



Chairman: Frank J. Vala

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

Minutes – September 21, 2017

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

Via Telephone: Rick Morales

Chairman Vala called the July meeting of the Procurement Policy Board to order. All members were present. Member Bedore made a motion to allow Member Morales to participate Via telephone. With all Members voting “aye” motion carries.

First on the agenda was Lease 6471 for HFS Child Support Administrative office in Springfield. Ms. Florence was present from Central Management Services. She stated that they have been in this Building since 1992. Member Black asks is this a secure place? Susan Florence states that they don't see clients. This is a central office for all the Child Support files. Member Bedore makes a motion to enter a letter of no objection. With Member Black seconding the motion. With all Member voting “aye” motion carries.

Next on the agenda was Lease 6615 for DHS in Chicago. Susan Florence states the next two leases are connected. We occupy space currently at 5050 Broadway in Chicago, sometime ago the building was sold and the new owners are converting the building to condos so we were asked to vacate. We have already been able to relocate two of the divisions, and these are the last two to go. They are both DHS offices. The rates are identical for both offices. Member Bedore asked if part of our settlement with the new owners if the State has to pay off the remaining amortization or if it will be forgiven. Ms. Florence replied that since we are being asked to leave they will be forgiven. Member Bedore ask is there any work being done in the new facility? Ms. Florence replies yes at the States cost. The new owners at the existing location are paying our moving expenses and they are providing us furniture from the existing office. Ms. Florence stated that she had seen the full settlement from the new owner's termination of the lease because it is not finalized and still confidential. Member Black asks since this building is going to be rehab services, I assume that this Building is fully compliant with ADA. Ms. Florence states that it will be. Chairman Vala asks since we are going to do \$513,000 worth of remodeling, and they have been amortized over 5 years, we can cancel the lease in the 37th month, do we have to pay the difference to cancel? Ms. Florence replies yes if we're going to terminate early we would paid any remaining difference.

Member Bedore asked about the \$500,000 to build out the new location. Do we have a list of that of what that \$500, 000 is? Is there remodeling of bathrooms, or some things that may fall under ADA? Susan says we do all of that a fair a reasonable cost evaluation.

Member Bedore one thing that has bothered me over the years we let the Building owner do a half million dollars' worth of improvements. It never gets bid, it doesn't have to have any compliance with Veterans, Minorities, Females? Ms. Florence says some Landlords do bid that out projects and some Landlords and larger developers up north have their own basic construction staff. Member Bedore says but you're asking us to pass on something for half a million dollars of improvements that we have no idea who the contractors are going to be. Did they meet some sort of bidding requirements, are they compliant, we have no idea? Susan states if it's a Landlord who is bidding out for certain jobs they do have to submit some kind of contract disclosures if they bid. Some lease companies like Imperial have their own construction employee so they are not subcontractors. Member Ivory asks if we had any authority to wish to push toward for Legislation that would require minority participation in landlord construction contracts? Director von Behren stated I'm not sure if the Board has the authority to require that CMS have Veterans participation we would have to do some research to find out how that would work. We could always look into drafting legislation. Member Morales says this was brought up before please do some research to see if Legislation can change, at this point if I recall we don't have the authority to ask CMS to go back to the Landlord and force them to bid it out to make sure that a portion is awarded to minorities or any other groups. If there doing a bunch of updates, or repairs they can hire whoever they want. They do have to meet certain specifications when certain parts are completed for CMS. The State cannot tell the Landlord who to hire, or who not to hire. Member Ivory says but it is the States money correct. Susan says yes and Landlords do have to pay minimum wage for any work done. Member Ivory said what I would be interested in if we could look over the last couple of years to see how much of an issue it would be, to see if there is a way to Legislate this issue so that we can have some authority over. Member Morales states keep in mind that this will slow the process, say a Landlord bid out and, get the qualified breakdown of awards that would be require, so that's something that will come up. Because it's another step, of taking a bidding, and making sure the funds are awarded to certain groups. Member Bedore made a motion to issue a letter of no objection with Member Ivory seconding. all Members voting "aye" except Member Black voting no, the motion carries.

