



Chairman: Frank J. Vala

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

Minutes – November 19, 2019

Present in Springfield: Frank Vala
Ed Bedore
Larry Ivory

Present in Chicago: Rick Morales

Absent: Bill Black

Chairman Vala called the November meeting of the Procurement Policy Board to order. Member Bedore made a motion to accept the minutes as printed, with Member Morales seconding the motion and all Members voting “aye” motion carries.

Next on the agenda was lease review. Allison Grady is present for CMS. The first lease is DHS at 600 E. Ash St. Ms. Grady states these are exercising the options for renew on these Leases. DHS moved into this space on 2016 through a RIF consolidation. The build out was done at the Lessor cost. The initial term of the Lease was for 5 years which will expire July 31, 2021. We are renewing this early primarily with the Landlord request, but DHS is in full agreement with this moving forward, they have no intension on moving out of this space that was recently built out for them. It’s a core location. The proposed term of the renewal is an additional 5 years. The base rent is \$11.27 with a 2% increase in years 2 and 4. Happy to take any questions.

Member Bedore asks are these all together? Ms Grady replies yes there are three of them Lease 6587 is the warehouse space and mailroom. The base rent for this Lease is 5.77 with a 2 percent increase in years 2 and 4 and then the third Least 6599 houses the Sangamon County DORS office, as well as the of Development of Disabilities again this is another proposed term of 5 years the base Rent on this one is 11.63 with 2% increase in years 2 and 4. Member Bedore says this is the one we were paying the utilities? Ms. Grady says we did do amendment about 18 months ago. We took on the utilities for this initially it was a full gross Lease. We did make the adjustment with the Landlord during the budget impasse the State on the utilities we will continue to do so. Member Bedore says how did that work out? Ms. Grady replies honestly, we haven’t done penny per penny reconciliation right now we think we broke even on it. What we have received in rent reduction and its pretty much acquainted to what were paying in utilities. I think we are pretty spot on with the numbers we came up with. Member Morales has a question on Lease 6580 the purpose of us doing this early, so they can refinance and get some money on the buildings? And that money is going to be used to reinvest into the building? Any details on it? Ms. Grady replies yes but she doesn’t not have any on her. I’ll have to check with the Leasing staff to see if that has been given to us yet. But it is for refinancing by the Landlord. Member Morales also asks about Lease 6580 just confirming that the number is correct for the total

estimated direct cost \$13.58 to \$15.58. Ms. Grady says its reflective in the change of utilities. I think it's a typo. I'll double check that because it should be fairly flat. Chairman Vala asks if we renew this and have no objection the termination option any time after the 36 months within a 120 days prior notice. If we approve this till 2023 if we have a problem with the Building? Allison says I would have to ask my Legal for interruption of it. but it would be with the start of the renewal which would not start till 2021 I think if we have time to we could get out now. but we would be locked in till 2021 to 2024 and I would say honestly unless something happens with Buildings there is no intention of wanting to leave. But we can still terminate for cause correct Ms. Grady replies yes it's in the Lease. Member Bedore makes a motion to issue a letter of no objection for Lease 6587 and 6599 with Member Ivory seconded the motion with all Members voting "Aye" motion carries.

Next the agenda is Lease 6305 and 6684 is the same Building 6305 is the Department of Public health at 525-535 W. Jefferson in Springfield, this is another early renewal the Public Health has been in this Building since 1977 then have been there for a long time. This current Lease was executed, and again the Landlord is asking for an early renewal on this one because the initial Lease will expire May of 2021 and were exercising the option to renew it at this point and time so, they can do the refinancing on this building. For this Lease the proposed term is 5 years. the basic rent is \$11.56 with a 2% increase in year three the area per sq. ft per person is 263 but adjusted down to 231 and once you remove the program delivery areas. This is the main location for the Department of Public Health here in Springfield. The increase in TCO is 1.67% or the current, like I said it is a 2% increase in the baserRent. The total direct cost is below BOMA range and is with the portfolio range.

Member Bedore asks will there any improvements? Ms. Grady replies, there is new paint, new carpet and some walls put in that area when we moved Human Rights in there. Member Bedore makes a motion that we issue a Letter of no objection Lease 6684 and Lease 6305 with Member Morales seconding the motion with all Members voting "Aye" motion carries.

