



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

### Minutes – June 15, 2017

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

Present in Chicago: Rick Morales

Chairman Vala called the March meeting of the Procurement Policy Board to order.

Director Von Behren stated that before we jump into the agenda there is a new CPO for CDB his name is Art Moore he is going to come up, and introduce myself to the Board before we get started. Thank you my name is Art Moore been in Public Procurement for 10 years, and just recently worked for General Services overseeing the boss portfolio and regulatory that met up to the CPO. I look forward taking on this new role, and working with different individuals to help with Procurement activity CDB moving forward. You want to have a conversation; my office is open I look forward to it. Member Ivory asks what do you see as your biggest challenge? Art Moore, I think my biggest Challenge as the CPO is to build that level of trust, between agencies, and the CPO that where the agency understands that we're looking out for their best interest, and that we're a partner. As soon as you can create that partnership, you can begin to implement changes necessary to streamline the Procurement process. Hopefully do what the Procurement process is meant to do, and that is to be efficient, and cost effective when obtaining services that are needed by the State. Member Bedore asks have you have time to look into the Veteran's Set Aside Program with your agency? Art Moore, replies not with the current agency that I'm with. Right now, I'm trying to get acclimated to some of the ongoing process, and some of the procedures for the CDB, and once I get acclimated to that then we will be able to address some of those issues specific to that agency. Member Bedore states that it's been important to everybody, and this Board to set aside for Veteran's that has not been moving smoothly as it could. Art Moore sometime those programs take a little bit but I can understand the concern. Member Morales says Art welcome aboard don't take anything personally. We all work together for one common goal for what's best for the State.

Next on the agenda is the approval of the April 28, 2017 minutes. Member Morales so move Member Black second the motion. Chairman Vala at this time I would like to make some comments, the April 28, 2017 minutes. We ended up with a major discussion of DHS records storage at the last meeting, and a lot of information, and a lot of stuff got thrown around, and it kind of got directed to a lease in Springfield, IL, concerning a warehouse on South Grand. I'm referring to page 9,10,11,12 of the minutes. The first discussion I would like to put on record is

there was a statement the building is larger enough to hold two 747's; some members and I didn't agree with it. So, I have found for evidence, to add to the official file that the specifications on the 747, the first one ever manufactured is 45,199.77 sq. ft; it's tail is 6 1/3 stories tall. So, to store two 747's in that warehouse we would need 90,399.54 sq. ft. so those minutes are not totally correct when that statement was made; it's not big enough to hold two 747's and I will submit this to the Executive Director for addition to the minutes. The second thing I would like to pass around to the board is some updated pictures of the storage, and the use of the facility, and include it that was a question on the minutes including anything being shrink wrapped that was for disposal. I explained to some Members of the Board that shrink wrap is used for shipping the boxes that are stacked on pallets, and their shrink wrapped to stop them from tipping over when they are moved. I submit that for evidence also to the Board of Members to show many more boxes, and I can speak with authority the shrink wrap issue is for moving, because I am certified by the Illinois Commerce Commission to move freight nationwide and I'm verified by Bekins to move, so I understand a little bit about moving, and I believe my statements to be completely valid. There were other questions made, on the fact of the cost of the building, and the fact that it could have been purchased; we all know that there is no money there to purchase or remodel the building by testimony of the Executive Director of CMS. The storage of records in the Dwight Center was costing the State of Illinois \$400,000 a year. This board did not argue with the lease on South Grand for \$2.4 million for 5 years. That includes the owners of the building taking maintenance out of that \$2.4 million as well as, real estate taxes that have to be paid annually, and goes toward education and those types of things. So, the question that the employees cost is related to building rental is not a valid point. The point is the owners of the building have taken a large risk to take this adventure on with a 5-year lease. There was some indication of talk that it was a 10-year lease, but it's not; it's a 5-year lease with an option for renewal or purchase after the 5-year. Member Bedore says that Ed Bedore was just taken to the wood shed by the Chairman, and I will not dignify myself with a response. Roll call vote member Bedore "no" the minutes as presented, or minutes trying to be amended. Director Von Behren we're not amending the minutes I think the comments for future minutes. Member Bedore well then, I change my vote with 'aye' with all members voting 'aye' the motion to approve the minutes passes.

