

The Procurement Policy Board

The Board has the authority and responsibility to review, comment upon, and recommend, consistent with the Procurement Code, rules and practices governing the procurement, management, control, and disposal of supplies, services, professional and artistic services, construction and real property and capital improvement leases procured by the State. Specifically the Board has responsibilities to review certain lease renewals and proposed contracts.

The Board is comprised of 5 members, 1 each by the legislative leaders and 1 by the Governor. The appointee of the Governor serves as the Chair of the Board. Appointees to the Board receive no compensation for their duties as Board members.

The 2008 Board members are:

Terrance Healy – Chairman

Mike Bass

Ed Bedore

Ricardo Morales

Carmen Triche-Colvin

Changes between administrations and anomalous data

In July 2004, The Procurement Policy Board received statutory authority allowing the Board a 30 day opportunity to look at every contract issued under the Procurement Code. The General Assembly legislated this authority to the Board due to the lack of transparency and cooperation offered by State agencies.

Reviews began on January 1, 2005. The Board quickly realized that sole source procurements were occurring with higher than expected frequency. The Board determined that more accountability in sole sourcing was warranted and adopted by resolution, sole source justification requirements for all agencies to submit with contract awards. The Board requests additional information or justification on hundreds of awards every year. There are several instances where awards have been canceled during our inquiry.

The Board did not have these same concerns with prior administrations. Prior to this administration the Board was often involved in significant procurements while in development and received status reports frequently during the course of the Board's monthly meetings.

Holdovers

A holdover is generally considered a month to month leasing environment occurring when all contracts and options related to tenancy are fully executed; satisfied or expired. Only basic tenant rights exist for the occupant. Small periods of holdover should exist generally to finalize terms or authorizations before establishing new leasehold. The ultimate goal of lease procurement is to provide for highest level of accountability from the lessor while getting the highest level of performance from occupying facility.

Specifically; being in holdover equates to lessor's not making necessary repairs, agencies not being allowed to modify occupancy to maintain a programs function, the State loosing any leverage it has to negotiate staying in that facility and even creating short notice evictions of the State as a tenant. The State frequently receives eviction notices. This puts additional pressure on leased facilities and makes it very difficult to establish terms that are in the best interest of the State.

Prior to this Administration the PPB did not have great interest in holdovers because the bulk of leases were renewed or terminated before the existing lease expired. At the end Fiscal Year 2003 as lease expirations were counted the number of holdover leases rose to 93. This drew the Board's attention. In November, 2005; 172 leases were identified as having fallen into holdover. In August 2008; 164 leases were identified as being in holdover. The August 2008 itemization of leases showed more than 50 leases held over for 5 years or more and 10 of those leases between 7 and 11 years held over.

Beginning FY09 the State Comptroller's office identified 3 holdover leases for which it would no longer pay rent because those leases began to exceed that maximum 10 year duration allowable for any state contract issued under the Procurement Code. The Comptroller identified several more that would be subject to this action in coming months.

This holdover growth occurred as a result of this administration refusing to engage in leasing activity until February 2007.

Operational Rules and Space Standards for leasing

Policy and procedure regarding Space standards has been directly in question by this Board since October of 2003. It has been the subject of 26 separate Board meetings. The Board was told repeatedly that implementation of Executive Order 2003-10 essentially consolidating all real estate functions into CMS for both decision making and administration would require operational rules to modernize accordingly. Some operational rules were amended with the enactment of the Procurement Code in 1998 but most date to 1984. Other than rules governing demonstrations and displays on state property no updates have occurred.

In January of 2007 the Board asked specifically for rules revisions to specifically identify what improvements to leased facilities are temporary in nature vs. permanent in nature. Without clear policy in this area it is impossible to prevent lessor's efforts to create permanent improvements to their facilities with state dollars established for occupancy requirements met through temporary

improvements. The PPB fights this on a case by case basis to prevent that from happening. No such rules have been proposed.

In February of 2007 CMS enumerated to the Board that an average of 300 square feet per person was the metric. However, most leases proposed since then show the ratio to be at least 30% and recently as high 70% above that target. CMS has still not formalized the methodology to account for space utilization.

Rate card

In December 2005 rules were proposed to prequalify IT vendors at an established bench rate and then select among them from a pool after all of the contractors prequalified for the award. The Procurement Policy Board objected on several points. 1st the rate of compensation was not competitively derived. 2nd it created an environment where contractors were evaluated after the procurement process with little objectivity. And lastly it was proposed under emergency conditions reserved for the public health safety and welfare. No such emergency existed. JCAR even asked that the Emergency Rules be rescinded for lack of conformity to emergency standards. After months of review on how to accomplish this as a master contract with the appropriate standard of objectivity, equivalency and accountability; a rule was finally adopted but has never been used to procure the service.

Piggyback contracts and cooperative purchasing

Similar to the environment surrounding the rate card, CMS has developed concepts that would allow the State to enjoin contracts known to exist with or municipalities or other "local" jurisdictions and also allow the State to cooperate on new procurements with other state and local jurisdictions or private consortium procurement groups. The Board objected to these measures not as poor procurement concepts but for lacking the entirety of what exists in the Procurement Code to protect the State's dollars and assign accountability to what we are buying.

Accenture Contract

In January 2005 the Procurement Policy Board began exploring the consequences to competitive procurement occurring when domestic companies that have expatriated to tax haven countries participate in the bidding process. An award to one such company, Accenture, had recently occurred and was also the subject of inquiry by the State Comptroller. This subject received attention from the United States General Accounting Office 6 months earlier. Generally speaking this is a very complicated Federal tax issue but it was concluded that dramatic shifts to zero tax liability would allow corporations to bid lower than taxpaying corporations. In May of 2005 The State Comptroller officially requested that a policy be developed by the PPB to prohibit expatriated corporations from bidding on state

contracts. The Comptroller also asked the Board to recommend that the contract be voided. The Board did not vote any recommendation on voiding the contracts. The Board did however participate in the creation of legislation to prohibit expatriated corporations from bidding on State Contracts. That Legislation, HB 4194, did not pass in the 93rd General Assembly. The Comptroller initially refused payment. The Board is not aware of the Comptrollers actions from that point forward.



ILLINOIS


George H. Ryan, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Stephen B. Schnorf, Director

MEMORANDUM

TO: Matt Brown, Executive Director, Procurement Board

FROM: Bruce Washington, Deputy Director – Bureau Chief Property Management 

DATE: November 3, 2005

SUBJECT: Procurement Board Request

Attached, please find seven copies of the Holdover Lease Report as requested at the November 3, 2005 Procurement Board meeting.

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
1/ADAMS	2435 BROADWAY QUINCY, IL 62301	* 742	5,400	6.98	3,141.00	07/01/97 06/30/02	444/DHS
1/ADAMS	300 MAINE STREET *QUINCY, IL 62301	* 4840	14,756	6.87	8,441.00	12/01/94 11/30/99	444/DHS
*TOTAL ADAMS			20,156		11,582.00		
2/ALEXANDER	2207 POPLAR STREET CAIRO, IL 62914	* 5547	2,000	0.60	100.00	01/01/02 12/31/03	427/IDES
2/ALEXANDER	1401 WASHINGTON AVENUE CAIRO, IL 62914	* 5572	5,500	7.58	3,474.00	05/01/98 04/30/03	444/DHS
*TOTAL ALEXANDER			7,500		3,574.00		
3/BOND	102 W. MAIN STREET GREENVILLE, IL 62246	* 5641	1,641	2.00	273.00	06/01/99 05/31/04	422/DNR
4/BOONE	2090 PEARL STREET BELVIDERE, IL 61008	* 4450	3,657	8.55	2,605.00	12/01/98 11/30/03	444/DHS
6/BUREAU	BOX 290, BACKBONE ROAD PRINCETON, IL 61356	* 5236	5,960	6.84	3,397.00	10/01/99 09/30/04	444/DHS
9/CASS	300 E 2ND ST BEARDSTOWN, IL 62618	* 172	2,681	8.01	1,789.00	07/01/00 06/30/05	444/DHS

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
10/CHAMPAIGN	201 WEST SPRINGFIELD CHAMPAIGN, IL 61820	* 4189	900	10.64	798.00	07/01/99 06/30/04	588/IDMA
10/CHAMPAIGN	205 DODGE/1011 PACESETTE * RANTOUL, IL 61866	* 5209	28,000	0.50	1,166.00	08/01/99 06/30/04	466/MIL
10/CHAMPAIGN	118 EAST BORMAN DR. RANTOUL, IL 61866	* 5340	28,600	3.05	7,269.00	12/01/00 06/30/05	466/MIL
10/CHAMPAIGN	909 ENTERPRISE DRIVE RANTOUL, IL 61866	* 5390	2,560	2.50	533.00	11/01/00 06/30/05	466/MIL
10/CHAMPAIGN	508 SOUTH RACE STREET URBANA, IL 61801	* 4643	10,800	13.64	12,273.00	09/01/94 08/31/99	418/DCFS
*TOTAL CHAMPAIGN			70,860		22,039.00		
11/CHRISTIAN	1104 WEST SPRESSER ST TAYLORVILLE, IL 62568	* 3619	2,316	7.05	1,340.00	09/01/96 08/31/01	418/DCFS
11/CHRISTIAN	103 E. MAIN CROSS TAYLORVILLE, IL 62568	* 5153	640	8.78	468.00	05/01/99 04/30/04	497/VET
11/CHRISTIAN	1100 NORTH CHENEY TAYLORVILLE, IL 62568	* 5600	5,249	9.67	4,229.00	02/01/99 01/31/04	444/DHS
*TOTAL CHRISTIAN			8,205		6,037.00		
13/CLAY	850 BRYANT STREET LOUISVILLE, IL 62858	* 5668	4,700	11.39	4,461.00	03/01/00 02/28/05	444/DHS
14/CLINTON	1271C FRANKLIN ST. CARLYLE, IL 62231	* 4338	3,445	7.25	2,081.00	11/15/01 11/14/03	418/DCFS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
15/COLES	129 NORTH 15TH STREET MATTOON, IL 61938	* 1620	3,942	6.32	2,077.00	07/01/98 06/30/03	444/DHS
16/COOK	715-723 ALGONQUIN ROAD ARLINGTON HEIGHTS, IL 60005	* 5192	18,635	11.54	22,579.00	12/01/99 11/30/04	427/IDES
16/COOK	6610 W. CERMAK ROAD BERWYN, IL 60402	* 3835	800	11.40	760.00	07/01/99 06/30/04	497/VET
16/COOK	5608 WEST 75TH PLACE BURBANK, IL 60459	* 4228	10,400	13.79	11,951.00	04/01/00 03/31/05	427/IDES
16/COOK	1010 DIXIE HIGHWAY CHICAGO HEIGHTS, IL 60411	* 4140	10,580	17.30	15,252.00	04/01/96 03/31/01	427/IDES
16/COOK	1010 DIXIE HIGHWAY CHICAGO HEIGHTS, IL 60411	* 4826	550	12.80	586.00	07/01/99 06/30/04	497/VET
16/COOK	1010 DIXIE HIGHWAY CHICAGO HEIGHTS, IL 60411	* 5215	7,082	17.93	10,581.00	03/01/99 02/29/04	444/DHS
16/COOK	1010 DIXIE HIGHWAY CHICAGO HEIGHTS, IL 60411	* 5316	4,177	15.50	5,395.00	07/01/00 06/05/05	426/DOC
16/COOK	2550 W. ADDISON CHICAGO, IL 60037	* 4550	13,480	12.88	14,468.00	03/01/98 02/28/03	427/IDES
16/COOK	300 N. STATE STREET CHICAGO, IL 60601	* 2832	0		1,263.00	07/01/99 06/30/04	494/DOT
16/COOK	500 WEST MONROE ST. CHICAGO, IL 60601	* 5085			2,400.00	07/01/03 06/30/05	546/CJA
16/COOK	180 N. LASALLE ST, #2015 CHICAGO, IL 60601	* 5360	5,865	22.45	10,972.00	04/01/99 03/31/04	555/BOI

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
16/COOK	2240 OGDEN AVENUE CHICAGO, IL 60605	* 5258	8,679	15.13	10,942.00	07/01/99 06/30/04	418/DCFS
16/COOK	1657 BLUE ISLAND CHICAGO, IL 60606	* 2928	17,346	17.76	25,672.00	10/01/98 09/30/03	427/IDES
16/COOK	901 WEST MONROE ST. CHICAGO, IL 60607	* 4425	32,308	13.61	36,642.00	11/01/97 10/31/02	444/DHS
16/COOK	527 SOUTH WELLS ST. CHICAGO, IL 60607	* 4581	8,000	14.18	9,453.00	10/01/98 09/30/03	427/IDES
16/COOK	610 ROOT ST. CHICAGO, IL 60609	* 3395	39,162	9.75	31,819.00	03/01/96 02/28/01	444/DHS
16/COOK	715 EAST 47TH STREET CHICAGO, IL 60609	* 5050	21,861	18.50	33,702.00	09/01/98 08/31/03	427/IDES
16/COOK	4640 S. BISHOP CHICAGO, IL 60609	* 5520	1,593	17.63	2,340.00	10/01/97 09/30/02	426/DOC
16/COOK	100 N. WESTERN CHICAGO, IL 60612	* 3672	209,706	3.08	53,824.00	05/01/99 04/30/04	427/IDES
16/COOK	100 N. WESTERN AVE. CHICAGO, IL 60612	* 4847	46,700	16.01	62,297.00	05/14/93 05/13/03	426/DOC
16/COOK	100 NORTH WESTERN AVENUE CHICAGO, IL 60612	* 5744	2,000	3.08	513.00	07/01/00 06/30/05	493/ISP
16/COOK	2014-36 S. MICHIGAN AVE. CHICAGO, IL 60616	* 2661	138,251	13.52	155,762.00	07/01/99 06/30/04	444/DHS
16/COOK	1911-21 S. INDIANA AVE. CHICAGO, IL 60616	* 5230	125,265	19.11	199,484.00	06/01/99 05/31/04	418/DCFS

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
16/COOK	10 W. 35TH STREET CHICAGO, IL 60616	* 5336	7,350	15.40	9,432.00	09/01/96 08/31/01	444/DHS
16/COOK	2100 S. INDIANA AVENUE CHICAGO, IL 60616	* 5584	13,090	21.58	23,541.00	12/01/98 11/30/03	426/DOC
16/COOK	8840 SOUTH STONY ISLAND CHICAGO, IL 60617	* 4286	5,161	16.44	7,070.00	01/01/99 12/31/03	444/DHS
16/COOK	8001-8005 S COTTAGE GR CHICAGO, IL 60619	* 2436	42,702	18.00	64,053.00	07/01/99 06/30/04	444/DHS
16/COOK	1515 E. 71ST ST. CHICAGO, IL 60619	* 5133	12,420	19.18	19,851.00	09/20/00 09/19/05	427/IDES
16/COOK	2753 W. NORTH AVE. CHICAGO, IL 60622	* 1733	38,266	13.19	42,060.00	11/01/96 10/31/01	444/DHS
16/COOK	3910-28 W OGDEN AVE CHICAGO, IL 60623	* 2363	31,149	11.79	30,603.00	06/01/97 05/31/02	444/DHS
16/COOK	500 N. PULASKI RD. CHICAGO, IL 60624	* 2397	32,415	11.55	31,199.00	07/01/95 06/30/00	444/DHS
16/COOK	2444 WEST LAWRENCE AVE. CHICAGO, IL 60625	* 4375	15,500	18.50	23,895.00	07/01/98 06/30/03	427/IDES
16/COOK	721 EAST 112TH STREET CHICAGO, IL 60628	* 2378	25,132	11.00	23,037.00	08/01/99 07/31/04	444/DHS
16/COOK	10355 SOUTH HALSTED CHICAGO, IL 60628	* 5551	3,872	21.65	6,985.00	11/01/98 10/31/03	426/DOC
16/COOK	5101-13 S CICERO CHICAGO, IL 60632	* 2525	10,000	12.75	10,625.00	07/01/98 06/30/03	427/IDES

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
16/COOK	915 E. 63RD STREET CHICAGO, IL 60637	* 5113	31,110	19.16	49,672.00	11/01/99 10/31/04	444/DHS
16/COOK	4931 W. DIVERSEY CHICAGO, IL 60639	* 2846	12,500	12.47	12,990.00	03/01/96 02/28/01	427/IDES
16/COOK	837 W. 119TH STREET CHICAGO, IL 60643	* 3879	15,000	9.87	12,337.00	02/01/00 01/31/05	427/IDES
16/COOK	831 W. 119TH STREET CHICAGO, IL 60643	* 3995	27,507	7.95	18,228.00	07/01/98 06/30/03	444/DHS
16/COOK	6200 N. HIWATHA. #300 CHICAGO, IL 60646	* 4895	7,230	17.86	10,760.00	04/01/98 03/31/03	444/DHS
16/COOK	4105 WEST CHICAGO AVE. CHICAGO, IL 60651	* 4068	36,894	11.60	35,664.00	03/01/97 02/28/02	444/DHS
16/COOK	3500 W. GRAND AVE. CHICAGO, IL 60651	* 4633	13,200	15.30	16,830.00	04/01/94 03/31/99	427/IDES
16/COOK	4909 WEST DIVISION ST. CHICAGO, IL 60651	* 4917	23,850	12.33	24,505.00	03/01/94 02/28/99	418/DCFS
16/COOK	3506 WEST GRAND AVENUE CHICAGO, IL 60651	* 5333	8,488	13.34	9,436.00	04/01/98 03/31/03	426/DOC
16/COOK	8600-12 SOUTH PULASKI CHICAGO, IL 60652	* 4732	6,000	18.02	9,010.00	11/01/99 10/31/04	444/DHS
16/COOK	7600 S. PULASKI CHICAGO, IL 60652	* 4929	5,660	14.00	6,603.00	04/01/93 03/31/98	444/DHS
16/COOK	8624-32 S. PULASKI RD. CHICAGO, IL 60652	* 4977	5,000	20.66	8,608.00	07/01/98 06/30/03	427/IDES

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
16/COOK	600 W. JACKSON BLVD. CHICAGO, IL 60661	* 5633	9,474	19.32	15,253.00	09/01/00 08/31/05	290/OAD
16/COOK	831 BUSSE ROAD *ELK GROVE VILLAGE, IL 60007	* 4300	6,867	14.46	8,274.00	09/01/97 08/31/02	532/EPA
16/COOK	1851 PRAIT BLVD. ELK GROVE VILLAGE, IL 60007	* 5694				12/01/99 11/30/04	691/ISAC
16/COOK	9730 SOUTH WESTERN AVE. EVERGREEN PARK, IL 60642	* 4046	6,387	15.50	8,249.00	02/01/01 12/31/01	444/DHS
16/COOK	14829 S. DIXIE HWY HARVEY, IL 60426	* 3756	14,960	10.66	13,289.00	05/01/00 04/30/05	427/IDES
16/COOK	151ST & DIXIE HIGHWAY HARVEY, IL 60426	* 5476	49,200	19.69	80,718.00	06/01/00 05/31/05	418/DCFS
16/COOK	ONE ILLINOIS BLVD. HOFFMAN ESTATES, IL 60194	* 3459	849	10.70	757.00	11/01/96 10/31/99	444/DHS
16/COOK	4749 LINCOLN MALL DRIVE MATTESON, IL 60443	* 5792	4,232	18.04	6,362.00	08/01/01 07/31/05	494/DOT
16/COOK	1701 SOUTH FIRST ST. MAYWOOD, IL 60153	* 5069	2,459	15.97	3,272.00	07/01/99 06/30/04	426/DOC
16/COOK	2701 W. LAKE STREET MELROSE PARK, IL 60160	* 5588	44,634	18.08	67,248.00	12/01/99 11/30/04	444/DHS
16/COOK	14820 S. KEDZIE MIDLOTHIAN, IL 60445	* 3454	37,527	11.72	36,651.00	04/01/00 03/31/02	444/DHS
16/COOK	6825 173RD PLACE TINLEY PARK, IL 60477	* 5562	2,928	10.00	2,440.00	04/01/98 03/31/03	493/ISP

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
16/COOK	9930 DERBY LANE WESTCHESTER, IL 60154	* 5194	1,024	15.24	1,300.00	07/01/99 06/30/04	422/DNR
16/COOK	10001 ROOSEVELT ROAD WESTCHESTER, IL 60154	* 5477	18,528	11.36	17,540.00	06/16/98 06/15/03	493/ISP
*TOTAL COOK		*****			*****		
17/CRAWFORD	1010 NORTH ALLEN ST. ROBINSON, IL 62454	* 4151	3,045	7.65	1,941.00	07/01/02 06/30/04	444/DHS
21/DOUGLAS	108 SALES STREET TUSCOLA, IL 61953	* 5377	1,378	11.98	1,375.00	04/01/97 03/31/02	418/DCFS
22/DUPAGE	765 ROUTE 83 BENSENVILLE, IL	* 4152	1,852	12.92	1,993.00	09/01/90 08/31/95	427/IDES
22/DUPAGE	837 S. WESTMORE AVE. LOMBARD, IL 60148	* 3530	24,800	6.37	13,164.00	12/01/97 11/30/02	427/IDES
22/DUPAGE	1010 JORIE BLVD. OAK BROOK, IL 60521	* 5537	2,178	15.59	2,847.00	04/01/98 03/31/03	422/DNR
22/DUPAGE	245 W ROOSEVELT RD WEST CHICAGO, IL 60185	* 3053	10,522	12.59	11,039.00	01/01/99 12/31/03	482/DPH
22/DUPAGE	245 W. ROOSEVELT RD. WEST CHICAGO, IL 60185	* 5159	4,050	8.09	2,730.00	01/01/00 12/31/04	588/IDEMA
22/DUPAGE	421 NORTH COUNTY RD. WHEATON, IL 60187	* 4925	370	13.26	408.00	09/01/00 08/31/04	497/VET
*TOTAL DUPAGE		*****	43,772		32,181.00		

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
23/EDGAR	11773 ILLINOIS HIGHWAY 1 PARIS, IL 61944	* 5667	4,772	11.89	4,728.00	01/27/00 01/26/05	444/DHS
25/EFFINGHAM	925 EAST FAYETTE AVE. EFFINGHAM, IL 62401	* 4459	4,237	7.74	2,732.00	09/01/99 08/31/04	444/DHS
26/FAYETTE	228 JOHNSTON ST VANDALIA, IL 62471	* 183	3,920	8.28	2,704.00	01/01/98 12/31/02	444/DHS
26/FAYETTE	129 NORTH KENNEDY BLVD VANDALIA, IL 62471	* 1208	1,781	7.15	1,061.00	11/01/99 10/31/04	422/DNR
*TOTAL FAYETTE			5,701		3,765.00		
28/FRANKLIN	500 WEST MAIN STREET BENTON, IL 62812	* 5201	100			07/01/00 06/30/05	497/VET
28/FRANKLIN	1704 NORTH MAIN ST. BENTON, IL 62812	* 5202	9,795	7.05	5,754.00	01/01/94 12/31/98	444/DHS
*TOTAL FRANKLIN			9,895		5,754.00		
31/GREENE	145 WALNUT STREET CARROLLTON, IL 62016	* 4242	3,000	7.85	1,958.00	08/01/98 07/31/03	444/DHS
33/HAMILTON	RTE #14 EAST MCLEANSBORO, IL 62859	* 2902	2,840	5.99	1,417.00	09/01/00 08/31/05	444/DHS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
37/HENRY	MIDLAND SHOPPING CENTER KEWANEE, IL 61443	* 195	5,560	7.50	3,475.00	07/01/96 06/30/01	444/DHS
38/IROQUOIS	806 EAST WALNUT STREET WATSEKA, IL 60970	* 5629	5,457	14.50	6,593.00	07/01/00 02/28/05	444/DHS
38/IROQUOIS	806B E. WALNUT STREET WATSEKA, IL 61944	* 5684	3,557	13.21	3,915.00	04/01/00 03/31/05	418/DCFS
*TOTAL IROQUOIS			9,014		10,508.00		
39/JACKSON	707 E. COLLEGE ST. CARBONDALE, IL 62901	* 4596	240	3.50	70.00	12/01/01 11/30/03	493/ISP
39/JACKSON	342 NORTH STREET MURPHYSBORO, IL 62966	* 199	9,256	5.80	4,473.00	07/01/93 06/30/98	444/DHS
39/JACKSON	300 NORTH 13TH STREET MURPHYSBORO, IL 62966	* 4093	6,850	9.20	5,251.00	06/01/99 05/31/04	418/DCFS
*TOTAL JACKSON			16,346		9,794.00		
42/JERSEY	108 SOUTH STATE STREET JERSEYVILLE, IL 62052	* 4191	4,200	10.33	3,615.00	04/01/99 03/31/04	418/DCFS
43/JO DAVIESS	708 WEST STREET GALENA, IL 61036	* 4693	2,136	10.76	1,915.00	07/01/00 06/30/05	444/DHS
45/KANE	260 E. INDIAN TRAIL RD. AURORA, IL 60505	* 4964	10,245	14.18	12,106.00	01/01/98 12/31/02	427/IDES

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
45/KANE	280 EAST INDIAN TRAIL AURORA, IL 60505	* 5070	10,795	16.13	14,510.00	08/01/98 07/31/03	478/DHFS
45/KANE	325 E. GALENA BLVD. AURORA, IL 60506	* 5518	4,230	12.10	3,818.00	01/01/99 12/31/04	426/DOC
45/KANE	325 E. GALENA BLVD. AURORA, IL 60506	* 5522	1,757	13.30	1,947.00	01/01/99 12/31/04	426/DOC
45/KANE	BUILDING TWO AURORA, IL 60507	* 4136	11,686	12.42	12,095.00	05/01/97 04/30/02	427/IDES
45/KANE	888 S. EDGELAWN DR. AURORA, IL 60508	* 4691	4,680	14.24	5,553.00	09/01/99 08/31/04	444/DHS
45/KANE	30 DUPAGE COURT ELGIN, IL 60120	* 1584	13,350	7.70	8,681.00	01/01/99 12/31/03	427/IDES
45/KANE	151 DOUGLAS AVENUE ELGIN, IL 60120	* 5536	252			09/01/97 08/31/02	426/DOC
*TOTAL KANE			56,995		58,710.00		
46/KANKAKEE	285 N. SCHUYLER AVE. KANKAKEE, IL 60901	* 206	14,392	7.96	9,546.00	07/01/00 06/30/02	444/DHS
46/KANKAKEE	253 NORTH SCHUYLER KANKAKEE, IL 60901	* 2712	10,761	7.63	6,842.00	07/01/99 06/30/04	427/IDES
46/KANKAKEE	505 SOUTH SCHUYLER AVE. KANKAKEE, IL 60901	* 5586	14,940	14.02	17,454.00	12/01/98 11/30/03	418/DCFS
*TOTAL KANKAKEE			40,093		33,842.00		

