiles throughout the premises. Hmm. How about number "i", clean-up all mildew, repair all water damage and one of the things is we're praising this owner, he's putting a new roof on. Well he's putting a new roof on because this place leaks. Now how can your person from CMS go out there and say "yeah let's go ahead with this lease", when you've got mildew on the walls? Oh please. Then this little mundane little thing, it shows you that obviously this owner don't give a rats, because you have to spell out what he should do. He should clean all windows inside and out. Well my god, what does the owner do? No I'm sorry this lease to me, I really, I have a real problem with this. When you have to spell out to the owner that they should wash the windows, and maybe they should take off take the mildew off the walls. I'm sorry, why your person, over this term of this lease \$7 million, \$7 million and we pay for the escalator on the property tax and everything else and we got a list. Oh please, Mr. Owner, would you wash the windows inside and out, would you take the mildew off the walls, would you replace the tiles that were damaged by water? How can you recommend this lease? What does the owner do?



Chairman: Frank J. Vala

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

Ms. Florence: All buildings need ongoing maintenance. The Exhibit B is as much as anything a punch list of sorts to ensure accountability on both of our parts to make sure that all the work gets done, that we have a reference, that he is accountable to us as well.

Member Bedore: He's accountable for washing the windows, oh my heavens, \$7 million. You know, Will and I could go out there and wash the windows. You have to spell that out as a punch list. You have to have it on a punch list to clean up the mildew. Well, first of all you shouldn't be in that building if there is mildew, there's mold probably in that building. Where's your inspector from CMS to go out there and say "hey we're not going put forward a lease until you do these things." You're subjecting State employees to possibly mildew and mold.

Member Morales: You know, Ed if I could interrupt you for a minute. In listening to you and all good points, I go back to the lease that was brought up earlier in Rockford that's in disarray and in a bad neighborhood and we need to get out of there, and this one is, sounds like to me it's in disarray and we have armed guards because it's probably dangerous also. I'm wondering if that same inspector went to the one in Rockford, or did he?

Chairman Vala: We have had no complaints from the employees in that building about the mildew and the dirty windows and the cracked tile?

Mr. Stavrou: Not that I know of, no.

Chairman Vala: We've got a State of Illinois building right here in downtown Springfield that's empty because it's full of mildew, that we own and we're going to, like Mr. Bedore said, we're going to pay a landlord to do the stuff that he should have been doing through his past lease?

Ms. Florence: We're not paying for any of the improvements the landlord is paying for all the improvements.

Chairman Vala: If you're giving him a lease you are paying him to do this.

Ms. Florence: I understand that.

Chairman Vala: Then he is not in compliance with his existing lease.

Member Bedore: That's right.

Ms. Florence: I understand that, there's no additional cost to the State for the improvements.

Member Bedore: But he's not in compliance with the present lease. That's why I asked about the inspector from CMS from your division. Who signed off on this?

Ms. Florence: Generally once we get a space request from the using agency, which we did, asking to renew or extend this lease, our person goes, out makes note of any issues that are existing that need to be corrected, those issues get written up within the lease as improvements, generally, as was the case here.



Chairman: Frank J. Vala

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

Member Bedore: So the using agency doesn't care that there is mildew and mold, and broken tiles and falling ceiling tiles, and dirty windows. I'm sorry I...

Chairman Vala: Is this a building that has public access of, clients come in for service?

Ms. Florence: Yes sir.

Chairman Vala: I notice that the mold is next to the nurse's station. So, what kind of safety or what kind of projection are we making here, that we're, what are we, we're the Department of Human Services, we're going to euthanize you or are we gonna sterilize you. What are we going to do here? This is scary the mold of lawsuits the mold problems everywhere, the law firms are getting richer and richer on this.

Chairman Vala: Larry?

Member Ivory: Well, I think they've asked the questions I guess, you know, when you take a look at these factors it seems to have some real challenges. I'm sure that I would like to hear from, based upon the comments that we've made, what's your thoughts in terms of this?

