



Chairman: Frank J. Vala

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

Minutes – August 20, 2019

Present in Springfield: Frank Vala
Ed Bedore

Present in Chicago: Rick Morales

Chairman Vala called the August meeting of the Procurement Policy Board to order. Member Bedore states there a motion to make me acting Chair that didn't make it into the minutes, so the staff will get the right language. So, we want to approve the minutes as corrected. Member Bedore makes the motion with Member Morales seconding the motion. With all Members voting "Aye" motion carries.

Next on the agenda is Conflict of Interest Policy. Director von Behren states that we had a discussion at the last meeting and we took out the language that we were talking about of personal relationships. That language has been removed. Director von Behren notices that there was a mistake in the second paragraph. So if you want to approve it as amended we can. Member Bedore make a motion that we approve the Conflict of Interest Policy as amended. With Member Morales seconding the motion, and all parties voting "Aye" motion carries.

Next on the agenda is HFS Lease 5894 in Joliet County. Mrs. Florence says they have been in this building since 2003 the base rent for the new proposed lease is \$13.20 with 1% of annual increases. It's the first increase since 2012 which was followed by a 7% deduction in 2013. The State is responsible for Gas, Electrical, and Janitorial, and there is one full-time Security Guard. The area per person is 157sq ft each propose total direct cost is within BOMA and below original portfolio range. Member Bedore asks if anyone is here for that Agency? Chris Graham is present for HFS. Member Bedore says you been in this Building since 2003 and asked has there been any improvements made? Mr. Graham says not that he's aware of. Member Bedore says so were going to give them another 5 year. So, you're talking 2003-2024 no improvements. Mrs. Florence says before any Lease negotiation we do a Site inspection the facility Manager didn't note any needed improvements and the Agency didn't request any tenants improvements with the space request. Member Morales asks are these pictures recent? Mrs. Florence replies yes. Member Bedore says I'll take your word for it but there going to be there for 21 years with no improvements no carpeting, no cleaning, no painting. I don't know how you can have a Facility for 21 years, and you have people coming in and out. This is Child Support and all that, so you have a lot of traffic correct? Mrs. Florence states there was improvements under the last Lease, the Lease that's expiring. We did get paint, and carpet 5 years ago I believe. Member Bedore asks was there new carpeting? Mr. Graham replies that was before my time sir I'm not familiar with that. Member Morales asks before we approve it does, these mean that improvements, cannot be made during the turn of Lease? Mrs. Florence replies oh no we can always ask for

improvements. Member Morales says so if it was called for it would be made during the term. Member Bedore says but it was not spelled out in the Lease. Member Morales says because it doesn't have to be because if something comes up that needs to be done. Mrs. Florence says either the Landlord would just do it, or we can process a Lease amendment. Again, the agency didn't ask for any improvements, plus we didn't note that anything needed to be done when we did our Site visit.

Member Bedore says one other question that I have the existing Lease expired in January of 2018 a year and a half later it's got to be a reason? Mrs. Florence says a lack of staff for about a year and a half almost 2 years I was operating with 2 Leasing Reps to cover the whole State. I had nobody in Chicago. One is Southern Il, and one here so you will some more of there from time to time. Member Bedore asks to have you hired Staff? Mrs. Florence says she did. I have 3 brand new Reps one that's been on board about 3 months. So. were training and working through. Member Bedore says so in the future we shouldn't see that Leases shouldn't be expired for a year and a half. Mrs. Florence says once we get these caught up there shouldn't be a problem. Member Bedore makes a motion to accept the Lease as printed with Member Morales seconding the motion, with all parties voting "Aye" motion carries.

Next on the agenda is Lease 6204 in Chicago for DOC. It's an adult parole office serving both Cook, and Lake County. They have been here since 2008 base rent starts at \$19.51 which is the expiring rent so there is on increase the first year. We also pay utilities, tax escalation that base year has been updated. There is an 8% base rate reduction in June 2013 and another one in December of 2013.

Member Bedore asks how long you have been in this building? Mrs. Florence says 2008. Any improvements ask Member Bedore? Mrs. Florence says the Landlord is going to paint and replace the carpet. Member Bedore says he will make motion that we issue a Letter of no objection. With Member Morales seconding the motion, all Members voting "aye" and the motion carries.

Director von Behren states that he spoke with the CPO's and they wanted to have a discussion about the threshold to try to keep the small purchase thresholds at the same level every year. We have Ellen Daley CPO for General Services in our Chicago location, and Ben Bagby, and Ben Grunloh, and Art Moor, the 3 other CPO's here in Springfield. The current threshold is \$100,000 that this Board approved. The statute says the threshold shall go up every year according to the CPI index, that means raising the threshold increases a small amount maybe one, two thousand dollars every year. And the CPO's are in the mindset to try and keep it level at \$100,000 for numerous reasons. They want to keep it the same across all four CPO's so that it's less confusing for Agencies representatives, and Vendors alike. The CPO's are trying to put it in some kind of language that they can put in rules, where they will come in front of the Board each year and discuss keeping the threshold at the \$100,000 level with this Board's approval.