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
47/KENDALL	1304 GAME FARM ROAD YORKVILLE, IL 60560	* 5266	2,450	16.93	3,456.00	09/01/98 08/31/03	444/DHS
48/KNOX	256 SOUTH SOANGETAHA GALESBURG, IL 61401	* 4786	3,350	11.90	3,322.00	07/01/00 06/30/05	478/DHFS
48/KNOX	1042 MONMOUTH BLVD. GALESBURG, IL 61401	* 4800	1,500	7.99	998.00	11/01/99 10/31/04	494/DOT
48/KNOX	467 EAST MAIN STREET GALESBURG, IL 61402	* 5516	7,600	12.21	7,733.00	10/01/97 09/30/02	418/DCFS
*TOTAL KNOX			12,450		12,053.00		
49/LAKE	800 LANCER LANE GRAYSLAKE, IL 60030	* 5486	20,000	15.15	25,250.00	01/01/99 12/31/03	427/IDES
49/LAKE	3235 W. BELVIDERE ROAD PARK CITY, IL 60085	* 5503	36,000	18.50	55,500.00	05/01/98 04/30/03	444/DHS
49/LAKE	500 N. GREEN BAY ROAD WAUKEGAN, IL 60058	* 5535	14,743	15.75	19,350.00	09/01/99 08/31/04	418/DCFS
49/LAKE	2740 W. GRAND AVENUE WAUKEGAN, IL 60657	* 5342	6,779	18.58	10,496.00	08/01/00 07/31/05	444/DHS
*TOTAL LAKE			77,522		110,596.00		
50/LASALLE	12 GUNIA DRIVE LASALLE, IL 61301	* 5523	1,000	6.00	500.00	03/01/98 02/28/03	532/EPA
50/LASALLE	308 N. 30TH ROAD LASALLE, IL 61801	* 3220	3,364	9.66	2,708.00	07/01/00 06/30/05	444/DHS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
50/LASALLE	1550 1ST AVENUE OTTAWA, IL 60093	* 5082	8,619	9.83	7,060.00	07/01/99 06/30/04	427/IDES
50/LASALLE	628-630 COLUMBUS STREET OTTAWA, IL 61350	* 2998	4,500	9.34	3,502.00	04/01/95 03/31/00	295/SAAP
50/LASALLE	700 CENTENNIAL DRIVE OTTAWA, IL 61350	* 3526	10,075	9.85	8,267.00	08/01/97 07/31/02	444/DHS
50/LASALLE	690 CENTENNIAL DR. OTTAWA, IL 61350	* 4392	2,175	9.47	1,716.00	09/26/97 09/25/02	478/DHFS
*TOTAL LASALLE			29,733		23,753.00		
51/LAWRENCE	313 EAST STATE STREET LAWRENCEVILLE, IL 62439	* 4715	776	6.12	396.00	07/01/99 06/30/04	497/VET
51/LAWRENCE	RURAL ROUTE 1 LAWRENCEVILLE, IL 62439	* 5475	4,700	7.45	2,917.00	08/01/97 07/31/02	444/DHS
*TOTAL LAWRENCE			5,476		3,313.00		
53/LIVINGSTON	811 WEST CLEARY STREET PONTIAC, IL 61764	* 5304	3,000	11.59	2,897.00	07/01/00 06/30/05	418/DCFS
54/LOGAN	1550 S. FOURTH STREET LINCOLN, IL 62656	* 4110	4,644	9.72	3,761.00	11/01/97 10/31/02	444/DHS
55/MCDONOUGH	1026 EAST JACKSON STREET MACOMB, IL 61455	* 4052	4,940	7.40	3,044.00	04/01/96 03/31/01	444/DHS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
55/MCDONOUGH	1022 REAR E. JACKSON MACOMB, IL 61455	* 4555	910	4.40	333.00	10/01/94 09/30/97	478/DHFS
55/MCDONOUGH	1200 WEST JACKSON ST. *MACOMB, IL 61455	* 5060	2,352	10.77	2,110.00	12/01/97 11/30/02	444/DHS
55/MCDONOUGH	466 DEER ROAD MACOMB, IL 61455	* 5338	2,200	12.18	2,233.00	08/01/97 07/31/02	418/DCFS
*TOTAL MCDONOUGH			10,402		7,720.00		
56/MCHENRY	1604 S. DIVISION HARVARD, IL 60033	* 3412	2,000	3.10	516.00	11/01/00 10/31/01	494/DOT
56/MCHENRY	500 RUSSELL COURT WOODSTOCK, IL 60098	* 5361	5,312	16.90	7,481.00	08/01/96 06/30/01	427/IDES
*TOTAL MCHENRY			7,312		7,997.00		
57/MCLEAN	207 EAST HAMILTON ROAD BLOOMINGTON, IL 61701	* 5527	13,081	13.25	14,443.00	11/01/98 10/31/03	427/IDES
57/MCLEAN	501 WEST WASHINGTON ST. BLOOMINGTON, IL 61704	* 5510	10,840	12.41	10,207.00	03/01/99 02/29/04	444/DHS
*TOTAL MCLEAN			23,921		24,650.00		
58/MACON	ONE COLLEGE PARK DECATUR, IL 62521	* 4944	120			09/01/04 08/31/05	444/DHS
58/MACON	2900 NORTH OAKLAND DECATUR, IL 62521	* 4962	13,245	7.35	8,112.00	07/01/98 06/30/03	418/DCFS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
58/MACON	3939 NEARING LANE DECATUR, IL 62521	* 5317	150	12.00	150.00	01/01/00 12/31/04	422/DNR
58/MACON	757 WEST PERSHING ROAD *DECATUR, IL 62523	* 4979	12,860	10.67	11,434.00	04/01/98 03/31/03	427/IDES
58/MACON	3133 NORTH WOODFORD DECATUR, IL 62526	* 5596	825	12.99	893.00	10/01/98 09/30/03	494/DOT
58/MACON	3133 NORTH WOODFORD ST. DECATUR, IL 62527	* 5610	500	12.99	541.00	12/01/98 11/30/03	497/VET
*TOTAL MACON			27,700		21,130.00		
59/MACOU PIN	110 EAST NICHOLAS ST. CARLINVILLE, IL 62626	* 4711	976	6.98	567.00	07/01/00 06/30/05	497/VET
60/MADISON	88-90 N. PORT DRIVE ALTON, IL 29202	* 3040	15,000	8.48	10,600.00	12/01/97 11/30/02	427/IDES
60/MADISON	1623 WASHINGTON AVE. ALTON, IL 62002	* 5051	600	9.93	496.00	09/01/00 08/31/05	497/VET
60/MADISON	1401 VAUGHN ROAD WOODRIVER, IL 62095	* 5555	6,705	10.81	6,040.00	03/01/98 02/28/03	418/DCFS
*TOTAL MADISON			22,305		17,136.00		
61/MARION	SHATTUC ROAD CENTRALIA, IL 62801	* 4940	150			07/01/01 06/30/05	444/DHS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
62/MARSHALL	549 SCHOOL STREET HENRY, IL 61537	* 5268	2,200	10.82	1,983.00	04/01/97 03/31/02	444/DHS
64/MASSAC	2301 METROPOLIS ST. METROPOLIS, IL 62960	* 1847	4,800	6.82	2,728.00	12/01/98 11/30/03	444/DHS
68/MONTGOMERY	210 E. FAIRGROUNDS AVE. HILLSBORO, IL 62049	* 230	5,067	8.61	3,635.00	05/01/00 04/30/05	444/DHS
69/MORGAN	1826 SOUTH WEST AVE. FREEPORT, IL 61032	* 4776	7,755	10.87	7,024.00	07/01/96 06/30/01	427/IDES
69/MORGAN	45-47 S SIDE CNTRL PK PL JACKSONVILLE, IL 62650	* 3492	6,840	6.85	3,904.00	09/01/99 08/31/04	444/DHS
69/MORGAN	1521 WEST WALNUT ST. JACKSONVILLE, IL 62650	* 4717	450	8.50	318.00	07/01/00 06/30/05	497/VET
69/MORGAN	1429 SOUTH MAIN ST. JACKSONVILLE, IL 62650	* 5280	5,700	14.34	6,811.00	11/01/99 10/31/04	444/DHS
69/MORGAN	46 N. SIDE CENTRAL PL. JACKSONVILLE, IL 62650	* 5468	6,903	11.50	6,615.00	09/01/98 08/31/03	418/DCFS
69/MORGAN	1101 W. MORTON, SUITE B JACKSONVILLE, IL 62650	* 5688	1,450	14.60	1,764.00	02/01/00 01/31/05	475/DPR
*TOTAL MORGAN			29,098		26,436.00		
70/MOULTRIE	625 SOUTH HAMILTON SULLIVAN, IL 61951	* 5084	2,200	8.11	1,486.00	09/01/98 08/31/03	444/DHS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
72/PEORIA	406 ELM STREET PEORIA, IL 60605	* 5509	5,504	12.24	5,614.00	07/01/97 06/30/02	427/IDES
72/PEORIA	*1111 NORTH NORTH STREET PEORIA, IL 61601	* 5583	1,300	11.64	1,261.00	01/01/99 12/31/03	475/DPR
72/PEORIA	406 ELM STREET PEORIA, IL 61602	* 4609	17,000	12.24	17,340.00	07/01/97 06/30/02	427/IDES
72/PEORIA	401 MAIN STREET PEORIA, IL 61602	* 4924	58,600	17.61	85,995.00	07/01/98 06/30/03	494/DOT
72/PEORIA	331 FULTON STREET PEORIA, IL 61602	* 5262	710	11.33	670.00	06/01/00 05/31/05	497/VET
72/PEORIA	1115 NORTH STREET PEORIA, IL 61604	* 5347	4,600	8.75	3,354.00	09/01/95 08/31/00	444/DHS
72/PEORIA	1115 NORTH NORTH STREET PEORIA, IL 61604	* 5525	2,400	11.58	2,316.00	02/01/98 01/31/03	426/DOC
72/PEORIA	2001 N. E. JEFFERSON PEORIA, IL 61604	* 5592	22,000	10.50	19,250.00	04/01/99 03/31/04	418/DCFS
72/PEORIA	8811 NORTH PIONEER ROAD PEORIA, IL 61614	* 3588	2,984	11.58	2,879.00	07/01/98 06/30/03	493/ISP
72/PEORIA	2011 NORTH KNOXVILLE PEORIA, IL 61614	* 5055	8,500	10.16	7,196.00	10/01/98 09/30/03	478/DHFS
*TOTAL PEORIA			123,598		145,875.00		
74/PIATT	4020 BEAR LANE MONTICELLO, IL 61856	* 5524	2,500	10.72	2,233.00	06/01/98 05/31/03	418/DCFS

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
76/POPE	106 N. MARKET ST. GOLCONDA, IL 62938	* 4518	2,400	6.90	1,380.00	12/01/95 11/30/00	444/DHS
79/RANDOLPH	870 LEHMENN DRIVE CHESTER, IL 62233	* 5436	4,500	8.35	3,131.00	05/01/98 04/30/03	444/DHS
79/RANDOLPH	202 W. JACKSON ST. SPARTA, IL 62286	* 5044	2,910	9.11	2,209.00	05/01/98 04/30/03	418/DCFS
*TOTAL RANDOLPH			7,410		5,340.00		
80/RICHLAND	1231 SOUTH WEST STREET OLNEY, IL 62450	* 5199	5,333	2.70	1,200.00	11/01/99 10/31/04	422/DNR
80/RICHLAND	216 EAST MAIN STREET OLNEY, IL 62450	* 5580	693	8.17	472.00	07/01/03 06/30/04	427/IDES
*TOTAL RICHLAND			6,026		1,672.00		
81/ROCK ISLAND	1630 5TH AVE., 4TH FLOOR MOLINE, IL 61265	* 1925	456	9.88	375.00	07/01/01 06/30/04	532/EPA
81/ROCK ISLAND	4703 16TH STREET MOLINE, IL 61265	* 4814	12,200	15.00	15,250.00	09/01/03 08/29/04	427/IDES
81/ROCK ISLAND	2827 SOUTH FIFTH STREET ROCK ISLAND, IL 61201	* 4113	6,748	10.95	6,157.00	03/01/01 02/29/04	478/DHFS
81/ROCK ISLAND	500 - 41ST STREET ROCK ISLAND, IL 61201	* 5121	16,400	10.50	14,350.00	05/01/98 04/30/03	418/DCFS
81/ROCK ISLAND	208 18TH STREET ROCK ISLAND, IL 61201	* 5521	1,100	10.00	625.00	02/01/98 01/31/03	426/DOC

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
81/ROCK ISLAND	2821 5TH STREET ROCK ISLAND, IL 61210	* 2726	15,332	10.53	13,454.00	08/01/96 07/31/01	444/DHS
*TOTAL ROCK ISLAND			52,236		50,211.00		
82/ST CLAIR	4807 W MAIN ST BELLEVILLE, IL 62220	* 1534	640	9.95	530.00	05/01/01 04/30/03	497/VET
82/ST CLAIR	27 EAST MAIN ST. BELLEVILLE, IL 62220	* 5053	14,295	12.42	14,795.00	06/01/99 05/31/04	478/DHFS
82/ST CLAIR	115 LINCOLN PLACE COURT BELLEVILLE, IL 62222	* 5554	1,225	13.96	1,425.00	05/01/98 04/30/03	475/DPR
*TOTAL ST CLAIR			16,160		16,750.00		
84/SANGAMON	527 EAST CAPITOL SPRINGFIELD, IL 62701	* 1561	90,516	9.17	67,391.00	07/01/99 06/30/04	524/ICC
84/SANGAMON	406 EAST MONROE STREET SPRINGFIELD, IL 62701	* 4166	40,886	9.47	35,367.00	10/01/96 09/30/01	418/DCFS
84/SANGAMON	427 EAST MONROE STREET SPRINGFIELD, IL 62701	* 4176	2,791	9.03	2,100.00	08/01/00 07/31/05	538/IFDA
84/SANGAMON	913 EAST ADAMS ST. SPRINGFIELD, IL 62701	* 4436	6,828	9.00	2,496.00	01/01/98 12/31/02	427/IDES
84/SANGAMON	400-404 NORTH FIFTH ST. SPRINGFIELD, IL 62701	* 4746	34,802	14.64	42,450.00	01/01/99 12/31/03	478/DHFS
84/SANGAMON	427 EAST MONROE STREET SPRINGFIELD, IL 62701	* 4903	3,050	10.33	2,625.00	12/01/98 11/30/03	99/IRBB

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
84/SANGAMON	500 EAST MONROE ST. SPRINGFIELD, IL 62701	* 5039	40,206	14.19	47,350.00	07/01/99 06/30/04	505/OBRE
84/SANGAMON	700 EAST ADAMS ST. SPRINGFIELD, IL 62701	* 5233			840.00	11/01/98 10/31/03	418/DCFS
84/SANGAMON	700 EAST ADAMS ST. SPRINGFIELD, IL 62701	* 5238			1,560.00	11/01/98 10/31/03	420/DCEO
84/SANGAMON	509 SOUTH SIXTH STREET SPRINGFIELD, IL 62701	* 5279	94,586	12.58	99,161.00	03/01/98 02/28/03	478/DHFS
84/SANGAMON	819 EAST MONROE STREET SPRINGFIELD, IL 62701	* 5515	16,055	14.02	18,754.00	05/01/98 04/30/03	444/DHS
84/SANGAMON	425 SOUTH FOURTH STREET SPRINGFIELD, IL 62701	* 5558	12,496	5.06	5,269.00	06/13/98 06/12/03	444/DHS
84/SANGAMON	422 SOUTH FIFTH STREET SPRINGFIELD, IL 62701	* 5585	25,066	13.90	29,031.00	04/01/98 03/31/03	478/DHFS
84/SANGAMON	607 EAST ADAMS STREET SPRINGFIELD, IL 62701	* 5783	29,566	12.07	29,743.00	07/01/01 06/30/03	420/DCEO
84/SANGAMON	6TH AND CAPITOL STREETS SPRINGFIELD, IL 62701	* 5790			100.00	07/01/02 06/30/04	524/ICC
84/SANGAMON	1124 NORTH WALNUT ST. SPRINGFIELD, IL 62702	* 4611	7,902	13.51	8,896.00	05/01/01 04/30/04	444/DHS
84/SANGAMON	300 W. JEFFERSON STREET SPRINGFIELD, IL 62702	* 5187	7,811	14.81	9,640.00	10/01/98 09/30/03	444/DHS
84/SANGAMON	326 NORTH SECOND STREET SPRINGFIELD, IL 62702	* 5313	1,728	4.02	578.00	02/01/00 01/31/05	475/DPR

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
84/SANGAMON	5000 INDUSTRIAL DRIVE SPRINGFIELD, IL 62703	* 2776	71,500	4.89	29,136.00	07/01/00 06/30/05	444/DHS
84/SANGAMON	5010 INDUSTRIAL DRIVE SPRINGFIELD, IL 62703	* 3479	32,450	9.14	24,716.00	07/01/00 06/30/05	444/DHS
84/SANGAMON	1300 SOUTH NINTH ST. SPRINGFIELD, IL 62703	* 4385	19,327	10.88	17,870.00	09/01/98 08/31/03	427/IDES
84/SANGAMON	6TH & ASH STREETS SPRINGFIELD, IL 62703	* 4511	37,840	14.24	44,903.00	07/01/99 06/30/04	493/ISP
84/SANGAMON	SIXTH AND ASH STREET SPRINGFIELD, IL 62703	* 4580	7,615	14.87	9,436.00	07/01/99 06/30/04	493/ISP
84/SANGAMON	830 S. SPRING STREET SPRINGFIELD, IL 62703	* 4694	9,630	12.85	10,312.00	04/01/98 03/31/03	558/ICDD
84/SANGAMON	701 SOUTH SECOND ST. SPRINGFIELD, IL 62703	* 4838	3,500	15.84	4,620.00	12/01/99 11/30/04	563/IIC
84/SANGAMON	116 WEST WASHINGTON ST. SPRINGFIELD, IL 62703	* 5195	2,400	4.22	844.00	07/01/98 06/30/03	416/CMS
84/SANGAMON	2840 VIA VERDE SPRINGFIELD, IL 62703	* 5235	7,200	3.86	2,316.00	07/01/99 06/30/04	482/DPH
84/SANGAMON	410 SOUTH ELEVENTH ST. SPRINGFIELD, IL 62703	* 5581	9,692	10.31	8,327.00	06/01/98 05/31/03	418/DCFS
84/SANGAMON	500 SOUTH ELEVENTH ST. SPRINGFIELD, IL 62703	* 5598	23,000	12.50	23,958.00	01/01/99 12/31/03	418/DCFS
84/SANGAMON	ILES PARK PLACE SPRINGFIELD, IL 62703	* 5603	10,800	13.64	12,279.00	04/01/98 03/31/03	493/ISP

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SOFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
84/SANGAMON	SPRING & EDWARDS STREET SPRINGFIELD, IL 62703	* 5672			1,440.00	05/01/03 04/30/05	422/DNR
84/SANGAMON	726 SOUTH COLLEGE STREET SPRINGFIELD, IL 62703	* 5731	22,380	11.75	21,915.00	03/01/00 02/28/05	416/CMS
84/SANGAMON	2505 S. GRAND AVENUE E. SPRINGFIELD, IL 62703	* 5740	9,800	3.47	2,832.00	08/01/02 07/31/05	492/REV
84/SANGAMON	1630 SOUTH SIXTH STREET SPRINGFIELD, IL 62703	* 5748	3,167	11.85	3,147.00	05/01/00 04/30/05	536/DHH
84/SANGAMON	2728 S. 11TH STREET SPRINGFIELD, IL 62703	* 5794	1,800	7.62	1,143.00	04/01/02 03/31/03	416/CMS
84/SANGAMON	725 SOUTH SECOND ST. SPRINGFIELD, IL 62704	* 5193	15,300	12.56	16,009.00	12/01/98 11/30/03	295/SAAP
84/SANGAMON	2060 HILL MEADOW DR. SPRINGFIELD, IL 62704	* 5311	13,650	11.00	12,515.00	09/28/00 09/27/05	493/ISP
84/SANGAMON	509-11 W. CAPITOL SPRINGFIELD, IL 62704	* 5622	20,866	12.72	20,866.00	12/01/98 11/30/03	444/DHS
84/SANGAMON	413 WEST MONROE STREET SPRINGFIELD, IL 62704	* 5837			100.00	11/15/00 11/14/02	511/CDB
84/SANGAMON	425 1/2 S. 4TH STREET SPRINGFIELD, IL 62706	* 1163	2,816	8.16	1,914.00	01/01/00 12/31/04	517/CSC
84/SANGAMON	525-535 WEST JEFFERSON SPRINGFIELD, IL 62706	* 1248	133,103	14.75	163,587.00	07/01/98 06/30/03	482/DPH
84/SANGAMON	104-110 EAST WASHINGTON SPRINGFIELD, IL 62706	* 3156	11,340	3.72	3,515.00	11/01/98 10/31/03	532/EPA

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SOFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
84/SANGAMON	320 WEST WASHINGTON ST. SPRINGFIELD, IL 62706	* 4024	3,893	14.58	4,730.00	09/01/99 08/31/04	590/LRB
84/SANGAMON	605 WEST JEFFERSON SPRINGFIELD, IL 62706	* 4027	18,737	13.74	21,460.00	08/01/98 07/31/03	482/DPH
84/SANGAMON	201 EAST MADISON STREET SPRINGFIELD, IL 62706	* 4129	62,804	13.43	70,285.00	10/01/97 09/30/02	492/REV
84/SANGAMON	5020 INDUSTRIAL DR. SPRINGFIELD, IL 62706	* 4142	49,800	11.20	55,835.00	11/01/96 10/31/01	444/DHS
84/SANGAMON	500 WEST MONROE ST. SPRINGFIELD, IL 62706	* 4313	9,110	12.44	9,443.00	04/01/98 03/31/03	691/ISAC
84/SANGAMON	833-35 SOUTH SPRING ST. SPRINGFIELD, IL 62706	* 4743	20,416	13.37	22,746.00	02/01/99 01/31/04	497/VET
84/SANGAMON	1215 BUNN AVENUE SPRINGFIELD, IL 62707	* 4040	9,246	2.30	1,772.00	10/01/98 09/30/03	532/EPA
84/SANGAMON	4855 INDUSTRIAL DR. SPRINGFIELD, IL 62707	* 4729	2,000	3.50	583.00	07/01/99 06/30/04	475/DPR
84/SANGAMON	3461 GATLIN DRIVE SPRINGFIELD, IL 62707	* 5716	5,000	6.52	2,716.00	07/06/02 07/05/04	416/CMS
*TOTAL SANGAMON *****							
85/SCHUYLER	110 EAST WASHINGTON ST. RUSHVILLE, IL 62681	* 4487	2,118	8.25	1,457.00	02/01/99 01/31/04	444/DHS
87/SHELBY	608 WEST MAIN STREET SHELBYVILLE, IL 62565	* 4879	3,500	9.22	2,689.00	05/01/02 06/30/03	444/DHS

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

REPORT: LEASER27-R2
 DATE: 11/03/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
89/STEPHENSON	773 WEST LINCOLN BLVD. FREEPORT, IL 61032	* 4153	2,739	9.72	2,218.00	04/01/98 03/31/03	444/DHS
89/STEPHENSON	1631 SOUTH GALENA AVE. FREEPORT, IL 61032	* 4484	5,341	9.99	4,446.00	08/01/99 07/31/04	444/DHS
89/STEPHENSON	223 W. STEPHENSON, #201 FREEPORT, IL 61032	* 5464	769	13.73	879.00	02/01/98 01/31/03	497/VET
*TOTAL STEPHENSON			8,849		7,543.00		
90/TAZEWELL	1810 SOUTH MAIN ST. MORTON, IL 61550	* 3147	13,200	12.70	13,970.00	06/01/97 05/31/02	493/ISP
90/TAZEWELL	2970 COURT STREET PEKIN, IL 61554	* 3621	3,531	8.84	2,601.00	10/01/99 09/30/04	444/DHS
90/TAZEWELL	200 SOUTH SECOND STREET PEKIN, IL 61554	* 4072	16,500	14.08	19,353.00	01/01/98 12/31/02	444/DHS
90/TAZEWELL	200 SOUTH SECOND STREET PEKIN, IL 61554	* 4127	10,400	13.78	11,936.00	01/01/98 12/31/02	427/IDES
90/TAZEWELL	215 NORTH FIFTH ST. PEKIN, IL 61554	* 5265	4,828	6.35	2,557.00	10/01/99 09/30/04	422/DNR
*TOTAL TAZEWELL			48,459		50,417.00		
92/VERMILLION	220 SOUTH BOWMAN DANVILLE, IL 61832	* 3173	10,950	9.15	8,349.00	07/01/98 06/30/03	444/DHS
92/VERMILLION	411 NORTH FRANKLIN DANVILLE, IL 61832	* 3620	3,412	10.49	2,982.00	07/01/98 06/30/03	444/DHS

REPORT: LEASER27-R2 REAL ESTATE LEASING SYSTEM
 DATE: 11/03/05 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
92/VERMILLION	407 NORTH FRANKLIN ST DANVILLE, IL 61832	* 3658	13,200	9.69	10,659.00	05/01/99 04/30/04	427/IDES
92/VERMILLION	212 WEST FAIRCHILD ST DANVILLE, IL 61832	* 3912	888	9.33	690.00	05/01/00 04/30/05	497/VET
92/VERMILLION	401 NORTH FRANKLIN ST DANVILLE, IL 61832	* 5402	11,700	9.00	8,775.00	06/01/97 05/31/02	418/DCFS
*TOTAL VERMILLION			40,150		31,455.00		
93/WABASH	229 W. SECOND STREET MT CARMEL, IL 62863	* 3195	2,700	7.45	1,675.00	02/01/96 01/31/01	444/DHS
94/WARREN	1245 S. MAIN STREET MONMOUTH, IL 61462	* 4509	4,500	8.66	3,248.00	07/01/97 06/30/02	444/DHS
96/WAYNE	215 SOUTH EAST THIRD ST FAIRFIELD, IL 62837	* 3517	2,786	9.63	2,235.00	07/01/98 06/30/03	444/DHS
98/WHITESIDE	2605 WOODLAWN ROAD STERLING, IL 61081	* 5045	4,010	9.55	3,191.00	08/01/99 07/31/04	444/DHS
98/WHITESIDE	2317 EAST LINCOLNWAY STERLING, IL 61081	* 5636	15,800	5.98	7,883.00	04/01/00 03/31/04	422/DNR
*TOTAL WHITESIDE			19,810		11,074.00		
99/WILL	321 QUADRANGLE DR. BOLINGBROOK, IL 60439	* 4134	6,220	15.11	7,830.00	04/01/96 03/31/01	427/IDES

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
99/WILL	78 N. CHICAGO JOLIET, IL 60432	* 4023			1,004.00	07/01/00 06/30/05	493/ISP
99/WILL	1603-13 W. JEFFERSON JOLIET, IL 60434	* 5463	26,385	15.00	21,625.00	08/01/98 07/31/03	418/DCFS
99/WILL	1603-13 W. JEFFERSON JOLIET, IL 60434	* 5490	5,600	15.00	7,000.00	08/01/98 07/31/03	444/DHS
99/WILL	250 N. CHICAGO STREET JOLIET, IL 60435	* 3979	26,050	9.63	23,908.00	11/01/97 10/31/02	444/DHS
*TOTAL WILL			64,255		61,367.00		
100/WILLIAMSON	9053 RTE 148 CARTERVILLE, IL 62959	* 5296	9,306			07/01/00 06/30/05	422/DNR
100/WILLIAMSON	104 AIRWAY DRIVE MARION, IL 62959	* 4756	7,075	12.00	7,075.00	12/01/02 08/31/03	478/DHFS
100/WILLIAMSON	ILLINOIS ROUTE 13 MARION, IL 62959	* 5086	8,000	8.40	5,600.00	07/01/96 06/30/01	427/IDES
100/WILLIAMSON	1107 W. DEYOUNG ST. MARION, IL 62959	* 5239	12,425	8.39	8,687.00	06/01/99 05/31/04	444/DHS
*TOTAL WILLIAMSON			36,806		21,362.00		
101/WINNEBAGO	1111 NORTH AVON ROCKFORD, IL 61103	* 3523	27,000	10.22	23,002.00	06/01/98 05/31/03	444/DHS
101/WINNEBAGO	1114 TAYLOR STREET ROCKFORD, IL 61103	* 5071	8,260	13.03	8,968.00	04/01/98 03/31/03	478/DHFS

REPORT: LEASER27.R2
 DATE: 11/03/05

REAL ESTATE LEASING SYSTEM
 ACTIVE LEASES SORTED BY COUNTY, LOCATION
 AS OF 09/30/05

PAGE: 27

COUNTY	LOCATION	LEASE NUMBER	SQFT	PER FOOT	PER MONTH	CONTRACT DATES	AGENCY
101/WINNEBAGO	107 N. 3RD STREET ROCKFORD, IL 61103	* 5534	14,605	13.96	16,990.00	07/01/98 06/30/03	418/DCFS
101/WINNEBAGO	3134 11TH STREET ROCKFORD, IL 61109	* 5495	28,920	10.98	26,461.00	11/01/97 10/31/02	427/IDES
*TOTAL WINNEBAGO			78,785		75,421.00		
TOTAL			=====		***		*****

505 corrected by exp. date

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L4555		HFS	Ofc	Y	1022 E Jackson St	Macomb	McDonough	09/30/97	Y	No
L0199		DHS	Ofc	Y	342 North St	Murphysboro	Jackson	06/30/98	Y	Yes - or possibly RFI
L4917		DCFS	Ofc	Y	4909 W Division St	Chicago	Cook	02/28/99	Y	No
L4633		DES	Ofc	Y	3500 W Grand Ave	Chicago	Cook	03/31/99	Y	TBD
L4643		DCFS	Ofc	Y	508 S Race St	Urbana	Champaign	08/31/99	Y	Yes
L4840		DHS	Ofc	Y	300 Main St	Quincy	Adams	11/30/99	Y	Yes
L2397		DHS	Ofc	Y	500 N. Pulaski Rd	Chicago	Cook	06/30/00	Y	TBD
L2646		DES	Ofc	Y	4931 W Diversey Ave	Chicago	Cook	02/28/01	Y	TBD
L3395		DHS	Ofc	Y	610 W Root St	Chicago	Cook	02/28/01	Y	Yes
L4134		DES	Ofc	Y	321 Quadrangle Dr	Bolingbrook	Will	03/31/01	Y	Yes

164 total holdovers
 136 possible for PPB Agenda 59 of which are
 still to be determined as fully meeting the
 requirements for PPB consideration

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L4052		DHS	Ofc	Y	1026 E Jackson St	Macomb	McDonough	03/31/01	Y	No
L0195		DHS	Ofc	Y	127 W South, Suite 14	Kewanee	Henry	06/30/01	Y	Yes
L5086		DES	Ofc	Y	8195 Express Drive	Marion	Williamson	06/30/01	Y	No
L2726		DHS	Ofc	Y	2821 5th St	Rock Island	Rock Island	07/31/01	Y	Yes - or possibly RFI
L5336		DHS	Ofc	Y	10 W 35th St	Chicago	Cook	08/31/01	Y	TBD
L1733		DHS	Ofc	Y	2753 W North Ave	Chicago	Cook	10/31/01	Y	TBD
L3412		DOT	Strg	Y	1604 S Division St	Harvard	McHenry	10/31/01	Y	Yes
L4142		DHS	Ofc/Strg	Y	5020 Industrial Dr	Springfield	Sangamon	10/31/01	Y	Yes
L4046		DHS	Ofc	Y	9730 S Western Ave	Evergreen Park	Cook	12/31/01	Y	TBD
L4068		DHS	Ofc	Y	4105 W Chicago Ave	Chicago	Cook	02/28/02	Y	TBD
L4136		DES	Ofc	Y	2 Smoketree Plaza	North Aurora	Kane	04/30/02	Y	Yes
L2363		DHS	Ofc	Y	3900 W Ogden Ave	Chicago	Cook	05/31/02	Y	TBD
L3147		ISP	Lab	N	1810 S Main St	Morton	Tazewell	05/31/02	Y	Yes
L0742		DHS	Ofc	Y	2435 Broadway St	Quincy	Adams	06/30/02	Y	Yes - or possibly RFI
L3526		DHS	Ofc	N	700 Centennial Dr	Ottawa	LaSalle	07/31/02	Y	No
L4392		HFS	Ofc	Y	690 Centennial Dr	Ottawa	LaSalle	09/25/02	Y	No
L2928		DES	Ofc	Y	1657 S Blue Island Ave	Chicago	Cook	09/30/02	Y	TBD
L5516		DCFS	Ofc	Y	467 E Main St	Galesburg	Knox	09/30/02	Y	Yes
L5520		DOC	Parole	Y	4640 S. Bishop St.	Chicago	Cook	09/30/02	Y	No
L3530		DES	Ofc	Y	837 Westmore Meyers Rd	Lombard	DuPage	11/30/02	Y	Yes
L3040		DES	Ofc	Y	90 North Port Dr.	Alton	Madison	11/30/02	Y	TBD
L5521		DOC	Parole	Y	208 18th St., Suite 314	Rock Island	Rock Island	01/31/03	Y	TBD
L4895		DHS	Ofc	Y	6200 N Hiawatha Ave	Chicago	Cook	03/31/03	Y	TBD
L4153		DHS	Ofc	Y	773 W Lincoln St	Freeport	Stephenson	03/31/03	Y	Yes - or possibly RFI
L4313		ISAC	Ofc	N	500 W Monroe St	Springfield	Sangamon	03/31/03	Y	Yes or possibly consolidation
L5794		CMS	Strg	Y	2728 S 11th St	Springfield	Sangamon	03/31/03	Y	Yes or possibly consolidation
L4979		DES	Ofc	Y	757 W Pershing Rd	Decatur	Macon	03/31/03	Y	Yes
L5121		DCFS	Ofc	Y	500 41st St	Rock Island	Rock Island	04/30/03	Y	Yes

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L5515		DHS	Offc	Y	823 E Monroe St	Springfield	Sangamon	04/30/03	N	Yes or possibly consolidation
L5558		DHS	Offc	Y	425 S 4th St	Springfield	Sangamon	06/12/03	Y	TBD
L5477		ISP	Lab	N	10001 W Roosevelt Rd	Westchester	Cook	06/15/03	Y	Yes
L4375		DES	Offc	Y	2444 W Lawrence Ave	Chicago	Cook	06/30/03	Y	TBD
L3995		DHS	Offc	Y	831 W 119th St	Chicago	Cook	06/30/03	Y	TBD
L5534		DCFS	Offc	Y	107 N 3rd St	Rockford	Winnebago	06/30/03	Y	Yes
L4924		DOT	Offc	Y	401 Main St	Peoria	Peoria	06/30/03	Y	Yes
L1248		DPH	Offc	Y	525 W Jefferson St	Springfield	Sangamon	06/30/03	Y	Yes or possibly RFI
L3173		DHS	Offc	Y	220 S Bowman Ave	Danville	Vermillion	06/30/03	Y	Yes
L4962		DCFS	Offc	Y	2900 N Oakland Ave	Decatur	Macon	06/30/03	Y	Yes
L4027		DPH	Offc	Y	605 W Jefferson St	Springfield	Sangamon	07/31/03	Y	Yes or possibly RFI
L5050		DES	Offc	Y	715 E 47th St	Chicago	Cook	08/31/03	Y	TBD
L5468		DCFS	Offc	Y	46 N Central Park Plz	Jacksonville	Morgan	08/31/03	Y	Yes
L4385		DES	Offc	Y	1300 S 9th St	Springfield	Sangamon	08/31/03	Y	Yes
L5622		DHS	Offc	Y	509-511 W Capitol Ave	Springfield	Sangamon	11/30/03	Y	TBD
L5586		DCFS	Offc	Y	505 S Schuyler Ave	Kankakee	Kankakee	11/30/03	Y	Yes
L5486		DES	Offc	Y	800 Lancer Ln	Grayslake	Lake	12/31/03	Y	Yes
L4113		HFS	Offc	Y	2827 5th St	Rock Island	Rock Island	02/29/04	Y	New Lease
L5215		DHS	Offc	Y	1010 Dixie Hwy	Chicago Heights	Cook	02/29/04	Y	TBD
L5510		DHS	Offc	Y	501 W Washington St	Bloomington	McLean	02/29/04	Y	Yes
L3658		DES	Offc	Y	407 N Franklin St	Danville	Vermillion	04/30/04	Y	TBD
L5230		DCFS	Offc	Y	1911 S Indiana Ave	Chicago	Cook	05/31/04	Y	TBD
L5053		HFS	Offc	Y	27 E Main St	Belleville	St. Clair	05/31/04	Y	TBD
L5239		DHS	Offc	Y	1107 W Deyoung St	Marion	Williamson	05/31/04	Y	TBD
L2436		DHS	Offc	Y	8001 S Cottage Grove Ave	Chicago	Cook	06/30/04	Y	TBD
L2661		DHS	Offc	Y	2014 S Michigan Ave	Chicago	Cook	06/30/04	Y	TBD
L3835		DVA	Offc	Y	6610 Cermak Rd	Berwyn	Cook	06/30/04	Y	TBD

