



Chairman: Frank J. Vala

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

Minutes – August 22, 2017

Present in Springfield: Frank Vala
Ed Bedore
Bill Black

Via Telephone: Larry Ivory

Chairman Vala called the July meeting of the Procurement Policy Board to order. Member Bedore made a motion to allow Member Ivory to participate via telephone. Member Black seconded the motion. With all Members voting “aye”, the motion carried. Member Black then made a motion to accept the minutes as presented. With Member Bedore seconding the motion, all Members voting “aye” and the motion carried.

The next item on the agenda was lease review. Susan Florence was present from Central Management Services. Ms. Florence stated that Lease 5783 houses the Director and executive staff for DCEO and that they have been in this facility since 2000. This new lease has a rental reduction of 5% to \$13.00 a square foot. CMS is currently in the RFI process to consolidate all three of the DCEO leases in Springfield. Member Bedore asked if CMS was considering consolidation because you have personal space at 329 square feet per person? Ms. Florence replied, yes they have a lot of excess space in this particular lease and the plan is to consolidate. and it depends on what kinds of offers we get. Member Bedore asked with all this vacant space I don't understand where do we advertise? Ms. Florence replies we advertise on the Bulletin, local paper, and the State paper. We also reach out to Brokers, and existing Landlords. Member Bedore asked do you advertise in the Illinois Times? Ms. Florence says no we don't. Member Bedore made a motion to issue a letter of no objection, and that we get a report back from CMS in 6 months. Member Black seconded the motion and with all Members voting “aye”, the motion carried.

The next lease on the agenda is Lease 6400 for HFS in Northern Illinois. Ms. Florence stated that this office serves a 10 County region and that they have been in this facility since 1982. CMS did put this out for bid in 2011 the incumbent Lessor was the lowest cost offer so we stayed there. This is another office that we intend to re-locate. We have a site in mind that we can utilize the expansion space but that space requires built out. They are in the process of getting some cost estimates for that build out so I would hope that relocation will move along within the next 6-8 months and we can terminate any time with a 90-day notice. Member Bedore noted that this space has the same situation with high sq. ft. per person. Ms. Florence agrees but states that they are down 4-5 staff from when we did the last lease five years ago. Member Bedore asked if the price for the one security guard was a little high? Ms. Florence stated that its one full time spread

out over 9,000 sq. ft. and it's generally a full-time security around about \$45,000-\$47,000 a year. Member Bedore asked if this was in Rockford? Ms. Florence sated that it's not in a good neighbor and has had lots of crime within the last couple years. Chairman Vala stated that the owner name rings a bell, is this the one we had the trouble with in Rockford about a year ago? Ms. Florence replied yes. Member Bedore asked about a time frame for moving. Susan replies its depends on the Landlord getting estimates and getting the build out done. Member Bedore made a motion since there was a sizeable reduction in 2012 and it's a small increase moving forward, and there is an out clause here that I think is very important for consolidation make a motion to enter a letter of no objection with a clause that maybe we should come back in 3 months. Member Black seconded the motion. All Members voting "aye" and the motion carried.

Next on the agenda was Lease 6436. Ms. Florence stated this lease is a DHS Division of Rehab Services in Belleville. They currently service a 4-county area we did bid this out twice in 2011, and 2012 and ended up staying in the same location. Base rent will remain static for the first year, and that rate since 2014. State pays utilities, and janitorial. The area per person it slightly high at 283 as they are also down a couple of employees since the lease was done 5 year ago, and the total direct cost is in the portfolio range. This Lease can also be terminated within 90 days' notice. Member Black stated this is big office, and I can contest that services are needed. It's not a Chicago Lease rate, it's a very reasonable Lease. Since you been in there for so long I assume that you have no problems with the Lease, their services are needed, and more downstate than other places. Member Bedore made a motion to issue a letter of no objection and Member Black seconded the motion, with all Member voting "aye", the motion carried.

Member Bedore stated for future meeting I would like an update on where we are with this building at DOC in Springfield. Is the Lease rate going to go up? Ms. Florence replied the base rate won't change, there will be an adjustment in the sq. ft. and we add in whatever the new building is and subtract the sq. ft. from the building we are moving out of. Member Bedore said he would appreciate some little report the next meeting.

Next on the agenda was the Resolution on adopting rules and procedure for meetings of the PPB. Member Bedore made a motion that we accept the Resolution adopting the rules for procedure for meeting for the PPB as printed with Member Black seconding the motion and all Members voting "aye", the motion carried.