Next on the agenda is Leases 6450 and 6453 so this is DCFS and DHS in Woodstock this transaction is proposed on an RFI expansion we occupy almost all of the Building. The personal space per employee is 232 and then you take out the programing space overall its 321. DCFS has been in this location since 1995 and DHS since 1996 this was initially solicited under a RFI the amortization on this Lease was retired as of January 31, 2018 so in this proposed term the base rent is going to remain static at \$13.40 with a 1 ½ % increase in years 2 and 4 there is a decrease in the TCO of 27.46% and this is due to the amortization being retired. Its well within the BOMA market range and well below the RCMS portfolio range for this area. Member Bedore asks how much on the real estate taxes have we paid over the 3%? Allison replies were capped at the 3% and have been and even if the escalation would go over the 3% we only pay up to the 3%. Member Bedore asks to have we paid any taxes? Member Bedore states that he would imagine that Woodstock has had some pretty good increases and property taxes. So, we pay 3% along with your operating cost, and do you have a figure? Ms. Grady replies not in front of her, but she will provide it. Member Morales asks if there is a problem with the sewage in that area? Ms. Grady replies not in that area but others in the vicinity there have been problems. Member Morales is there a time line on these improvements? Ms. Grady responds but they will be done in the first year. Member Bedore makes a motion that we issue a Letter of no objection on Lease

6450, and 6453 with Member Morales seconding the motion, and with all Member voting “aye” motion carries.

Director Von Behren says before we get to Legislation one of our Board Members reached out to me about 2 weeks ago, and requested a couple copies of some State contracts from the University of Illinois, and I reached out to them and I got an official response letting me know if the Board would like copies of the State contract that they would need to submit a FOIA request. We can sites some statues about prompt responses when the Board formally ask for things from Agencies, and Universities but I want to have a short discussion with the Board Members, and if it’s the pleasure of the Board to request somebody from the University of Illinois to come to our December meeting to possibility discuss a more working environment where we can share information that is clearly open in public. Member Bedore states this was a request made for a public document I don’t know what the University of Illinois is hiding, and for us to have to submit a FOIA. I would like to read sections of the State statue. “section 1-15-100 it says what a State Agency is” a State Agency means and includes all Boards, Commissions, Agencies, Institution, Authorities, of the State of Illinois created in or accordance with the Constitution or statue, of the Executive Branch of State Government and “does” include Colleges, Universities, Institutions under the jurisdiction of the Governing Boards of the University of Illinois. I could read them all but I won’t. There is another section of the State statue section 500 section 5-5 each State Agency I just read what a State agency is and it clearly states Colleges, and Universities U of I each Agency shall respond it doesn’t say “may” it says shall respond promptly in writing to all inquiries and comments of the Procurement Policy Board that’s as clear as I can see any Statue and besides the fact the request was for a public document. Member Bedore states if this is what the University of Illinois is trying to do this Board by saying anything that you want by saying anything you want has to be a FOIA then I think we should change the State statue. Because the law today says that they shall respond. I would like for somebody from the University come to explain why to see a public document we have to submit a FOIA

Member Morales asks is anyone there from Higher Ed? Director Von Brehren says that he didn’t request anybody to come to today’s meeting I wanted the Board to formerly request someone to go through the channels so, there wasn’t any question about whether or not somebody need to come or wanted to come. Member Ivory suggests that maybe we should send a letter from our Attorneys stating the statues in the law and ask them to respond. And if they choose not to then we need to do whatever it takes. Chairman Vala replies that we are spending our time trying to make Government look as transparent as possible I’m not happy and we should go with a forceable Letter. We should have a motion on getting that Letter out there. Member Morales makes a motion with that Member Bedore seconded the motion. That the Board will instruct the the Executive Director, and the Attorney to enter a letter to the University of Illinois. With all Members voting “aye” motion carries.

Next on the agenda is Legislation. Veto Session ended it wasn’t very much Legislation with any Procurement impact but I know we have had some discussion and Larry and I are going to work on trying to get some changes on getting that Veterans statues that requires the business to be in Illinois, and the owners to be residents in Illinois. Member Ivory states that conversation about sheltered markets and there is a degree of confusion with Universities as well as Colleges in terms of the Law if you find discrimination you shall establish a sheltered market to correct the

discrimination and it can be negotiated on a non-negotiation bid. I think its important to us to have some education to the Universities for sheltered markets, and how to use them. Director Von Brehen states were going to look into that and find some space on having a class and the appropriate people that need to be there, and the appropriate authorities to tell us how the University can go about how to use this sheltered market procurement process. Member Bedore made a motion to adjourn and it was seconded by Member Ivory. With all parties voting “aye” meeting is adjourned.