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L5069		DOC	Parole	Y	1701 S. 1st Ave, 5th floor	Chicago	Cook	06/30/04	Y	Consolidation
L5039		DFPR	Ofc	Y	500 E Monroe St	Springfield	Sangamon	06/30/04	Y	Yes or possibly consolidation
L5082		DES	Ofc	Y	1500 1st Ave	Ottawa	LaSalle	06/30/04	Y	RFI
L1561		ICC	Ofc	N	527 E. Capitol	Springfield	Sangamon	06/30/04	Y	Yes
L5716		CMS	Strg	Y	3461 Gatlin Dr	Springfield	Sangamon	07/05/04	Y	TBD
L2378		DHS	Ofc	Y	712 E 112th St	Chicago	Cook	07/31/04	Y	TBD
L4814		DES	Ofc	Y	4703 16th St, Suite F	Moline	Rock Island	08/29/04	N	TBD
L5535		DCFS	Ofc	Y	500 N Green Bay Rd	Waukegan	Lake	08/31/04	Y	Yes
L3492		DHS	Ofc	Y	45 S Central Park Plz	Jacksonville	Morgan	08/31/04	Y	Yes
L5113		DHS	Ofc	Y	915 E 63rd St	Chicago	Cook	10/31/04	Y	TBD
L5192		DES	Ofc	Y	723 W Algonquin Rd	Arlington Heights	Cook	11/30/04	Y	TBD
L5588		DHS	Ofc	Y	2701 W Lake St	Melrose Park	Cook	11/30/04	Y	TBD
L4838		Indust Commiss	Ofc	N	701 S 2nd St	Springfield	Sangamon	11/30/04	N	Yes or possibly consolidation
L3879		DES	Ofc	Y	837 W 119th St	Chicago	Cook	01/31/05	Y	TBD
L5731		CMS	Ofc/Strg	Y	726 S College St	Springfield	Sangamon	02/28/05	Y	Terminating
L4228		DES	Ofc	Y	5608 W 75th Pl	Burbank	Cook	03/31/05	Y	TBD
L5476		DCFS	Ofc	Y	15115 Dixie Hwy	Harvey	Cook	05/31/05	Y	TBD
L2776		DHS	Warehs	Y	5000 Industrial Dr	Springfield	Sangamon	06/30/05	Y	Yes
L3479		DHS	Ofc	Y	5010 Industrial Dr	Springfield	Sangamon	06/30/05	Y	Yes
L4940		DHS	Ofc	Y	27210 College Rd	Centralia	Marion	06/30/05	Y	Yes
L3220		DHS	Ofc	Y	308 N 30th Rd	La Salle	LaSalle	06/30/05	Y	T
L5304		DCFS	Ofc	Y	811 W Cleary St	Pontiac	Livingston	06/30/05	Y	Yes
L5133		DES	Ofc	Y	1515 E 71st St	Chicago	Cook	09/19/05	Y	T
L5191		DNR	Ofc	Y	RR 3	Fairfield	Wayne	09/30/05	Y	Yes
L4083		ISP	Lab	N	606 E College St	Carbondale	Jackson	10/31/05	N	IGA
L5393		DHS	Ofc	Y	822 S College St	Springfield	Sangamon	10/31/05	N	Yes
L4804		DHS	Ofc	Y	820 S Mill St	Mount Carroll	Carroll	11/30/05	Y	Yes
L0285		DHS	Ofc	Y	107 B N Major St	Eureka	Woodford	11/30/05	Y	Yes

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- Idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L4221		DHS	Offc	Y	100 S Martin Luther King Jr Dr	Springfield	Sangamon	12/31/05	Y	Yes
L5326		DCFS	Offc	Y	4 W Old State Capitol Plz	Springfield	Sangamon	12/31/05	Y	Yes or possibly consolidation
L5817		DHS	Offc	Y	319 E Madison St	Springfield	Sangamon	12/31/05	N	TBD
L5591		DHS	Offc	Y	146 W Roosevelt Rd	Villa Park	DuPage	01/15/06	Y	RFI
L4178		DHS	Offc	Y	1065 W Pershing Rd	Decatur	Macon	02/28/06	N	TBD
L5324		DCFS	Offc	Y	1213 S Hamilton St	Sullivan	Moultrie	03/31/06	N	TBD
L3170		DFPR	Offc/Strg	Y	320 W Washington St	Springfield	Sangamon	03/31/06	Y	Yes
L5395		DOC	Healy	N	100 N Western Av	Chicago	Cook	04/30/06	Y	Yes
L5834		DHS	Offc/Strg	Y	401 N 4th St	Springfield	Sangamon	04/30/06	Y	TBD
L0747		DHS	Offc	Y	1619 N Main	Benton	Franklin	05/31/06	Y	TBD
L3782		DES	Offc	Y	2323 E Lincolnway	Sterling	Whiteside	06/30/06	Y	Yes
L4599		DES	Offc	Y	821 W Main St	Galesburg	Knox	06/30/06	Y	Yes
L4355		DOC	Training	N	1301 Concordia Ct	Springfield	Sangamon	06/30/06	Y	Yes
L3416		DES	Offc	Y	502 E Edwards St	Litchfield	Montgomery	06/30/06	Y	RFI
L3996		ISP	Lab	N	10025 Bunkum Rd	Fairview Heights	St. Clair	06/30/06	Y	IGA
L4872		DCFS	Offc	Y	107 Airway Dr	Marion	Williamson	06/30/06	Y	RFI
L3206		DOC	Parole	N	2175 E Pershing Rd	Decatur	Macon	06/30/06	Y	RFI
L4128		HFS	Offc	Y	313 N Mattis Ave	Champaign	Champaign	07/31/06	Y	RFI
L4640		Lcl Govt Law Enf	Offc	Y	600 S 2nd St	Springfield	Sangamon	07/31/06	Y	TBD
L3461		DES	Offc	Y	4519 W Main St	Belleville	St. Clair	09/30/06	Y	TBD
L5136		DOC	Parole	N	601 N Main St	Peoria	Peoria	10/31/06	Y	Yes
L4338		DCFS	Offc	Y	1271 Franklin St	Carlyle	Clinton	11/14/06	Y	Yes
L5047		DNR	Offc	Y	1500 Oak St	Carmi	White	11/30/06	Y	TBD
L5305		DHS	Offc	Y	1220 Centreville Ave	Belleville	St. Clair	11/30/06	Y	TBD
L5479		DPH	Offc	Y	500 E Monroe St	Springfield	Sangamon	11/30/06		TBD
L6098		DVA	Offc	Y	460 Garfield Ave.	Aurora	Kane	12/04/06	Y	Yes
L3016		DOT	Offc	Y	300 W Adams St	Chicago	Cook	12/31/06	Y	TBD

HOLDOVER LEASE REPORT - 8/18/08

Lease/ Bldg #	New Lease #	Agency	Use	Consol- idated Y/N	Address	City	County	Expires	SR?	Alternate RFI?
L3861		DCFS	Offc	Y	8 E Galena Blvd	Aurora	Kane	12/31/06	Y	TBD
L3549		DCFS	Offc	Y	227 S 7th St	Springfield	Sangamon	02/28/07	Y	TBD
L4096		Appell Def	Offc	N	1100 Columbus St	Ottawa	LaSalle	05/31/07	Y	RFI
L5856		DCFS	Offc	Y	105 Airway Dr	Marion	Williamson	06/02/07	Y	RFI
L5175		DCFS	Offc	Y	2245 W Ogden Ave	Chicago	Cook	06/30/07	Y	TBD
L3851		DES	Offc	Y	35 S 19th Ave	Maywood	Cook	06/30/07	Y	TBD
L5021		DHS	Offc	Y	256 S Soangetaha Rd	Galesburg	Knox	06/30/07	Y	TBD
L5076		DCFS	Offc	Y	2605 Woodlawn Rd Suite 3	Sterling	Whiteside	06/30/07	Y	Yes
L6031		CMS	ICN	Y	1001 W 23rd St	Sterling	Whiteside	06/30/07	Y	Yes or possibly consolidation
L4467		DHS	Warehs	Y	319 E Jefferson	Springfield	Sangamon	06/30/07	Y	Yes
L1505		DOC	ATC	N	805 Freeman St.	Carbondale	Jackson	06/30/07	Y	TBD
L5344		DES	Offc	Y	1701 E Lincoln Hwy	Dekalb	Dekalb	06/30/07	Y	Yes
L2243		DCFS	Offc	Y	2 Lane Dr	Paxton	Ford	06/30/07	Y	TBD
L5853		DES	Offc	Y	1307 N Mattis Ave	Champaign	Champaign	07/03/07	Y	Yes
L5854		DHS	Offc	Y	1307 N Mattis Ave	Champaign	Champaign	07/03/07	Y	Yes
L6172		DCEO	Offc	Y	605 Fulton Avenue	Rockford	Winnebago	07/18/07	Y	Consolidation
L6189		Aging	Strg	Y	925 E. Ridgely Ave	Springfield	Sangamon	07/30/07	Y	TBD
L4424		DHS	Offc	Y	1308 W 105th St	Chicago	Cook	07/31/07	Y	TBD
L4577		DOT	Offc	Y	2315 Executive Park Dr	Springfield	Sangamon	07/31/07	N	TBD
L4648		DCFS	Offc	Y	200 N Center Dr	Alton	Madison	07/31/07	Y	Yes
L5383		DCFS	Offc	Y	326 W Rollins Rd	Round Lake	Lake	09/30/07	Y	Yes
L4299		HFS	Offc	Y	201 S Grand Ave E	Springfield	Sangamon	10/31/07	Y	Yes
L5214		DCFS	Offc	Y	1 S Capitol St	Pekin	Tazewell	10/31/07	Y	Yes
L6220		DCFS	Offc	Y	1808 Woodfield Drive, Suite 102	Savoy	Champaign	11/29/07	Y	Yes
L5122		DCFS	Offc	Y	12 N 64th St	Belleville	St. Clair	11/30/07	Y	TBD
L5715		DHS	Offc	Y	2650 W Fulton St	Chicago	Cook	12/15/07	Y	RFI
L3619		DCFS	Offc	Y	1104 W Spreser St	Taylorville	Christian	12/30/07	Y	RFI
L4481		DHS	Offc	Y	1275 Route 54 East	Clinton	Dewitt	12/31/07	Y	RFI or consolidation
L4663		IEMA	Offc	Y	112 W 6th St	Flora	Clay	12/31/07	Y	TBD
L5455		DCFS	Offc	Y	776 Centennial Dr	Ottawa	LaSalle	12/31/07	Y	RFI

SUBTITLE D

TITLE 44: GOVERNMENT CONTRACTS, PROCUREMENT
AND PROPERTY MANAGEMENT
SUBTITLE D: PROPERTY MANAGEMENT
CHAPTER I: DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

PART 5000
ACQUISITION, MANAGEMENT AND DISPOSAL OF REAL PROPERTY

SUBPART A: GENERAL

Section	
5000.100	Authority
5000.110	Policy
5000.120	Applicability

SUBPART B: LEASED SPACE ACQUISITION POLICY

Section	
5000.200	General Policy and Responsibility
5000.210	Requests for Space/Agency Responsibilities
5000.220	Acquisition Authority
5000.230	General Acquisition Procedures
5000.231	Acquisition of Leases by RFI
5000.232	Leases Acquired by Other Methods
5000.233	Renewal or Extension of Lease in Effect Prior to July 1, 1998
5000.234	Renewal of Leases Entered into After July 1, 1998
5000.235	Purchase Options
5000.240	Lease Administration
5000.250	Emergency Lease Procurement

SUBPART C: BUILDING STANDARDS

Section	
5000.300	Scope
5000.310	Area Measurement
5000.320	Space Planning Assistance
5000.330	Open Space
5000.340	Space Allowance and Standards
5000.350	Office Furnishing
5000.360	Handicapped Accessibility
5000.370	Vending Facilities/Blind Operators
5000.380	Improvements

EFFECTIVE DATE

DEC 20 2006

SOS-CODE DIV.

RECEIVED

DEC 20 2006

SOS-CODE DIV.

SUBTITLE D

SUBPART D: ASSIGNMENT AND MANAGEMENT OF SPACE

Section

5000.400	Assignment and Management by DCMS
5000.410	Assignment by Agencies
5000.420	Reviews and Appeal of Space Assignment Actions
5000.430	Services Provided
5000.440	Alterations
5000.450	Local Requirements

SUBPART E: UTILIZATION OF SPACE
(STATE-OWNED AND LEASED PROPERTIES)

Section

5000.500	Space Inspections and Surveys
5000.510	Responsibility of Agencies
5000.520	Release of Space Not Fully Utilized
5000.530	Notice to DCMS of Relinquishment or Termination of Space

SUBPART F: EXCESS REAL PROPERTY

Section

5000.600	Excess Real Property Defined
5000.610	Reports of Excess Real Property
5000.620	Utilization of Excess Real Property
5000.630	Charges for Use of Excess Property
5000.640	Temporary Occupancy
5000.650	Disputes
5000.660	Non-State Use

SUBPART G: SURPLUS REAL PROPERTY

Section

5000.700	Surplus Real Property Defined
5000.710	Declaration of Surplus
5000.720	Reporting Surplus Real Property
5000.730	Notice of Availability to State Agencies
5000.740	State Agency Requests for Surplus Real Property
5000.750	Transfer Decisions
5000.760	Transfer Procedures
5000.770	Transfer to Department of Central Management Services
5000.780	Subsequent Disposal
5000.790	Sale of Surplus

EFFECTIVE DATE

DEC 20 2006

SOS-CODE DIV.

SUBTITLE D

5000.800	Notice of Sale to Local Governments
5000.810	Local Government Offer to Purchase
5000.820	Public Sale
5000.830	Public Sale Procedures
5000.840	Non-State Interim Use

SUBPART H: USE OF OFFICE BUILDING

Section	
5000.900	Applicability
5000.901	Building Access and Security
5000.902	Security
5000.910	Definitions
5000.920	Business Hours and Public Access
5000.930	Prohibited Activities
5000.940	Demonstrations
5000.950	Exhibits and Special Events
5000.960	Distribution of Leaflets
5000.970	Severability

5000.APPENDIX A	Space Standards
5000.APPENDIX B	Rental Fees

AUTHORITY: Implementing Section 7.1 of the State Property Control Act [30 ILCS 605/7.1], implementing and authorized by Sections 5-675, 405-215, 405-300, 405-305, 405-310 and 405-315 of the Civil Administrative Code of Illinois [20 ILCS 5/5-675 and 20 ILCS 405/405-215, 405-300, 405-305, 405-310, 405-315] and authorized by Section 6 of the State Property Control Act [30 ILCS 605/6] and the Illinois Procurement Code [30 ILCS 500].

SOURCE: Adopted at 6 Ill. Reg. 12984, effective October 13, 1982; emergency amendment at 7 Ill. Reg. 3743, effective March 18, 1983, for a maximum of 150 days; amended at 7 Ill. Reg. 7825, effective June 22, 1983; emergency amendment at 8 Ill. Reg. 13444, effective July 17, 1984, for a maximum of 150 days; codified at 8 Ill. Reg. 19345; amended at 10 Ill. Reg. 636, effective December 31, 1985; amended at 17 Ill. Reg. 1006, effective January 19, 1993; emergency amendment at 17 Ill. Reg. 2361, effective February 5, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10753, effective July 1, 1993; amended at 18 Ill. Reg. 1886, effective January 21, 1994; emergency amendment at 17 Ill. Reg. 15653, effective September 9, 1993, for a maximum of 150 days; amended at 19 Ill. Reg. 585, effective January 9, 1995; amended at 20 Ill. Reg. 15002, effective November 7, 1996; emergency amendment at 22 Ill. Reg. 12569, effective July 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 20545, effective November 16, 1998; emergency amendment at 25 Ill. Reg. 15438, effective November 16, 2001, for a maximum of 150 days; emergency expired April 14, 2002; 26 Ill. Reg. 8083, effective May 17, 2002; amended at 27 Ill. Reg. 2105, effective January 27, 2003; emergency

EFFECTIVE DATE

DEC 20 2006

SOS-CODE DIV.

SUBTITLE D

amendment at 29 Ill. Reg. 15686 effective November 17, 2004, for a maximum of 150 days; emergency expired April 15, 2005; amended at 30 Ill. Reg. 14094, effective August 10, 2006; amended at 31 Ill. Reg. 99, effective DEC 20 2006.

EFFECTIVE DATE

DEC 20 2006

SOS-CODE DIV.

SUBPART A: GENERAL

Section 5000.100 Authority

These rules are promulgated under authority of Illinois Revised Statutes, chapter 127, paragraphs 51, 63b13.2, 63b13.6, 63b13.7, 63b13.10, 63b13.11, 63b13.12, 63b13.13, 63b13.14, 63b13.22, 63b13.24 and 133b10.1.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.110 Policy

The Department of Central Management Services (DCMS) will lease space in privately owned buildings when space needs cannot be met in State owned space or in other government owned space; will establish standards and criteria for leased space and space assignment; will manage certain public buildings for the benefit of the State and assign space therein; will lease State owned lands when not necessary for immediate State use; will acquire real property by voluntary conveyance from the public or other governmental bodies or when necessary by condemnation; and will dispose of real property no longer needed for State purposes.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

Section 5000.120 Applicability

This Part applies to any activity of the Department of Central Management Services pertaining to the acquisition, management or disposal of State owned or leased real property. This Part shall be read in conjunction with applicable provisions of the Standard Procurement Rules, 44 Ill. Adm. Code 1. In the event of any conflict, this Part shall prevail over the Standard Procurement Rules. Department of Central Management Services authority is divided as follows:

- a) For purposes of leasing office and other space, the DCMS shall conduct all leasing activities as described herein for all State agencies, authorities, boards, commissions, departments, institutions, bodies politic and all other administrative units of outgrowths of the executive branch of State government except the Constitutional officers, the State Board of Education and the State colleges and universities and their governing bodies.
- b) For purposes of space assignment in DCMS managed buildings, all agencies must abide by this Part.
- c) For purposes of leasing State land, DCMS has primary authority over land controlled by the several departments. No department may lease State land without the approval of DCMS except that the Departments of Natural Resources, Transportation, and Agriculture may lease land under their jurisdiction to comply with program functions.
- d) Only DCMS may dispose of surplus State land.
- e) Any State agency, board, commission, etc., not required by statute or rule to use DCMS real estate services, may elect to do so.

(Source: Amended at 22 Ill. Reg. 20945, effective 11/16/98)

SUBPART B: LEASED SPACE ACQUISITION POLICY

Section 5000.200 General Policy and Responsibility

The following policies shall govern the acquisition, assignment and utilization of owned and leased office buildings and other space:

- a) In providing general purpose space, DCMS will establish and maintain a balance between functional efficiency of agencies served and economy in space use. Due regard shall be given to maintaining and providing safe and healthful working conditions and to public convenience.
- b) Maximum use shall be made of existing State-owned permanent buildings which are adequate or economically adaptable to the space needs of the agencies.
- c) Leased space shall be acquired only when satisfactory State-owned or controlled space is not available. Alterations and improvements to leased space shall be avoided or minimized to the extent practical.
- d) Space planning and assignments shall take into account the objective of consolidating agencies and constituent parts thereof in common or adjacent space to improve management and administration.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.210 Requests for Space/Agency Responsibilities

- a) Agencies shall indicate their space needs by submitting a Space Request form to the DCMS office responsible for the geographic area in which the space is required.
- b) Agencies shall give the Department of Central Management Services early notice of new or changing space requirements. An annual space plan will be presented to the Springfield Office of the Department of Central Management Services by July 30 of each year detailing changes in space needs for the then current fiscal year. Each agency shall provide information as may be required by the Department of Central Management Services. Needs not shown in the annual plan are to be communicated to DCMS in advance of projected needs with six months being the preferred notice.
- c) Agencies shall economize in their requirements for space and alterations thereto. Agencies shall review continuously their needs for space taking into account the feasibility of centralizing or decentralizing service or activities which can be carried on without excessive cost or significant loss of efficiency.
- d) Each agency head shall certify the need for space required, the number of personnel to occupy the premises and the availability of funds on each Space Request submitted to DCMS.
- e) Agencies shall cooperate and assist the Department of Central Management Services in carrying out responsibilities with respect to buildings and space.
- f) Each agency shall designate a coordinator to deal with DCMS on real estate matters.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.220 Acquisition Authority

- a) DCMS will take all necessary action to acquire space for agencies having no acquisition authority. Such action shall be instituted after receipt by DCMS of a written space request.
- b) When the agency has acquisition authority or has been delegated such authority by the Department of Central Management Services, it may proceed to acquire the requested space. In granting delegation of leasing authority DCMS will consider the expertise of the requesting agency, the size or dollar amount of the proposed lease or leases, and if the authority requested is necessary to carry out a routine function of the requesting agency. Delegated authority will be shown on the Space Request Form which shall be attached to the leasing or related instrument filed with the State Comptroller.
- c) Agencies are delegated authority to obtain short-term conference or meeting space. State-owned space is to be used in preference to leasing space. Space request forms need not be submitted.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

Section 5000.230 General Acquisition Procedures

- a) DCMS will review State-owned space and space leased by other agencies which may be suitable to fill the agency space request. Such space, because it involves no outside expenditure or because use would avoid unnecessary lease costs, will be used in preference to newly acquired leased space. Exceptions will only be granted upon strong justification submitted by the head of the agency requesting space.
- b) If no suitable State-owned or controlled space is available, DCMS will so advise the requesting agency.
- c) To help ensure that DCMS personnel have awareness of comparable facilities, DCMS will periodically solicit information from property owners and managers regarding space that might be available for State use.
- d) Acquisition of space by lease will be on the basis most favorable to the State, with due consideration to maintenance and operational efficiency. In those instances where alterations to a property are needed, DCMS will review and approve the scope of work and method of payment prior to the commencement of work. Agencies are not to perform alterations to leased properties or enter into contracts for alterations without DCMS approval. DCMS will not, however, approve any lease or renovations therein without the agency desiring the space making a positive recommendation. Factors that could influence the decision to approve alterations include but are not limited to: length of term, cost relative to base cost, cost of base plus alterations compared to other site costs, degree of permanency of alterations, and demonstrated program need for alterations.
- e) DCMS shall determine the appropriate term for a given lease (not to exceed 10 years unless paid solely by federal funds) and negotiate accordingly. The particular terms and conditions of a given lease will in general conform to DCMS standard lease form provisions. Changes, additions or deletions to these terms shall be at DCMS' discretion. Agency input will be solicited prior to negotiation.
- f) DCMS will negotiate a favorable renewal option, State-option cancellation clause, and purchase option provision when appropriate.
- g) All leases shall be accompanied by a full written disclosure of the identity of every owner and beneficiary having any interest in the premises being leased.
 - 1) Such disclosure shall be subscribed and sworn or otherwise affirmed on oath by an owner, authorized trustee, corporate official, or managing agent.
 - 2) Such disclosure shall set forth all ownership interests. By way of example, the disclosure should identify the names of the beneficiaries of a land trust in addition to the trustee, the names of all partners whether

SUBTITLE D

general or limited in nature, and the names of all shareholders in a corporation who are entitled to receive more than 7 1/2% of the total distributable income of the corporation. If stock in a corporation is publicly traded and no readily known individual owns more than a 7 1/2% interest, then the requirements of this rule may be met by an officer or managing agent of the corporation making an affirmative statement to this effect under oath.

- 3) Such disclosure shall set forth the identity of any State officer, employee or elected official, or the wife, husband, or minor child of such person having an ownership or beneficial interest under the lease. In the event such person is so set forth, the disclosure shall include a specific designation of the percentage of the total distributable income such person, together with that of the wife, husband, or minor child of such person, is entitled to receive from any firm, partnership, association, or corporation which is the lessor.
 - 4) It shall be the responsibility of the lessor to notify DCMS of any changes in ownership or beneficial interest and to submit updated disclosure statements reflecting such changes within 30 days after such change.
- h) All leases shall be in writing and shall include:
- 1) a provision that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the lease.
 - 2) a termination option in favor of the State after 5 years.
- i) Space that is not in compliance with the applicable accessibility regulations (see Appendix A) or is not capable of being brought in compliance with the installation of minimum essential features of accessibility by the time of occupancy, shall not be considered for use.
- j) A copy of all leases whose annual rent is \$10,000 or more shall be filed with the Comptroller within 15 days after their execution by the Director of DCMS.
- k) In selecting sites, preference may be given to sites located in enterprise zones, TIF districts, or redevelopment districts when requested by the Chief Executive Officer of a unit of local government located within the boundaries of the site search area.

(Source: Amended at 22 Ill. Reg. 20545, effective 11/16/98)

SUBTITLE D

Section 5000.231 Acquisition of Leases by RFI

All leases, except those falling under the exceptions listed in Section 5000.232 or emergency procurements (Section 5000.250) will be acquired as follows.

- a) All leases will be procured by a Request for Information (RFI). RFIs will contain at a minimum the following information:
 - 1) A description of the general type of property to be leased.
 - 2) The proposed use of the property.
 - 3) The proposed term of the lease.
 - 4) Preferred location of the property.
 - 5) General information such as size of space, configuration desired and any other appropriate requirements.
 - 6) Address to which requests for proposal may be sent.
 - 7) Date on which responses are due.
- b) Notices of the RFI shall be:
 - 1) published at least 14 days prior to the deadline for responding in both the Illinois Procurement Bulletin and a newspaper having general circulation in the area in which space is being sought.
 - 2) of an appropriate size to draw attention and shall be placed in the legal advertisement section.
- c) A proposal package shall be mailed to all parties requesting one in writing. Proposal packages may also be mailed to owners of property that may meet the State's needs.
- d) Proposal packages shall at a minimum include:
 - 1) A Proposal Form.
 - 2) A copy of the Agency Program Requirements.
 - 3) An envelope for submitting the proposal.
 - 4) The date on which proposals must be submitted.

SUBTITLE D

- e) All responses to the RFI will be publicly opened on the announced opening date. Names of all parties submitting proposals will be made available to the public.
- f) DCMS representatives may conduct discussions with respondents to further clarify the needs of the State or obtain further information on responses.
- g) On the basis of the responses to the RFI, the Director of DCMS or his designee shall make a written determination of which RFIs submitted are responsive to the State's basic criteria.
- h) DCMS representatives will enter into negotiations with all parties submitting responsive RFIs for the purpose of obtaining the best terms for the State. A written record of all negotiations will be maintained by DCMS.
- i) The DCMS leasing manager shall review all relevant information and shall recommend to the Director of DCMS which proposal should to be accepted.
- j) The Director of DCMS will make the final award, which will be announced in the Illinois Procurement Bulletin.
- k) The lease will be reduced to writing and executed by all parties.
- l) Should the lowest priced proposal not be selected, the Director of DCMS shall publish notice, along with the reasons for such selection, in the next available edition of the Procurement Bulletin.
- m) The State reserves the right to reject any and all proposals and to request and evaluate "best and final" proposals. All decisions on compliance, evaluations, terms and conditions shall be made solely at the State's discretion and made to favor the State.

(Source: Added at 22 Ill. Reg. 20545, effective 11/16/98)

SUBTITLE D

Section 5000.232 Leases Acquired by Other Methods

- a) The following types of leases may be acquired without a formal RFI process.
- 1) Leases of less than 10,000 square feet as determined by DCMS space measurement standards (see Appendix A).
 - 2) Leases whose base rent is estimated to be less than \$100,000 per year.
 - 3) Leases whose term is less than one year and whose term is not subject to renewal.
 - 4) Specialized space available only at one location. Specialized space is defined as space or unique function or configuration, not generally available on the market on an as built or turnkey basis. Examples of specialized space include, but are not limited to: laboratories, vehicle testing stations, correctional facilities, medical facilities, boat docks and evidence storage facilities.
 - 5) Leases with other governmental units.
- b) Acquisition of such leases shall be by negotiation. Written summaries of all negotiations shall be maintained in DCMS files.
- c) DCMS is not restricted to negotiating only with those who respond to advertisements. DCMS shall remain responsible to consider other buildings or space known to meet general criteria.
- d) Recommendation of sites shall be reduced to writing and the final determination shall be made by the Director of DCMS. Reasons for selection shall be documented and maintained in DCMS lease files.
- e) None of the above shall prohibit the Director of DCMS from ordering a lease procurement to be made under the RFI provisions of Section 5000.231 if the Director deems it in the best interests of the State.

(Source: Added at 22 Ill. Reg. 20545-, effective 11/16/98)

SUBTITLE D

Section 5000.233 Renewal or Extension of Lease in Effect Prior to July 1, 1998

Leases in effect prior to July 1, 1998 may be renewed or extended without advertisement or an RFI process if:

- a) The Director of DCMS determines that the renewal or extension is in the best interest of the State.
- b) The Director submits that determination in writing, along with the proposed renewal or extension, to the State Procurement Board.
- c) The Board does not object in writing within 30 days after submission.
- d) The Director of DCMS publishes notice of the renewal or extension in the next available issue of the Procurement Bulletin.

(Source: Added at 22 Ill. Reg. 20545, effective 11/16/98)

Section 5000.234 Renewal of Leases Entered into After July 1, 1998

- a) Leases may be renewed if:
- 1) The Director of DCMS determines in writing that such renewal is in the best interest of the State.
 - 2) Notice of such renewal is published in the Procurement Bulletin at least 60 days prior to the exercise of such option.

b) Documentation justifying renewals shall be maintained in DCMS lease files.

(Source: Added at 12 Ill. Reg. 20545, effective 11/16/98)

SUBTITLE D

Section 5000.235 Purchase Options

- a) All leases of free standing facilities shall contain an option to purchase exercisable by the State.
- b) Purchase options may be omitted if:
 - 1) The lease is with a governmental entity or a not-for-profit entity.
 - 2) The Director of DCMS determines that a purchase option is not in the State's best interest and publishes his/her written determination in the Procurement Bulletin.

(Source: Added at 22 Ill. Reg. 20545, effective 11/16/98)

SUBTITLE D

Section 5000.240 Lease Administration

- a) DCMS will perform all functions of leasing building space and land. Agencies otherwise authorized to acquire space by lease may request DCMS to perform such leasing functions in specific instances.
- b) Officials or employees of agencies for which DCMS will acquire leased space shall at no time, before or after a space request is submitted to DCMS or after a lease agreement is made, directly or indirectly contact lessors, offerors, or potential offerors for the purpose of making oral or written representation or commitments or agreements with respect to the terms of occupancy of particular space, tenant improvements, alterations and repairs, unless authorized by DCMS. Consequently, when it is ascertained by DCMS that an unauthorized contact has been made, lease acquisition action may be deferred until its nature and impact can be determined. Whenever an unauthorized contact is judged by the responsible DCMS leasing official to be detrimental to the State's interest, further leasing action may be suspended for such time as may be required to eliminate or minimize the detrimental impact.
- c) Lessors, offerors, or potential offerors, or their agents, shall be referred to the appropriate DCMS office.
- d) Agencies shall not negotiate lease terms, negotiate settlements, withhold rentals, or vacate a leased property without the prior approval of DCMS. Agencies are encouraged to deal with minor landlord/tenant problems (i.e., minor repairs, building comfort complaint, etc.) at a local level. Any significant difficulties shall immediately be reported to the appropriate DCMS Office for handling. All problems shall be noted on the local level on the forms provided by DCMS for this purpose and proper records maintained for use in the event a specific problem goes unresolved and further action is required.
- e) Each agency is responsible for budgeting sufficient money in appropriate line items to cover all obligations. Payments are to be made by the occupying agency and will not be considered the responsibility of DCMS.
- f) Except when deemed by the State Procurement Board to be in the best interest of the State, no State agency may incur rental obligations before occupying the space rented.

(Source: Amended at 52 Ill. Reg. 20545, effective 11/16/98)

SUBTITLE D

Section 5000.250 Emergency Lease Procurement

Emergency lease procurements may be made pursuant to 44 Ill. Adm. Code 1.2030 of the Standard Procurement Rules.