Member Bedore ask if are we in violation of the statute? Director von Behren states not necessarily, that what there trying to work out is how they can do some rule making that allows there is some other language further in the Statute that allows the small purchase threshold to be

adjusted with this Board consent. Then it allows the CPO's make rulemaking off this Board's consent.

CPO Bagby says that a few years ago we came to the Board and asked for permission to raise the small purchase threshold through the rule process and the Board agreed. And when we went from the previous numbers, but if we had just done the CPI it would have taken 10 or more years to equal the \$100,000. Member Bedore says he thinks it was \$75 wasn't it? Mr. Bagby says he thinks it was \$73 for construction and \$55,000 for supplies and services. But there were some difficulties with staffing because people were cut back and were trying to get the best value for the resources we had. But the Statute does say that each July 1 the amount identified in section A which is a \$100,000 section A of the cod. goes up by CPI its automatic. But since we got to that big jump all at once it seems like that is a number that could last for a period of time, and it's easy to understand and it's at the high end of other jurisdictions that is appears to. It feels to me this should be a good number to just stay for a while. The Universities are looking at about 4 years, at least that was one of the comments I got when we were in the University Group. So, I think we are all in agreement this is a good number. Member Bedore says he thinks it makes it easier for the vendors and everybody to know what the amount is. CPO Ellen Daily says your absolutely right, that's why the 4 of us got together and talked about this. The other thing I want to assure the Board that we do post small purchases over 2 thousand dollars to our respective Procurement Bulletins, so everybody can see it, we still have transparency on what's being done, even though the dollar figure has gone up.

Member Bedore ask what you do as far as Veterans and everybody else do you still hear to the code on that? CPO Bagby states yes, the BEP apply regardless of the method of source selection. Member Bedore says do you think this should be reviewed maybe every 5 years it should be reviewed what do you think of that? Mr. Bagby says the Joint Committee on Administrative Rules has a policy, and I even think it's a requirement to review the rules every 5 years. Five years would be fine with me I think we would still be within a good number even in 5 years. I sent this out to the Universities to get their comments. They suggest that we come back in a period of time they said 4 that's why I raised 4.

Member Bedore says that he thinks 5 will be fine you already have that 5 year out there looking at rules. Chairman Vala says is only concern is setting the date wonder if we have a 21% prime rate again. CPO Bagby says he thinks what Member Bedore was talking was I think they call it a Mandatory Review. But I think if you had that kind of situation or staff was cut in half you would just revisit them anyway. I think all we want is to keep the ability to keep it at \$100.000 and not have the CPI implement, that doesn't mean that something could occur, and then will would come back to the Board just as we are today. Chairman Vala states that you can bring it to the Board at any time, but your saying at least 5 years till its reviewed. A simple motion to make sure of the language of how we would do it. Director von Behren says that they would have to amend their rules, and their rules come before the Board anyway. So, basically were just going to make a motion to allow them to go forward and when then amend their rules, they will come back in front of the Board with actual language which then we will approve. We just need a motion to allow the CPO's to move forward with rule making in order to keep the small threshold where it's at. Member Morales so move, with Member Bedore seconding the motion, with all Members voting "aye" motion carries.

Member Bedore asks about approving some language about an Agency appearing. Director von Behren says we approved the language that the Board said that “may object” to the language and Jeff and I determined that if we go with the “shall”, that will be having to go through a rule making process in order to get that into place. So, the Board will have to determine whether they want to. My suggestion is to keep it at may it still allows if somebody does not come, and like today if HFS wasn’t present we could have just said we are going to reject it, what I’m saying is leaving it at may it allow you the flexibility to approves something if you want to.

Director von Behren states that he wants to talk about of past meetings I want to prioritize for the next meeting. I know the Board has been talking about minority participation BEP. I know its been talk about File Storage, Digitating Files, Inventory Control that Member Bedore brought up on the Auditor General Report with DOIT coming back having some Universities coming to discuss their Contract Management, and we also talked about a lot of the money that is going to spent horizontal vertical Construction. This Board wants to make sure were watching that, making sure there doing everything with goals and all that. Would you like me to try and have BEP come back next meeting to talk about some of the new things they are working on? All Members were in agreement to have BEP at the next meeting. Member Bedore makes motion that we adjourn with Member Morales seconding the motion, with all parties voting “Aye” motion carries.