Next on the agenda Lease Review Susan Florence states I will first since the issue of the Warehouse has been raised DHS just completed moving several more Downstate office files from several Downstate Office. They still got two large Chicago Offices to move those two Offices, are going to be about 900 cabinets, and they have another 300 from another 4, or 5 Downstate Offices just because they haven't moved yet. They are waiting currently for some FY16 budget money before they can do any movements.

Next on the agenda Lease 6039 IMEA Springfield. Susan Florence states that this Office houses IMEA Lab, and training Head Quarters for Radiation for Safety, and Nuclear Safety. They have

been in this location since 2007 there is a 2.3% reduction in based rent the first year, and then a 2% increase every other year amortization from the initial turn continues through renewal term. The State is responsible for Utilities, Janitorial, and Garbage the rate total direct cost is within BOMA it is above the portfolio that's primarily due to the high Electrical usage for the Lab Equipment as well, as the amortization. Questions? Member Bedore asks I'm a little confused are you still paying off the amortization for the first Lease? It was negotiated that way initially but it was over a 10-year period stated Susan Florence. Member Bedore but you had a 5-year Lease Susan Florence 5-Lease with a 5-year option had we not renewed we would have to pay a lump sum the unadvertised principal. Member Bedore so a \$110,000 on improvements 5 years ago and you're now asking for \$269,000 worth of improvements? Susan Florence yes, and that going to be shared. Susan Florence says some the it the Landlord is paying for any work that is required for the office portion space, some of this work is very specific to the lab usage which would not have to be done if this agency didn't occupy this space, and the agency is sharing that cost. Member Bedore so were going to pay a \$186,350 Susan says its \$164,600 Member Bedore if you take a \$1.19 times 31,000 sq. ft. do that for 5 years it's a \$186,000 Susan Florence including interest yes the principal is about \$165,000. Member Bedore its costing us a \$186,000 yes Susan Florence. Chairman Vala I'll entertain a motion to issue a Letter of no objection Member Ivory so moved, with Member Bedore seconding the motion all Members voting "aye" motion carries.

Next on the agenda Lease 4334 ISP Joliet Susan Florence this Lease houses the ISP Bureau of identification, and the Statewide automatic finger print ID system they have been here since 1987. They have a present in Joliet since 1965 there is a 1.5% increase in base rent, there was a 2% decrease in 2012 there has been no increase since then. So, the new base rent is 2018 with 1% annually increase area per person is \$266 and the rate is within BOMA and portfolio. Member Bedore there is nothing that you can say about this because you can't really move because you stated that it's going to cost you \$500,000 to move the finger print technical thing, plus another \$400,000 per evert thing else. Susan Florence correct. Member Bedore with that in mind moving of a million dollars you can't make an argument, not to have this lease. Chairman Vala entertains a motion to issue a Letter of no objection Member Ivory so moved with Member Bedore seconding the motion all Members voting "aye" motion carries.

Next on the agenda Lease 3986 DES Joliet Susan Florence local DES Office serving Will County they have been in this Building since 1984 there is a 1 ½ percent rate increase which is the first increase since 2012. 1 ½ increase annual in there after the State pays utilities, Janitorial, and Garbage, there is also one Security Guard their full time. Area per person is 270 sq ft and the rate is below both BOMA, and the Portfolio range. Member Bedore is this the Same Building as the State Police? Susan Florence replies yes. Member Bedore there are in the same facility? Susan Florence Yes. Why do we need a Guard? Susan Florence most DES Offices have Guards that is a programmatic decision that the agency makes. Member Bedore when you have hundreds of State Police standing around the Building I'm just curious. Susan Florence not you have Lab