Ms. Florence: Well again, you know, the using agency is wanting to stay in this location. We're trying to address the facility issues within the lease as is our general process, our normal process.

Member Bedore: So they have no problem with mildew on the walls, maybe mold, water damage, broken tiles...

Ms. Florence: We've received no complaints that I'm aware of.

Member Bedore: I would think that's a complaint. Somebody typed this up, somebody said there's water damage and because of the water damage, because the roof, which now the owner, and you give him a pat on the back saying, oh the owner is going to replace the roof. Oh he's so good! Well sure he has to replace the roof, it's leaking. So you have water coming in, you got mildew, probably mold, you got replace all damaged, not to replace any potential problems, replace all damaged ceiling tiles. They all have water stains and probably pieces falling and you don't see this as a problem? And the using agency says, aw that's alright, we will let our employees in there, we don't care. We don't care that it is next to the nurses' station. You know the clients that come in, oh they're just outside clients they're not State employees, so we don't really care if they go by the mold and mildew and the water damage.

Ms. Florence: We are correcting those issues through the new lease.

Member Bedore: Why weren't they corrected under the old lease?

Ms. Florence: I don't know.

Member Bedore: So we should reward somebody and give them \$7 million more because you've been a bad boy, but we have the list now and boy we're going to make sure you live up to the standards? I'm sorry.



Chairman: Frank J. Vala

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

Chairman Vala: How many years have then been in there?

Ms. Florence: Since 2002.

Chairman Vala: I'm sorry.

Member Bedore: 13 years.

Ms. Florence: 13 years.

Chairman Vala: Rick?

Member Morales: I've got to think about this for a second and pull it out a little bit more, and help me out here Ed, so I agree with you that these repairs are needed and it should have been done a long time ago. Are you okay with the rest of the lease because if this lease doesn't move forward the repairs don't get done, is that correct?

Ms. Florence: Well, they won't get done as a vehicle of the lease.

Member Bedore: Well, I don't think anything should move forward until all these are rectified. Then we can consider a new lease, myself.

Chairman Vala: It's this Board's obligation to try and get the best deal for the best dollar for tax dollars, but our moral obligation is that we have a decent safe and sanitary offices for our employees, let alone the clients that we serve. This is grave concern.

Member Bedore: Yeah, I agree.

Chairman Vala: We have to have some type of motion or?

Member Bedore: I make a motion that we reject this lease and let CMS come back to us with some resolution regarding this. I don't think we should move forward, if nothing else that you assured us that the mold and mildew are taken care of. I don't want this based on, oh we'll do this if you give us a new lease. That's bologna, give him another \$7 million. First of all this should have been all taken care of before it even got here. It should have been taken care of immediately once it was discovered.

Mr. Jurgens: Technically then this would be to object to this lease.

Member Bedore: Yes, here this letter, alright here it is, September 2nd, this lease was submitted to us July 2nd, two months later and we still have the employees sucking up all this mildew and mold, and the windows are still dirty, and the tiles are hanging, and the tiles are broken, and the toilets everything else...two months later, and you want us to approve this lease? My heavens in two months you should have cleaned up all this. You should have a letter here saying we did this, this, this, this. I don't see any letter saying that. I make a motion we reject this lease.

Member Ivory: I second.



Chairman: Frank J. Vala

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

Chairman Vala: All in favor?

All Board: All voting “aye”.

Chairman Vala: Motion carries. One informational question for me as a new Chairman, when somebody has a lease and this stuff exists do we not enforce it during the lease time, this mold and everything, we don't have somebody going in there and saying you've got to clean that up or we're going to quit paying you rent?

Ms. Florence: We do have a facility inspection people that go out, they try to get, you know, I'm not going to generalize, yes is the short answer.

Chairman Vala: I know we have already voted on the issue, but Jeff can I bring up an amendment to the issue?