Next on the agenda was Legislation. Member Bedore stated he wanted to discuss the Auditor General report regarding DCFS. Everyone agrees that there was problem, and the Governor Office is talking about having seminars and training and they are totally excluding this Board. This procurement code says the Board should shall provide, and have the authority and recommend a program for professional development to provide opportunities for training of Procurement practices and policies. The conclusion of the audit reports is for DCFS to conduct training of procurement and contracts staff to ensure that the staff is knowledgeable about the requirements that must be met for no bid grants. I hear the Governor office, and people are moving ahead and totally excluding us. It's very clear under our authority. It doesn't say the Board should have authority. It says the Board shall have authority and Bill knows what the word "shall" means for professional development, and provide opportunities for training and procurement practices. We should be a part of this. We're being ignored by the Governor's

office. We know he tried to get rid of us once! But until the law has changed until somebody takes the word shall out of here we are still apart of this, and we should be part of this. I strongly urge this Board to have our staff talk to the Governor's staff, whoever is doing this training we should be part of it, and must be part of it because the word "shall is there". Member Black stated that he agrees with Member Bedore and he shares Member Bedore's concern. The Governor has his hands full and his plate full. If they want to change the law fine, otherwise some of this should come to this Board and not create something brand new. Member Ivory stated that he thinks it's a part of the statutory roll that we play, and we ought to stay within the compounds of the Procurement law and make sure we exercise our authority and we can still work together for the common good of just getting things done, so that people understand Procurement process better. But the training opponent is under our purview in terms of what the purchasing. Member Bedore stated that with the budget impasse it has affected our training program and everything else, but we should be moving forward now. Director von Behren stated that we will reach out to CPO office, and DCFS, and the Governor's office regarding training, and to see how far along they are in the training, and then remind them that we are getting ready to start back all our training activities. We just signed a new deal with NIGP training classes in the future we will reach out to them.

Member Bedore says there was OEIG report on the State Use program and DOT. Member Bedore stated that he wanted to clarify I'm not speaking against a program where you use handicap people to do janitorial work at the rest stops. I'm not opposed to that; it's just they have found that were not checking market prices. The report stated that IDOT failed to provide a basis to show that the price we are paying for janitorial contract, was not substantially more than from competitive bid. What brought all this together; they say they were paying \$6 for this service, then they were checking with the bids, and it came in at \$3. This program would like to hire as many of these companies as possible, but they got to be within reason. Nobody expects to pay the same price but a lot of these are non-profit companies, and what they found is wereally paying a lot more, and sometime double or triple. CMS seems to be a little laxed in this, and they have the State Use Committee which failed to proper review contract prices. To me that's a strong word. The point is nobody is checking to see what the real world competitive bid would be, and if we pay a \$1 more sq. ft. that's fine within a range, but when you almost doubling, and tripling the cost nobody seems to be looking at that. This program was set up the intentions are great. I'm not criticizing the program; I'm just criticizing the way its administer I think we ought to look at this, or have somebody come in the State Use Committee. Member Black stated that they have a rest stop the have won awards for one of these non-profits that do excellent work! I recall some of that discussion when the welcome center was under construction it was to make sure that the non-profit didn't build in an excessive amount of overhead, other than direct cost. Member Bedore stated that the EEC had the following findings: IDOT failed to provide a basis to show the price it was paying for Janitorial service under the State Use Program was not substantially more of it had be competitively bid and the State Use Commission failed to properly review the contracts. Chairman Vala stated he agrees with the Board when your using training agencies, and working agencies we understand the cost is going to be higher, there's times here in Springfield Sparc they do a lot of cleaning and they send a qualified supervisor with the employee so that they do have an overhead varies what a private contractor what have, and there doing a job of training, and putting people in the workforce. Apparently, what they did here, they didn't make a competitive bid, they didn't justify it. Director Von Behren stated he

would reach out to the committee and do some fact finding, get some research on what they are doing now. I believe there next meeting is in September. So, if I can have something back for our September meeting I'll have some sort of information maybe not a full report if there meeting is after ours.

Member Ivory stated that he's gotten a call on the probably the largest Procurement in the State its about \$7 billion, with renewal which is probably \$27 billion. I've been contacted about a number of different issues related to the Procurement and I have decline to respond to anything. I would like to talk to staff and consider having HFS to become before the counsel because I think it's going to be a conversation that is regarding the Procurement process. Perhaps we can ask HFS to walk us through that process so that we could be at least be aware of the process of what's going on. Member Bedore asked about new legislation that would bring this procurement back under the code and required a competitive bid, and bring some oversight with the PPB. Director von Behren stated that this Procurement was exempt under the purchase of care. The new Legislation has passed both houses and is currently sitting on the Governor's desk waiting on a signature, or a veto. Member Ivory suggests that HFS come to our next meeting to walk us through the process. Chairman Vala asked if there were 12 oe 14 MCO's now and they were going to reduce them to 4 or 5? It might be 6 stated Director von Behren. We can have HFS come before the Board however, this is an exempt transaction so I'm not sure what kind of authority the Board would have, but that does not permit us from asking them to come before Board, and asking what procedure they did follow. Director Von Behren is going to follow up. Member Bedore made a motion to go into closed session regarding personnel matters. Member Black seconded it. All Members voted by saying "aye" and the meeting was adjourned into closed session.

The meeting was reconvened out of executive session. A motion was made by Member Bedore to provide a cost a living wage increase for executive staff employees. Member Black seconded the motion and all Members voted by saying "aye" and the motion carried. Member Bedore made a motion to give the Executive Director a salary adjustment based on conversations had during the executive session. Member Black seconded the motion and all Members voted by saying "aye" and motion carried. Member Black made a motion to adjourn the meeting and Member Bedore seconded the motion. All Members voted by saying "aye" and motion carried. The meeting was adjourned.