Technicians standing around yes. Member the rate, and everything is the same as the State Police. Member Black to say that we always had a Guard in DES why is it necessary when your surround by State Troopers? Susan Florence, I don't know if there surround by State Troopers it's a Fingerprint Lab, it's not a bunch of sworn Officers standing around with Guns with nothing else to do, but again the agencies make the decision whether or not they need Security Guard services, it's not a part of the Lease negotiation it's not a decision that CMS makes. Offices would have a lot of angry employed people coming in and out, want to make sure their employees are safe daily basis. Member Morales to the comments that was just made I don't disagree 100% but I will add I just tried to get into our Building here, and I had to take off my belt, take off my Watch, and have my Computer go through a detector, and there is State Policers here there's all kinds of Guards, all kinds of Police Officers, and we still have Guards at every entry of the Elevators, and walking the Halls. So, we don't know if this Guard is needed to allow People in or out of the Building. It does contain privileged information so in all fairness I would say we do need to keep evolving, but we also need to keep be aware that this is a changing world in many ways, as noted in recent events. So, security has to be an important issue and we need to be aware of that. Chairman Vala in Springfield 14-15 years ago an irate unemployed person attacked some employees with a screw driver, and the Security Guard had to shot him, and kill him some it has been some occasions that a Guard, has definitely served the purpose. I'll entertain a motion to enter Letter of no objection Member Ivory so move Member Black seconding the motion all Members Voting "aye" motion carries.

Next on the agenda Lease 6430 DHS Freeport Susan Florence this houses a FCRC serving both Stevenson, and Jo Davis County. They have been here since 1989 base rate remains static at \$10.54 for the first year there has been a 1 ½ increase in year two, and a 2% in year 5 State pays utilities, Janitorial, and Garbage the area per person is 289 the rate is below both BOMA and regional portfolio ranges we do have an active RFI for relocation of this office we have received one response offer we will conduct a sight visit next week to see if that location is feasible, or if we're going to have to advertise again, so were exercising renewal option to continue occupancy. Member Bedore this Lease can be terminated anytime because it sounds like you want to be out of here Susan Florence yes the agency would like to relocate yes. Member Bedore says he don't understand this amortization were still paying it after the Lease is expired I thought amortization was tied with the Lease, and now the Lease is over how do we continue to pay amortization? Susan Florence the amortization was set over a 10-year period so if, and when we do move we will have to pay, any remaining principal at this point it's going to be about \$20,000 roughly depending when we actually move I think as of today it's about \$20,000. Member Bedore wonder if we stay here, are you going to pay this amortization for another 5 years? Susan Florence yes. Member Bedore replies, and it only comes out to \$20,000. Susan Florence the original balance I didn't write that down; it wasn't that high I can't tell you at this point why it was spread out over 10 years. The decision was made 5 years ago. Member Bedore the majority of the Leases you bring amortization is 5 years right, but we have 2 in here for 10 one after another for 10 years. Susan again, I can't speak to what how that decision was made 5 years ago,

but the way the Lease was written the amortization is for 10 years. Chairman Vala entertains a motion to enter a letter of no objection. Member Ivory so move, with Member Black seconding the motion. All Members voting “aye” motion carries.

Next on the agenda is Lease 6450 DHS Jerseyville. Susan Florence, this is another FCRC which serves Jersey and Green Counties they have been in this building since 1989 there is a 4.8 increase in the first year which, is the first increase since 2012 the rate is flat thereafter for the initial term the rate of \$7.83, State pays utilities, janitorial, garbage. The area per person is 249, the rate is within the portfolio range and there is no BOMA data for the southern part of the State. Chairman Val entertains a motion to enter a Letter of no objection Member Ivory so move, with Member Bedore seconding the motion. All Members voting “aye” motion carries.