Jeff Jurgens: You can discuss it or another motion.

Chairman Vala: I have another motion that CMS notify this landlord immediately, the remediation of that mold will be done within 10 days, 20 days. I don't want CMS and I don't want this Board and I don't want the State of Illinois held liable for negligence for something as bad as this mold issue, let alone the rain coming in, do I have a second.

Member Bedore: Second.

Chairman Vala: All in favor?

The Board: All voting “aye”.

Chairman Vala: Opposed? Motion carries. That it?

Member Bedore: That's it.

Director Blount: The next item is the Facilities Energy Savings Policy Recommendation. This issue has been on the Board's radar for quite some time and at the June 2015 meeting it was suggested that the Board issue a policy recommendation, a resolution for energy efficiency measures in all leases not just the leases that are procured via RFI. A copy of the draft is in the meeting packet and I did want to note that I invited CMS to work with me on this resolution, but I did not get a response.

Chairman Vala: Meaning time delay or...

Director Blount: It was a couple weeks ago.

Chairman Vala: Oh a couple weeks ago, well maybe a plan like this may take awhile to put together, but they didn't even acknowledge your request?



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Director Blount: They asked what it was referencing, which I responded with a copy of the minutes from that Board meeting and I didn't get a response after that.

Member Bedore: Do they have a copy of this resolution?

Director Blount: They do, yes.

Ms. Florence: As of last week, yes.

Chairman Vala: Well I would recommend that you have a follow-up letter on it. As Chairman of the Airport Authority we hired a company to go to the airport and do this type of analysis. Course we were spending our own money and the total answer isn't in yet, but it looks like we are saving some money but I really don't know if the cost savings are balanced out or not. So we just ask Will for another answer and go from there?

Member Bedore: Well it would be easy for us just to say let's move forward. I know I would, but I think we should really have CMS here to respond to this. You know we have been talking about this for years. I mean literally years, and we've had some results at the Bloom Building, some excellent results and CMS did a great job with that lease. You are saving the State hundreds of thousands of dollars according to your ...if I can remember correctly, right?

Ms. Florence: Yes.

Member Bedore: Okay, but I don't think we should try to do this today. Even though it troubles me to say this, but I would put this off to next month's meeting and CMS should be here and participate in this, and if they're not then we move ahead without them.

Chairman Vala: I'm sorry Ed that was my intent to have Will send another letter ask them, the director or whoever to be here to give us a timetable on what they're take on the energy savings. I know it's not going to be an easy issue, but at least we can get started on it.

Member: Bedore: Well most of these numbers and things that are in here are based on CMSs what you do with an RFI now, is that correct?

Ms. Florence: Yes, this language is taken straight out of our RFI document.

Member Bedore: So my only question I would have Mr. Chairman is why is this only for CMS? Why isn't this also the University of Illinois, any of their leases? I think that we've had leases from the U of I not many, they have only a couple a year, but they should be under the same rules and regs as any other agency.

Chairman Vala: I thought they were.

Member Bedore: It's not in here, that's all I'm saying is we might amend this to...I'm recommending that we amend this to include the University of Illinois.



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Director Blount: We did it this way because the Executive Order did not name them, but we can certainly add them to it.

Member Bedore: Yes this is all based on the Executive Order from past Governors to do something about the cost of energy and plus we've been talking about it way too long. I would make a recommendation, I make a motion that on this draft resolution that we include the University of Illinois leasing.

Director Blount: All Universities or the just the University of Illinois? I want to be clear.

Chairman Vala: All State Universities?

Member Bedore: Well, when there's leases, absolutely all...

Director Blount: They all have leases.

Member Bedore: Well then all State, not just the University of Champaign.

Member Morales: Higher Education.

Member Bedore: Not just the flagship as Ben is here waving his flagship banner. The flagship has had enough problems the last month.