(Source: Amended at 22 Ill. Reg. 20545, effective 11/16/98)

SUBPART C: BUILDING STANDARDS

Section 5000.300 Scope

This section outlines requirements for leased buildings in their design, construction, or in improvements thereto.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBPART C: BUILDING STANDARDS

Section 5000.310 Area Measurement

- a) Area measurement for the purpose of calculating rentable area will be based on the following standards where the State is the exclusive tenant. (Also refer to subsection (d) below.) [Derived from "Standard Method for Measuring Floor Area in Office Buildings", Building Owners and Managers Association International, 1201 New York Avenue, N.W., #300, Washington, D.C. 20005, Copyright 1983, no subsequent dates or editions, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292.]
- 1) Where the State is the exclusive tenant on a single floor of a multi-story building, the rentable area shall include the entire area within the exterior walls measured to the inside finished surface of the dominant portion of the permanent outer building walls excluding any major vertical penetrations of the floor and walls enclosing those penetrations (e.g., elevators, shafts, duct chases, pipe chases and stairways). Public corridors, restrooms, janitor closets, utility closets and machine rooms serving the single floor exclusively shall be included as rentable area.
 - 2) Where the State is the exclusive tenant in a one story building those areas excluded in (a)(1) above, will be included in the rentable area.
 - 3) Where the State is the only tenant in a multi-story building, those areas excluded in (a)(1) will be included in the rentable area.
- b) Area measurements for the purpose of calculating rentable area will be based on the following standards where the State is not an exclusive tenant. (Also refer to subsection (d) below.) [Derived from "Standard Method for Measuring Floor Area in Office Buildings", Copyright 1983, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292.]
- 1) Where there are multiple tenants on the same floor in a multiple-story building, or on the same floor in a one-story building, the rentable area shall be calculated by measuring from the inside finished surface of the dominant portion of the permanent outer building walls to the office side of any corridor wall or other permanent wall and to the center of demising walls separating rentable areas.
 - 2) Where there are multiple tenants on the same floor in a multiple-story building, or on the same floor in a one-story building, the rentable area

shall include the percentage of floor common area equal to the percentage of usable area on that floor occupied by the State tenant. Floor common area includes public corridors, restrooms, janitor closets, utility closets and machine rooms used in common with other tenants. Floor common area does not include elevator shafts, duct chases, pipe chases and stairways.

- 3) Where the State is one of multiple tenants in a multi-story building, the rentable area may not include public areas of the main lobby floor and areas such as atriums, health clubs, conference centers, tenant lounges, vending areas or other common building amenities for the beneficial use of all building tenants.
- c) Area measurements for the purpose of calculating rentable area will be based on the following standards where the State leases space in a ground floor Store Area. (Also refer to subsection (d) below.) [Derived from "Standard Method for Measuring Floor Area in Office Buildings", Copyright 1983, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292.]
- 1) Where the State is the exclusive tenant, subsection (a) above is applicable, except for street frontages where measurements shall be taken from the building line instead of the inside finished surface of the dominant portion of the permanent outer building walls.
 - 2) Where the State is not an exclusive tenant, subsection (b) above is applicable, except for street frontages where measurements shall be taken from the building line instead of the inside finished surface of the dominant portion of the permanent outer building walls.
 - 3) No deductions shall be made for vestibules inside the building line or for columns or projections necessary to the building.
 - 4) No additions shall be made for bay windows extending outside the building line.
- d) Area measurements for the purpose of calculating rentable area will be based on the following standards where the State is the exclusive tenant and where the State is not an exclusive tenant. [Derived from "Standard Method for Measuring Floor Area in Office Buildings", Copyright 1983, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292.]
- 1) The inside finished surface of the dominant portion of the permanent outer building wall may be a glass surface, interior wall or other surface.

- 2) No deductions shall be made to the rentable area for elements necessary to maintain the building's structural integrity (e.g. columns, bracing, etc.).
 - 3) Central boiler rooms and mechanical, electrical or communications equipment rooms serving more than one floor and more than one tenant shall be excluded from rentable areas. Mechanical penthouses, mechanical, electrical or communications equipment rooms located on floors containing no tenant space are excluded from rentable area.
 - 4) Exterior area such as balconies, terraces, open courtyards, open air walkways, exitways or corridors and enclosed skywalk systems are not included as rentable areas.
 - 5) Parking spaces are not included in rentable area.
 - 6) Basement storage areas are not included in rentable area, unless the basement also includes occupiable tenant space.
- e) Area measurement for the purpose of calculating construction area will be based on the following standards. [Derived from "Standard Method for Measuring Floor Area in Office Buildings", Copyright 1983, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292.]
- 1) Where the State occupies a building not constructed for the exclusive use of the State, the construction area shall equal the rentable area for initial tenant build-out work and all tenant improvement work.
 - 2) Where buildings are constructed for the exclusive use of the State, the construction area shall include the entire area within the exterior walls measured to the outside finished surface of permanent outer building walls. The construction area of the building shall be the sum of the construction areas of all enclosed floors including basements, mechanical equipment floors and penthouses.
- f) The standards for area measurement are based upon the American National Standard ANSI Z65.1 - 1980, "Standard Method for Measuring Floor Area in Office Buildings", Copyright 1983, Building Owners and Managers Association (BOMA) International. Reproduced with permission of BOMA International. To order, call 1-800-426-6292. The State shall have the exclusive right to interpret the standards herein.

44 ILLINOIS ADMINISTRATIVE CODE CHAPTER I. §5000.310
SUBTITLE D

- g) Changes to area measurement standards herein will not result in increased monthly rental payments prior to the expiration of the current term of the lease following the adoption of these rules.

(Source: Amended at 19 Ill. Reg. 585, effective 1/9/95)

Section 5000.320 Space Planning Assistance

DCMS shall aid agencies in the preparation of the initial space layout. When an agency requires subsequent space layout assistance, a request for such assistance shall be made to DCMS. DCMS will determine the scope of assistance required and will provide or authorize such service. No contractual space planning is authorized without DCMS approval.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.330 Open Space

Newly acquired or remodeled space shall, to the extent practical, utilize open space planning and modular partitions. Private offices should be provided only when there is a demonstrated functional need. They should be only large enough for the occupant to conduct normal business in an efficient manner and with a reasonable degree of privacy.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.340 Space Allowance and Standards

Space allowed for specific personnel and operations should not exceed that which is necessary to work efficiently and effectively. In planning office space, size and layout should be consistent with the standards listed in Appendix A. It is recognized, however, that agency functions and needs and physical variations in buildings will cause variations in the amount of space assigned, and its division into private, semi-private and open areas. No rearrangement or remodeling of existing space shall be authorized for the sole purpose of conforming to these standards.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.350 Office Furnishing

- a) State agencies are expected to exercise restraint in specifying furnishings and equipping their offices. All alterations and amenities should meet the test of reasonable cost.
- b) As long as an office is in good repair and suitable to the function of the position to which it is assigned, it is the policy of DCMS to discourage personal preferential modifications with a change in occupant.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.360 Handicapped Accessibility

- a) Each leased facility shall, to the extent practicable, be accessible to the handicapped. Each lease of office space negotiated by DCMS will contain specifications for accessibility. Exceptions to the specifications will be allowed only upon request of the using agency and if legitimate reasons are given. DCMS may only waive certain specifications at its own discretion in accordance with subsection B. In selecting amongst existing spaces, preference shall be given to the most accessible building, cost and other factors being equal.
- b) Exceptions may be based upon one or more of the following criteria:
 - 1) That no other suitable location exists within the geographic boundaries required by the operation/program at the site.
 - 2) That no funds are appropriated to cover the expenses for:
 - A) relocation to an accessible site;
 - B) remodeling existing site to achieve accessibility; or
 - C) construction of a new facility.
 - 3) That the operations at the site are part of an on-going program which cannot be interrupted or terminated pending relocation, remodeling or new construction.
 - 4) That the operations at the site are part of a new program which must be implemented without delay in order to avoid:
 - A) delay or interruption of vital services; and/or
 - B) loss of funds associated with the program.
 - 5) That the operations/programs at the site:
 - A) generate a low frequency of public use; and/or
 - B) provide a low number of job opportunities.
 - 6) For sites carrying out programs funded in whole or in part by Federal funds, exceptions will be granted only upon written certification from the Director of the Using Agency that alternative methods have been established to deliver services to handicapped clients and that the agency will provide necessary structural modification for qualified handicapped employees, unless such modification would cause the agency to incur undue hardship. This requirement is based on Federal law (Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706)) and any federal agency regulations promulgated pursuant thereto; including those promulgated by the Department of Health and Human Services.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.370 Vending Facilities/Blind Operators

The DCMS will make agency space requests available for inspection by the Department of Rehabilitation Services (DORS). If DORS determines that blind vendors are available and could operate in a particular location, DCMS along with DORS will attempt to obtain space at no cost or if agreeable to the using agency to be absorbed by that agency.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.380 Improvements

- a) It is the policy of DCMS to rent private space that requires minimal improvements to meet State needs. Temporary and permanent improvements may, however, be necessary to make the property appropriate for State use. When necessary, these improvements are an integral part of the lease.
- b) It is also recognized that improvements to leasehold property could result in enrichment of the building owner. Unjust enrichment shall be avoided and will be controlled using the following guidelines.
- c) Temporary Improvements
 - 1) These are defined as goods and services provided to meet the specific physical needs of the agency occupying leased space. Temporary improvements are those which primarily benefit the tenant although there may be coincidental benefits to the lessor after the term of the lease. Value of temporary improvements will generally be fully depreciated by the end of the lease. Examples of temporary improvements include, painting, carpeting, interior non-load bearing office partitions and provision of wiring, lighting, heating and cooling beyond minimal building standards to satisfy agency needs for electronic or scientific equipment or other such reasons.
 - 2) Temporary improvements may be contracted for as a provision in a lease, as a lease amendment or as a separate contract. In any event the temporary improvement is integrally related to DCMS leasing authority and must be approved by DCMS.
 - 3) DCMS will approve temporary improvements only upon a showing that the requested services and incidental goods are necessary for the operation of the agency and are of a quality designed to last for the lease or some lessor period. DCMS may suggest or require alternatives to the temporary improvements requested by the agency.
 - 4) Payment for temporary improvements may be made as an addition to base rent made in monthly installments over the term of the lease. If more beneficial, a single additional payment may be made to cover costs of temporary improvements.
- d) Permanent Improvements
 - 1) These are defined as goods or services provided to meet basic occupancy requirements of habitability, building and health code compliance, and fitness for the general purpose intended, i.e. for office as opposed to warehouse space, etc. Permanent improvements are those which would clearly benefit the lessor beyond the term of the lease. Value of permanent improvements will generally not be fully depreciated under normal depreciation tables. Examples of permanent improvements include structural work;

FILED
SEP 28 1984

- provision of basic heating and air conditioning units; utility service; restrooms and elevators; paving and insulation.
- 2) Permanent improvements may only be contracted for in the initial lease or as an amendment to the lease.
 - 3) DCMS will review all requests for permanent improvements and determine whether they are necessary, whether a temporary improvement could suffice or whether another location would prove more cost effective.
 - 4) All permanent improvement items will be assigned a normal life for depreciation purposes and the cost of such improvements will be noted. The State will not pay more than its proportionate share of the permanent improvement cost as shown by the lease term divided by the normal life times the actual cost.
 - 5) If circumstances require full payment during the term, the lease will provide for:
 - A) renewals at the State's option in initial lease term increments until improvement is fully amortized, and
 - B) option to remove any permanent improvement which it paid for, leaving the building in the condition it was in at the start of the lease, or
 - C) a rebate of the unamortized value of the permanent improvements.
 - 6) A purchase option at fair market value less value of permanent improvements may substitute for Section D(4) and D(5) in extraordinary circumstances.
- e) Economy in the procurement of improvements shall be practiced. One of the following methods of controlling costs shall be used:
- 1) Lessor shall obtain no less than three bids for each trade necessary to furnish work on the project or from no less than three general contractors. Lessor shall utilize the services of the lowest priced unless there is justification for refusing such bid.
 - 2) If Lessor requires use of in-house crew those services may be utilized if prices do not exceed the higher of price allowances, Capital Development Board, Department of Central Management Services estimates or GSA guidelines, if applicable.
 - 3) If Lessor insists on selecting a construction crew without seeking proposals, DCMS will attempt to locate other space. If other space is not available negotiations may continue but prices charged for construction may not exceed the higher of CDB or DCMS estimates or GSA guidelines, if applicable.
 - 4) For temporary improvements only, the lessee shall, with lessor's and DCMS' permission, contract for these improvements in accordance with Illinois laws and rules. All temporary improvements paid for by lessee become the property of lessee and may be removed by lessee at the end of the lease.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

- f) Any improvements should be consistent with DCMS published standards. Modifications or deviations must be approved by DCMS and made a part of the lease file.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

SUBPART D: ASSIGNMENT AND MANAGEMENT OF SPACE

Section 5000.400 Assignment and Management by DCMS

- a) DCMS will perform all functions with respect to the assignment and reassignment of space and management in the following buildings and any others transferred to DCMS or placed under the control of DCMS.

- 1) Peoria Regional Office Building
5415 North University
Peoria, Illinois 61614
- 2) Springfield Regional Office Building
4500 South 6th Street
Springfield, Illinois 62703
- 3) Champaign Regional Office Building
2125 South 1st Street
Champaign, Illinois 61820
- 4) Illinois State Armory Building
124 East Adams
Springfield, Illinois 62706
- 5) Marion Regional Office Building
2309 West Main Street
Marion, Illinois 62959
- 6) Kenneth Hall Regional State Office Building
#10 Collinsville Avenue
East St. Louis, Illinois 62201
- 7) Rockford Regional Office Building
4402 North Main Street
P. O. Box 915
Rockford, Illinois 61105
- 8) E. J. "Zeke" Giorgi Center
200 South Wyman
Rockford, Illinois 61101
- 9) State of Illinois Building
160 North LaSalle
Chicago, Illinois 60601
- 10) Office and Laboratory Building

SUBTITLE D

2121 West Taylor Street
Chicago, Illinois 60602

- 11) Central Computer Facility
201 West Adams
Springfield, Illinois 62706
- 12) Elgin Office Building
595 South State Street
Elgin, Illinois 60120
- 13) James R. Thompson Center or JRTC
100 West Randolph
Chicago, Illinois 60601
- 14) Suburban North Regional Building
9511 Harrison
Des Plaines, Illinois 60017
- 15) The Ash Street Complex
Eleventh & Ash
Springfield, Illinois 62703
- 16) Effingham Regional Office Building
401 Industrial Drive
Effingham, Illinois 62401

- b) DCMS may, in accordance with 20 ILCS 405/67.22, and after consultation with the agencies affected, assign and reassign space in the above buildings after determining that such assignment or reassignment is advantageous to the State in terms of economy, efficiency, or security.

(Source: Amended at 20 Ill. Reg. 15062, effective 11/7/96)

Section 5000.410 Assignment by Agencies

Agencies may perform all internal assignments and reassignments of space within space assigned by DCMS.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.420 Reviews and Appeal of Space Assignment Actions

- a) Agencies may, at any time, request a review of space assignment actions. Space assignment actions include but are not limited to space allowances, measurements, classifications, layouts, delineated areas, recommended offers, and proposed relocation. Requests for review shall be directed in writing to the appropriate DCMS office which will furnish a written response.
- b) Within 30 calendar days after the agency has been notified of the space assignment decision, an appeal may be filed by the agency head with the Department of Central Management Services. Substantial justification should be furnished that the decision was arbitrary, capricious, or not supported by fact. The Director will render the agency's decision within 30 calendar days of receipt of the appeal.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.430 Services Provided

In all buildings listed in Section 5000.400 the following services are generally provided. Variations from the lists will be noted to the occupying agency.

a) Provided:

- 1) Heat for comfortable occupancy during normal business hours, 8 a.m. to 6 p.m.
- 2) Cleaning of leased and public spaces and removal of waste paper. This will normally be done nightly, Monday through Friday, unless the Department of Central Management Services should determine that less frequent cleaning and removal of waste paper is satisfactory.
- 3) Electricity for lighting and ordinary office machines and for such air conditioning machines as are connected to the building's circuits on January 1, 1982, and such additional air conditioning capacity as may be approved by the Department of Central Management Services.
- 4) Elevator service.
- 5) Window washing.
- 6) Hot and cold running water through existing pipes.
- 7) Window shades.
- 8) Original and replacement supply of incandescent light bulbs and labor to replace same when burned out for building light fixtures, but not for floor or desk lamps.
- 9) Labor to replace fluorescent tubes and starters in building light fixtures. Fluorescent tubes (except those of non-standard size and design) and starters will be provided.
- 10) Venetian blinds cleaning when spaces are decorated.
- 11) Public toilet facilities, including soap, toilet tissue, paper towels or hand dryers.

b) Not provided:

- 1) Lettering of doors and windows (but all lettering and signs on doors or windows) must be approved by DCMS.

SUBTITLE D

- 2) Furnishing of venetian blinds where they do not now exist.
- 3) Carpets, rugs, or repairs thereto.
- 4) Repairs to asphalt tile flooring or other floor covering except in emergency.
- 5) Furniture or furniture repairs.
- 6) Alterations or changes to the building or the electrical, plumbing or ventilating systems or mechanical equipment.
- 7) Air conditioning or electricity or water to operate any air conditioning equipment in excess of the equipment in operation on January 1, 1982.
- 8) Window ventilators and brackets for same.
- 9) Repair of fluorescent light fixtures or replacements of burned out ballasts.
- 10) Furnishing, cleaning or repairing desk lamps and fans.
- 11) Building of shelves.
- 12) Painting of offices.

(Source: Amended at 20 Ill. Reg. 15002, effective 11/7/96)

Section 5000.440 Alterations

No alterations, including painting, to the building are to be made and no air conditioning equipment, partitions, carpet, copy machines, etc., are to be installed without written permission from DCMS. All outside workmen and contractors whose work relates to the physical structure of the building must be approved by DCMS before they perform any work in DCMS buildings.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.450 Local Requirements

To conform to local building and staff needs, additional requirements dealing with elevator service, parking, moving and delivery and other service may be stated as necessary.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBPART E: UTILIZATION OF SPACE
(STATE-OWNED AND LEASED PROPERTIES)

Section 5000.500 Space Inspections and Surveys

DCMS may conduct space inspections at periodic intervals on a community, building, or agency basis as appropriate of State-owned and leased space. Inspections would be made in an orderly manner, on the basis of a floor-by-floor and room-by-room check of all assigned space. The agency would be provided with a written summary of significant findings and recommendations, together with data concerning improvements which can be effected by the agency, and those which are planned by DCMS. A survey questionnaire, to be filled out by the agency, may substitute for or supplement a physical inspection. Validity of questionnaire information may be verified by periodic physical inspection of a representative sample.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.510 Responsibility of Agencies

It is the responsibility of agencies to assist and cooperate with DCMS in the assignment and utilization of space, including the furnishing of data relative to the use of the space occupied, and personnel housed or to be housed. It is the further responsibility of the agencies continuously to study and survey space occupied by them to ensure efficient and economical space utilization. It is also the responsibility of those agencies to report to DCMS any space which is excess to their needs and which might be assigned to other agencies.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.520 Release of Space not Fully Utilized

The space utilization program is designed to effect maximum efficient utilization of State-owned and controlled space. Space for which there is no current or foreseeable need by the occupying agency will be considered available for reassignment or other appropriate action. Underutilized leased space will not be renewed or extended under normal circumstances.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.530 Notice to DCMS of Relinquishment or Termination of Space

- a) DCMS shall be notified by any agency occupying space assigned or leased by DCMS at least 120 days prior to the date on which the space, or portion thereof, will no longer be needed. In no event, however, shall such notice be given less than 30 days prior to the date on which a lease termination notice must be issued. Such notification shall be submitted in writing to the DCMS office responsible for the geographical area in which the space is located, giving a description of the space involved, its location and the estimated date of release. When a portion of space is released, it must be consolidated and accessible for reassignment. Any alteration required to make such space consolidated and accessible will be borne by the using agency. The appropriate DCMS office may will reassign or dispose of the space.
- b) When an agency is responsible for operation, maintenance, and protection of State-owned space to which it has been assigned by DCMS, and the agency determines that such space, or a portion thereof, is no longer needed, the agency shall so notify DCMS at least 6 months prior to relinquishing the space in the same manner as indicated in paragraph (a) of this Section. The operation, protection, and maintenance of the real property or portion thereof to be released shall continue to be the responsibility of the agency.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBPART F: EXCESS REAL PROPERTY

Section 5000.600 Excess Real Property Defined

Excess property is that State-owned or controlled real property which has no present program need by the holding agency. Such property may nevertheless be beneficial to the State and should not be permanently disposed of. Excess property may consist of unused or underutilized office or storage space, buffer zones or greenbelts around State buildings, or farm or other lands needed for possible future expansion.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

Section 5000.610 Reports of Excess Real Property

Excess real property shall be reported to CMS on the Annual Real Property Utilization Report Form by October 30 of each year. The annual report contains cumulative information for the fiscal year preceding the current October 30. Reports of excess real property are also to be submitted each month as property becomes available. Advance notice of property becoming excess should be given as soon as possible.

(Source: Amended at 31 Ill. Reg. 99, effective DEC 20 2006)

EFFECTIVE DATE**DEC 20 2006****SOS-CODE DIV.**

Section 5000.620 Utilization of Excess Real Property

Excess real property reported to DCMS will be screened for possible utilization by other State agencies. Agency space requests will be compared with excess real property reports. If the excess real property can reasonably fulfill the space request, the excess real property will be made available for the requesting agency in preference to obtaining leased space.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.630 Charges for Use of Excess Property

The agency using excess real property will not be charged any rent for use of the property unless the holding agency has a special fund established in the State Treasury for that purpose. The using agency may, however, be required to pay directly its proportionate share of utility and other service cost.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.640 Temporary Occupancy

An agency utilizing excess space is to consider the assignment terminable upon need of the holding agency. The holding agency shall give at least six months notice of intent to reuse the space to both DCMS and the using agency in order to allow sufficient time to obtain substitute space.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.650 Disputes

Disputes between the holding and using agencies will be determined by the Department of Central Management Services.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

Section 5000.660 Non-State Use

a) Excess Real Property

- 1) Excess real property which cannot be used by a State agency may be leased to the public, with governmental units being the preferred tenants, for periods of time not to exceed five years unless longer periods are authorized by statute. Vacant land shall be leased for periods of longer than five years if one of the following conditions is present:
 - A) The lease is made with an organization which is providing program-related services to a State agency, a not-for-profit organization or a unit of local government and those services require the lessee to make permanent capital improvements to the leased land.
 - B) A longer lease term is specifically authorized by statute.
 - 2) Rental shall be at the current fair market value payable to the proper State Treasury account in cash except that leases of Department of Corrections property for farming may be paid by crop share to the State. Receipts payable by income in kind shall be strictly documented by grain receipts or other generally accepted accounting practices to verify value of income paid in kind. Rental may be waived or reduced to less than fair market value upon a showing of clear advantage to the State. Use of property for agency program related purposes or to prevent waste of the property are examples of clear advantage.
- b) Leases of excess property for office or storage use shall be accomplished by direct negotiation or sealed bidding pursuant to 44 Ill. Adm. Code 1.2010.
 - c) Leases of excess property for farm purposes will be accomplished by sealed bid, pursuant to 44 Ill. Adm. Code 1.2010. A 10% performance bond or other security may be required of the winning bidder.
 - d) Improvements made to State land will be forfeited to the State unless removed by lessee without damaging State property. Upon removal, lessee will restore the State property to its original condition unless specific written permission to the contrary is given.

(Source: Amended at 12 Ill. Reg. 20545, effective 11/16/98)

SUBPART G: SURPLUS REAL PROPERTY

Section 5000.700 Surplus Real Property Defined

Surplus real property ... means any real property to which the State holds fee simple title or lessor interest, and (1) that has not been used by the State for at least the past 3 years and for which there is no foreseeable use in the next 3 years, or (2) that has not been used by the State for at least the past 6 years, or (3) that is reported or transferred to the Director of the Department of Central Management Services as unused property ... and for which there is no foreseeable use by that agency. Property surrounding needed property such as buffer, greenbelt or decorative areas will not normally be considered surplus. A natural break between parcels such as made by a valley or stream or by a road could divide surplus and non-surplus property.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.710 Declaration of Surplus

Real property inventories shall be maintained at the minimum necessary to ensure economic and efficient operations. To that end each agency shall survey property under its control on a continuous basis to identify property which is not needed or which could be better utilized by another State agency. Property that is not needed for future agency purposes shall be declared surplus.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

Section 5000.720 Reporting Surplus Real Property

Each agency shall submit to CMS the Annual Real Property Utilization Report by October 30 of each year. The annual report contains cumulative information for the fiscal year preceding the due date. Reports of surplus real property are also to be submitted each month as surplus property becomes available. Advance notice of property becoming surplus should be given as soon as possible.

(Source: Amended at 31 Ill. Reg. 99, effective DEC 20 2006)

EFFECTIVE DATE

DEC 20 2006

SOS-CODE DIV.

Section 5000.730 Notice of Availability to State Agencies

State agencies will generally be notified by DCMS of available surplus real property within 60 days of declaration, but in no event later than August 30 for property declared surplus in the prior fiscal year.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.740 State Agency Requests for Surplus Real Property

Any State agency may submit a written request to the Director of the Department of Central Management Services, within 60 days of the date of ... notification, to have control of surplus real property transferred to that agency. The initial request must include reasons for the transfer, intended use of the property and financial ability to maintain the property and other pertinent information.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.750 Transfer Decisions

The Director of the Department of Central Management Services will consider each request to transfer surplus real property. Transfers shall only be made when the proposed land and anticipated use are consistent with the mission of the transferee. If two or more agencies request the same property the Director of DCMS will consider the requests and determine which proposed use best serves the State's interests. The Director may also determine that sale to the public would be more advantageous. In making such decisions the Director may consult with other governmental officials or the public. Sale to the public would, for example, be more advantageous if the value of the property were greater than the cost of putting the State program elsewhere.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.760 Transfer Procedures

- a) The agency holding surplus property (transferor agency) will, at the time of transfer execute a quitclaim deed conveying the property to the State of Illinois. This deed will be recorded by DCMS and a copy maintained in DCMS and State Archives files. At the same time the transferor agency will execute a Memorandum of Transfer using the form provided by DCMS. This form will be maintained by the transferor and transferee agency, DCMS and the State Archives.
- b) The transferor agency will remove all items of equipment or commodities not accepted by the transferee agency. The property is to be turned over "as is" but cleaned with all trash removed.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.770 Transfer to Department of Central Management Services

Surplus real property will normally be maintained by the transferor agency until disposal. No surplus real property shall be transferred to DCMS control except with the prior written approval of DCMS. Unless specifically waived, acceptance will be conditioned upon the following:

- a) ability of DCMS to obtain an appropriation sufficient to prevent deterioration,
- b) receipt of full legal description, title documents and building records,
- c) proper and orderly shut-down of transferor agency operations, including payment of all outstanding bills, removal of unwanted items of equipment and commodities, removal of all trash and leaving premises clean.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.780 Subsequent Disposal

A transferee agency may not later dispose of property transferred pursuant to the State Property Control Act except with the approval of the Director of the Department of Central Management Services.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.790 Sale of Surplus

Surplus real property which is not transferred to another State agency shall be sold. No surplus property shall be sold for less than fair market value. For property valued by the Director of DCMS at more than \$5,000, fair market value will be established by averaging three appraisals and adding to that the cost of the appraisals. If the property is not sold at that price, new appraisals may be requested. At least one appraiser must reside in the county in which the property is located.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.800 Notice of Sale to Local Governments

DCMS will send notice of the availability for sale of surplus property to the governmental bodies in the county in which the property is located including county board and all incorporated cities, towns and villages. Notice may also be sent to any other governing body listed in files maintained by the State Board of Elections. A notice will also be placed in a newspaper having general circulation in that county.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.810 Local Government Offer to Purchase

- a) Any local governing body may submit a binding offer to purchase the property for not less than the established fair market value. Such offer must be received within 60 days of the date of notice given to the governing body. Offers received late may be accepted unless public sale would be more advantageous.
- b) If two or more acceptable offers are received sale will be made to the highest bidder. However, if the city, town or village in which the property is located bid on the property they will be given 10 days from bid opening to match the higher bid. If the higher bid is matched the sale will be made to the city, town or village.
- c) In the event of tie bids the first bid received will be accepted except as provided in B above.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.820 Public Sale

If no acceptable offer is received from a local governmental unit, DCMS will offer the property for sale to the public. Any local governmental unit may participate in the public sale.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.830 Public Sale Procedures

- a) DCMS will place "For Sale" signs on the property and will advertise the property in the Official State Newspaper and a county paper of general circulation. The advertisement shall run at least 3 separate times in each paper and shall appear not less than 15 or more than 30 days prior to the sale. The advertisement will briefly describe the property, give the minimum allowable bid and tell where additional information may be obtained.
- b) The property will first be offered at public auction. This auction will be with reserve. Written bids, if any are submitted, will be opened and read at the beginning of the auction. Voice offers must exceed any written bid.
- c) If the property cannot be sold at the fair market value, DCMS may have new appraisals made to determine a new fair market value and again offer the property for sale at public auction.
- d) All offers from the public to bid must be accompanied by cash, certified or cashiers check or money order, in amount to equal to 10% of the fair market value. This amount will be applied to reduce the purchase price. If the sale is not completed, the amount will be forfeited to the State as liquidated damages.
- e) Full payment is required on the date and terms specified in the request for bids or as proposed in the bid of the highest responsible bidder. In accepting bids, the Department shall give preference to bidders proposing a cash purchase. In the absence of an offer to purchase the property for cash by a responsible bidder, the Department may accept other bid proposals. The acceptance of other bid proposals shall be conditioned on:
 - 1) the purchase price offered;
 - 2) the terms of the offer;
 - 3) the financial responsibility of the bidder; and
 - 4) the type and nature of the property involved. If payment is delayed beyond the due date established by the request for bids, the balance shall bear interest at a rate acceptable to the Director. Such a rate shall be set to insure maximum practical return to the State, but shall in no case be lower than the most recent State bond sale rate.
- f) All conveyances will be by quitclaim deed only and will be subject to any existing uses or leases of the property.

(Source: Amended at 7 Ill. Reg. 7825, effective June 22, 1983)

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

Section 5000.840 Non-State Interim Use

- a) The Director of DCMS may lease or permit the use of surplus real property to the public. Such lease or permit shall be for the period between the declaration of surplus and transfer or disposal. The lease or permit shall be for monetary consideration equal to the fair market value, unless clear advantage to the State is shown for some other arrangement.
- b) If attempts at sale fail, the Director may lease or permit the use of the property for a period of time not to exceed one year. Any such use shall be appropriate to the property and shall not diminish the value of the property. The lease or permit shall be for monetary consideration equal to fair market value.