Next on the agenda is Lease 6388 HFS Springfield. Susan Florence this building houses the Administrative Office for Child Support Enforcement, and Attorney General. They have been here since 1994 and rent will remain static at \$13.91 and 3% increase in years 2, and 5 and the State pays utilities, janitor, and snow removal. There are two full time Security Guards. The area per person is 215 and its below BOMA and currently above the portfolio range. We do have an active RFI in process for potential relocation of this building. We have had 3 responsive offers that are still under review. This again is being extended for occupancy while we continue that process. Member Bedore this Lease expired December 16th? Susan Florence yes; we were intended on doing a short-term lease, this is actually the 2nd time we bid this. We realized that 364-day lease was not potentially going to be enough time to complete the RFI process, not knowing if we were going to have to bid it a third time. So, it was some back and forth with the receiver, and we were then going to exercise the renewal option, and didn't have time with the back, and forth to get that posted for the 60-day posting period. Member Bedore asked how long does it take you from somebody saying we need this building; we need this space. How long does it take CMS to put together a RFI and put it out on the street; a month, two months? Susan Florence says generally two to three months. Member Bedore I see there is a copy to go to Meyer's Commercial what's that about? Susan Florence says the property is in receivership, and the receiver has the authority to hire manager. The receiver is based in Chicago, and he's hired Meyer's Real Estate to be local onsite managing agent. Chairman Vala asks is this the building that flooded, and there was a large loss of records? Member Bedore replies yes, and there was a dispute with the owner; did that ever get resolved? Susan Florence, I don't know if it was a dispute, the owner's insurance picked up some of that cost, and the State picked up the remainder, I don't remember the sum, it was a lot of money for restoration of those files, we no longer use the basement of that building. Chairman Vala asked has someone inspected the basement to make sure water is not sitting in there? Member Bedore the argument was we thought the building would cover the insurance, it got resolved by the State paying. Member Black asked why does the State make up the difference, why does the State do that? Susan Florence, I think in this case the flooding was not caused by any negligence on the part of the Landlord or any faulty mechanical systems in the building. Member Black who did we re-

negotiate this Lease with? Meyer's Commercial? Susan Florence replies yes on behalf of the receiver. Member Black asks the owner's no longer own the Building? Susan Florence technically they still own the Building they don't receive any of the rents. Member Black so who are we paying the receiver? Susan Florence yes. Member Black which is Meyer Commercial Real-Estate? Susan Florence the receiver is Chicago Capital Holdings. Member Black there is not a relationship between the former owners, or the owners of record from what this says, and the Chicago Capital as far as you know? Susan Florence replies no. Member Morales do you know if this Building is in a flood zone? Chairman Vala says if you want to call Springfield, IL and downtown, with the storm services, and everything else you bet it is. Member Morales asks do we check that off the list when we lease the property? Chairman Vala asks wouldn't that be the lender's responsibility when they buy the Building. Member Morales correct! We should find out if were in a flood zone, and have flood insurance for that building. If I close out a building that is in a flood zone, I have to make sure they have insurance for that. Susan Florence says I don't think downtown Springfield is technically a flood zone not to my knowledge. Member Bedore states if we're going to Lease out the lower level wouldn't we want to know if the owners have flood insurance? This costs the State millions of dollars. Susan Florence, landlords are required to carry a minimum of \$5 million umbrella, however we do lower that occasionally for small facilities. I have to read the language to see whether that specifically includes flood insurance. Member Morales my question is in general does CMS have that in policy in place to check for that it sounds like you're not sure, or you're going to check. Susan Florence replies correct. Chairman Vala states that maybe we should make that a policy recommendation to the Board. Member Black says I think that CMS will probably be well advised to put that kind of language in any lease document because if it's any a flood plain, then you better make sure its protected by federal flood insurance. Director Von Behren stated that if the Board wishes not to approve this lease, we would need a motion to object to the lease. Susan Florence stated that this lease has met its 5 months hold over limit and if we don't proceed with a new Lease effective July 1st we have no way to pay the receiver for occupancy of this building. Chairman Vala I'll entertain a motion that we enter a Letter of an objection, Member Black so move. Susan Florence asks so what is the objection specifically so I can rectify in the meantime? Member Black said I'm not comfortable paying tax payer's dollars to a receiver, something happened here all kinds of problems, not comfortable giving a 5 years lease to receiver, not comfortable knowing if it's in a flood plain, I'm not comfortable that the tax payers already paid according to Member Bedore a substantial amount of money from pervious flood damage. Susan Florence the receivership is just a standard procedure when a company goes into foreclosure. Member Ivory states that maybe we should take another look at this from your nonverbal communication. Susan Florence states she's puzzled by the objection to the receivership. Member Ivory what do we stand to gain by rejecting this Lease? Susan Florence stated that we have no means to vacant the building except through an RFI and were in the process of that as we speak. There almost 300 employees, and almost 70,000 sq. ft. We can't just up and move out in a week. Member Black, well you could if the receiver throws you out. Susan Florence replies then its eviction