Chairman Vala: Yes they have. We have a motion, do we have a second?

Member Ivory: Second.

Chairman Vala: On the motion all in favor?

All Board: All voting "aye".

Chairman Vala: Opposed? Motion carries.

Member Ivory: Mr. Chairman before we move on since we're talking about energy. Some time ago with Nick I had visited a number of institutions in Texas, who had did some creative things in reducing energy. I talked to Nick and others and asked them to take a serious look at this because it had significant savings. There was a report and analysis done that showed a 20% savings in energy, but no one's ever acted upon on it. I would like to make sure that that is submitted based upon it was the research that was done by CMS but nothing has happened. It's something that is used through other states that makes sense. If it doesn't work that's fine, but if it does work why aren't we talking advantage of something that would have significant savings? So I would like to submit the report, since obviously it hasn't been presented to us. The vendor did send me a copy of it because I ran into the vendor. I'm not promoting this vendor. I'm simply promoting anything that saves the State energy. So I surely would like to submit it to us and submit it because...are you familiar with the information?

Ms. Florence: No.



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Member Ivory: Okay well then Nick probably had it, he was working on it, he had a number of conversations on it he saw that it made sense, but when Nick left I think he was leading the charge so I would hate for us to miss an opportunity to save millions and millions of dollars on behalf of the State, so I will get the report Susan send it you and also send it to Will so that everyone has a chance to take a look at it and see if it has any practical application that can save the State money. It's been tested as I know and other states have used it and it seems to make good business sense. So I'll submit that to the counsel and submit to you Susan.

Chairman Vala: Point well taken, that's a perpetual savings not a one-time construction cost.

Member Ivory: Absolutely.

Director Blount: The next item is Veterans Business Construction Contracts Policy Recommendation. In previous meetings the Board members, and it came up earlier today, discussed making a recommendation to CDB that construction projects for Departments of Military Affairs and Veterans Affairs have goals that would allow veteran owned businesses to substantially complete the projects. Well I've talked to CBD, talked to the CPO and done my own research and it's pretty apparent that until more veteran owned businesses are signed up Statewide that if we were to request higher goals than what's in statute now, it would probably be unachievable in the near term. Maybe down the road once there are more veteran owned businesses, but for right now my recommendation would be to hold off on this until there are more vendors that are capable.

Chairman Vala: I don't disagree with you Will, but I think we're missing part of the point here. We don't have veteran contractors because they don't know there's veterans preferences. This ought to be going to Veterans Affairs, this ought to be going to the Adjunct General, this ought to be going to anybody that deals, the VA hospitals, all of these people come under our purview at some time or another and they should be part of this resolution or this recommendation that...how are you going to get the information out? What are your goals to get these vendors in here?

Director Blount: I agree.

Chairman Vala: Contractors, sub-contractors, all of that. There is a monster of information out there. Now the Federal VA, supposedly what I'm reading in the paper now that the Federal government is going to start paying attention to veterans again and start getting what is well deserved. I think we should jump on that advertising too, just a thought.

Member Bedore: Mr. Chairman we've been saying this for the last 2 years, maybe 3 years echoing everything you just said.

Chairman Vala: Thank you. Rick?

Member Morales: I agree.

Member Ivory: I think Mr. Chairman too is that you know like you said we've talked about this consistently and I think we've had a positive impact, but I think there is a lot more room for growth here, and somewhere along the line we've have talked about ownership, we've talked about a marketing



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strategy, I think at some point when we got to ask people, you know it's one thing to talk about an issue, it's another thing to have a game plan and strategy and dollars invested to get to the goal and measure it. If it can't be measured then it can't be achieved. So my piece is that it's always challenging from my point of view because I don't think anyone is insensitive to the issue, but I think the ownership of it and putting something together where there is a marketing strategy, where someone has allocated some resources to market it is probably what's missing from my perception, because I'm not sure if we have a marketing strategy, Ed, and I'm not sure the State has one aggressively. I think people are doing things, CMS is doing things, I know they are doing some things, but maybe there has to be a task force or something to come together to really take a look at how do we improve that in a real meaningful way.