FILED

SEP 28 1984

SOS - ISL - CODE UNIT

SUBTITLE D

SUBPART H: USE OF OFFICE BUILDING

Section 5000.900 Applicability

This Subpart is applicable to the use of the Peoria Regional Office Building, Springfield Regional Office Building, Champaign Regional Office Building, Marion Regional Office Building, Kenneth Hall Regional Office Building, East St. Louis, Rockford Regional Office Building, Michael A. Bilandic Building, Office and Laboratory Building, Central Computer Facility, Elgin Office Building, James R. Thompson Center (commonly referred to as the JRTC), Chicago Medical Center, E.J. "Zeke" Giorgi Center, Rockford, Suburban North Facility and the Communications Center pursuant to 20 ILCS 405/405-315.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.901 Building Access and Security

- a) The Director of Central Management Services or a designated Associate Director or Assistant Director of the Department of Central Management Services may suspend all or a portion of this Subpart when deemed necessary to ensure the continuation of State business and the protection of State property, as well as the health and safety of the public, State employees and elected officials. During the suspension, the Director may establish (and reasonably change) policies without notice and limit or prohibit access to facilities. Any suspension shall be reconsidered on a monthly basis and shall be lifted when, in the discretion of the Director, the suspension is no longer necessary to ensure the continuation of State business or to protect State property, health or safety as provided in this subsection.
- b) Persons or groups wishing to appeal the suspension may appeal directly in writing to the Director of Central Management Services at the office in either Springfield or Chicago. The Director shall respond to all such appeals within two business days after receipt. Suspensions of access or activities made under this Subpart shall not apply to fee schedules and space allocations except as to a suspension to rent/allocate space grounded in security concerns.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.902 Security

- a) Persons seeking entrance to CMS facilities must display the following to security personnel:
 - 1) State issued identification;
 - 2) Picture identification; persons furnishing picture identifications may also be required to sign in and out;
 - 3) Other acceptable credentials such as military or law enforcement identification.
- b) All vehicles using parking at a facility may be subject to search as a condition of parking.
- c) All parcels, bays, delivery mail and other items may be subject to search or screening.
- d) Persons entering buildings may be subject to metal, explosive or other screening.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.910 Definitions

"Authorized Representative" means an employee of the Department authorized by the Director to act on his behalf.

"Building" or "Buildings" means the buildings named in Section 5000.900 of this Subpart.

"Building Manager" means the resident manager or engineer of the facility who is responsible for day to day operations of the Facility.

"Commercial Activity" means an activity whose primary purpose is to obtain a profit for the benefit of an individual or business entity organized for profit.

"Demonstration" means a public expression of a point of view that could be in the form of protesting, picketing, marching, rallying, holding vigils, and all other forms of public expression that involve oral communication or conduct expressing a particular view or grievance engaged in by one or more persons, the conduct of which has the effect, intent, or propensity to draw a crowd of onlookers within 100 feet of the buildings named in Section 5000.900 of this Subpart.

Demonstration shall also mean protesting, parading, picketing, public speaking, holding vigils, sit-ins or other activities conducted for the purpose of voicing approval or disapproval of governmental policies or practices (or the lack thereof), expressing a view on public issues or bringing into public notice any issue or other matter. However, nothing herein shall be construed to govern lobbyists or lobbying as defined by the Lobbyist Registration Act [25 ILCS 170] nor shall a demonstration mean the peaceful contact or discussions by one or more persons with elected representatives or with executive branch officials concerning their view on public or personal issues. Demonstration shall not include conduct that is obscene, indecent, violent or otherwise punishable by law.

"Department" means the Department of Central Management Services (CMS).

"Director" means the Director of the Department of Central Management Services (CMS).

"Exhibits" means a stationary array or display of material including, but not limited to art work, books, photographs, charts, graphs, historical depictions or promotional items presented for informational purposes.

"Grounds" shall mean the grass area, garden areas, outside areas of the building, the atrium and concourse levels at the JRTC and all parking areas of the building.

EFFECTIVE DATE

AUG 19 2006

SOS-CODE DIV.

SUBTITLE D

"Interfere" or "interference" shall mean the type of conduct that by its nature tends to hinder, disrupt or obstruct the orderly function of the official enterprises being carried on in the building.

"Security Personnel" means contractual security guards or local, county or Illinois State Police.

"Special Event" means a commercial activity, reception, conference, production, performance, ceremony, gala, or any after-hours activity conducted by an entity, including but not limited to State agencies, corporations, not-for-profit organizations, private individuals or groups.

"Structure" shall mean anything built by any person or persons of any material for purposes of display, residence or as part of a demonstration. This term shall not refer to anything built pursuant to a State contract for construction, remodeling, or repair of any State property or a building defined in Section 5000.900.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.920 Business Hours and Public Access

- a) The public business hours of the JRTC are 6:30 a.m. to 6 p.m. Monday through Friday and 10 a.m. to 4 p.m. Saturday, Sunday and holidays.
- b) The public business hours of the other buildings are 7 a.m. to 6 p.m. Monday through Friday, except holidays declared by the Governor pursuant to Section 5-635 of the Civil Administrative Code of Illinois [20 ILCS 5/5-635].
- c) Entrance to any building other than during the times stated in subsection (a) of this Section is prohibited, except that the following persons who shall be admitted to office areas assigned to them for their use in carrying out their official duties:
 - 1) members of the General Assembly;
 - 2) employees of the General Assembly;
 - 3) employees of the executive departments whose offices are in the building;
 - 4) any authorized maintenance, repairer, contractor or other service employee, while performing duties that have been arranged for by the Department; and
 - 5) any person who is specially requested to enter into any building or office by an authorized individual listed in subsection (b)(1) through (4) of this Section.
- d) Proper identification of all persons, such as a press pass, government identity card, a driver's license or other document that shows the identity of the person, may be demanded by security personnel, and all persons will be required to sign in and out of a building after 6 p.m. and before 7 a.m. Only one entrance shall be open after the public business hours. Factors to be considered in which identification may be requested include, but are not limited to: the security guard does not recognize the individual; the behavior of the individual; and accessibility to office areas, work areas and restricted access areas.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.930 Prohibited Activities

- a) No animals, except guide dogs to assist handicapped persons, shall be permitted in the buildings.
- b) No person or organization shall camp, erect a tent, monument (except as authorized by the Department to commemorate a deceased public official or a historical event), structure, portable toilet, platform, sign or similar device on the grounds of or within the buildings except as provided in subsection (f) of this Section.
- c) No person or organization shall block, obstruct, or impede any doorway, stairway, corridor, escalator, elevator, convenience or facility in the building.
- d) No posters or signs may be carried above the first floor of the buildings except with written permission of the Building Manager or security personnel. Permission will be granted only if the posters or signs will not interfere with State business. No sticks, poles or laths may be used to carry any sign or placard into the buildings. No chains or ropes may be carried into the buildings, except by authorized workers and State employees, without the written permission of the Building Manager.
- e) No person or group of persons shall use any electronic loudspeaker, bullhorn or other amplifying device within the buildings or grounds, unless prior permission is granted pursuant to Section 5000.940(d).
- f) No signs, posters, stickers or decals for demonstration purposes may be affixed in any way to the walls, railings, floors or ceilings of the buildings. No structures (including tents) in the buildings or on the grounds may be erected without the written permission of the Department pursuant to Section 5000.940. Permission shall be granted only if the:
 - 1) structure is part of symbolic expression in the exercise of free speech guaranteed by the First Amendment to the United States Constitution and Article I, Sections 4 and 5 of the 1970 Illinois Constitution; and
 - 2) signs, posters, stickers or decals will not deface or damage the walls, railings, floors or ceilings of the buildings.
- g) The display of commercial signs, placards, or other forms of advertisement, or the sale, display, or vending of commercial products or articles in the buildings or on the grounds is prohibited, except pursuant to contract with the State.

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

- h) The noise level from demonstrators, picketers, and protesters of within the building shall not exceed a decibel level of 85dB(A). If the noise level from these persons exceeds this limit, the Building Manager or other authorized representatives shall direct all persons to decrease the noise or to reduce the numbers of people within the building to lower the noise level to a maximum of 85dB(A).
-
- i) No person or organization shall damage, destroy, remove, deface, defile, tarnish, or injure in any way State property within the buildings or on the grounds. All persons and organizations engaging in this type of prohibited activity will be responsible for all costs, expenses, damages, and liability resulting from their own actions or the actions of persons or organizations controlled or directed by them at the time of the damage to State property.
- j) Any violation of the prohibited activities listed in subsections (c) through (i) of this Section or failure to follow requests of security personnel may result in individuals or groups being removed from the premises.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 1 0 2006)

EFFECTIVE DATE

AUG 1 0 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.940 Demonstrations

- a) Any demonstration near the buildings or on the grounds is prohibited unless a permit for the activity is issued by the Department or its authorized representatives. Demonstrations are prohibited in the buildings. A written request addressed to the Building Manager must be submitted at least 48 hours in advance of an event, unless the requester can show, by the preponderance of the evidence, that the cause or reason for the demonstration, was not known, contemplated or reasonably foreseeable, or resulted from changed circumstances not in existence within those 48 hours. No request shall take precedence over an activity that was previously scheduled and approved by the Department unless approved by the Department. The Department or Building Manager will employ the following elements in evaluating whether another event may be permitted: whether the facility needs to be used for governmental purposes or whether the new request can be accommodated without disruption to the previously scheduled event. Notwithstanding the foregoing, events may be canceled in cases involving natural disaster, public health or safety concerns (e.g., floods, civil disturbance, riots, etc.).
- b) The written request shall state the name of the individual or organization seeking to use the ground. The request shall also list the names and addresses of all officers or leaders of the organization, the grounds desired to be used, the purpose of the demonstration, the dates and times sought, equipment to be used or supplied, and the estimated number of participants. Only the requesting individual or organization is permitted to use the grounds for a demonstration. No State agency or State employee may sponsor or make a request on behalf of any organization or individual.
- c) Any group seeking a permit that will have 100 or more participants at any demonstration shall have one marshal per 25 participants. Marshals will be identified by insignia supplied by the Building Manager or security personnel. The marshals' duties shall include making certain, to the best of their ability under the circumstances, that the conditions of the permit are met, that compliance with the rules occurs, that the demonstrations remain peaceful and orderly and that the participants remain within the physical boundaries of the permit.
- d) The Department or its authorized representatives will issue a permit to an applicant unless they find that the intended activity will:
 - 1) Unreasonably interfere with the movement of vehicular traffic in the parking lots of the buildings, loading docks or persons within the buildings or on the grounds;

EFFECTIVE DATE

AUG 1 0 2006

SOS-CODE DIV.

SUBTITLE D

- 2) Not occur in the area designated and will create or cause a health and/or safety hazard and will impede substantially the performance of State business or the retail businesses in the JRTC;
 - 3) Endanger the health and safety of the public;
 - 4) Be a commercial activity;
 - 5) Conflict in date, time, and place with a previously scheduled activity of another applicant or a government agency, unless approved by the Building Manager; or
 - 6) Create an unreasonable risk of damage to State property.
- e) No permit will be denied on the basis of the viewpoint of the group seeking the permit or the content of the demonstration. A permit issued by the Department to hold a demonstration does not allow the individuals or groups to engage in activity prohibited by Section 5000.930. Failure to cease a prohibited activity may result in individuals or groups being removed from the premises by security personnel.
 - f) Applicants denied a permit may modify their request to meet the objection and concerns of the Building Manager and may resubmit their application for consideration.
 - g) A written request in letter form addressed to the Building Manager shall be considered an application. A written response from the Department or its authorized representative approving part or all of the application shall be considered the permit. The written response shall state, if applicable, the reasons for denying, in whole or in part, the request. The Department or its authorized representative is required to show that an unreasonable interference or prohibited activity will occur or is occurring when they deny the request in whole or in part.
 - h) A person or organization denied a permit, in whole or in part, may appeal the denial to the Director. The appeal must be submitted at least 24 hours prior to the time of the requested demonstration, to allow the Director time within which to consider and decide the appeal. The Director's decision shall be in writing and shall be made at least 2 hours prior to the requested demonstration's starting time.
 - i) Demonstrations on the grounds may only be held during normal business hours. All participants must disperse and structures must be removed at the close of the business day. Failure to vacate the premises will be grounds for security

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

personnel to remove all participants and structures from the grounds.

- j) Violations of the provisions of the permit issued by the Department will also be grounds for removal from the premises. Any requested exemption from the provisions of this Section must be approved by the Director.

(Source: Amended at 30 Ill. Reg. 14094 effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

OK

SUBTITLE D

Section 5000.950 Exhibits and Special Events

- a) All organizations or individuals that are permitted to use the buildings shall be required to execute an agreement to indemnify and hold harmless the State from any injury or damage caused by their members' or participants' negligence or willful misconduct. The organization or individual shall restore the used areas to their pre-use appearance and condition, less reasonable wear and tear, and the Building Manager shall be the final decision-maker on the clean-up of the used area. Only the requesting organization or individual is permitted to rent space in the buildings for a special event or exhibit. No State agency or State employee may sponsor or make a request on behalf of any organization or individual.
- b) Special events and exhibits at the buildings may be requested up to two years in advance of the date for the special event or exhibits. Requests must be in writing and submitted to the Special Events Office or Building Manager. All requests for special events and exhibits will be filled on a first-come first-served basis. A letter of confirmation or rejection will be issued within 10 working days from receipt of the request.
- c) The areas available for special events at the JRTC are located on the concourse level, atrium level, assembly hall, outdoor plaza and covered arcade, second floor conference/hearing rooms and State agency office areas upon prior written permission from the respective State agency. Exhibits are allowed only in the atrium lobby level of the JRTC unless permission is granted by the Department to use another part of the JRTC.
- d) Organizations wishing to use the buildings should contact the Special Events Office or Building Manager for the applicable fee for the space they intend to use at a building. Minimum and maximum rental fee ranges and conditions for the JRTC and all other buildings are in Appendix B of this Part. An increase/reduction from the minimum/maximum rental rate may be required or granted, based on the following factors: whether the scheduled event is conducted during government business hours or with another event; relative anticipated safety considerations of the scheduled activity; and market prices for competing facilities in the nearby metropolitan areas. The Building Manager or office will maintain a fee schedule for the building. All payments are due prior to the special event or exhibit, with the exception of clean-up fees that are due within 10 calendar days after billing, unless prior permission is granted by the Special Events Office or Building Manager. All requests for delayed payment must be submitted in writing on the requesting organization's letterhead. All payments shall be made to the Office of the Building or Special Events Office within 10 days after the event. If payment for services is not received within 10 days after

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

the event, or within the specified time as outlined in the lease agreement, a reminder notice will be sent to the event sponsor. If after the reminder notice, payment has not been received, the CMS Legal Department will be notified and legal action will be taken to secure full payment for services.

- e) Film crews and photographers for commercial purposes are permitted at the JRTC with permission of the Special Events Office.
- f) Any user (excluding State agencies) conducting a special event must provide prior to the special event an estimated number of attendees and a certificate of insurance in the minimum amount of \$1,000,000 identifying the Department as an additional insured. Failure to provide proof of insurance shall serve as grounds for termination of the lease agreement. Further information on any insurance requirement is available from the Special Events Office or Building Manager.
- g) Any user (excluding State agencies) shall provide evidence of insurance coverage prior to an event or exhibit, if requested by the Building Manager. A signed copy of the lease agreement, evidence of insurance coverage, if requested for an event or exhibit, and base rental fee are due prior to the special event or exhibit. All leasing arrangements shall be confirmed by the JRTC Office. Confirmation shall be by letter, fax or telephone call, a copy of which will be maintained by the Office.
- h) A minimum of one planning meeting, either by phone or in person, must be held with the Building Manager or the Manager's representative at least one week prior to the special event.
- i) All food and beverage services for special events conducted in the JRTC must be provided in accordance with the terms of the Department's commercial lease with its master tenant. Further information is available from the Office of the Building. Food and beverage service at the buildings must be coordinated with the Building Manager.
- j) Exhibits may not exceed 8 feet in height or block entrances, fire exits and hallways and must comply with all fire codes regulations. Exhibits also may not obscure the view of Atrium Mall shops at the JRTC during business hours.
- k) The State does provide some audio/visual equipment. This service is available on a first-come, first-served basis. Rental fee will vary based on the type of equipment requested. Limited set-up assistance is provided. The State accepts no responsibility for loss or damage to any part of an exhibit.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

SUBTITLE D

Section 5000.960 Distribution of Leaflets

- a) No organization or individual shall distribute leaflets to persons entering the buildings or in the atrium or concourse levels of the JRTC without written permission from the Department. Leaflet distribution shall not be allowed in any automobile parking area under the control of the Department or within business areas in the buildings.
- b) All requests to distribute leaflets must be submitted in writing at least 48 hours in advance of the activity to the Building Manager, unless the criteria for requests within less than the 48 hours set forth in Section 5000.940 of this Subpart are met. The Department shall consider the factors listed in Section 5000.940(d) to determine whether permission shall be granted to distribute leaflets on the grounds.
- c) A request shall include the name of the organization, estimated number of distributors, amount of time needed, and beginning and ending dates of the activity. The request must also include a copy of the leaflet to be distributed.
- d) Each person engaged in activities approved by the Department must wear a badge containing the individual's and organization names. The organization and its members agree they will not harass or attempt to compel the public in any activity approved by the Department under subsection (a) of this Section. The distributor may approach a person for the purpose of handing the person a leaflet if the person consents to being approached. Distributors also agree to stay in the area designated by the Department and shall not interfere with the business being conducted at the building. Failure to follow the rules may result in the organization or individual being removed from the premises and permission being denied to continue the activity.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

Section 5000.970 Severability

If any part of these Rules shall be held by a court of competent jurisdiction to be invalid, such holding shall not effect the remaining parts hereof.

(Source: Added at 17 Ill. Reg. 1206, effective 1/19/93)

FILED

JAN 19 1993

SOS - CODE DIV.

Section 5000.APPENDIX A Space Standards

In the analysis of the basic units of activity, the following standards of space were developed to reflect the requirement of recurring, typical activities. The standards provide the occupant of each work station with space sufficient to conduct his/her business in an efficient manner. The amount of space allocated to each activity type includes allowances for various units of equipment and intrawork station circulation. Additional allowances are used for supporting space for each job position as well as general circulation, conference rooms, library, reception area, special storage and other unusual space requirements.

These space allocation standards are in accordance with Part II, Section 3.20 of the Rules established by the Department of Central Management Services.

It is recognized, however, that agency functions and needs and physical variations in buildings will cause variations in the amount of space assigned and its division into private, semi-private and open areas. Therefore, the space occupied by the agency would rarely exactly equal the net space requirement.

A) Office Space Standards

Position Category	Code	Job Classification Examples	Area Allowances	Space* Type
Executive	E	Commissioner	250-300	P
		Director of Dept.	275-300	P
		Deputy Director	200-250	P
		(Exec. Area Allowance)	200-300	
Administrator	A	Re. Adm./Mgr.	175-250	PC,P
		Division Chief	180-250	PC,P
		Asst. Div. Chief	150-185	PC,P
		(Admn. Area Allowance)	150-250	
Middle Mgmt./ Supervisory	S	Supv. of Small Unit (12 or less)	100-125	PC,P
		Supv. of Large Unit (13 or more)	125-150	PC,P
		Clerical Supv.	75-175	O,PC,P
		Manager (up to 20 subordinates)	125-150	PC,P
		Manager (over 20 subordinates)	150-175	PC,P
		(Middle Mgmt./Supv. Area Allow.)	75-175	O,PC,P
**Professional	P	Attorney	90-130	PC,P P,SC

SEP 28 1984

Position Cate-	Job Classification	Area	Space*	
	Code Examples	Allowances	Type	
	Architect	to 150 90-125	PC,P O,S,SC	
	Exec. Acct.	to 150 95-125	PC,P O,S,SC	
	Env. Scientist	to 165 90-110	PC,P O,S,SC	
	Data Proc. Analyst	to 150 90-110	PC,P O,S,SC	
	Human Serv. Consultant	to 150 90-100	PC,P O,S,SC	
	Bhvrl. Scientist	to 125 90-100	PC,P O,S,SC	
	(Prof. Area Allow.)	to 125 99-130 to 165	PC,P O,S,SC PC,P	
**Technical/Prof.	T	Draftsman	60-85	O,S,SC
		Nurse	50-75	O
		Auditor	45-60	O,S,SC
		Bank Examiner	40-55	O
		Data I/O Operator	45-55	O,S,SC
		Programmer	65-85	O,S,SC
		Accountant	45-65	O,S,SC
		Para-Legal	65-90	S,SC
		(Technical Prof. Area Allowance)	40-90 to 100	O,S,SC PC,P
**Clerical	C	Clerk	140-70	O
		Sec./ Recept.	50-100	O
		Receptionist	50-75	O
		Word Processing Specialist	60-70	O
		(Clerical Area Allowance)	40-100	O
***Field Personnel (Positions where personnel are out of the office more than 50% of the time)	F	Pub. Hlth. Inspec.	45-50	O,S
		Caseworker	45-60	O,S
		Parole Counselor	45-60	O,S
		(Field Personnel Allowance)	40-60	O,S

*P - Private Office Space

PC - Private Cubicle

O - Open Space

S - Semi-Private Office Space

SC - Shared Cubicle

FILED

SEP 28 1984

****Any request for Professional, Technical or Clerical private office space must include justification. Security, Confidentiality, Private consultation or other good cause may constitute justification.**

*****Part-time or field personnel:** Whenever personnel use the assigned space less than 50% of the work week, the area allowances shall be adjusted to maximize efficient space utilization. Generally, sixty (60) square feet or less should be adequate, and , if operational requirements permit, desks and space should be shared by two (2) or more staff.

B) Common Function Standards

1. Conference Rooms - space allocation will be determined on the basis of:
 - . average number of persons attending'
 - . frequency of meetings (average number per month);
 - . average length of sessions;
 - . availability of private office space and;
 - . special requirements, e.g. dais, blackboard, projector and screen, etc.

Conference rooms should be established only when they will be in use at least 15 hours per week. Approximately 20 half-day sessions per month are considered capacity for one room. Allow approximately 20 square feet per person.

<u>Average number in Attendance</u>	<u>Area Allowance</u>	<u>NSF Required</u>
4	10' X 10'	100
6	10' X 15'	150
10	11'4" X 20'/12'6" X 20'	225-250
12	12' X 20'/15' X 20'	240-300
14	15' X 20'/15' X 25'	300-375
20	20' X 20'/20' X 25'	400-500
24	20' X 25'/20' X 30'	500-600
30	20' X 30'/20' X 35'	600-700

2. Reception/Client Areas - In establishing reception/client areas, agencies shall consider:
 - . average number of callers each day;
 - . type of callers;
 - . maximum seating requirements; and,
 - . special requirements, e.g. writing tables, bulletin board, coat rack, etc.

Space requirement is based on average visitor load at 10-15 square feet per person per hour plus circulation space. (This allowance does not include space requirement for receptionist.

3. Libraries - Space requirements is based on measurement of equipment plus circulation. Despite the fact that there is considerable variation in size of books, the following formulas may be used to estimate the amount of space required for books:

FILED

SEP 28 1990

Open reading rooms: 7 volumes per lineal foot; 50 books per foot of standard height wall shelving; or, 100 books per foot of double faced shelving.

Book stack areas: 15 books per square foot (includes aisles), or 2 books per cubic foot. Approximately 50 long play phonograph records may be shelved on one lineal foot of wall shelving.

4. Exhibit Areas, Duplicating Rooms, Mail Rooms, Supply Rooms - Space allocation based on measurement of equipment plus circulation.
5. Furniture and Equipment - These standards are to be used only if the designated furniture is not included in a private office or part of an employee's work station. Area requirements for other furniture and equipment can be determined by measuring the items. If access or circulation space is required, this should also be included.

<u>Typical Item</u>	<u>Square Feet</u>
DESKS (additional)	
Desk, single pedestal, 45" X 30"	10
Desk, typing, 60" X 30" with 32" typing platform	26
Desk, typing, 60' X 30" with 62" typing platform	38
Desk, double pedestal, 55" X 30"	12
Desk, double pedestal, 60" X 30"	13
Desk, double pedestal, 60" X 36"	15
Desk, double pedestal, 70" X 36"	18
Desk, double pedestal, 78" X 36"	20
CHAIRS (additional)	
Chair, swivel/posture	10
Chair, side	8
Stool, swivel	10
Chair, club	9
Settee, 2 seater	17
Settee, 3 seater	23
Chair, stacking	5

FILED

SEP 28 1984

SUBTITLE D

Weekends/Holidays 8:00 a.m. to 1:00 a.m. \$300 per hour Maximum of \$1500 per day	Weekends/Holidays 8:00 a.m. to 1:00 a.m. \$250 per hour Maximum of \$500 per day
Outdoor Plaza/Covered Arcade: Base Rent: \$750 Monday – Friday 8:00 a.m. to 9:00 p.m.	Outdoor Plaza/Covered Arcade: Base Rent: \$300 Monday – Friday 8:00 a.m. to 9:00 p.m.

FEE SCHEDULE
OTHER STATE BUILDINGS

PRIVATE/CORPORATE:

Auditorium	\$50/\$57.50 per hour
Dining Room and/or Patio**	\$300/\$345 maximum
Large Conference Room	
Small Conference Room	\$25/\$28.75 per hour \$125/\$143.75 maximum

STATE AGENCIES:

Auditorium	No charge
Dining Room and/or Patio	
Large Conference Room	
Small Conference Room	

EQUIPMENT AVAILABLE:

Overhead Projector (2)	\$10
52" TV & VCR	\$10
35 mm Slide Projector	\$10
55 Cup Coffee Maker (2)	No Charge
	User supplies full coffee service

All equipment must be returned in same condition received.
State agencies are not charged for equipment use.

EFFECTIVE DATE

AUG 1 0 2005

SOS-CODE DIV.

SUBTITLE D

**Additional \$100/\$115 fee for this space when attendance exceeds 200.

CLEANING

All after hours user groups will be charged a cleaning fee based on attendance, should the condition of the space used require it.

Under 100	\$25/\$28.75
100-200	\$50/\$57.50
Over 200	\$75/\$86.25

PROCEDURES AND REGULATIONS

A tentative hold may be placed on space via telephone.

Permanent hold on space must be done by letter of request from user group.

All non-State user groups must show proof of \$1,000,000 liability insurance coverage for after hours events.

EVENT HOURS:

Monday - Friday:	5:00 p.m. - 1:00 a.m.
Saturday & Sunday:	8:00 a.m. - 1:00 a.m.

FINALIZING EVENT:

Meeting between building staff and user group to take place 1 month prior to event.

Signed contract, certificate of insurance, and check for full amount due 2 weeks prior to event.

(Source: Amended at 30 Ill. Reg. 14094, effective AUG 10 2006)

EFFECTIVE DATE

AUG 10 2006

SOS-CODE DIV.

Minutes – October 14, 2003 Meeting

Ms. Deloney then summarized lease number 3504 for IEMA located at 1035 Outer Park, Springfield. Ms. Deloney summarized the terms. She stated that due to agency consolidation and the availability of federal emergency management improvement grants; this lease needs to be renewed with urgency. Until an executed lease is produced the grant money cannot be accessed and consolidation cannot occur. Member Bedore asked if the offices being vacated are scheduled for lease termination. The one leased property will be vacated and its lease terminated. The other building is a State owned “bunker” building in the Capital Complex. Member Bass asked what will happen at the Capital Complex. The Agency responded that the building would be partially vacated until a new Emergency Management “bunker” is constructed. Member Bedore finally commented that the description of this property’s lounges compared with that of other presented leases raised further questions about the use of break and smoking lounges and a lack of **standards** for their existence.

Minutes – November 15, 2003 Meeting

Interim Chairman Bedore started the discussion with questions regarding the real estate leasing database. He stated that by his calculations of the data, 3.5 million square feet is utilized in Sangamon County. Mr. Bartletti stated that was not completely accurate due to some redundant traits in the reporting. Interim Chairman Bedore stated for this purpose the discussion was only to get a basic understanding not an exact number. His point further was that in analysis he found six separate DCFS facilities and 16 facilities for the State Police. He asked how business could occur with the dislocation caused by leasing of several different locations. He then pointed to DHS having over 30 leases in Springfield alone. 815,000 square feet in these locations. Interim Chairman Bedore stated that inspection of 618 West Washington used by DHS revealed inadequate conditions of rental space and misused space estimated at 3,000 square feet, the same amount of space recently leased by DHS at 511 West Capitol. Interim Chairman Bedore then asked what is being done about this kind of **space utilization**. Mr. Bartletti stated that consolidation efforts have been attempted but the end result was that a consolidated space was significantly more money than the current leasing configuration and was not affordable. Interim Chairman Bedore suggested that at the cumulative total there could be more cost per square foot but an Agency wide review would be in order to downsize a lot of wasted space. He stated that CMS signed off on all these spaces and should have looked at **space utilization**. Mr. Bartletti stated that the consolidations looked at in the past were actually more square footage than the cumulative leased space currently used. Member Tristano said he agreed in concept with Interim Chairman Bedore but stated that in his experience as Director of CMS that CMS served as the Real Estate Agent and is trying to get the best price, not reconcile the using Agency’s existing and requested need for space. Interim Chairman Bedore asked what CMS’s role was in the acquisition of DHS space at 511 West Capitol. Mr. Brazaitis responded that the nature of the Springfield real estate market is that the larger the buildings; the higher the rate per square foot increases. Many of the offices currently leased were custom built for the State’s use. Member Tristano stated that he did not agree with that. He stated that with the State not constructing its own buildings, the market for large buildings in Springfield is limited and short on competition helping inflate the square foot price in the buildings.

Interim Chairman Bedore stated that this kind of rate increase should force the Agency to find alternatives to this storage space. Member Triche reiterated her concern that space utilization needs a more thorough review as exemplified yet again by this situation.

Minutes – April 14, 2004 Meeting

Member Bedore asked if **standards** were going to be developed for **space utilization** and whether the Board would see those standards. Mr. Szkatulski replied that they would be shared with the Board. Member Bedore next asked for detail about the presentation specifying the initiation of the bidding process. Mr. Szkatulski responded with detail about their presentation but did not include the detail

on the bidding process. He stated that it didn't seem to have answered Member Bedore's question. Member Bedore affirmed and asked that the details of the bidding process be sent to the Board. Mr. Szkatulski agreed.

Minutes – May 19, 2004 Meeting

Chairman Healy asked if there were any other questions and upon hearing none he thanked Mr. Campbell and presented Mr. Bruce Washington. He asked Mr. Washington when he thought space use **standards** would be coming. Mr. Washington replied that he anticipates July 1 as when CMS can start to develop a plan. He further stated that CMS would like to come before the Board at the next meeting to present their leasing strategy to which Chairman Healy stated the Board would appreciate that.

Minutes – June 21, 2004 Meeting

The fourth goal was to create a strong, credible and manageable **space utilization** program. Mr. Malone stated that **space utilization** data is being collected for owned facilities and that IPAM has identified in the Thompson Center and the Bilandic Building, over 35,000 square feet of excess space. In the final goal – to create substantial budgetary savings for the State, Mr. Malone stated that approximately \$100 million of savings are projected through December 2006 with \$6 million in savings projected for fiscal year 2004.

He continued by discussing the remaining leasing objectives, which are to incorporate **space utilization standards**, increase service to Agencies and to incorporate “best practices” into the CMS leasing process. In regard to incorporating **space utilization** standards, Mr. Utigard stated that the **standards** have been streamlined and reduced.

Member Bass asked for an example of excess space for example, in the James R. Thompson Center to which Mr. Utigard stated that there is quite a bit of vacancy created by those taking early retirement. Mr. Malone added that a look at those employees who are not in the office very often such as out bound caseworkers who are often in the field are being assessed for **space utilization**.

Member Bedore requested a copy of the revised lease document for the Board as well as a copy of the “Space and Finish **Standards**”. He also asked in regard to the existing leases, how the **space standards** will be applied. Mr. Washington stated each case would be handled case by case with the issue being the upfront cost involved to restructure a space. Member Bedore stated from touring the State's leased space as he has, there is going to have to be some remodeling. He then asked who would make the changes in a new leased office space to which Mr. Washington replied the landlord would. Member Bedore then asked who has the final say in how much space an individual employee receives to which Mr. Washington stated that CMS is working as partners with the Agencies but that CMS does make the final decision. Member Bedore then referred to a building on Fifth and Capitol as an example. He stated that there is a conference room on every floor in this leased space and asked where CMS comes in on such a situation where the using Agency states that they need a conference room on every floor; he asked if CMS would adhere to the “Space and Finish **Standards**” to which Mr. Washington replied affirmatively.

Member Morales, in reference to the bidding criteria asked, who would set the **standards** for determining favorable versus unfavorable lease renewal terms to which Mr. Washington replied that CMS is working with IPAM to set the **standards** that will be used to read the Real Estate markets. Member Morales then asked if relocation costs are included and Mr. Washington replied affirmatively.

