



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

Minutes – June 15, 2016.

Present in Springfield: Frank Vala
Ed Bedore
Larry Ivory

The June meeting of the Procurement Policy Board was called to order at 10:00 am. Chairman Vala, Member Bedore, and Member Ivory, were present in Springfield. The first agenda item was the approval of May meeting minutes. Member Ivory made a motion to accept the minutes as printed and Member Bedore seconded the motion. All Members voted to approve the May minutes by saying “aye”.

The second agenda item was a rules review. The CPO for the Capital Development Board, Margaret van Dijk and the CPO for Higher Education, Ben Bagby were both present in Springfield. The Board made a resolution at the December 2015 meeting to increase the small purchase threshold. Both CPO’s were present to present their updated Administrative Rules that reflect this change. CPO van Dijk stated that increasing the small purchase threshold provides consistency among the CPO portfolios. CPO van Dijk did receive comments from the industry regarding the increase with a concern of maintaining fairness in the bidding process, continuing transparency and to continue to promote small and diverse business involvement in the bidding process. CPO van Dijk also laid out the policy that the Capital Development Board must follow to meet and maintain all the previously mentioned goals. Member Ivory asked a question regarding the use of small and diverse business. CPO van Dijk stated that in all instance it’s sometimes not possible to use a small or diverse firm but the expectation is to require CDB to contact small and diverse firms to ensure those vendors have the opportunity to bid. There is also an expectation to increase and continue outreach to Small, BEP and Veterans owned business.

Member Bedore ask if there had been any problems regarding payment to vendors or any vendors refusing to do business with the State. CPO van Dijk stated that vendors are not getting paid but at this point they are not refusing to do business. The majority of CDB projects are in shut down mode and alterations have been made to protect the projects integrity against the various weather conditions. CPO van Dijk stated that she is working with CDB to ensure a smooth restart once the State had a budget. Member Bedore asked if there was a rough estimate of the number of dollars of contracts that are being held. CPO van Dijk stated that she could get the Board that information. Member Bedore assumes there is 10’s of millions of dollars. CPO van Dijk confirmed that was correct and there would also be millions of dollars associated as a result of the shut down for cost that otherwise would not have been incurred. Member Bedore asked how hard would it be to arrive at the figure associated with the shut down. CPO van Dijk stated that there was an initial estimate that CDB asked for in terms of their budget of around 50 million dollars but we don’t know the actual amount. Chairman Vala asked if there was a contingency plan of when you restart these projects. CPO van Dijk stated that they have been working with CDB in terms of establishing that restart project and that CDB has been in constant contact with Primes of projects that are shut down.



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CPO Bagby stated that they were increasing the small purchase threshold in line with the numbers that the Board approved back in December. CPO Bagby did not receive any comments or objections with regard to the rules change. Member Bedore made a motion of no objection for proposed rules for the CPO of both the Capital Development Board and Higher Education and Member Ivory seconded the motion. All Members voted in favor by saying 'aye' and the motion carried.

Susan Florence was present from Central Management Services to answer questions the proposed leases. The first proposed lease is Lease 5692 in Granite City. Member Bedore questioned the consolidation efforts of DCFS and requested that the Agency be present at next month's meeting to answer question regarding their consolidation effort moving forward. Member Bedore stated that short term leases were done to give the agency time to consolidate but now there is a proposed three lease before the Board. Ms. Florence stated that past attempt to gain offers from competitive bids have not been successful and that a three year lease with a termination option allows more flexibility. Member Bedore questioned the amount of space the agency as seeking when going out for bid since the square foot per person was quite high. Member Ivory and Member Bedore both questioned why the agency is not making this one their top priorities. Ms. Florence state the proposed three year lease was not only for the benefit of DCFS but also DHS, especially since they have had trouble identifying proposers in the various locations. The competitive bid process can take upwards of over a year especially if there is a move involved. Chairman Vala confirmed that this proposed lease has a termination option after one year. The Board Members all agreed to request a member of DCFS to be present at next month's meeting. Member Bedore made a motion to not object to Lease 5692 and Member Ivory seconded. All Members voted in favor by voting 'aye' and the motion carried. Ms. Florence stated she would get the information to the Board regarding the square foot sought during the recent competitive solicitations.

The next lease was Lease 5687 in Chicago. Ms. Florence stated that this has been bid multiple times with no offers, but that the current rate is competitive. She also stated that this is one of DHS's most heavily visited locations and that the agency was happy with the facility. Member Bedore made a motion to not object to Lease 5687 and Member Ivory seconded. All Members voted in favor by voting 'aye' and the motion carried.

Member Bedore had a question regarding Illinois Housing Development Authority and their future move to the new location and whether they would be paying double rent. Member Bedore asked for a full update and documentation regarding the HDAs current situation with regards to their current and future lease obligations. Director von Behren stated that he would provide that information at the next meeting.

The next meeting is scheduled for July 13, 2016. Member Ivory made a motion to adjourn and it was seconded by Member Bedore and all Members voted in favor by saying 'aye' and the motion carried. The Procurement Policy Board meeting for June was adjourned.