



Chairman: Frank J. Vala

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

Minutes – July 20, 2017

Present in Springfield: Frank Vala
Ed Bedore
Larry Ivory

Via Telephone: Rick Morales

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

Central Management Service's Director Mike Hoffman was present to give the Board an update on leasing activity. Director Hoffman stated that the DHS warehouse space was about 75% full at this time and that they expect more files to be moved in shortly. He expects the building to be near full capacity by the fall.

Director Hoffman, responding to questions from a previous meeting stated that CMS is required to have a purchase option in any lease where the State occupies 100% of the building. If and when the State and the Administration, CMS, and the General Assembly decides there is interest in the purchase property and if there is appropriations and money available to do so, as well as money available to maintain these buildings properly, we can purchase the property we are currently leasing,

Director Hoffman responded to question from a previous meeting regarding an amendment at the Iles Park lease, and stated that he offered to come back and share with the Board the utility cost and comparison to previously utilities. Director Hoffman state the first utility bill that we have is June. I'm happy to come back in October but I don't think that 3% data is going to show us much. It might be appropriate to come back closer to December, or January to show that again I offered to come back in October, Member Bedore stated that he realizes that you may have the data till December, January so I don't think we would hold you to October but I think you should communicate, and say before the October Meeting and say we don't have the data can we put it off a couple months. I would be fine with that but that's up to the entire Board.

Member Bedore asked about flood insurance on leased space that was discussed at a previous meeting. Director Hoffman replied that they are preparing a written response because there are some issues we need to explain in terms of how the national flood Insurance system works, and that communication is being drafted now and will be provided to the Board very shortly. Member Bedore asked Director Hoffman about reducing space in Chicago by moving all these files out and if any leases would be canceled. Director Hoffman responded by stating that most of the moves will result in cost avoidance and direct saving, and by that, I mean DHS will be

able to increase their staff, and increase their services as is required by the demand without moving to a larger location. In some cases, a few offices may consolidate or reduce the footprint but the majority of the move allows for a long-awaited DHS expansion without them required a larger more expensive lease and moving expenses. Member Bedore asked if the Board would receive a list of spaces being reduced and Director Hoffman agreed to provide that. Member Bedore asked how DHS was going to expand its staff when there was a five percent State budget cut. Director Hoffman stated that he could not speak directly for DHS but that there has been a massive decline in State employees the last 12 years, and many agencies, and CMS is one of them, have an authorized head count significantly higher than our current on hand personal

Member Bedore asked about DHS and their record retention, specifically about an IT system that was mention at a previous meeting that was supposed to reduce the number of files DHS needed to retain. Director Hoffman stated that it was not within CMS purview for record retention requirements for each individual agency and that would need to be answered by the agency. Chairman Vala asks when an agency comes to you do they bring you one lease at a time or do we have a plan to do 6 moves, 6 consolidations. Director Hoffman stated that it's a combination. We inherited a very broad portfolio and frankly not every lease or property we have is necessarily well thought out in the grand scheme of things that's not usual in the volume that we deal with. We have over 300 leases and I think that over 60% of those are in Sangamon County it is going to be a long effort for us but were trying to rationalize all those leases to make sure we have people in the right place, with the right amount of space, and right cost and in order to do their mission to do responsible. Chairman Vala asks are the Vendors getting paid now? Director Hoffman stated that we have released our February payments, and we are in the process of getting a release of our March payments, so we are still 4 months behind or so on our rent the vendors.

Member Bedore asks how will this resolution pass by the House & Senate regarding stopping all leases effect CMS. Director Hoffman stated that there are two parts to the resolution. The first part calls for an audit into this specific warehouse we been talking about, former Barney Furniture Warehouse, which we will fully comply with. The second part of the resolution calls for us to halt all leasing activity not just CMS were talking Universities, constitutionals, legislature all entities of the State. We can't comply to that part of it, it's just not legal. We have statutory responsibility to procure space. We respect the opinion of the General Assembly on this issue we fully understand that the leasing issue is important and is something that we should pay a lot of attention to. Member Bedore asked if there anything from the Inspector General? Director Hoffman said no information has been provided to us at this time by either the Executives Ethnic Commission, or the OEIG.

A quorum of the Board was present and the official meeting was called to order. Chairman Vala, and Members Ivory and Bedore were present in Springfield and Member Morales was present via telephone. Member Bedore made a motion to allow Member Morales to patriciate in the meeting via telephone. All Members voted "aye" and the motion carried.

Member Bedore make a motion to approve the minutes as printed for the June 15, 2017 meeting. All Members voted "aye" motion carried.

Next on the agenda was the resolution on procedures for meetings of the Procurement Policy Board. Member Bedore stated what bothered him in items 2 and 3 is that Board Members should not argue, interrupt, or interfere with any comments by a Member of the public. He feels it's very degrading to the Board Members, and who is going to decide whether your arguing or commenting. Member Bedore state that often the Board Members have questions and this resolution could deem those questions or discussion as arguing and he feels it leaves the Board open to interpretation. Board Members should conduct themselves in a professional manner when asking questions. Chairman Vala stated that this is the reason why we're having a public comment is to adjust or revise it as we see fit. Chairman Vala thinks Member Bedore comments are productive. Member Morales stated that he thinks the whole purpose of presenting it is that all the Board Members can discuss it and come up with central guidelines for our Meetings. Member Bedore stated that he did not have a problem with Roberts Rules of Order. He would just like to see the language in a few sections adjusted. Member Ivory stated that he would hope the Members could have a reasonable conversation without arguing. Member Morales agrred and stated the purpose of presenting this resolution was to begin the discussion and make any changes so that everyone is on common ground. Chairman Vala suggest that legal counsel in consultation with the Executive Director will make the necessary changes and send it out to the Board Members for review prior to next month's meeting. Those changes include having a sentence about the procedure for public comment and Members acting in a professional manner.

Next on the agenda was legislation. Director von Behren stated that Senate Bill 8 had been sent to the Governor and it has yet to be executed. A budget for Fiscal Year 17 was passed and the Board did receive the standard 5% cut which is about \$22,000 so were going to have to discuss where were going to make those cuts. Member Bedore asked what impact will that have on us. Director von Behren stated that first place would most likely be having fewer NIGP classes. Member Bedore asked if the Deputy Director will remain vacant? Director son Behren said that's going to be to the Board pleasure to decide if we want to fill that position or not. Chairman Vala makes a motion adjourn all member voted by saying "aye" and the motion carried. The meeting was adjourned.