Minutes – September 10, 2004 Meeting

Chairman Healy reaffirmed with Mr. Washington that the \$9 million in savings mentioned at the September 10th Board meeting was not just **space utilization** but for a combination of things. Mr. Washington concurred.

Next, Mr. Washington dispensed to the Board, a packet of materials that was requested by the Board at the last meeting. The packet included disclosure forms for IPAM, an itemized list of projected savings and a draft form of the lease agreement. After taking a moment to look over the materials, Member Bedore asked about space standards. Mr. Washington replied that he'd like to present the space **standards** to the Board prior to the next Board meeting, as they are a work in progress. Chairman Healy asked if the space **standards** would be provided before the next meeting so that there was time to review before the meeting. Mr. Washington said that he would comply. He further stated that CMS is looking to streamline about 30 different space **standards**. Mr. Washington also stated that the conflict of interest disclosure is in accordance with the Procurement Code.

Member Bedore asked Mr. Washington if the Board could receive the space **standards** information before the next Board meeting as the Board didn't have sufficient time to go over the information Mr. Washington prepared for this Board meeting. Chairman Healy stated in other words, the Board might have questions on the materials presented at this meeting that can't be addressed until the next meeting. He also requested of Mr. Washington that the Board be presented with the space **standards** prior to the next meeting to give the members time to go over the material. Mr. Washington stated that it was his understanding that for the most part, the Board would like finalized documents to which Chairman Healy replied affirmatively. Member Bedore stated that he would like for the Board to also be in receipt of draft documents so that the Board is able to give input before documents are finalized. Mr. Washington stated in response that no document is final when it comes to considering necessary input towards a better document to which the Chairman included that these should all be living documents.

Minutes – December 10, 2004 Meeting

The next item on the Agenda was Central Management Services. Chairman Healy stated that a letter was provided to the Board by Mr. Bruce Washington to answer questions the Board had about the new Lease Agreement and new Space **Standards**. Not all Board members received the letter due to the teleconference so Chairman Healy stated he wanted to postpone discussion until the next meeting. Chairman Healy then asked if any Board members had any questions for Mr. Washington. Member Bedore stated that nowhere in the new lease document is space for the previous rate that can be used for comparison. Mr. Washington replied that CMS is starting new and will be establishing rates with what exists in the market. He further stated that in any new lease or re-negotiated lease, regardless of the current rate, CMS will be establishing the market rate and will negotiate new lease rates from that.

Member Morales stated that he understood what Member Bedore was saying. He then asked if this is something that can be addressed as it arises. Member Bedore replied that this is an issue he raised a few years back on paying for employees to park in the underground parking garage in Springfield. Chairman Healy confirmed with Member Bedore that he was referring to a particular lease and that the Board should be inquiring about specific leases. Member Triche-Colvin stated that she feels Member Bedore is also suggesting policy as presented on a larger scale and trying to identify the cost and policy change that would equate to savings for the State. Member Bedore also stated that he is looking for a "**standard**"; with Space **Standards** being created, shouldn't **standards** also be set for parking. He stated that CMS is currently proposing **standards** for inside a building and he is proposing that **standards** also be set for outside a building. Mr. Washington stated that he would keep it on the radar and look into it. Member Bedore asked for an update on parking space **standards** at the next Board meeting. Mr. Washington stated that CMS cannot at this time apply attention to this issue however, by spring 2005, CMS will have looked into it.

Minutes – March 4, 2005 Meeting

Next the Board was next addressed by Mr. Bruce Washington for an update on IPAM. Mr. Washington stated that CMS put forth a sole source contract for facility condition assessment for the balance of 40 million square feet of assessment. The original contract called for 10 million square feet to be assessed by IPAM with the remainder to be outsourced. He stated that it was in the best interest of the State and economically feasible to continue with IPAM. This allows CMS to get all data in the

Space Utilization report as CMS has been questioned about the lack of data, the consistency of reporting by the Attorney General's office. Mr. Washington stated that IPAM did assess the initial 10 million square feet and in addition to IPAM providing resources, an RFP would have lost 4-6 months in going through the process of selecting another company. He further stated that in looking at the market rate, this was below market and CMS felt it was a win-win situation for the State. Chairman Healy asked to clarify that the State doesn't have any personnel with the expertise to do this facility condition assessment to which Mr. Washington replied negatively. He stated that the information input has to be quality information and accurately portray the facilities; it has to be consistent. Member Bedore asked if IPAM is replacing AFSME employees; what are the employees doing who used to do the work that the IPAM employees are now doing to which Mr. Washington replied that IPAM is not replacing State employees and will transfer knowledge to the State. Member Triche-Colvin then asked if there would be additional projected savings with the extension to and Mr. Washington replied that the savings would be nominal, as it will be paid for in the previous model where outsourcing was to take place. Mr. Washington stated that he didn't have a figure available to him but that he would supply the Board with such. He continued stated that the savings comes from what the original contract work would be versus what it is now. He stated that CMS is paying about 5 cents per square foot where the market rate is anywhere from 8 – 10 cents per square foot. Member Morales then stated that the original plan is going to continuously evolve to which Mr. Washington stated that CMS changed models; that the original plan was to have the outsourced facility managers do the facility condition assessment now CMS will do it. Member Bedore asked when CMS would take over and Mr. Washington stated in January of 2007 at the end of the three-year contract.

Minutes – May 10, 2005 Meeting

Mr. Smith stated that he asked facilities for talking points on accomplishments made over the last year or so, which are that by July 1st, will consolidate all remaining 40 Agencies, 10-million square feet of State owned property has been assessed, **space utilization** reports information gained from assessment, lease document has been revised and placed into service, due diligence requirement has been inserted bringing improvement to the process, A space request document has been revised to reflect facilities management's reworked space **standards** with projected savings of up to 17% over the previous document, sold approximately 70 acres of Elgin Mental Health facility to the City of Elgin, and implemented a call center strategy for facilities related work. Chairman Healy stated the Board would like more information at the next meeting.

Minutes – June 20, 2005 Meeting

The first item discussed was lease renewals. Mr. Bob Baker and Mr. Dennis McConaha were present on behalf of Higher Education. The first lease summarized by Mr. Baker was for 111 Green Street in Champaign. The Board had no questions on this lease. The next lease on the Agenda was for 1010 Jorie Boulevard in Oak Brook. Member Morales asked for the reason for the square footage increase to which Mr. McConaha replied it is due to consolidation. With no other questions, the Board moved to the final lease, which was for 200 South Wacker in Chicago, also known as the Illini Center. Member Bedore stated that it was an elaborate building and asked if such a facility is needed to which Mr. McConaha replied that the high visibility bodes well with it being near the train station and the desire to be downtown, the University would like to renew the lease. Member Bedore then asked if there were negotiations or if the lease was just renewed. Mr. McConaha replied that the university was in negotiations for a year and a half. Member Bedore then asked if the **standards** set by IPAM were followed regarding square footage per employee. Mr. McConaha replied that the space is not totally an office building and that the Lobby and Mezzanine meet a number of programmatic needs. He further stated that they have consolidated 6 or 7 leases that were scattered throughout Chicago into the Illini Center.

Chairman Healy asked if any consideration has been given to bringing on another company and asked if the State couldn't do this alone before, how can the State do it now to which Mr. Washington stated by using IPAM's groundwork. He further stated that the facility condition assessment for 40 million

square feet might require an outside contractor for help. Member Bass asked how much the IPAM contract was worth and Mr. Washington replied \$24.9 million with 10 million square feet left to evaluate. Mr. Washington also stated that CMS is looking to privatize some facilities managers and that 10 million square feet would represent a model for the facilities managers. Member Bass then asked if the 10 million square feet was the most lucrative in terms of savings to which Mr. Washington stated that it was meant to be a cross of the different types. Member Bass then asked if IPAM provided an integrated database to which Mr. Washington replied that IPAM's role was to research and assess what type of system the State needed. Member Bass then asked if an electronic work order system is in place and Mr. Washington said there are systems in place but they do not talk to each other. Member Bass then asked about preventative maintenance integrated and Mr. Washington stated that CMS has this but other Agencies do not; that it needs to be **standardized**. Member Bass then asked if this is all on paper and Mr. Washington replied if it's been done, it's on paper. Member Bedore asked how long IPAM was working for the State to which Mr. Washington replied since January 5, 2004. Member Bedore then asked what the expenditure to date was and Mr. Washington stated he didn't know but that CMS's CFO would know. Chairman Healy asked how soon the Board could get that information and Mr. Washington replied within the week.

Minutes – September 9, 2005 Meeting

Member Bass stated that it would seem to be prudent to assess whether or not it is in the State's best interest to go outside and supplement their staffing to get this cleaned up because he believes that there are better deals out there than letting people wander along on a monthly basis. Mr. Washington stated that he is not a proponent of that because he doesn't believe it should be taken advantage of, opportunities or the public, but in many cases for those leases that are in holdover that go back to 2002, the market rates were low. He continued stating there has been inflation and rate increases or market increases, but yet the State, in some cases, is reaping the advantage of a market that's five years old.

Member Bedore asked Mr. Washington for an estimate as to when the Board would have the opportunity to look at the leases that Mr. Washington mentioned to which Mr. Washington replied that the Board would be given advance notice. Member Bedore then asked if CMS was working on space **standards**, so many square foot per employee, etc. and Mr. Washington replied affirmatively. Member Bedore then asked about parking.

Member Bedore read from the minutes of the January 26, 2005 meeting: "Member Bedore asked Mr. Washington about parking. He stated he did not know why the state provided parking for employees. And he wanted to know what the cost of providing the parking was. Member Morales agreed. Member Triche stated that she feels Member Bedore parking policy is presented on a larger scale and trying to identify the cost and any policy changes that would equate to savings for the state. Mr. Bedore stated that CMS is currently proposing **standards** for inside the building and what he is suggesting is that **standards** be set for outside the building. Mr. Washington stated that he would keep it on the radar screen and look into it. Member Bedore asked for an update on parking space **standards** at the next board meeting. Mr. Washington stated that CMS cannot at this time pay attention to this issue. However, by the spring of '05, CMS would have looked into it and have an answer." Member Bedore then stated that this is now the fall of '05 and asked if there was an answer yet to which Mr. Washington replied that CMS has looked into it and that they're articulating the need for a policy. He further stated that priorities have changed since that time. During that time, CMS was working with their Asset Manager in managing and implementing the program. He further stated that there has been a lot of activity that has come out regarding the Asset Manager and with that, a lot of their resources have been pulled away from CMS looking at certain things in order to address the Asset Manager issue, but it is something that CMS still has on their docket to complete. He stated that it is just a matter of priorities.

Member Bedore stated if CMS is going to bring 65 leases to the Board, wouldn't they have already looked at paying for these parking spaces; wouldn't CMS want that part of the lease coming to the Board. Mr. Washington replied that parking is not always a part of a lease. Member Bedore replied

that in a good number of the leases it is and CMS doesn't have any **standards** set for that to which Mr. Washington replied that at this point, CMS looks at it on a case-by-case basis. Member Bedore asked if CMS had any policies set because Mr. Washington had previously stated that by the spring of '05 it would have already been done.

Mr. Washington stated that he agrees and has told the Board why CMS has not completed that to which Member Bedore asked how can CMS bring leases to the Board without having this **standard** and policy set. Mr. Washington replied that in his opinion, this has been the practice for decades and he doesn't know if one can expect that everything is going to be changed overnight. He further stated that CMS is making changes as they go, but they don't want to hold up the ship until everything has been modified or changed to complete some initiatives.

Minutes – November 3, 2005 Meeting

Mr. Smith stated that the question and answer session did seem to contradict the original RFP that contained language that allowed for mutual consent between the vendor and the State to negotiate a rate change during the contract term. He wanted to point out that in the recommendation it suggested there should have been a method to test calculations and verify outcomes. He stated that one of the changes CMS is making in the proposed rule changes should address that by stating that all price sub-factors and their relative ranking must be shown in the RFP. He stated that this doesn't address the issue 100%, but he thinks it comes very close. If the rule change passes and CMS writes the RFPs to include sub-pricing the issue should be minimized.

Member Morales then asked if it would worth it to get the holdover leases out of the way rapidly to achieve additional savings. Mr. Washington stated that saving money was not an issue unless there is a consolidation or reduction planned and in regard to holdover leases, the rate will most likely go up since the market is higher today.

Member Bass stated, in trying to understand, if there is a lease that will go into holdover and the Agency has 6 months to clear out but they don't, what happens to which Mr. Washington stated the lease will become a holdover month-to-month lease at the rate of the last month's rent. Member Bass then asked for clarification. Mr. Brown stated that his perception is that if the law limits holdover status to 6 months, then CMS would have to take an alternate action to stay in that location such as a one-time 364-day lease.

Chairman Healy stated that the unemployment insurance increased and CMS allowed one vendor to receive an increase but not all three vendors to which Mr. Smith stated he didn't believe the other two vendors requested an increase. Member Bass asked if there was a **standard** ratio expected in terms of proportion between technical and pricing scoring to which Mr. Smith stated there is no **standard**. Member Bass then asked if that is assessed when reviewing another agency's RFP to which Mr. Smith replied affirmatively.

Member Bedore stated that with the new **standards** in place, he doesn't feel conference rooms and smoking rooms and basements for storage that aren't really needed will go away and to say there wouldn't be a savings is incorrect. Mr. Washington stated that there are union restrictions in regard to smoking rooms and the displacement of space is not guaranteed to save. Member Bedore referenced several building where he has reviewed space use conditions and quality of facility prior to Board review. On each occasion the Board forced lower rates based on its findings.

Minutes – April 4, 2006 Meeting

Member Morales asked if DCFS only needed 9,975 square feet. Ms. Britton noted that DCFS worked under a vendor contract, which was eventually held over and DCFS remained on site. After the vendor contract terminated, they dealt directly with the landlord who still needed to be paid. Ms. Britton further stated that DCFS would continue to be there until they have consolidated property, and noted that the new lease has a 120-day termination clause. Mr. Johnson noted that the flexibility of the termination clause would allow them to consolidate when the whole plan comes together. They

did not want to enter into a 364-day lease that would eventually go into holdover status. Member Bedore stated that a one-year lease would put more pressure on DCFS, and then inquired if \$17 per square foot in downtown Springfield is on the high or low end. Ms. Britton stated that it is on the high end of the market, but the landlord did come down \$1 per square foot, and it is for full services. Chairman Healy requested an explanation of "full services." Ms. Britton explained that the cost included gas, water, janitorial services, taxes, insurance and general maintenance. Member Bedore asked if this lease was run against the new space **standards**, to which Mr. Johnson replied affirmatively. He further stated that it was run against all the protocols that they have in place. Member Bedore inquired as to where the space is located. Ms. Britton stated that it is in the National City Building on 5th and Washington Streets in Springfield.

Minutes – May 8, 2006 Meeting

The next topic on the agenda is Rules – Uniform Price Card. Mr. Smith stated that the UPC is the revision of the multiple award rule. An emergency rule was filed with JCAR to get this into the system so they could proceed. JCAR asked CMS to repeal the emergency filing, since its purpose was addressing the IT staffing contract, but its application was for all types of contracts. A meeting was set with PPB Director Brown and JCAR to revise the proposed permanent rule to meet all of the concerns. CMS also insured proper control by setting **standards** in the rule to insure fairness. The rule was revised and filed as a second notice. If approved they can start as early as next week. Mr. Smith stated that after the meeting with Director Brown and JCAR staff they are still able to meet their objectives. This will provide for opportunities for multiple vendors to participate through their random selection of vendors. An RFP has been drafted, but is not ready to publish yet. They have detailed job descriptions written for the IT contractors. There will also be detailed business rules set forth in the RFP's taking account for vendor capacity.

Next, Member Bedore asked about parking policy and justifications for parking. Mr. Johnson stated there is a new parking policy that has been brought to the Board that supersedes the old policy. Member Bedore stated that he disagrees with this new policy. Mr. Johnson stated any request for parking by an Agency must meet the parking policy **standards**. They also must indicate if it is a State owned or privately owned car. The applicant is also required to provide a justification of their need for parking. Chairman Healy inquired once the request has been sent, who checks to see that the request is necessary? Mr. Johnson replied the leasing representative who is managing that property does a site visit to see if the need is there. No further questions arose.

Minutes – June 29, 2006 Meeting

Next on the agenda was Paul Campbell, Director of CMS and Chief Procurement Officer. Mr. Campbell provided a presentation touching on the last three years of the restructuring of CMS. He used an analogy of this old house and stated that you must bring down the old walls before building new ones. Mr. Campbell continued stating that you must start with a design. This presentation is to let the Board know what is going on and to make sure that CMS is going in the right direction with their core principles. The core principles are cost savings, accountability and transparency. Mr. Campbell stated that when the Procurement Business Case was put into place in July of 2003, it was the first time in 10 plus years CMS had a level of visibility into what the State Agencies were spending. Mr. Campbell continued to go over the entire foundation and how they are trying to restructure CMS. He went on to reference Governance for IT, new processes and systems analogies to walls, wiring and plumbing. He stated that it doesn't stop there. We need an interior for our house of knowledge management and **space utilization**. He stated that total cost of ownership is established over the structure to help find the best value. He said that return on investment is 7:1 in this effect.

Minutes – August 21, 2006 Meeting

Mr. Schaaf recited part of their mission statement "...In fulfilling our mission we utilize the best practices to create, lead and manage administrative services to preserve the State's human and concrete assets and to establish and monitor **standards** for the greater good of State Government." The progress report for '06 and their mission statement call for this action. Mr. Schaaf believes that

the best business practice and the good of State Government is what they are looking for. He believes that CMS is capable of making a decision/determination as to which leases should be renewed or extended as they are and which ones should be reviewed for an RFI or researched for relocation.

Minutes – September 26, 2006 Meeting

A due diligence process required them to because as this Board knows they enter into leases every 5 to 10 years and they have to ensure that the space and configuration is such that they can carry out their objectives. Member Bass wanted to know if the configurations are determined by the LOA or the local office or is there a **standard** configuration. Mr. Johnson replied that the configuration is determined on the **standards** for space that are provided by CMS. The Agency is where they determine what **standards** will apply, meaning how many cubicles how many supplies, etc. Mr. Johnson also stated that going forward that they will have templates in place so they don't leave anything to chance.

Minutes – February 28, 2007 Meeting

Member Bedore wanted to start by thanking Mr. Schaaf, Mr. Hurley and Mr. Schierholz for joining Director Brown and him on the site tour. During these visits they were able to see certain things that need to be fixed or taken care of. Member Bedore said there were two questions he had. One was why the A/C was not taken care of in the computer room in a timely manner before the walk through. The other question was on the files in storage from 2003, 2004, and 2005. Why they had not been destroyed yet. Mr. Schaaf stated earlier that the files were being used in a Federal Investigation and the chiller situation was handled as soon as CMS became aware of it. Member Bass wanted to know more on the metric headcount to sq. ft, if it is on gross sq/ft. Mr. Schaaf replied that **standard** across the State is 300 (gross) sq. ft per person is a rough average. This does include approximately, depending on the areas, about 30% for common areas (i.e. hallways, restrooms, storage, etc). Floor plans are being put together on every building and every floor to help utilize space. Some older buildings are not built to utilize space. Member Bass wanted to know how CMS would assess that. Member Bedore stated that at this location there is a **standard** of approximately 190 sq. ft of usable space. Member Bass asked if certain titles get more sq. ft. Mr. Schaaf replied yes certain titles get certain sized offices. Chairman Healy wanted to know when figuring square footage, do they include storage space. Mr. Hurley stated in this case, storage was included to get the gross square footage, but normally it is not. No further questions were asked and the lease was moved for no objection by Member Bass and seconded by Member Triche-Colvin. It was unanimously approved.

Minutes – June 1, 2007 Meeting

Ms. Armstrong stated that holdovers are one of the top strategic priorities for CMS. Ms. Armstrong then stated that a project management team was created including top leadership support with weekly meetings to drive the issues at hand. CMS also realizes much more must be done to come into compliance. Ms. Armstrong said since February 2006, 183 holdover leases have been eliminated and an activity based measurement was performed to analyze leasing processes and productivity. CMS has also initiated an internal efficiency audit to determine short and long term process improvements with results expected in two weeks. The **space utilization** planning committee created a draft statewide plan that includes best practice recommendations and strategic planning sessions with management and leasing staff. Ms. Armstrong explained that the next step is to improve technological capability and communications with agencies to promote effective overall space planning and increase resources (i.e., – reallocation of available staff from all other areas in CMS, hiring and evaluation of outside resources to lend expertise in Chicago real estate market). In conclusion, Ms. Armstrong said that their desired state would be to have a strategic portfolio planning process to integrate with long-term capital planning, customer focus with improved communication and coordination with agencies, improved data and reporting capabilities, and a focus on strategies and accountability tied to ongoing performance measures. Ms. Armstrong said she would be happy to answer any questions the Board might have. Chairman Healy asked how long it would take a new lease from start to finish. Mr. Schaaf replied that it would depend on the programmatic use of space and its size. If it is a small area, it could

be done in 30 – 60 days. If you get into a large area where there is a lot of build out involved, it could take up to six months. Chairman Healy wanted to know how much cooperation they are getting from the other agencies. Mr. Schaaf said that he thinks it is improving. Chairman Healy asked when they talk about hiring someone for the Chicago area, will this person need training or have the experience? Mr. Schaaf replied that they will have the experience. Ms. O'Donnell wanted to also point out that they are conducting meetings with the four agencies that make up 70% of the leases and asking any agency that is bogged down at the approval level to designate someone that will have the signature authority to approve and if the CFO could just do a quick review. They are also doing Director to Director phone calls and letters to ask for support in making sure these leases move through their process as quickly as they can. Chairman Healy stated that he has seen improvement in the last six months with regard to lease holdovers. Member Bass wanted to know where they were with the RFP on out sourcing help in Chicago. Ms. O'Donnell replied that the RFP is in the process of being written. They have looked at a number of RFPs from other states as well as the Federal Government to see how they have done it. Member Bass asked them to explain the impact of holdover leases in totality and if they have made progress. Mr. Schaaf replied yes. The net remaining holdovers are 192 and under 200 for the first time since Mr. Schaaf has been in this position. In this year there have been 6 leases go into holdover and CMS has had 43 negotiated out of holdover and seven terminated, but there are always leases going into holdover. Member Bass also said that duration is still a concern. Mr. Schaaf replied that some of the leases with long holdover periods are the tricky leases and might have issues on CMS's side or on the landlord's side or both. Member Bedore wanted to know why the Governor's Office was involved with the leasing of property as mentioned during the presentation. Ms. Armstrong replied that it pertains to the support of hiring and getting the Governor's approval for personnel and getting the conflict of interest statements that they also review in the Governor's office. Referencing CMS's recent audit Member Bedore also wanted to know why they need to write off a half a million dollars because it can not be collected from fellow agencies. Ms. O'Donnell replied that Member Bedore is correct and wanted to address his point. CMS is directly responsible for repayment of leases to the extent that cash-in/cash-out matches the appropriations and confirmed that appropriations are not necessarily matched at times. She also stated that it is a growth function and as they have been billing agencies for the last couple of years there has been a maturation process regarding billing verses appropriation. Ms. O'Donnell stated that she has been in meetings regarding this situation and CMS is meeting with agencies asking why they have not paid them or why they have not turned in their space request. Member Bedore stated that with CMS overall authority they should be able to get the agencies to comply using other pressures. Chairman Healy stated that they have seen an improvement and feels that it will continue. Member Bedore wanted to know if CMS would attend the meeting next month with response to the Auditor General findings. Ms. O'Donnell said they would be happy to. Mr. Schaaf stated he has the information on the leases going into the AIG building to distribute to the Board and floor plans. No further questions were asked.

Minutes – June 28, 2007 Meeting

Next on the agenda was Facilities – In attendance was Bureau Chief Bob Schaaf. Mr. Schaaf gave a summary of this month's activity. There were 14 transactions that have already been posted to the IPB and CMS expects to have 23 posted by the end of the month. There are 10 leases that are coming off of the holdover list and 30 transactions have been executed. Mr. Schaaf wanted to express that the main obstacle to the holdover leases issue is manpower. CMS has organized a program over the last 60 days to utilize everything in property management they can to handle the holdover lease situation without jeopardizing the rest of operations. CMS has also brought on personnel under a 75 day contract. There is a new person here in Springfield who is helping in site selection and they are receiving help from other departments to help bring together space requests and approvals. The annual space planning letter, which is sent out every fiscal year, has been sent out to agencies to give CMS a projection for the upcoming year on what their space needs are going to be. Mr. Schaaf stated that CMS has an executive summary of the **space utilization** program with matrices that will be available to Director Brown the following week.

Member Bedore had a question from the minutes from last meeting that Ms. Armstrong stated that an internal efficiency audit to determine short and long term process improvements was expected in two weeks and wanted to know if there was an update on that since the two weeks have passed. Ms. O'Donnell replied that CMS had anticipated having an update for the Board today. CMS has had the auditors in and the initiative is underway. Ms. O'Donnell was not sure if Ms. Armstrong was talking about the **space utilization** and will double check with her about that. Member Bedore stated that the next meeting would be fine for him. No further questions were asked.

Minutes – October 12, 2007 Meeting

Ms. Armstrong continued by stating that, in addition, CMS is automating their leasing package in attachments and have developed a new set of **standard** terms and conditions and will be prepared to present them at the next board meeting.

Chairman Healy wanted to know if those agencies will be notified before their lease is coming up, that their **space utilization** is not where it should be and that the lease might have to go out for bid? Ms. Armstrong replied yes and CMS is also working closely with OMB and some agencies with budget issues

Minutes – May 6, 2008 Meeting

First on the agenda was CMS – In attendance was Deputy Director of Property Management David Vaught. Mr. Vaught told the Board that CMS was prepared to make a presentation on holdovers but were experiencing hardware failure and would be using handouts of the presentation. Mr. Vaught asked the Board if they could continue with lease #5476 until the presentation is distributed to everyone. Chairman Healy agreed. Lease #5476 is a DCFS lease on Dixie Highway in Harvey. This building was built to suit in 2000 and the lease is proposed for renewal. This is a DCFS regional office that is meeting their needs and they would like to stay in that location. The rent is going down from the base rent in the original lease by 1% by re-negotiating the snow and ice removal to be included in the base rent. Chairman Healy asked if CMS was paying for snow and ice removal in the past. Mr. Vaught replied that they paid the landlord an extra \$850 for snow and ice removal and was able to negotiate it into the base rent, which is a flat rate for the term of the contract. After five years, it will go up 2% and would be a flat rate for the renewal term. This is a 49,200 sq. ft. lease with 124 people and is firm for the first 36 months with a 120 written notice thereafter to terminate the lease. Member Bedore had some questions that go beyond this lease. Member Bedore commented that this administration set a new bar, a new level for square footage at the IDOT Annex. The last known lease, which has been in holdover since 2005, was \$16.95. Then, add on all the rest and it comes out to \$21.48. There are also figures at the Comptroller's office which are contrary to what IDOT has said that they are spending. If they are spending the amount that they are said that they are spending in the newspaper then there is something illegal; then someone is beyond the law here. Because we have \$1.4 million, IDOT is actually \$1.3 something and IDOT keeps talking about \$1.7 million, looking at this lease, there is no way in the world that they would be spending more than \$1.7 million, unless someone is paying for something that they should not be. But CMS has set a standard of \$16.95 a square foot...Member Bedore stated he would have to vote against this lease in Harvey. This building we are talking about here in Springfield is a block away from the main IDOT building. We have people and the director of safety in this building who is on television stating that he has to keep in contact with the main office and will set up an auxiliary office here in Springfield, but this administration said they are going to Benton.

Member Bedore wanted to read some things about Benton. Now the administration is backing up on it because the Mayor in Benton put his foot in his mouth. The Mayor, Gary Craft, of Benton said "we have no building that could accommodate this agency, but we would be happy to build one". What did the State say about this...they said it is too expensive to be up here in Springfield. We have the director saying it would be close to where we are today to the main office so now we are going to move to Southern Illinois, but I will have to rent an auxiliary office up here. Well, with an auxiliary

office up here comes administrative assistants plus his staff in Benton. How do you know it is going to be cheaper in Benton than it is here? There has been nothing done. This was written by Bernie Schoenberg, a political writer, which is exactly what this should be in. It is a political decision made affecting the 150 people who have worked for this State for up to 25-30 years. The union stewards have people crying when this announcement was made just because some Senator and Representative from this area happen to vote, not necessarily with this administration, so let's take it out on the people. This is a disgrace and he does not care if you stand up here and tell us it is too expensive. You can reduce the number of square feet in this building because it is way over the amount it should be. You had DNR out there with 20,000 sq. /ft. that moved out of the lease, but you did not reduce the overall lease. We can go on and on so if there is going to be a new standard of expensive well then we should immediately get out at 59th and Ashland in Chicago. Forget all the other problems with that piece of property. That goes back to the prior administration when the lease was put out. The lease did not get ok'ed until there was a wakening, an epiphany in this administration. I do not know what happened, but somebody got the word that this is a good lease and so a letter went out from one of our great CMS employees, Bruce Washington. He said this is a great lease except it was \$23.00. So if \$16.85 for Springfield is too high than what is this lease? Is this lease too high? Plus you put in a 15 year term that is even better. CMS should hang their heads. So if you are going to set a standard of \$16.85 how about the lease in Westchester that was discussed many times by this Board. We all said it was too high and that was \$22.50 a sq/ft. plus janitorial and everything else. How about the lease on South Dixie Highway and in Chicago Heights for \$21.00 a sq/ft and the lease in Woodstock for \$20.47. I can go on and on and could mention hundreds of leases that are over your standards now. IDOT and this administration have decided that \$16.85 it too much. If that is the case then I am voting against this lease in Harvey. Here we have a 1st class building in Springfield, Illinois at \$16.85 and we have a building in Harvey at \$19.48. By your own standards it is too high. So, Chairman Healy I wish to vote against this lease.

Chairman Healy asked if CMS would like to make any comments regarding this. Mr. Vaught stated that they certainly urge each lease be considered on its own merits and the Board exercises its appropriate judgment, but this lease is being proposed at a reduction in rent. This was a build to suit in 2000 and meets the needs of DCFS in Harvey. We cannot serve its DCFS clients in Harvey from here, the location is important. The property needs to be in Harvey and know there are different markets there. This is a lease we are asking for the Board to approve at a reduced cost. Mr. Vaught stated that he was not prepared to talk about IDOT, but the SPO for IDOT Bill Grunloh is here and might be able to answer some questions for you. Chairman Healy stated that he does believe that this lease should be considered on its own and realizes that the IDOT situation was not on the agenda, but does CMS think it should be looking carefully considering everything in the proposed move; also considering the comments made by a Mayor that says they do not have a building that could house those people, which is of some concern to this Board particularly the way it is being presented. Mr. Vaught replied that they do not have a publication out on that at this time so they have not taken action in CMS. Mr. Grunloh stepped forward and stated that he was present here today to talk about the small purchase threshold and said that he was not prepared to answer any questions regarding this issue. Chairman Healy wanted Mr. Grunloh to take back the message that this is a big concern to the Board. Mr. Grunloh replied he would do that. Chairman Healy stated that CMS should also know that this is a big concern to the Board and that if they are going to be doing something with this facility one way or the other it is certainly going to be looked at very carefully. Member Bedore stated that you have to understand the lives of 150 people. Mr. Vaught replied that he understood. Member Bedore continued stating that this is strictly political retaliation and to put the guise of cost savings is nonsense, it insults me and insults this Board. IDOT can sit there and quote figures that are all incorrect; \$25.00 a sq/ft is totally wrong and if they are paying that they are violating the law. There is criminal activity then. Because here is the lease that is \$16.95 plus cost and went through costs and when this lease expired in 2005/2006 there are no more escalators, you know that. When the lease expires you pay the rate at the last rate. If IDOT is paying more then that should be something the States Attorney looks at. For their person, who was on TV last night again, stating that it is \$25.32 per sq/ft. How can that be? The State

Comptroller says that IDOT is spending \$1.3 million. That is the contract total. Where is IDOT coming up with this \$1.7 million? If IDOT wants to sit and hide that it fine. Something is wrong and I am tired of this Board being pushed aside. I am not sure where the rest of the Board members are on this, but this is a disgrace.