Chairman Vala: I agree with you Larry, but I hope we don't create a new bureaucracy when we've got all these people out here. I just, I think with the mechanism if we can get everybody to wake up and say sooner or later you're going to come before this Board, you better have a plan for us and let people know. I mean it took years to get minority set aside, the women's business all that because nobody let people know. There are so many agencies that come across this Board one way or another. We don't ask them, we tell them.

Member Bedore: The problem here was the way it was originally set up. It was set up CMS was involved and Veterans Affairs was involved, there was no person that was over it. There was nobody responsible, that's where the problem came and I...

Chairman Vala: There was nobody to guide the ship.

Member Bedore: That's right and I would hope that it could be on the agenda for next month. We should have CMS and Veterans Affairs back and say who's running this? What is your plan? What's your strategy? I still don't know what the strategy is. Larry is right we don't have a plan out there. Everybody keeps talking about it and then they all go like this, "well CMS is responsible, oh no Veterans Affairs is responsible".

Chairman Vala: But what you're telling me Ed is that every time the question is asked when CMS goes out the veteran contractors don't know it's out there.

Member Bedore: They don't.

Chairman Vala: So it ought to be more than CMS and Veterans Affairs. This memo should go out to every agency that we're involved with that they need to have some type of an informational program, so at least when we come up here we don't have the excuse, hey we can't find any veterans.

Member Ivory: But here's my piece is that because we don't have a marketing campaign and ownership of it and I believe that and not taking anything from their responsibility, I think that we all collectively have a responsibility to get veterans involved and engaged, but I think what we don't have is a campaign strategy that is laid out where everyone, where someone has laid out and said look, you know there's opportunities here for veterans. Here's what's...I don't know if that's happening at the level it can happen and maybe with some ownership and bringing the parties back together with us collectively, we can give some more emphasis on it and because I know when we first started this whole issue Ed, is that the numbers were god awful. You know, that would be an understatement, but because we were involved and



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we were agitating enough the numbers increased. I think the next level now is have a real game plan, if a corporation sets up we're going to market this particular issue because it's important to us, they put their money in their mouth and they have a campaign to get it done and it's a focus that they do. I don't think we have a focus, I think we have a lot of people doing some stuff, but it's not a real campaign, constructed by a marketing team that says here's how we get it done guys. That's my only comment.

Chairman Vala: But I think because we don't have a campaign is because people don't know about it. The other agencies, all of the CPOs and everything, they should be working together, that's why I'm hoping that we can bring everybody in that we got power over and say you need to work together, you need to get the word out and then, like you said, see where we're going and refine it into a major marketing campaign.

Member Ivory: That makes sense to me.

Chairman Vala: Do we need any legal action or a motion to require them to come here or just?

Member Bedore: No I just think we should have it on the agenda for next month.

Chairman Vala: So Will will set them up?

Director Blount: Yep.

Member Bedore: Well that's why I was asking Lorri earlier about Capital Development, you know and it seems like it's a concern for them and which is good we need all the CPOs to have this high on their list.

Chairman Vala: Anything else? Will.

Director Blount: Legislation. I really don't have anything to report. Obviously we still don't have a budget but...the next item is calendar of future meetings of the Board, the next proposed date is October 8th and Mr. Chairman what we usually do is we work with the Board members over the next week or two to make sure that the date works for everybody.

Chairman Vala: Can you go ahead and bring up the moving of the December meeting now while we...do that.

Director Blount: Sure or we can talk about that afterwards.

Chairman Vala: Oh you want to do it afterwards, okay.

Director Blount: Yes.

Chairman Vala: Alright.

Member Bedore: On the original thing you had Executive Session, so is that dropped?