Next on agenda Susan Florence's says that Member Bedore asked for update on the new Building on the construction on the Concordia for DOC. We have completed the basic floor plan. The Landlord has not gone out for bid on construction. That's mostly due to the fact DOC still owes them \$3million in rent for the past year, and they're going to need that money in order to build a new building. Member Bedore asks what type of building are we talking about, \$1 million? \$10 million? Ms. Florence says she thinks they are estimating it to be in between \$2 or \$3 million but I don't have all those estimates. Chairman Vala asks if there will be some demolition of houses they are vacating. Ms. Florence says if they choose to tear down those houses after we move out them that's there deal. Member Bedore says the houses should have never been a part of the original lease. They were houses then they were converted into offices, cost us a fortune to air condition, heat it .and repair them and everything else. Did we ever get all of our money back for the elevator that was never built? Member Bedore says he would like to know that. When I was touring the facility, they were saying that they would like to rent out

the second and third floor, but we can't because it doesn't meet ADA. They said but we have a solution to that were going to put in an elevator. Member Bedore says who is putting in an elevator. Well the State has had money put aside. They were holding money aside. They were charging more in the lease to put money aside every year. \$50,000 to \$100,000 aside every year. We had no accounting of it and we got no interest on it. No one knew about it, not the Comptroller, the Treasurer, no one except for the Landlord. And they said they would reduce the monthly rent until the amount was given back. The State's money, giving back to the State. I certainly hope someone has record of that. This is when Mayor Davlin was Mayor here in Springfield. I took a lot of heat on this. Member Bedore stated well you will have to discuss it with the Board. They voted for this lease, I didn't. That's why it was brought here in February when they knew I wouldn't be here. Ms. Florence stated that she certainly does not plan her work duties around Member's schedules, no disrespect. Member Bedore said he would certainly like a report on what happened to that money. Ms. Florence says I'll see what I can find out. Member Bedore it's our money being held in account no interest. Chairman Vala says what I remember about the elevator is \$80,000 to \$90,000 and it was a recommendation of the last architect that worked for the DOC and then when the DOC decided that they didn't want the 2nd or 3rd floor the \$80,000 was taken out of the Rent. I agree with you we deserve the information, as soon as we will be able to get it. Member Bedore says that he believes that you're misinformed. CMS didn't know anything about it until they got an inquiry from me. They didn't even know what the amount was. It was a non-interest bearing account. We had no say so where this money was at. The owner put the money in a Bank. The Comptroller, and everyone was like this is wrong. I would just like to know if we received it all back.

Chairman Vala says that's it's a little early, but with regards to the Iles Park Place there was an article in the Illinois Times about the owner having Lease and money issues and stuff like that. Are you tracking the utility bills? I know you said 6 or 9 months before we could see a real number report. Ms. Florence says that she hasn't gotten an update since last month's bill, at the point because we were behind in paying so I don't have a really good picture of that but I will keep following up. Member Bedore asks has he received any payments? Ms. Florence replies yes he's paid through April, and May and June rent was just released the day before yesterday.

Next on the agenda Legislation update. Director Von Behren no updates on Legislation to update the Board on currently. Chairman Vala says whatever the Governor signed the changes in the purchasing code. Director Von Behren yes that was SB 8. Chairman Vala asks will any of that affect any on the Board itself. Director von Behren it has no real effect on the authority, it affects some day to day operations for some of the Executive staff on some of the number of days that we have to review contracts, but nothing as far as Leases. Chairman Vala I thought that I read in some Legislation that if the Board request somebody to show up they must. Director von Behren yes there was a line in there that all agencies are required to comply to Board's request for information. Member Black asks Matt can you get us some kind of synopsis. Chairman Vala says I know that there were different parts of the act that were vetoed and some were changed but I know the Governor has signed something. Director von Behren stated that it is signed as public act.

Member Bedore asked about State Use Committee. Director von Behren said the State Use Committee had their September meeting last week and I attending the meeting. Member Bedore

asks if we can have somebody to come from the State Use Committee at this meeting. Director von Behren said he will reach out to the State Use Committee Chair and have a representative at the next meeting.

Next on the agenda public comments. Stephanie fuller the owner of Iris Consulting was curious about how SPO's, and CPO's how there connected, and what the process is when there is a potential conflict. Director Von Behren explains that potential conflict does come before the Board and they are reviewed by the executive staff. Actual conflict of interest, those don't come before the Board those are handle by the CPO's directly. Director von Behren explained there two sections of the procurement code that deal with conflicts of interest.

The next Board meeting is set for October 19, 2017. Member Black made a motion to adjourn that was seconded by Member Bedore. All Members voting "Aye" and the meeting adjourned.