proceedings, which also take a very long time. Member Black I don't think this receiver is going to go out and find anybody else to Lease the Building, I don't think he's going to throw the State out and I think you can renegotiate, or come back later with some additional information. I don't see a disaster happening if we object to this lease. Susan Florence well I guess the only disaster is we will have no ability to pay rent come July 1st. Chairman Vala did you say you were looking to relocate? Susan Florence, we ar. This Lease is just being processed to maintain our occupancy and continue paying rent. The receiver did submit an offer that offer along with other offers that we have received were looking at all the offers. Member Bedore the concern as Bill is saying over the years we have had the old gun put to our head when you read this thing it's very clear, that this was a 5-year lease, you knew when it was going to expire, and yet the language here is very clear which expired December 31, 2016 and this is June. So this Lease has expired 6 months ago, this should have come to us 8 or 9 months ago. Susan Florence again we knew we were in an RFI and that process takes time, and we considered doing a short term lease and we didn't think that we were going to exercise the renewal option and then couldn't meet the 60-day requirement once we figured out we were going to do a long -term Lease. Member Bedore stated the fact is you had a five-year lease and you knew what the expiration date is going to be, why didn't you go out for a RFI a year ago? Susan Florence, we did publish 2 RFI's in 2016 we received offers we had split it into two smaller portions, we put those out on the street we got offers back, but the using agency decided that it was critical for them to have all of these operations under one roof. So, we went back to the drawing board developed a new APR put it back out on the street, and that's where we are now. Member Bedore, and then the agency will end up saying we like it here we don't want to move, and it's going to cost 100 million dollars to move us so we have to stay, you know darn well wants going to happen. Susan Florence, I don't know what the outcome is going to be, and I'm not going to discuss an open procurement as far as the offers we have received. Member Black what's your termination ability? Susan Florence, 120 days' notice at any time. Member Ivory the landlord hasn't done anything wrong we just had some challenges in terms of time. I see no reason to punish someone else for something that we had nothing to do with the current conditions that does not make good policy, or good business sense. If we didn't have time to get a job done and it didn't get done from the time frame that we hoped, and it created a problem lets buy the time. We have a right to terminate the lease then let's do that. I see no reason not to approve this Lease. Member Morales, I need clarification; Susan this building was owned by someone, financed through a bank, it's gone into receivership meaning that the bank exercises right to foreclose go this group to manage it for them, because now there exercising assignments on rent? Susan Florence correct. Member Morales who owns it right now which bank owns it? Susan Florence technically Springfield Prairie Properties is still the owner, and I don't know who their lender is, but they have been foreclosed on. There has been a court ordered receiver, that is Chicago Capital Holdings, and the receiver in return, as authorized by the court, has hired a local firm and called Meyer's Real Estate to be the local day to day manager of the property. Rents are paid to the receiver Chicago Capital Holdings. Member Morales, says Member Ivory were not hurting anybody because we don't who the