Member Triche-Colvin stated that as she reviews minutes dating back to 2004 we have frequently discussed space standards and space utilization plans and the bar has been changed and the measurements seem to vary based on the need of the individual department. CMS has stated to the Board on many occasions, since the beginning of the current administration, that they would work with the Procurement Policy Board on establishing space standards and space utilization and the frustration that she feels, which has been expressed very vividly through Member Bedore, is that there is no standard. The standards vary based on the need of the agency and in reference to this Harvey lease that she would like to be voted present on this. It is very important that the Board operates in a non partisan environment. These are the lives of State and Government employees who all deserve to be treated fairly and with respect and whenever there is partisan participation, things happening on a personal nature, all the consequences can be dire. Chairman Healy asked if there were any further comments.

Member Bedore wanted to go back to what he originally started out commenting on. He wanted to know if anyone has given thought to some of the buildings that are available here in Springfield. ISP is moving people from various locations to one location. There are several buildings in the Springfield area that would not disrupt the lives of 150 people and spouses and children. CMS thought the buildings on Ash Street was the greatest thing since Cracker Jacks. Why is that complex not good any more? Maybe because it is in Senator Bomke's district. Oh, God forbid. Member Bedore hopes that CMS goes above that and is professional and when it comes to these 150 people. Mr. Vaught responded that he believes that the lease that is on the agenda is there to address a DCFS need. Member Morales asked Mr. Vaught that if he knows that a town has been chosen, if no space has been chosen and is the place where CMS wants to build when no due diligence has been done. Mr. Vaught replied that when they bid new space, they put that bid out and generally define a geographic area that CMS draws up to define where CMS is looking for space. Chairman Healy stated that lease #4577 is a huge concern to this Board especially the way it is being handled in the public and he feels that lease #5476 should be voted on its own and assumes that this will not be the standard as far as what was heard in this paper by CMS. Mr. Vaught replied that CMS has a lot more work and understands that. Member Bedore said that Rebecca Rausch, the spokesperson for the Governor, said that the cost was too high and also Brian Williams was on TV last night three times stating that this lease is too expensive. I am sorry, this must be the standard, it must be. The Governor's office, IDOT and everyone else says that this is way too high so then any other lease over \$17 is too high. Mr. Vaught stated that CMS tries to analyze each lease on its own merit. They are in different markets, different situations and buildings are configured differently and try to explain their rational on what they are doing on a particular lease. Mr. Vaught stated that there is a wide range from \$17.00 on up in the Springfield area. Member Bedore wanted to know why the Governor's office thinks it is too high. Mr. Vaught said that he is not able to speak for the Governor's office. Chairman Healy wanted CMS to make sure that the Governor's office has the correct figures on this. Someone has the wrong figures or the Board has been given the wrong figures. Chairman Healy asked for lease #5476 on a motion to approve. Member Morales replied that based on the merit of this particular lease and the fact that they are managing the pricing on it; he moves it to go through. The motion was not seconded and the lease was not approved. Chairman Healy thought that this lease should be tabled until the next meeting. A motion was made by Member Bass and seconded by Member Bedore. The motion was unanimously approved.

Minutes – June 13, 2008 Meeting

Next on the agenda was lease #5476 15115 S. Dixie Highway in Harvey – Mr. Vaught replied that this lease was tabled at the last meeting and gave a brief summary of the lease. Mr. Vaught stated that this is a renewal and originally built to suit in 2000 and the rationale for renewing it was because CMS was able to get a rate that stays flat for the five year term of the lease and a slight decrease in rent as indicated in the white sheet given to the Board. They have a 1% decrease in rent in year one that stays flat for the term of the lease. Mr. Vaught stated that CMS did not mention at the last meeting that the current lease has an amortization in it that is not complete and if CMS vacates this property before the full amortization is paid in 10 years there is a penalty associated with that. In the negotiation of the new lease CMS was able to get that waived for the next term. Chairman Healy perceived that this amounts to a 10 year lease from its origin because of the forcible penalty. Member Bedore wanted to confirm that the T.C.O. was not presented with this lease. Mr. Vaught replied affirmatively. Member Morales wanted to know if that was included the market range. Ms. Armstrong replied that BOMA comparison rates would not include indirect management fee when CMS does market analysis. The indirect fees are the cost that CMS uses to administer consolidated properties. They are not new costs, but a shift in the way they bill for them and pay them. Member Bedore asked if that would also apply to IDOT Annex in Springfield. Mr. Vaught replied yes. Member Bedore stated that CMS cannot have it both ways. If you are going to throw in the costs for the IDOT building then he would like to have the cost on leases before the Board. Ms. Armstrong added that one of the overhead issues is security cost. There is security cost in their T.C.O. and believe that security is a variable cost because it depends on if they have clientele. Some client service offices might have more security than others and she realizes that they have an issue with the comparison when security costs are high. CMS is considering breaking them up separately in their new terms and conditions for leases that CMS is working on. CMS is also working on some of the comparison issues valuing variables versus fixed.

Member Bedore stated that just a few minutes ago it was stated that \$25.31 sq. ft. was a very expensive lease. Now on this Harvey lease we were presented a base cost of \$26.13 without CMS management expense. So you are telling me that it is \$26.13 plus CMS management expense, which could bring this lease to \$27 or \$28 per sq. ft. Yet it was told to this Board five minutes ago that \$25.31 was a very expensive lease. So what does that make this lease? And this must be a bad lease because of the escalator. Mr. Vaught replied that if he said very expensive he misspoke and meant expensive and expensive was in relation to other leases in the Springfield market. Mr. Vaught stated that they are now talking about a market 100 miles away and market values are different in other areas. Chairman Healy stated that he is current negotiations on a lease here in Chicago in a pretty good area and advised Mr. Vaught to be careful of representing the value of Harvey, Illinois opposed to Chicago or Springfield. This lease is at least, according to your figures, minimum of \$26.22 in Harvey plus CMS's expense. \$28 does not seem like an in-expensive lease in Harvey, Illinois. Mr. Vaught replied that sounded accurate and would not disagree. Ms. Armstrong wanted to add that there is a \$3.83 per sq. ft for security costs in this lease, which was the point she was trying to illustrate and don't believe that it should be reflected as an apples to apples comparison because she does not believe that the IDOT building has those same costs. If CMS backs that out now the operating cost would be below \$26.13. Member Bedore wanted to discuss the square footage of this lease. In this lease in Harvey and he understands that is it for DCFS client service it is 395 per sq. ft. per employee. Real estate experts state that 250 sq. ft. per employee is a realistic number, but with some of these agencies it would be 300 sq. ft. and this is almost 400 sq. ft. Knowing there is space for children, conference rooms and things of that nature, he knows that is the argument that CMS is going to come back with. Member Bedore wanted to go to the next lease for DHS in Rockford, Illinois for a moment just for reference and have the Board look at those pictures. You can see that there are waiting areas, conference areas, which is the same type of services that we would have in Harvey. Their square footage per employee is 278, which is 120 sq. ft. less than Harvey and at a much lower price. Member Bedore stated he does not understand how they can justify this Harvey lease. Mr. Vaught explained that this is a different lease than Harvey. This is a build to suit that was done in 2000 and nice building in Harvey, which the

State built with good standards back then and is proposing to renew an existing facility that is one of the higher quality facilities CMS has and believe that it puts it in a different category. It is not as tight as CMS would like to see it on space standard, but when you are renewing a built to suit facility you are renewing what is there. Member Bedore asked that since it is there does the State have to use it? Mr. Vaught stated that he was answering the question why and restated that CMS has tried to renegotiate lower rents and tried to get out of the penalty on the amortization and tried to get a flat rate of rent and made an attempt to address all of those occupancy issues. Chairman Healy stated that the State is really not getting out of the amortization, which goes away over the five years. Mr. Vaught replied that they are doing it at a flat rate. Chairman Healy stated that we are doing it at a flat rate, but basically in 2000 when they did the original lease on this they put the State in a box so we would have to do a 10 year lease on it. The Board certainly cannot ok for the citizens of Illinois to pay an extra million dollars because we pull out on this lease unless there is another facility were we can save a million dollars on that lease. Mr. Vaught stated that was a correct assumption. Chairman Healy asked if there is security in the lease at Rockford. Mr. Vaught stated that he thought so, but he would have to get back to him on that. Member Bedore wants to know where the space standard is that the Board has been hearing about. Member Bedore stated that the Board has been asked about these space standards since 2004 and wanted to know if they were ever going to get them.

CMS responded on the security at Rockford and Chairman Healy announced for the record that Rockford does not have security. Member Bedore asked at 395 square foot per employee can you rent out some of the space to another agency or lease it. Mr. Vaught replied that is currently part of their planning process on every request they get from an agency to see if there are any opportunities to do that. Chairman Healy wanted to make a request to CMS on any lease that has an amortization that goes for review that the lease has been put on the table with a footnote on the white sheet for the Board to look at. Member Bedore made the comment that this built to suit is why this lease didn't come before the Board four years ago. Chairman Healy asked for a motion for approval. No motion was made. Member Bedore wanted to make a motion to table lease #5476 until the next meeting to give CMS the opportunity to come up with a complete detail of how they can justify the 395 or what agencies they could move into this building and reconfigure this layout and justify spending the tax payer's money at this high rate. This motion was seconded by Member Bass. Member Triche-Colvin stated that she agreed with the motion, but we cannot justify rejecting the lease causing the agency to move and having a minimum of \$600,000 plus the amortization. Member Bedore stated that his motion is not to reject the lease, but to give CMS another month to come up with a justification. Member Triche-Colvin understands that, however, in the final analysis the Board is going to be forced address this issue, because the State is either going to pay \$1 million on the front end or \$1 million on the back end. This is not a win/win situation, it is a lose/lose situation no matter how we figure it. So as a Board member she thinks the Board cannot only look at the lease, look at the issues which are addressed with the lease, which have been looked at for years, but try to come up with some real answers and real solutions so the Board is not having the same conversation in the next administration. Member Bass wanted to know if there was any way of renegotiating a reduced rate for this lease. Mr. Vaught replied that CMS could certainly go back and try to renegotiate a lower rate. Additionally Member Bass stated that CMS does not have to answer this now, but to have it presented in written form to the Board at the next meeting. He asked what is CMS's process for checking out the lessors that the State is engaging in business with. How do they do it, what are the criteria looked at, what sort of checks are done, etc. Mr. Vaught replied that they will have a written response for that.

Minutes – July 23, 2008 Meeting

Next on the agenda was IDOT Relocation of Traffic Safety to Harrisburg – Director Matt Brown responded that at the last meeting it was requested by the Board to extend an invitation for IDOT to attend this meeting to discuss the relocation of their Traffic Safety Division to Harrisburg. In response to that request IDOT declined the invitation to attend, but responded in writing to three questions that the Board had forwarded with the invitation. The questions were: 1) How many jobs are a part of the

plan to move to Harrisburg? Response – A publicly discussed number of 140. 2) Will CMS manage the facility? Response – Please contact CMS on this question. 3) How will the build-out process be procured? Response – A new facility is being purchased, which consists of 32,000 sq. ft. and will require some interior build-out/remodeling which will mainly consist of interior finishes including ceilings, partitions and floor coverings. There will also be some mechanical/electrical modifications required. As the process proceeds, the Capital Development Board will engage design firms selected through CDB's normal procurement procedures. The administration and supervision of design and construction will also be done by the Capital Development Board. IDOT and CDB together will make the selected design firm aware that they will be required to work with CMS to assure compliance with CMS space utilization guidelines. IDOT has reached out to CMS to begin discussions on using the template used by CMS for the State Police build-out in the AIG building.

Member Bedore stated that this letter requires response. Member Bedore commented on the article in the State Journal Register this morning that clearly stated that the person in charge of CMS, Maureen O'Donnell, and Milt Sees the head of IDOT will be appearing before COGFA and to him this lack of participation is utter contempt of this Board. Yet, for this other committee they are sending all the big guns. Member Bedore restated from the letter that "we will be in compliance with CMS established space guidelines". Previously Member Triche-Colvin and Member Morales have asked for the space requirements and evidently IDOT has them from CMS. Member Bedore asked if Member Triche-Colvin or Member Morales has received copies of any such requirements. Both responded that they have not. Member Bedore stated that it all ties together and as an example, the Harvey lease is up for discussion again today. The Harvey lease has 395 sq. ft. per employee and Member Bedore stated that he knew this is DCFS and they deal with the public and have needs for conference rooms and things of that nature. But at the last Board meeting DHS had a lease in Rockford and the Board saw all the space for conference rooms and waiting rooms for all of their clients and they have 278 sq. ft. per employee. Member Bedore then stated that CMS had nothing to do with this and that IDOT handled the whole transaction in Harrisburg following CMS guidelines. IDOT came up with...228 sq. ft. per employee in Harrisburg and in Harvey it is 395 and Rockford 278 sq. ft. per employee. Member Bedore continued that if CMS was to reduce accordingly the \$26.13 for the Harvey lease cost per sq. ft., the State would be saving \$500,000 a year over this 10 year lease - that is \$5 million and we could build our own building for that amount in Harvey. This lease is atrocious no matter how you look at it. The cost, the square footage...it can't be. The Board asked at the last meeting CMS to go back and look at it six weeks ago and neither he nor the Board has seen anything that has been renegotiated, looked at square footage, move someone else in or renegotiated the lease. Chairman Healy asked Member Bedore if he would like to talk about the Harvey lease now. The lease is on the agenda later on and CMS would like to make a presentation on the Harvey lease. Member Bedore stated that it would be fine to hold off until later to discuss the lease, but it still does not answer the question why no one from IDOT is here. Member Bedore stated he would like to make a resolution to go to the General Assembly and at any place that says CMS we should strike that and put IDOT. Anything regarding purchase of land or lease it should be IDOT. CMS should be out of this business because IDOT negotiated this deal. IDOT got 228 sq. ft. per employee. IDOT turned this around in 10 days. The purchase, the rehab and the drawings to see what the cost is. They did everything in 10 days. CMS cannot do leases in five years. There are leases that have been in holdover for 3, 4, 5 years. So Member Bedore made a motion that the Board ask the General Assembly to change the State statute that any place that says CMS regarding leasing or purchasing of property be stricken and the words IDOT put in. Member Morales stated that he does not think it is a good idea. Member Bedore stated that he will retract his motion.

Member Morales commented that he is not happy with the response from IDOT whether CMS will manage the facility. Chairman Healy asked if anyone from CMS wanted to comment on this issue. Member Bedore believes that the Board should be asking someone from IDOT. Chairman Healy stated he would, but no one from IDOT is here to reply. Member Bedore asked isn't this utter contempt of this committee? Chairman Healy replied yes it is. Member Bedore stated that the Board sent a letter asking them to be here and he believes that is utter contempt and does not know how else you can

interpret that. Chairman Healy stated that the Board thought that IDOT should be here and thought that it was wrong for them to not show up for the request and send a memo instead. Chairman Healy asked if Member Bedore was going to be in the COGFA meeting the following week. Member Bedore replied that it was going to be a circus, but stated that per COGFA's request Director Matt Brown is going to testify for the Board. Member Bedore stated that he was not invited to formally attend the COGFA. Chairman Healy stated that they asked for the Procurement Policy Board to attend and wanted to know if he would want to attend as one of the Board's representatives. Member Bedore replied that he will say everything he has to say today and get it on the record. Chairman Healy asked if there were any other comments on this letter. Member Bedore stated that the Board should send a strong letter back. This letter did not even come from the Secretary of IDOT. Chairman Healy stated that the Board will respond to IDOT. No further comments were made.

Next on the agenda was CMS – In attendance was Chief Operations Officer Marcia Armstrong. Chairman Healy wanted to know if CMS wanted to respond to the question if CMS was going to manage the IDOT facility. Ms. Armstrong stated that CMS has not been specifically asked to manage the facility, but in most cases CMS manages office buildings. Primarily CMS manages office buildings and the facilities they do not manage are those that are associated with the mission of the agency such as prisons, mental health units and veterans hospitals. Ms. Armstrong stated that IDOT has not asked them to manage the facility. Chairman Healy wanted to know who makes those decisions to manage these facilities CMS or IDOT. Ms. Armstrong stated that for the most part CMS made the decisions before. Sometimes the Governors Office will ask CMS to manage a facility due to budgetary issues. Although CMS would have to make sure they have the money in their revolving fund and might have to work through some logistics, but could definitely manage the building and believes it would be appropriate. CMS would have to look at their resources down there whether CMS would need a new headcount, out-source business vendors, those types of issues. Member Bedore wanted to know how the discussion with the owners of this building went. Ms. Armstrong replied that CMS has not been involved at all and that this is all being done under IDOT authority. Member Bedore stated that under the State's statutes it is very clear that all leases and purchase of property should be done under CMS. So in other word you just said IDOT violated the State statutes and that is what he suspected all along that CMS had nothing to do with this purchase. It was Milt Sees and the Governor's Office. It was a pay off to take care of downstate Senators, that is all this is and CMS had nothing to do with this.

Ms. Armstrong proceeded by formally introducing their new Assistant Director Matt Beaudet who wanted to say a few words about the IDOT purchase. Mr. Beaudet just wanted to clarify that it is not CMS's position that IDOT violated the statute. They are proceeding, we were told under their own statutory authority to purchase land. In general, CMS does not purchase land authorized under their statutes, which allows departments such as IDOT and Department of Natural Resources to purchase and lease land on their own. Member Bedore stated that this is not land it is a building. Mr. Beaudet replied that it is for land, building and properties. Mr. Beaudet just wanted to clarify the record on that. Member Bedore stated that he did not clarify it very well because we are talking about an office building and the IDOT and DNR can purchase land. He thought it clearly stated that CMS has that authority for purchasing office buildings, equipment and things of that nature. Mr. Beaudet replied that CMS does delegate out authority to State agencies to purchase under their own initiative. Chairman Healy asked if it allows them to purchase building on the record-you are saying that it allows them to purchase buildings. Mr. Beaudet replied it is land, property and other necessary items for highway purposes. Chairman Healy asked if he was saying that this facility falls under that. Mr. Beaudet replied that is it their understanding from IDOT, that IDOT has the authority to purchase outside CMS. Member Morales asked if CMS knows this and believes in it. Member Morales stated that he is still confused on the whole thing. They can go out and buy property, broad-term "real estate", they are moving people, moving a facility for a set purpose and they do not know who is going to manage it, but yet not assigning anyone to manage. Chairman Healy asked if CMS had been asked to do anything with this purchase/transaction to this point. Ms. Armstrong stated that CMS is willing to look at the

report and assist IDOT with any data that they can, but have not been asked to do anything for the transaction. Member Morales asked if they have inquired into it and did they want to know anything about it and how it will affect CMS. Ms. Armstrong stated that it has already affected CMS. They are definitely concerned, but not about the management aspect. They have no problem managing it, but CMS definitely wants to know about anything that integrates with their space planning. Member Bedore wanted to know where the funding is coming from. Ms. Armstrong stated that the appropriation is from the road fund. Member Bedore asked if this is being built with road money. Ms. Armstrong replied that she believes they are purchasing it with road money and then working through the Capitol Development Board for the improvements side of it. Member Bedore stated that there is now \$2 million coming out of the road fund that could be used for building roads and is going to be put into this building so we can pay off the State Reps and State Senators in downstate Illinois, because they didn't vote to impeach the Governor. Member Bedore restated that CMS has not been involved, IDOT handled it all, Milt Sees is from that area and they took care of it all. Member Bedore stated he believes they violated the State's statutes.

Chairman Healy asked if CMS have established space standards. Ms. Armstrong replied they do. Their State guidelines are in Rule, but they have not been updated and one of the things going to be presented today was CMS revised space request template that has been developed. Their goal is to update their Rules and any associated standards for the next session. Ms. Armstrong stated she had handouts of the new version and old version of space requirements for the Board to review. Chairman Healy asked if Ms. Armstrong would provide a brief presentation and that it be put on the agenda for the next meeting. Ms. Armstrong stated that there are two things she wants to talk about first being the annual plan template and second being the revised space requests. The plan template is information from all agencies due at the end of July. CMS is looking at their strategies for publication and consolidation in light of budget developments. The plan is to re-evaluate DNR vacant space, the EPA vacant space, and targeting some of their buildings with vacant space, but also taking into consideration consolidation issues that the agencies have due to operating budget issues. Member Morales asked if the agencies are easy to work with. Ms. Armstrong replied that they have had some that were not cooperative in the past, but are now. Also CMS did not ask detailed questions and did not follow up at the time when they did not report fully to CMS and they now realize they need to drill down and get more comprehensive data and follow up.

Ms. Armstrong stated that with this template they took out any automatic calculations of space. That was getting them into too much trouble. CMS was letting the agencies pick the size of their conference room and the size of their office. Then all of a sudden there were eight agency executive level people because they knew their office would be a reduced 200-250 sq. ft. CMS has taken that out of their space request and is now just asking for the details like itemized headcount lists. CMS is looking at their title from pay codes and asking how many meetings they have, how many times they train a year and will take all that data and put together a recommendation for that space on all the detailed data received from that agency. Chairman Healy asked when this would this go into effect. Ms. Armstrong replied that CMS would like to get the Board's feedback before they finalize it and once finalized they would like to do some training soon. Member Bedore asked if CMS has set any standards as far as number of square feet per employee. Ms. Armstrong replied that she knows that their space standards are too high, but they want to set space standards to the type of building it is. They are also looking into other States' space standards. CMS did not set this in Administrative Code and since the Code has been in existence for a long time she believes the ranges they had in the past of 200-250, were applied on a split the difference so instead of a range of 200-250 it was 225. So they have not set an overall standard they have been loosely using as a rule of thumb 300, but are working to push that number down. When they do formalize it in Code it will not be 300; it will be less. Chairman Healy stated that there is a lease coming up for review today that is over 300, why would this one be well over 300 that is open for review right now. Ms. Armstrong stated that the Harvey lease has special circumstances they she would like to talk about today. When the building was originally built, Cook County was supposed to be in there as a partner and CMS just found out recently that they never moved into the

building. So there is 19,000 sq. ft. of space vacated by Cook County and CMS is looking at consolidation opportunities there. Chairman Healy asked if there is 19,000 sq. ft. that no one is using. Ms. Armstrong replied that DCFS has spread out into the space. Member Bedore stated that he just does not understand this circumstance. If this Board did not bring this up and fight it; the lease would have gone through three months ago. This Board can take credit for the savings that will come out of this because CMS does not even know what is going on. This is ridiculous. 395 sq. ft. per employee that is almost 400 and yet IDOT just showed us the way. This Board has to bring it up, a savings of \$5 million over the life of this lease. You realize that you can build your own building in Harvey for \$5 million. The only reason there are standards is because the Board has been beating you up for the last couple of years. Ms. Armstrong replied that they did know the space was there, but when the agencies give data at the end of every July is to identify vacant space and have now identified it as an opportunity for co-location. They are now asking for headcount information, which was not requested before and will have the data to show where they are over on standards. Chairman Healy wanted to know when the County was supposed to move in. Ms. Armstrong stated that it was built back in 2000 and was not sure if they were ever there or at what point they moved out. CMS is still gathering details on that.

Chairman Healy would like to know if the County was ever in the building and if the County was supposed to cover a part of the build-out. Ms. Armstrong replied she would see what she could find out. Member Morales wanted to know what the original amortization was on this lease. Ms. Armstrong replied that there are two years left on their amortization. There is still \$640,000 left, Member Morales inquired. Ms. Armstrong replied that starting out at \$2,447,000, the original principle, and also there was improvement cost added into the bundle when the Agency updated their APR, but the rule now is that this no longer happens and improvements don't get bundled into a rate, they are amortized. Chairman Healy stated that he realizes that she was not here at the time, but these rules just came into play now and we have \$600,000 that we don't know whether CMS is on the line for; or whether the County is on the line for that. Ms. Armstrong replied that it was in error that CMS did not take into account that the amortization had been bundled into the rate and has taken that into account for the negotiations and CMS has improved their review process that in the future this will not happen again. It was a mistake that was not caught the first time they went through the lease. Chairman Healy stated that is was a large mistake. Chairman Healy wanted to know how long the current Harvey lease is. Ms. Armstrong replied it is a five year lease with a five year renewal option. Chairman Healy wanted to know if they were off the hook for the \$600 thousand in two years. Ms. Armstrong replied affirmative. The amortized rate would be done at \$7.36 and will be done in May 31, 2010 and then the rate would drop down to \$12.19. Member Bedore wanted to know why, if the Board members look at the old lease on this that in the year 2010 it is \$19.48 a sq. ft., this is before janitorial and everything else, and then in 2011 it is \$19.48 and the 2013 it is \$19.87 where is this reduction of \$7. After your 10 years is up in 2010 the rate should go down, you just said it would go down. Then why it's in our lease still up there? Ms. Armstrong replied that she has a new rent schedule that needs to be negotiated with the landlord and CMS has not done this yet. It will be re-posted and re-published and back on the agenda after it is re-negotiated. Member Bedore stated that if this Board did not bring this up this lease would have gone through at the higher rate, the illegal rate, because it should have come down \$7 so someone really messed up at CMS allowing the higher rate to continue on even after we paid off the building and then on top of it we didn't know that Cook County was not in there. 19,000 sq. ft at \$26.13 a sq. ft. that is \$520,000 a year and over 10 years it is \$5 million, which could have built another new building. Member Bedore states he does not understand this; that this is a fraud. Is it because of who the owner is and the owner contributed to certain campaigns, is this pay to play? Also CMS is now going to do site investigations. He wanted to know why this wasn't apart of your normal procedures to go out and look at these buildings. This should not be something new. Member Bedore stated that he goes out and looks at buildings. This should not be anything new, it should have been ongoing and if they would have gone out to this building at Harvey they would have seen the abuse of the space and yet CMS came here two months ago and wanted the Board's approval of the lease and if we didn't stop it the State would be paying \$5.2 million more that it should have.

And you could have built a new building or gone out in these hard times, as the Governor says, cutting the budget. How many employees could DCFS have for that \$5.2 million? Ms. Armstrong wanted to state for the record that CMS has always done site evaluations. They do site evaluations quarterly where they are now proactively identifying space as they go out and have always done site evaluations as part of a renewal of a lease. Chairman Healy wanted to clarify that every facility has had a site evaluation done. Ms. Armstrong replied affirmatively. Chairman Healy wanted to know who did the site evaluation on the Harvey lease. Ms. Armstrong said she would find out. In many cases these offices are set up and field people use them and sometimes it is difficult to go into a building and say yes that is a vacant office and DCFS has had more of a headcount in this facility at one time and had to take a reduction. Chairman Healy ask how much of a reduction. Ms. Armstrong replied that she did not have all the details and would provide that to the Board. Chairman Healy wanted to know does the agency have to get approval or does CMS have to approve when another agency or government body is going to take up part of the facility. Who makes that decision? DCFS signed the lease based on the another government organization or entity saying that they are going to be in there, so CMS was the one who approved it. Ms. Armstrong replied that if it was a part of their build-out requirement there were special considerations they would have known about. In a case like this DCFS could do an inter-governmental agreement with the County as another entity and it does not even need to be filed through the Comptroller's Office. And CMS would not necessarily know about something like this.

Next on the agenda was the continued discussion on the Harvey lease. Chairman Healy asked Ms. Armstrong if CMS will be ready at the next meeting to come back with further details on the Harvey lease. Ms. Armstrong replied yes. Member Bedore still had some comments about Harvey. He believes it still should be on record that the State is over-paying on this lease and should not wait on this issue. When the lease was presented two months ago and if the Board approved the lease it would be costing the State \$2 million going out the window and believes this lease needs to stop as soon as possible. Whether CMS moves someone in there or whether you move the employees back to where they belong and let 19,000 sq. ft. go vacant. He does not even care, but this lease has to stop. This has been going on for the past two months and now they want to wait another month for CMS to gather more information. We are overpaying, we have to stop this as soon as possible. This has to be brought up at the next meeting and CMS has got to do something here. If this Board would have followed their recommendation we would have cost the State \$5.2 million, CMS would have cost the State \$5.2 million. Member Bedore stated he is all for terminating this lease as quickly as possible. Chairman Healy replied that he would not agree with terminating the lease, but does think that this is outrageous that this was initially done with the assumption that the County was going to be in there. He also believes that the state is on the hook right now for \$600,000 that we have to be careful as to what we do with that \$600,000 and don't believe that the State should be giving the owner of this facility \$600,000 for improvements. Member Bedore stated that the State would be giving the owners \$520,000 every year. Every year the owner is getting \$520,000 that he should not be receiving. Let's answer that one. Chairman Healy stated that it is not for the Board to answer that one, but for CMS and the County to answer who made the agreement initially for the \$2.4 million. Member Bedore wanted it on the record that this committee saved the State \$5.2 million over the life of this lease if it was approved the way CMS recommended. It is wrong, no matter how you explain it, it is wrong, it is a fraud. How could anyone present this lease to us in the way it was presented. Member Bedore wanted to recommend that this lease appear in the August meeting agenda. If this administration can turn around and purchase property, do the design, figure out the costs and everything in 10 days in Harrisburg for IDOT then this administration should be able to straighten out this Harvey lease in 10 or 30 days. This administration can do it if it wants to. Member Morales wanted to know where CMS was with the current negotiation process. Ms. Armstrong replied that CMS has not re-negotiated anything yet. They wanted to put together all their options and figure out some of the historical information and make the best recommendation and not identified a partner to move into the vacant space. Chairman Healy asked how long it will take to get this done. Ms. Armstrong replied that they could have a good recommendation in about a week. Member Morales wanted CMS to give the Board the information in advance before the next meeting and not on the day of the meeting. Member Bedore

stated that whether you move another partner or not CMS will have to move those employees back to their original space. That could be done in a matter of days. He doesn't understand why CMS is worrying about filling that space for the owner. This owner has been on the gravy train for eight years. Let's get those employees back out of the 19,000 sq. ft. space and back where they belong and if we can get someone in there fine, if not terminate that 19,000 sq. ft off that lease. No further comments were made.

Minutes – August 27, 2008 Meeting

Next on the agenda was CMS with Space Request Policy and Procedures – In attendance was Marcia Armstrong who is the new Deputy Director of Property Management. Ms. Armstrong stated that at the last meeting she distributed a draft of CMS's revised space request template and was willing to answer any questions the Board members might have regarding this. Ms. Armstrong did want to clarify up front that it does say space request policy but this is not intended to be all inclusive. They have referenced some of their statutes and administrative code. CMS is working to make their statutes and administrative code consistent with their updated space planning standards. Member Bedore made a comment that the draft of the space standards was very detailed, but questioned that the policy was not a part of this. Ms. Armstrong replied that CMS will refer back to the existing rules and will clarify the sections, but will have to go into their administrative code and update those through JCAR and insure they are consistent with their new planning standards. Member Bedore wanted to know if CMS will come back to this Board before they go to JCAR. Ms. Armstrong replied affirmatively. Member Triche-Colvin wanted to concur with Member Bedore's comments and agrees that the report that was submitted was put together well and she looks forward to its implementation.

Member Bass wanted to go back to how Ms. Armstrong opened and that CMS didn't want to refer to is as the space request policy. She replied that at the top of CMS's template it does say space request policy, but wanted to clarify that this is not their entire policy and considers their policy to be more fully outlined in the Administrative Rules. Member Bass stated that before an agency engages in looking or wanting to reevaluate their space does the agency come to CMS. Ms. Armstrong replied affirmatively. Member Bass asked if it recalibrates the leverage of the lease negotiation. Ms. Armstrong again replied affirmatively. Chairman Healy asked if there was a timeline for finalizing space standards tool. Ms. Armstrong replied that their intent is to have this finalized within the next two weeks and CMS will be sending this out to all of the agencies and moving forward will be conducting training with them. Member Bass asked about the space utilization evaluation and if CMS considered an agencies unique request. Ms. Armstrong replied affirmatively and stated CMS will work with the agencies to understand their programmatic needs and work with them on any specialized needs that might not be outlined in the space request template. CMS also had discussed dedicating more of their leasing reps to work directly with the agencies to better understand their needs. Member Morales asked what is this going to do to the process of renewals when CMS finds out that agency space has not been utilized properly? Ms. Armstrong replied that they are anticipating that and CMS's intent is to renew leases for short terms between 1-3 years to give them more time to accurately plan and prepare for a longer term strategy, which may include bidding out, restacking a building, and/or consolidating operations. So the intent is to pursue short term leases and stagger them so they do not have twenty 364 day leases come due all at once.