Director Blount: It's dropped, I'm sorry.



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Member Bedore: Okay fine.

Director Blount: And the last item is public comment.

Chairman Vala: Is anybody present that wants to make any public comments?

Bill Grunloh: Welcome Chairman. Bill Grunloh, Chief Procurement Officer at IDOT. We are concerned about the Veterans Program. The CPOs all are concerned. In July we had a forum to comply with the statutory requirement that we do outreach, that we, not that we do outreach, but that we hear from the service organizations, that we hear what's going on with the programs. CMS is involved in it as well. We're statutorily required to make a report of stats to CMS for their annual report to the General Assembly. We're also required to make recommendations to the agencies and to CMS on things that we find out through some of the work we do. I think we're all disappointed, I'm responding to a letter today from a veteran who said why aren't you putting any goals on projects. There is a 130-some certified Veteran Owned Businesses right now after a couple of years.

Chairman Vala: Certified just with you?

Bill Grunloh: Certified statewide. Out of IDOT and we heard it at the meeting in July that 84, I think of those were interested in construction and I said they must not be interested in IDOT construction because in IDOT we have all of our contractors, subcontractors are either pre-qualified, certified or registered. Out of 750 total primes, we have three primes that are certified as veteran-owned, one in D8 and two in District 9, not enough to put a goal on anything. You can't put a goal on one contractor or two contractors and we have 400 total of consultants. There are three consultants on the certified list, and one of those is an architect, and we don't use architects we use consultants. One of them is in District 1 and one of them is in District 9. We have 20 subcontractors out of 1,227 registered subcontractors at IDOT we have 20 of them on the list, 18 are in District 1, one is in District 2 and one is in District 3. I'm encouraging the Department to at least make an attempt to put some kind of goal on something just to show that we're doing something, but there is no way we can reach a goal, and it's difficult to put a goal on something when you have the realization that you are not going to reach the goal. You also have an obligation to have some competition when you put a goal on it you can't put a goal on with one person and expect, and you know you don't have a pool big enough to do it, it's almost ridiculous at this point to try to implement it so, we have been preaching the same thing, outreach is key. You know, veterans organizations, they act like they haven't heard about this and how could they have not heard about it after two years I don't know. So somewhere along the line somebody is dropping the ball. You know we're reporting the numbers and the numbers are awful, as far as I'm concerned. So anyway, I just wanted to say it is on our radar as far – and I'm speaking for myself, but I know that from our meetings and from the forums that we have had and the CPOs, it's high on our list of things were to do because it's statutorily driven and we like to follow the law, so we're trying to do what we're suppose to do, but it's a floundering program at this point.

Chairman Vala: Congratulations Bill, thank you, because you have the most opportunity to bring a veteran on. You have so many multi-tasked operations going out there that you could be our catalyst and apparently you have already made your own move so thank you.



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Bill Grunloh: If we could get some people certified and IDOT has actually, and I'll give credit to Secretary, the new Secretary, and to some other people at IDOT, they're talking about working with CMS on maybe, the certification process may be a little too difficult, maybe it's a little too burdensome. I think that's something that's been talked about, but about maybe tying in our pre-qualification because we have a rigorous pre-qualification, tying that in and saying if you meet all of this check a box and you're certified as a veteran owned as well, and trying to streamline that process. We could maybe make that number jump at a big amount in a short period of time, at least in my jurisdiction, but anyway I just wanted to tell you it was on our radar.

Chairman Vala: You just require like a copy of the DD 214 and then there's no question?

Bill Grunloh: Yeah and we ask all the financial questions, we ask for all this other backup information already, a lot of it is duplicate information I think that why some of the...and those are mainly primes but we have a lot of primes that will still fit within that threshold. We have one contractor that's registered, even without goals you know, last year he did \$6 million worth of work. So we get \$6 million of veteran spend on with no goals at all just because he just happens to be prime and we don't have any competition, but we're getting some spend but it's got to get better or...