landlord is at this time it's a bank, and that bank hired somebody to collect the rents for them, and then they in turn hired somebody to help manage the property. We don't know who we would go to other than this Capital Group and say hey, there is something wrong with this building fix it, take care of this or take care of that. But in the meantime, my understanding is that it doesn't matter, because we want to get out of the building. But to do that we need time minimal a year, we have to go back for a RFI so that's what we do is ask for 5 years, and cover ourselves we can get out of this Lease with a 120 days' notice at any time is that correct Susan? Yes, Replies Susan Florence, Member Morales so basically I can understand why were all upset about this happening because it's happen more than once, and we don't like when the lease comes before us, and you say hey it expired, and you guys have to approve this because if you don't a lot of people are going to have problems. We're saying, it's not our fault CMS is not doing what they're supposed to be doing. But to Member Ivory point we have responsibility to try to keep this process going as best we can. But we also must lower your feet to the fire, and say hey you have to do a better job they come to us with an expired lease saying you have to do this otherwise it's going to cause problems. I understand it's a big process is this correct? Susan Florence, no I understand and certainly I dropped the ball on this, but I don't think I've brought you a lease in a least in a couple years and said to you "that you have to approve this or the landlord's not going to get paid" and this is not your fault that the lease is been in hold over for 6 months. I'm just trying to facilitate a way to keep the agency functioning in a building and rents paid. Member Morales, why don't we do a 1 year then that way it forces everybody to move forward and get that RFI and then after the 1 year if were still in there couldn't you get an extension for another 6 months? Susan Florence, the problem is I can do a 364 Lease and we have done those in the past where we have been trying to relocate large properties, and more often than not that turns out to be not a long enough term, and then we have to do another 364 or somehow try to figure out how to do a longer term and if leases are over 10,000 sq. ft. that can get problematic. We have learned through experience its easier and safer to do a 5-year Lease with a good termination clause. then that way we're not scrambling after a year. Chairman Vala, we have a motion on the floor right now to issue a letter of objection do I have a second? Member Morales asked a question for the Board, and for Susan here if I was to make a motion of no objection with a requirement that we be updated on this specific lease every 6 months to know where it's at. How would the Members feel? Member Bedore, well Rick as you say why would you let them off the hook. A 5-year lease, why not a 364-day lease? Because later on I have to go through some of the things that were said at our last Board meeting that I don't know if anybody is going to be here to answer these things. It's so easy to say oh yes we will give you an update, but like you said earlier you got to keep the feet to the fire, and giving them a 5-year lease. Member Morales I would make a motion to approve a letter of no objection for 364 days and if that's not good enough Susan, there's not much more I can do for you at this point. But I'm trying to make this Board be effective because that's what were here to do, so were just trying to find options. Jeff Jurgens stated that if no action is taken it becomes effective, or the Board can object to this if you're wanting to make an objection. Not that the Board approve a

different type of lease. Member Bedore seconding the motion. Chairman Vala the motion is to issue a letter non-approval on this this Lease. Member Ivory vote 'no' and with all remaining members voting "aye" the motion to object carried.

Next on the agenda is Lease 6154 HFS Springfield. Susan, Florence this Lease houses support staff for general audits from Medical Programs. There is a 28% increase in base rent however there has been no increase since 2007 and the current rate is below market. The new rate is \$12.75 flat for the term. The Lessor is putting on a new roof the area per person is 165 and the rate is below BOMA and within portfolio range. Member Bedore, the roof is \$115, 000 that come out to be about a \$1 a sq. ft. but you're going from \$9.95 to \$12.75 so that more than covers the roof. Susan Florence says we have been at \$9.95 for 10 years. Member Bedore, I understand that but don't throw the roof in, it's for that person preservation of their building, it's not to the State of Illinois. Susan Florence, it is the owner's responsibility. Member Bedore says that he strongly objects to this 3 years' firm. Member Morales, states were not quick enough to move in 3 years, were going to be there for 3 years' minimum that's the reality of it. I understand it's a jump but it's still a reasonable rate the 3-year thing. We are not going anywhere in 3-years reality of it. Chairman Vala stated that 28% does sound like a lot of money when the rates have been that low for that many years it's only \$2.80. The percentage is alarming; the \$2.80 sq. ft. is not alarming going up to \$12.75 for Springfield market. I can support it. Chairman Vala on Lease 6154 I'll enter a letter of no objection. Member Ivory so move with Member Black seconding. the motion carried with all Member voting "aye" and Member Bedore voting "no".

