



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

### Minutes – April 6, 2016

Present in Springfield: Frank Vala  
Ed Bedore  
Larry Ivory  
Bill Black

Via Telephone: Rick Morals

The April meeting of the Procurement Policy Board was called to order at 10:00 am. Chairman Vala, Member Bedore, Member Ivory, and Member Black were present in Springfield. Member Morales was participation via the telephone. Member Bedore made a motion to allow Member Morales to participate in this meeting by telephone. Member Ivory seconded the motion. All members voted in favor by saying “aye” and the motion carried.

Member Bedore had one comment regarding the meeting minutes. Member Bedore stated that the minutes were getting really condensed and that a few more lines would be helpful, because the Board did have a discussion about when IHDA would be moving in and when the project would be completed, and that’s not reflected. Member Bedore then made a motion to approve the March meeting minutes as printed. Member Black second. All members voted in favor by saying “aye” and the motion carried.

The next item on the agenda was legislation. The Board was presented with a concise synopsis of the proposed changes to The Procurement Code and the various differences between competing bills.

Member Bedore gave comments regarding a little history of the Board. Member Bedore stated that the Board started under the Governor Edgar’s administration because of questionable purchases. Under Governor Ryan, the Board brought to light a conflict regarding the proposed purchase of the Lincoln Towers and the purchase never went through. Under Governor Blagojevich the Board had its hay day and really started looking closely at the leasing process and began to really see the savings through various Board actions. Under Governor Quinn the Board had lease after lease that they were looking at and eventually we saw \$38 million of savings because of the Board’s actions. The Board also continues to raise issues regarding the Veterans Program and potential conflict of interest. Specifically the Board stopped a University of Illinois project because of a serious conflict of interest uncovered. None of these things would have happen if it wasn’t for this Procurement Board. Member Bedore stated that after all the things the Board has done; now they’re going to say eliminate the Board’s review of all leases, eliminate conflict of interest review and stop looking at sole sources and emergencies. Member Bedore stated that if all this happens, the Board should just close up shop because everything is going to be taken away. Member Bedore can’t believe the Governor’s staff doesn’t want any reviews or oversight. Member Bedore stated that this Board has proved itself over these last 17 years.

Member Ivory stated that he has been a strong proponent for sometime in making the process better and doing what is in the best interest for the State of Illinois and even though there maybe some good things



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in here there are also some bad things. Member Ivory stated that when a Government doesn't have checks and balances it is bad for the State and taxpayers. Member Ivory says he knows it's going to have to go to committee, and some modifications will be made but as it stands right now he could not in good conscious vote on behalf of this particular Bill.

Member Morales stated that he would not disagree with the comments made by Member Bedore and Member Ivory. Chairman Vala stated that he thought we needed to give the Governor an opportunity to at least submit what he thinks is best. This bill is not going to be passed in its present form. Chairman Vala believes the Governor is trying his best and our job ought to be to go and talk to our legislative leaders.

Member Bedore stated that there's no question there's 2 other 3 other bills out there that do need and should be consider very seriously. However, Member Bedore doesn't see how elimination this Board and the CPO's will save the State \$500 million dollars under this legislation. Chairman Vala stated that he thought the Board was jumping the gun and that Board Members need to do their own lobbying with who they represent and we need to give the Governor opportunity to prove more of this stuff. Member Beodre questioned what position Director von Behren was supposed to take regarding the proposed bill without any direction from the Board. Member Bedore wants to be on record taking a stance against the proposed legislation. Member Bedore says that he forgot one important part of the bill; that the oversight that the Board and CPO Bagby have over University of Illinois is also eliminated and he cannot support that change after his experiences on this Board.

Member Ivory stated that taking a neutral position on this particular issue is neither an endorsement nor an opposition and that he would much rather see the Board act in concert with each other. Member Morales stated that he had thought long and hard on this, but still doesn't quite understand what the bill is trying to do. Member Morales is for streamlining things and states that there are some good things in the bill but a lot that he doesn't understand. Member Morales stated that taking a neutral position for now would not be a bad thing. Chairman Vala stated that this was not going to be the final version of the bill and that each member should continue to consult with their constituents.

The next item on the agenda was for the Board to consider lease 6056 Department of Children Family Services in Chicago. Susan Florence was present representing CMS. Ms. Florence stated that base rent is \$21.59 which is full gross expect for non HVAC electricity and that the State has fully amortized over a million dollars of improvements which the State now owns. Member Bedore asked why the rate was increasing by 69%. Ms. Florence stated that CMS had negotiated for months with the landlord on this lease and they were not willing to go below that rate. Chairman Vala asked if the taxes had a cap and Ms. Florence confirmed that there was a cap on the tax increase. Member Ivory asked, based upon the market rate, if \$21.00 was a fair rental rate and Ms. Florence stated that it was actually a little below the market rate for the Loop in Chicago. Member Bedore asked if the reason for being in the Loop was because it was close to juvenile court, and Ms Florence confirmed that it was. Member Bedore wanted to know the last amount that was paid in the year 2015 for real estate taxes so then we can work that back into the TCO. Ms. Florence said that CMS would consider that in the future. Member Black asked if the Board could get the previous year's tax information and Ms. Florence said that she could get that information for the Board. Member Bedore made a motion that we issue a certificate of no objection Member Ivory seconded the motions. All Members voted in favor by saying "aye" and the motion carried.



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Member Bedore asked about whether there was a typo for Lease 6345 regarding the taxes being capped at 3% over the base year of 2012. Ms. Florence stated that it was not a typo and that the agency was trying to get that changed but at the time of the meeting she did not have a final answer. Member Bedore stated that he would strongly object to this lease based on that information. Ms. Florence stated that it has always been the standard to bring the base tax year up to the current date. Director von Behren suggested that a compromise would be to object to the lease based on the real estate tax year of 2012 and to allow CMS to renegotiate that term with the landlord. Member Bedore made a motion to object to the lease based on the real estate base year of 2012 and that it is to be renegotiated by CMS and the owner and come back at the next Board Meeting. Member Ivory seconded the motion. All Members votes by saying 'aye' and the motion carried.

It was pointed out the next Board meeting on May 7<sup>th</sup> was a typo. The actually meeting date is Wednesday May, 4, 2016. Chairman Vala made motion to adjourn the meeting. Member Ivory seconded the motion and the motion carried unanimously. The meeting was adjourned.