Chairman Vala: What about the material suppliers? When you have your bidding do you reflect and take a look at the guy that makes the concrete pipe, or take a look at if he's a veteran, or if he's a veteran company?

Bill Grunloh: Well it's built into the State contracts so I mean, I guess you know, you could get participation. We usually get a bid through a prime and I'm not sure how that would work, certainly sub-contractors and I would think it would work with a material subcontractor as well, it's just getting him signed up.

Member Ivory: Because once they establish the goal, Bill you know I've been involved in this conversation with IDOT for umpteen years on goal setting and the whole gambit, because once they set a goal the contract is directly with the prime, the sub-contractor has a contract with the prime contractor, and the challenge there is that you can't set a goal based upon the fact that if you don't have certified veterans, you can't do goal setting on it, so you can't put a goal on it if you only have one or two.

Bill Grunloh: You make a good point, I mean on our DBE Program you have to have capacity, you have to have the right people and the right classifications to work, that fit the project. You can't just say, okay we're going to put a goal on this, you have to have some kind of methodology behind setting that goal.

Member Ivory: And if you're the prime you have to have the bonding and everything else in order to be even considered, and pre-qualified, so there is a number of challenges. I think like the great philosopher said, "impose question that leads us to our own understanding". We got a problem, I think we've really got to take time, not to spend too much time blaming each other, but to ask the question even of the veterans, why aren't you taking advantage of the opportunity? Someone has to take the time to listen to each other long enough to come up with a game plan that moves the agenda forward, and it's easy to cast blame, but the level it's going to take to resolve this problem is going to take concentration and another level of thinking in order to resolve the problem and move it so you can set a goal, because it doesn't



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matter, we can be as mad and as concerned as possible, legally you can't set a goal if you only have one person in southern Illinois and that person in that area code, you can't just do it.

Bill Grunloh: You're right and blaming somebody doesn't do anything. A couple years ago at my urging the Department did a survey to all pre-qualified contractors we had, and there was 100 and some people that responded and said yes we qualify, we passed the list on, why those people chose not to get certified, I can't answer that, but I'm not trying to blame anybody, I'm just trying to say there's a problem, you guys all realize that, but there's, solutions need to be forced or you know to be perfectly honest, the program needs to be looked at legislatively, we're not going to do it if we can't do it, if there's some reason we can't do it, then let's not be bound by law on something we can't accomplish.

Member Bedore: Yeah, it's a catch 22. You would want to do it, but if you only have one or two vendors you can't issue that to them. Okay Joe it's yours this month, I'll get the next one, you can't do that. So it's a catch 22 and we're just rolling on now for three years or maybe even four years since this program started and I think we're all tired of talking, including you folks. We ought to just here, what are you going to do and who's in charge? It's the first question I always have, who's in charge? Well it's them.

Bill Grunloh: Again I didn't come to place any blame I'm...

Member Bedore: No, no.

Bill Grunloh: I wanted to give you my impressions and I didn't want to add to your meeting either, to the length of your meeting.

Chairman Vala: No it's nice to know, thanks Bill.

Member Bedore: Thanks Bill.

Chairman Vala: Any other public comments? Right before adjournment I would like to ask a question of the Board. It's always been my desire and at the Airport Authority as Chairman we start every meeting with the Pledge of Allegiance, and I would like to put that on the agenda and I would like the Board to approve that or to not oppose that.

Member Ivory: So moved.

Member Bedore: Do we need a motion?

Chairman Vala: All in favor say "aye".

Member Bedore: I think Rick is gone.

Chairman Vala: Let the record show that Rick has already signed off because of a special meeting. Make a motion to adjourn?

Member Bedore: Make a motion we adjourn.



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Member Ivory: Second

Chairman Vala: “Aye, aye, aye”.

Member Bedore: “Aye”

Chairman Vala: Thank you gentleman.