Member Bedore states, there was a lease in Waukegan you said in 3 months you would hope to be out of there? You were going to try to move, and you would give us an update. Then you had the DHS Lease in Iles Park; you said that you would do a 6 months' review. Are we progressing down that path since its 2 months now to get the utilities so we know what we're going to be paying; and what we're going to be reducing the rate by? Susan Florence, replies yes it hasn't been 6 months. I have not followed up with fiscal on it no. Member Bedore stated the third item was Member Morales asked if Mr. Hoffman would he be able to provide us with an update at the next meeting, as to how quickly your moving Barney Furniture Store, and the amount of lease space once you're moving the files. Mr. Hoffman stated that when you move these files out of these offices, you're going to reduce space. Susan Florence, is that something that Director Hoffman said I would have to discuss that with DHS. Member Bedore says that Director Hoffman says at the next meeting under questioning by Member Morales CMS would present us with an update on how everything is moving with this Barney Furniture. We didn't have a meeting in May, now its June I don't see any presentation here regarding this, and its clearly stated in the minutes. Member Morales was a little confused, about everything he asked the Director to come give us an update next Month the Director said yes. Member Bedore said what bothers me when your statement says we will get it to you later. So maybe we will get it in July or maybe we will get in August. When you people sit here from CMS, and say oh yes we will

take care of that! Member Morales, and myself we asked that question, and we don't have an answer. Susan Florence says I apologize I don't keep the Directors schedule and perhaps this Board could follow up, and put it on the agenda so I can follow up on that. Member Bedore your Director said he would present an update the next meeting, that's in the minutes. Susan Florence, says she doesn't dispute that I apologize for that. Member Bedore said I don't see anybody here besides yourself. I understand last meeting that disturb me at no end that CMS couldn't present anybody to discuss the Leases so we couldn't have a meeting, that all on CMS so I could understand if you didn't have it ready in one month even though CMS said you would but there is no excuse for now two months later. Susan Florence, I did provide an update on the files when I first sat down. Member Bedore yes I understand very briefly, but I made the comment to Mr. Hoffman that I don't believe you're going to be reducing any leases because of that move to that building. He said that we were going to reduce sq. ft. in buildings. I don't think that's ever going to happen. I was waiting for a report to see if it happens two months now, so I guess what you say at previous meetings doesn't matter. Susan Florence, says I didn't say it. Chairman Vala says Member Bedore do you think the Board should send a letter to Mr. Hoffman questioning what you were saying why we don't have these responses, and will you be at the next meeting? Member Morales I would ask if a Letter be sent with a copy of the minutes requesting what Member Bedore just stated if you would please join us at our next meeting. Chairman Vala second that on the motion to send a Letter requesting the information all in favor say "aye" motion carries.

Member Bedore I have one more question Lease 6628 may I ask some simple questions stated that a RFI can take 6 months, a year. This lease was put out in November 2015 before the election, worked on 6 months prior to the Election. How do you put out a solicitation for an agency that has not been created, DOIT? Susan Florence says the solicitation was advertised for issued for CMS BCCS which later became DOIT. Member Bedore so how did you know what to put out for this new agency that wasn't even on anybody radar screen, this was before the election, before the Governor said he's going to create DOIT. Susan Florence, the employees at the time were CMS employees. When DOIT was created all those employees became DOIT employees, it's the same employees, the same functions. We put out the RFI to accommodate those existing CMS Staff. Member Bedore asked. what's the Warehouse portion of it? Susan Florence says they store computer equipment, cabling lines, wiring, there is space for repairing imaging area of computers. Member Bedore asked if there is a different rate for the storage? Susan Florence said it's all one rate is \$10.60.

Next on the agenda was a legislation update. Director von Behren says there is no new legislation update but SB 8 which was the procurement reform has passed both Houses, but I don't believe it's been sent to the Governor's desk yet. Chairman Vala, okay before everybody were presented a proposed resolution adopting procedures meetings for the Procurement Board Policy, this is for every Member to review to vote on it at the next meeting. Member Morales I think it's a good ideal to present this, it's more of a house keeping measure consideration for the

next meeting its basically to ensure efficiency of our meeting. Member Bedore stated I didn't know that all the power that you have "you may deem any discussion outside the Board's statutory power to be out of order, any comments made during such discussion maybe stricken from the record". Member Bedore said so the Chairman will decide what can be in the minutes, or not. Maybe we should add some more wording to your title as Chairman. The next meeting July 20, 2017. Chairman Vala made a motion to adjourn. Member Ivory seconding the motion all in favor say "aye" motion carried.