Chairman Healy asked why the Harvey lease for DCFS was not on the agenda. Ms. Armstrong replied that she did submit information separately as requested at the last meeting and it is not on the agenda because it is not complete and ready to post. CMS did go back to the landlord and make a counter offer that has not yet been accepted. Member Bedore stated that the negotiation with this landlord goes back to the beginning of this year and he does not know what it takes to get this resolved. He believes that Mr. Cacciatore does not want this resolved because he is making extra money. Member Bedore also stated that he really has problems with this whole scenario. He said that a couple of meetings ago

the Board was told that Harrisburg, which was done by IDOT and maybe should be doing CMS's work; IDOT said they could purchase this building in Harrisburg and do the build-out, do everything for 140 employees for about \$2 million. Harvey was started in 1999/2000 for 124 people for \$2.4 million in the year 2000. Then on top of this the landlord contracted with the State to build-out and bring everything in and he's going to charge you \$2.4 million to do that and then on top of that charge you 9½ % interest on that money. So the State of Illinois paid \$3.8 million to Mr. Cacciatore, who did all the hiring of the contractors. Who knows what the real price should have been? The State did not review it and did not do their construction bidding with the State. Then Mr. Cacciatore ends up with a building now that is completely wired and parking for 275 cars paved and then he charges the State interest on top of it. Chairman Healy wanted to know when CMS anticipated that something would be complete on this lease. Ms. Armstrong replied that they hope to have to have it posted for next month's meeting. Member Bedore wanted to make a motion that CMS starts the process of looking for a new building in Harvey with less square footage. Chairman Healy stated that the Board does not go out looking for that building. All the Board can do is to recommend to CMS to look for another facility. Member Bedore corrected his motion to record termination of this lease in 14 months with a recommendation that CMS go out and find a location in the Harvey area with less square footage. Ms. Armstrong stated that CMS did do a site visit and clarified that there is not 19,000 sq. ft. of vacant space. The staff numbers were misrepresented on the white paper and this agency has a lot of contractual staff. CMS identified almost 160 headcount and verified that there is only about 4,000 sq. ft. of vacant space. Member Bedore begs to differ with her and stated that the contractual staff does not each need a separate desk and that he has done many site visits in the past and has dealt with these types of field people. Chairman Healy wanted to know why, with Cook County anticipated being in that 19,000 sq. ft., does this agency need the additional 15,000 sq. ft. Ms. Armstrong replied that the agency did move more headcount into the facility than anticipated. They have more teams there and are serving a higher number of clientele. There is another building in the area that has more vacancy than this building, which is about eight miles away but this would be better for re-bidding than Harvey and some of those people will be able to relocate to the building DCFS has in Harvey. Member Bedore wanted to know if Ms. Armstrong was referring to DES. Ms. Armstrong replied that it was DCFS on Emerald St. and she was not sure of the specific lease number. Member Bedore wanted to know if it was in Harvey. Ms. Armstrong replied that it was in Blue Island, which is about eight miles from Harvey. Member Bedore stated that was what he was hoping; that someone would come back to the Board with something like this. Member Bedore stated that he changed he motion and Member Triche-Colvin seconded as amended. Since Chairman Healy is not present in person, Director Brown stated for the record that all Board members were in favor of the motion.

Next on the agenda was lease #3016 IDOT 300 W. Adams St., Chicago, Illinois. Ms. Armstrong stated that this lease is being re-negotiated in a short term in anticipation of a longer term strategy. CMS has been looking at leases in the Chicago area and are working to reduce their overall presence in the Chicago loop area. This lease does have a 180 day out clause at any time and re-negotiating for IDOT for 22,951 sq. ft of office space. The space standards appear to be exceeded, however there is a large amount of space for a lobby, law library, mailroom, large file rooms and several conference rooms. While there is no vacant space there is a lot of common space that could be reduced in the future. The base rent is a 1.75% increase from the existing rate, which was negotiated down from their original offer of \$25.00. Everything is included in the price except for electricity. In addition, security is an additional \$1.59. The total direct cost for this space is \$24.53. Chairman Healy inquired about the comment that Ms. Armstrong stated CMS hopes to eliminate some of the space on this particular lease. Member Bedore inquired wouldn't it be at the time of negotiations to do that rather than a few years down the road? Ms. Armstrong replied that CMS hoped to re-configure the space for negotiations and was not able to get a reduction of space on the existing lease. Member Bedore requested a motion to have this lease postponed until the next meeting so that IDOT can come to the next meeting to explain why they need this space. The motion was seconded by Member Triche-Colvin.

Next was lease #3173 for DHS at 220 S. Bowman Ave., Danville, Illinois. Ms. Armstrong stated that this is a lease for a 60 month term with 10,950 sq. ft. The budgeted headcount is actually reduced from the actual headcount, which is currently is at 34. The landlord has agreed to install floor tile and replace the carpeting. This will be done with completion of six months of the lease and the lessor is paying for that. This is a 36 months firm with a 120-day notice. DHS has been here since 1978 and their active cases have grown 9.7% since last year and have an average of 100 client visits per day. This rate is extremely low at \$9.88 and the total estimated direct costs are \$13.39. The increase in the first year is 8% and the last time there was a rate increase was in 2002, which is part of the reason for the 8% increase in the first year. Member Bedore made a motion to accept this lease and was seconded by Member Bass. The motion was unanimously approved.

Next was lease #3861 for DCFS at 8 East Galena, Aurora, Illinois. Ms. Armstrong stated that CMS has negotiated a reduction in square footage of 1,540 sq. ft. The term is five years and the rates are \$12.77 years 1-2 with a 2% increase in years 3 and 5. There are no improvements associated with this lease at this time and believe that this building has been well maintained with the using agency needs. This lease has been in holdover since 2006 and has had no rental increase since January 2005. In addition CMS will only pay electricity at about \$.48 per sq. ft. and a total estimated direct cost of \$13.25. Chairman Healy made the comment that each of the leases that have come up that CMS is over the sq. ft. per employee. Ms. Armstrong stated that most of the leases up today are human service agencies providing services to clientele and this is an exception to the rule typically a bigger mix of leases. Member Bedore stated from some of the pictures that there needs to be some work done in some areas and there are no improvement costs associated with this lease. Ms. Armstrong replied that Helen Cashman is in Chicago and worked on this lease. Ms. Cashman stated at the time when those pictures were taken the landlord had agreed to make all of those changes and that is why it was not written into this lease. Member Bedore stated that with the documentation that was sent to the Board it states that there are no improvement costs associated with this lease. Ms. Armstrong replied that the improvements were done under the existing lease and so they do not need to be outlined in this lease. CMS will update those photos and make a note if improvements that have been done on the existing leases. Member Morales wanted to clarify that these are old pictures with a new lease. Ms. Armstrong replied affirmatively. Ms. Armstrong stated that they will update the pictures accordingly and repost. Member Triche-Colvin made a motion to move this lease to the next Board meeting and get the updated information to the Board and was seconded by Member Bedore. The motion was unanimously approved.

Next was lease #5395 for DOC, including the Healy school and a parole section, at 100 N. Western Ave., Chicago, Illinois. Ms. Armstrong stated that this is a non-consolidation lease that is paid directly by the DOC. In the longer term, CMS is looking at consolidating the parole offices and have been working on a bid in the Chicago area. This is a very attractive rate and for the time being CMS proposes renewing this. It is firm for 36 months with 120-day written notice. You will notice that CMS has agreed to pay for carpet on the parole portion of the facility due to the fact that the clientele has caused the carpet to not reach its useful life. The rate on this is a 4% increase this year, but the base rent is only \$8.08. In addition they pay gas, electric, water/sewer and janitorial and the total estimated direct cost is \$11.81. Chairman Healy stated for the record that the Healy program and Healy school here is no relation to the Chairman. Member Bass wanted to know if the parole office and the school are operated by CPS. Ms. Armstrong replied that she believes it is operated by DOC. Member Bass wanted to know if it is an alternative educational setting or is it strictly related to juvenile coming into the correctional system. Does CPS move students into Healy or it strictly juvenile program? Ms. Armstrong replied that they are not able to be placed in a normal school setting. It may be a little of both, but she is not positive. Member Bedore made a motion to accept this lease and was seconded by Member Triche-Colvin. The motion was unanimously approved.

Next was lease #5534 for DCFS at 107 N. Third St., Rockford, Illinois. Ms. Armstrong stated that this is another lease which has a lot of common space. The white paper has an outline of their common

space issues. This particular lease has a 1,550 sq. ft. conference room, 500 sq. ft. of observation rooms, 1,200 sq. ft. of commodities storage which is storage for commodities that the clientele needs and also has 1,500 sq. ft. dedicated to Northern Illinois University that is a partner with DCFS at this location. That brings the sq. footage to 9,855. This is a five year term. The base rate starts at \$14.24 with increases in years 3 and 5. The lessor is repairing and replacing damaged carpet and sealing and striping the parking lot. The using agency has been in this location since 1998 and this lease has been in holdover since 2003 with no increase. The proposed term is for five years, but does have a 90-day termination option. CMS pays for gas, electric, janitorial and also snow/ice removal and mat service for a total estimated direct cost of \$17.65. Chairman Healy wanted to know what was stored in the commodities storage area. Ms. Armstrong replied it is commodities for clientele for example car seats or toiletries. It is to meet the needs of client services there. Member Bedore wanted to know in the future if CMS would ever consider looking into a better filing system for some of these agencies like micro-media, micro-film, CD's or computer program and not keep so many hard copies. Ms. Armstrong stated that they have talked with DCFS about their file needs and they are required to keep their files on site until the case are closed and their file storage needs are a little longer term than other agencies would be. CMS has also been working with archiving to discuss new protocols around needing storage. Unfortunately CMS is still required to keep things in hardcopy form although they might be scanned, but are working with shared services to try to negotiate with archiving to provide consistency across the board archiving protocol that would include electronic media, but they are not there yet.

Member Morales stated that the Board might see a lot of this because when looking for a new facility that meets their space requirements and the conference rooms and file rooms are secondary and we never get the exact sizes they need without building a new facility. Director Brown stated that for the next Board meeting the PPB staff will prepare a comprehensive workup on document management. Not only do they see file storage issues when the Board considers lease renewals, but also have several contracts from all venues that the Board works with on document imaging, document storage, retention and off site storage and delivery needs. Member Triche-Colvin asked how many leases are currently in holdover. Ms. Armstrong stated that after the leases today were posted CMS was down to 139. So depending on the final number today they will be at about 143. Chairman Healy wanted to know if the Board could get a list of the 143 leases on holdover currently and a time frame of the age of them and how soon could the Board get this. Ms. Armstrong replied yes and stated she'd have that readily available and could send that to Director Brown when she returned to her office. Member Triche-Colvin wanted to know how many leases they anticipate bringing to the Board at each month. Ms. Armstrong replied that CMS goal is a minimum of 10 every month. In the first two weeks of August they posted 11, which are more than the previous three month combined. Their goal is to get the number under 100 by the end of the calendar year. Director Brown wanted to let the Board know that some of those holdover leases would not come under formal review and approval by the Board because of the requirements of size and value. We will be able to identify which would be Board agenda items from the list Ms. Armstrong provides. Since no further questions were asked a motion to accept this lease was made by Member Triche-Colvin and was seconded by Member Bass. The motion was unanimously approved.

Next was lease #5853 and #5854 for DES/DHS at 1307 N. Mattis Ave., Champaign, Illinois. Ms. Armstrong stated that leases #5853 and #5854 are at the same facility. DES has 7,100 sq. ft. of office space and DHS has the same square footage. This is a shared facility between the two departments. The re-negotiated terms are three years firm with 120-days out clause. The term is for five years beginning October 1. This lease is through Parkland College and not sure why it was done through an alternate RFI, but it was originally bid out and it was the way it was presented in the past. There is an increase of 8% in the base rent for the first year of \$14.32 with a flat rate for the remainder of the term. The two agencies share the common space so the reduction overall is almost 5,000 sq. ft. due to lobby, conference room, and also the resource room which has computers available for clients to use for job opportunities. So the overall sq. footage per person is greatly reduced. Member Bedore wanted to

know if these were two separate buildings. Ms. Armstrong explained that this was just one lease and since CMS was trying to track more specific space needs they broke it down into two leases and they are in the same facility. Member Bedore wanted to know what the total sq. ft. was. Ms. Armstrong replied it would be \$14.32 for 20,200 sq. ft. Member Bedore wanted to know if they share a conference room. Ms. Armstrong replied that yes they share the conference room, the resource area and waiting area. Member Bedore made a motion to accept lease #5853 and was seconded by Member Bass. Member Bedore made a motion to accept lease #5854 and was seconded by Member Bass. Both leases were unanimously approved.

Member Bass wanted to make sure he understood correctly that in the future additional rational or more common rational would be coming with these renewal requests. Ms. Armstrong replied that the leasing rep that does such a good job on the write ups is now going to be their quality assurance person and will be doing training with other leasing reps and making sure they are on the same format. Member Bedore stated that after seeing these costs put on these various leases and wanted to know if someone at a future meeting could get a recap of what an annual source of income is going to CMS from the various agencies for servicing these leases. Chairman Healy wanted to know if he was talking about the total income to CMS from these agencies. Member Bedore replied affirmatively regarding leases.

Minutes – September 24, 2008 Meeting

Next on the agenda was lease #3016 – 300 W. Adams St., Chicago – In attendance for CMS was Deputy Director of Property Management, Marcia Armstrong and James McDaniel and Ken Murphy from IDOT. Ms. Armstrong gave a brief summary of the lease and terms. This lease is 60 months with 23,836 sq. ft. The beginning rate is \$22.75 for a total rent value of \$542,269.00. The rate includes everything except for electricity and the security needs at that location. Termination option for this lease is 180 days at any time by either party. The total direct cost of it is \$24.53. Member Bedore stated that they really need to look at the square footage per employee, which to him is 434 sq. ft. per employee. That is outrageous. Member Bedore stated that 37% of this lease is for lobby, conference rooms and file rooms. Over 1/3 of this lease is for that type of activity. Member Bedore also had an issue with the rate. He stated that there are other places in the Chicago area for less than \$22.00 per sq. ft. Member Bedore stated opposition to this lease because of the 434 sq. ft. per employee, over 1/3 is being used for lobby, conference rooms file rooms and lunch rooms and the rate. Member Morales wanted CMS to expand the rationalization on the square footage. Ms. Armstrong stated that the personnel space in this building does equal about 15,000 sq. ft, which would be about 245 sq. ft per person and the remaining space is lobby, library, mailroom, large file room and several conference rooms. A recent site evaluation revealed no apparent vacant space and Ms. Armstrong asked that James McDaniel explain more on that. Mr. McDaniel, the Acting Director and Chief of Business Services at IDOT, stated that IDOT is open to looking at any other opportunity that might exist as it relates to the space at this location. One of the things that CMS and IDOT have discussed recently is the idea of minimizing the need for people who need to be in the loop area. Mr. Murphy stated that the Director would be willing to take a look at staff and view their activities and see if they are able to move to another location. Chairman Healy asked why the idea of relocating was not considered and researched before the lease came to the Board. Mr. Murphy agreed with Chairman Healy and stated that IDOT was always open to the idea, but did not feel or know that it was a possibility as far as IDOT actually moving. Chairman Healy wanted to know the percentage of space used for conference rooms. Mr. Murphy replied that there is a lot of conference space because of the nature of the previous tenants who held public hearings in the large conference room.

Ms. Armstrong stated that this location also housed the Criminal Justice Information Authority and they had worked out an agreement with IDOT to share some conference space. Also to note that there is a termination clause in this lease of 180 days. The intent was to move forward in the short term to renew this lease and get it out of holdover. At this point CMS is working with IDOT on a revised

space request, which looks at the need for staff and the location to be downtown, but also look to the legal staff to see if there is any co-habitation or other efficiencies CMS can drive. Chairman Healy asked if there was still a need for an open meeting where you would need the conference space. Mr. Murphy replied that they would not have the type of public hearing that would require that much space. Member Triche-Colvin stated that she understands why they want to get this lease out of holdover, but she also stated that this Board has been here before and the space request and requirements that we are talking about are major components of leasing. The whole situation of the large conference room, the large lobby areas and the conversation about previous agencies sharing the space; in the process of taking or re-negotiating this lease, it appears that none of that was taken into consideration. It only appears that it is being taken into consideration when it comes before the Board and we start asking questions about space requirements. Ms. Armstrong stated that this lease was at a much higher rate initially and CMS was able to negotiate it down by \$2.25 per sq. ft. and stated CMS is in a difficult situation and they have a lot of grandfathered issues that they are working to improve upon. However, CMS is also in a situation where they are at risk for eviction in the shorter term and have had a lot of pressure to reduce holdover leases and not have them be longer than six months in holdover. Chairman Healy asked over the past 10 years how many leases were terminated after the termination opportunity was available. Ms. Armstrong replied that she didn't know how many have been terminated, but could find that information out and forward it on to the Board. No further questions were asked by the Board. A motion was made by Member Triche-Colvin to accept this lease, but no second was made. Chairman Healy asked if CMS would like to pull this lease off until next month. Ms. Armstrong replied yes.

Next was DCFS lease #3861 at 8 E. Galena, Aurora, Illinois – Ms. Armstrong introduced Bill Schmidt from DCFS to discuss any questions regarding the lease. From the last meeting there was a photo of broken tiles in a restroom and since then, the photo have been updated. An addendum was distributed today to confirm that CMS had gone back and looked at the site visit information and since they did not include that there were improvements as a condition of the lease CMS wanted the Board to know that improvement had been performed prior to the negotiation of this lease. They included roof improvements, interior painting, miscellaneous toilet repairs, updating tile in the restrooms, replacement of stained and damaged ceiling tiles and in addition the HVAC has been balanced to help maintain even temperatures throughout the facility. CMS's understanding is that the staff at DCFS believes that the building is well maintained and the lessor is very responsive and Mr. Schmidt can elaborate on that if necessary. A motion for approval of lease #3861 was made by Member Triche-Colvin and was seconded by Member Bedore. The motion was unanimously approved.

Next was DHS lease #3395 at 610 W. Root St., Chicago, Illinois – This lease was asked by CMS to be put on the agenda as an emergency item. Ms. Armstrong stated that the last lease was negotiated in 1996 and CMS wanted to avoid any potential eviction and wanted to show the landlord that they are trying to work in good faith to re-negotiate this lease. CMS does realize that this lease has vacant space of about 9,000 sq. ft. and are working to field verify and more closely work with DHS on solutions for this building as well. As of right now, the budgeted headcount is 99 and the square footage is 39,162. CMS has re-negotiated a three year term with 120-day notice at anytime after the 12th month. This rate has been at \$9.75 since 1996 and while the increase may look a bit large at 22.5% CMS has negotiated extensively with the landlord and have gotten it down to \$11.95. This would equate to less than 2% increase every year since 1996. Chairman Healy wanted to know how much vacant space was there. Ms. Armstrong replied that it is about 9,000 square feet. Chairman Healy wanted to know why they are going to be leasing vacant space. Ms. Armstrong replied that CMS wanted to renew this in the short term and is going to look at re-locating office staff and is working towards filling up the space and just wanted to get it out of holdover. CMS believes this is a good rate over all and would like to hold on to the space in lieu of reducing more expensive space somewhere else. Chairman Healy wanted Ms. Armstrong to go over the 2% increase in holdover. Ms. Armstrong replied that the request was to negotiate if it lapsed into holdover again a 2% increase for every year that the lease was in holdover and CMS had negotiated a 2% increase as a holdover rate if

it lapsed into holdover. Chairman Healy stated that he does not agree with this increase and the fact that they are leasing vacant space. Ms. Armstrong wanted to clarify that the reference to vacant space is based on their new head count space standards and is not vacant, but might have a 500 sq. ft. office and they could put two people in that office. CMS has stricter standards, they are downsizing and need to remix it overall and get more people into that space, which may require some build out and additional cubicles. Ms. Armstrong stated that the space is not vacant, but needs to be better utilized.

Director Brown made a comment that statutes specifically require under the subject of rent without occupancy that, except when deemed by the Procurement Policy Board to be in the best interest of the State, no State agency may incur rental obligations before occupying the space rented. The concern is that a particular space is identified as vacant and there is no demonstration that occupancy is occurring gives this Board pause to make sure that it is in fact fully utilized space. It might not be utilized to its potential but is in fact utilized. Chairman Healy stated that looking at this lease, he is not happy with the amount of square footage per person and he understands that CMS is trying to work towards changing that and would go along with this lease with the rate that is there, but not the 2% holdover escalator. Nick Kanellopoulos, legal counsel for CMS, stated that the landlord for the property attended the meeting and heard the comments and is willing to accept that rate of \$12.43 in holdover and take out the 2% penalty for holdover. Member Triche-Colvin wanted to make a motion as amended with the 2% penalty taken out for lease #3395 and was seconded by Member Bedore. Member Bedore wanted an assurance from CMS that other people are going to be moving into this building. Mr. Kanellopoulos stated that CMS would not be ready by next meeting, but in two months come back to the Board with a solution. The motion was unanimously approved.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- 1) Heading of the Part: Standard Procurement
- 2) Code Citation: 44 Ill. Adm. Code 1
- 3) Section Number: 1.2036 Emergency Action: Amendment
- 4) Statutory Authority: Implementing and authorized by the Illinois Procurement Code [30 ILCS 500].
- 5) Effective Date of Amendments: After approval of the Governor's Office and upon submission to Secretary of State/JCAR
- 6) If this emergency rulemaking is to expire before the end of the 150-day period, please specify the date on which it is to expire: This rulemaking has no earlier effective date specified.
- 7) Date Filed with the Index Department:
- 8) A copy of the emergency rulemaking, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.
- 9) Reason for Emergency: A provision in the bargaining unit agreement with AFSCME has caused the State to re-examine the way in which IT contractors are acquired and used. This amendment is the result of the agency investigating various methods to address the issue while being in full compliance with the union agreement. Further, the agreement contains a December 31, 2005 deadline thus creating the immediate need for the amended language. The new procurement method afforded by this amendment will enable the State to move quickly in establishing a means to allow state agencies the ability to meet IT development and support needs in a more expedited and cost controlled manner than they can be obtained today. Further, the new method proposed in this amendment provides for greater transparency than what exists today into the awards made for the use of IT contractors.
- 10) A Complete Description of the Subjects and Issues Involved: This proposed rulemaking provides more definition to the existing rule on the multiple award method of source selection and contracting. Specifically, there are circumstances where it is difficult to obtain quality service providers in the time frames normally used at reasonable prices. The proposed amendments would competitively qualify vendors that meet requirements and who agree to pricing set by the State. The State would make this determination after

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

receipt and review of bid prices and consideration of price information available from other sources. Those vendors would be awarded master contracts. When an agency had a need, it would accept the vendor selected by a random process or could set additional qualifications and conduct an expedited competitive process. Agencies would be able to have services start almost immediately and would not have to wait the several weeks or months necessary to conduct a normal procurement. This amendment brings low pricing, expedited processing and more competition, especially for small and Business Enterprise Program (BEP) vendors.

11) Are there any proposed amendment to this Part pending? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Ill. Reg. Citation</u>
1.4545	Amendment	29 Ill. Reg. 1486; 01/28/05
1.08	Amendment	29 Ill. Reg. 15678; 10/21/05
1.15	Amendment	29 Ill. Reg. 15678; 10/21/05
1.25	Amendment	29 Ill. Reg. 15678; 10/21/05
1.1040	Amendment	29 Ill. Reg. 15678; 10/21/05
1.1050	Amendment	29 Ill. Reg. 15678; 10/21/05
1.1525	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2005	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2010	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2012	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2015	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2020	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2025	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2030	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2037	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2038	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2040	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2045	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2046	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2050	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2060	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2560	Amendment	29 Ill. Reg. 15678; 10/21/05
1.2575	New Section	29 Ill. Reg. 15678; 10/21/05
1.2800	Amendment	29 Ill. Reg. 15678; 10/21/05
1.4535	Amendment	29 Ill. Reg. 15678; 10/21/05
1.4575	New Section	29 Ill. Reg. 15678; 10/21/05
1.5520	Amendment	29 Ill. Reg. 15678; 10/21/05
1.5550	Amendment	29 Ill. Reg. 15678; 10/21/05

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- 12) Statement of Statewide Policy Objectives: This rulemaking will not create a State mandate for units of local government, school districts or community college districts.
- 13) Information and questions regarding this rulemaking shall be directed to:

Gina Wilson
Illinois Department of Central Management Services
720 Stratton Office Building
Springfield, Illinois 62706

217/785-1793

OR

Ben Bagby
Illinois Department of Central Management Services
720 Stratton Office Building
Springfield, IL 62706

217/782-9491

The full text of the Emergency Amendment begins on the next page:

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

TITLE 44: GOVERNMENT CONTRACTS, PROCUREMENT
AND PROPERTY MANAGEMENT

SUBTITLE A: PROCUREMENT AND CONTRACT PROVISIONS

CHAPTER I: DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

PART 1

STANDARD PROCUREMENT

SUBPART A: GENERAL

Section	Title
1.01	Title
1.05	Policy
1.08	Purpose and Implementation of This Part
1.10	Application
1.15	Definition of Terms Used in This Part
1.25	Property Rights
1.30	Constitutional Officers, and Legislative and Judicial Branches

SUBPART B: PROCUREMENT RULES

Section	Rules
1.525	Rules

SUBPART C: PROCUREMENT AUTHORITY

Section	
1.1005	Exercise of Procurement Authority
1.1010	Appointment of State Purchasing Officer
1.1030	Associate Procurement Officers
1.1040	Central Procurement Authority of the CPO
1.1050	Procurement Authority of the SPO; Limitations
1.1060	Delegation
1.1070	Toll Highway Authority
1.1075	Department of Natural Resources
1.1080	Illinois Mathematics and Science Academy

SUBPART D: PUBLICIZING PROCUREMENT ACTIONS

Section

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

1.1510	Illinois Procurement Bulletin
1.1525	Bulletin Content
1.1550	Official State Newspaper
1.1560	Supplemental Notice
1.1570	Error in Notice
1.1580	Direct Solicitation
1.1590	Retention of Bulletin Information

SUBPART E: SOURCE SELECTION AND CONTRACT FORMATION

Section	
1.2005	General Provisions
1.2010	Competitive Sealed Bidding
1.2012	Multi-Step Sealed Bidding
1.2015	Competitive Sealed Proposals
1.2020	Small Purchases
1.2025	Sole Economically Feasible Source Procurement
1.2030	Emergency Procurements
1.2035	Competitive Selection Procedures for Professional and Artistic Services
1.2036	Other Methods of Source Selection
<u>EMERGENCY</u>	
1.2037	Tie Bids and Proposals
1.2038	Mistakes
1.2040	Cancellation of Solicitations; Rejection of Bids or Proposals

SUBPART F: SUPPLIERS, PREQUALIFICATION AND RESPONSIBILITY

Section	
1.2043	Suppliers
1.2044	Vendor List/Required Use
1.2045	Prequalification
1.2046	Responsibility

SUBPART G: BID, PROPOSAL AND PERFORMANCE SECURITY

Section	
1.2047	Security Requirements

SUBPART H: SPECIFICATIONS AND SAMPLES

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

Section
1.2050 Specifications and Samples

SUBPART I: CONTRACT TYPE

Section
1.2055 Types of Contracts

SUBPART J: DURATION OF CONTRACTS

Section
1.2060 Duration of Contracts – General

SUBPART K: CONTRACT MATTERS

Section
1.2560 Prevailing Wage
1.2570 Equal Employment Opportunity; Affirmative Action

SUBPART L: CONTRACT PRICING

Section
1.2800 All Costs Included

SUBPART M: CONSTRUCTION AND
CONSTRUCTION RELATED PROFESSIONAL SERVICES

Section
1.3005 Construction and Construction Related Professional Services

SUBPART N: REAL PROPERTY LEASES AND CAPITAL IMPROVEMENT LEASES

Section
1.4005 Real Property Leases and Capital Improvement Leases

SUBPART O: PREFERENCES

Section
1.4505 Procurement Preferences
1.4510 Resident Bidder Preference

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- 1.4530 Correctional Industries
- 1.4535 Sheltered Workshops for the Disabled
- 1.4540 Gas Mileage
- 1.4545 Small Business
- 1.4570 Contracting with Businesses Owned and Controlled by Minorities, Females and Persons with Disabilities

SUBPART P: ETHICS

- Section
- 1.5013 Conflicts of Interest
- 1.5015 Negotiations for Future Employment
- 1.5020 Exemptions
- 1.5030 Revolving Door
- 1.5035 Disclosure of Financial Interests and Potential Conflicts of Interest

SUBPART Q: CONCESSIONS

- Section
- 1.5310 Concessions

SUBPART R: COMPLAINTS, PROTESTS AND REMEDIES

- Section
- 1.5510 Complaints Against Vendors
- 1.5520 Suspension
- 1.5530 Resolution of Contract Controversies
- 1.5540 Violation of Law or Rule
- 1.5550 Protests

SUBPART S: SUPPLY MANAGEMENT AND DISPOSITIONS

- Section
- 1.6010 Supply Management and Dispositions

SUBPART T: GOVERNMENTAL JOINT PURCHASING

- Section
- 1.6500 General
- 1.6510 No Agency Relationship

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- 1.6520 Obligations of Participating Governmental Units
- 1.6530 Centralized Contracts – Estimated Quantities
- 1.6535 Centralized Contracts – Definite Quantities

SUBPART U: MISCELLANEOUS PROVISIONS OF GENERAL APPLICABILITY

- Section
- 1.7000 Severability
- 1.7010 Government Furnished Property
- 1.7015 Inspections
- 1.7020 Records and Audits
- 1.7025 Written Determinations
- 1.7030 No Waiver of Sovereign Immunity

AUTHORITY: The Illinois Procurement Code [30 ILCS 500].

SOURCE: Adopted at 7 Ill. Reg. 100, effective December 17, 1982; amended at 7 Ill. Reg. 13481, effective October 4, 1983; amended at 7 Ill. Reg. 13844, effective October 12, 1983; codified at 8 Ill. Reg. 14941; Sections 1.2210, 1.2220, 1.2230, 1.2240 recodified to Section 1.2210 at 9 Ill. Reg. 6118; amended at 10 Ill. Reg. 923, effective January 2, 1986; amended at 10 Ill. Reg. 18707, effective October 22, 1986; amended at 11 Ill. Reg. 7225, effective April 6, 1987; amended at 11 Ill. Reg. 7595, effective April 14, 1987; amended at 13 Ill. Reg. 17804, effective November 7, 1989; emergency amendment at 16 Ill. Reg. 13118, effective August 7, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 600, effective January 5, 1993; amended at 17 Ill. Reg. 14576, effective August 27, 1993; amended at 20 Ill. Reg. 9015, effective July 1, 1996; old Part repealed by emergency rulemaking at 22 Ill. Reg. 12632, effective July 1, 1998, for a maximum of 150 days, and new Part adopted by emergency rulemaking at 22 Ill. Reg. 12726, effective July 1, 1998, for a maximum of 150 days; old Part repealed and new Part adopted at 22 Ill. Reg. 20875, effective November 25, 1998; emergency amendment at 23 Ill. Reg. 2812, effective February 16, 1999, for a maximum of 150 days; emergency expired on July 15, 1999; emergency amendment at 23 Ill. Reg. 5869, effective April 29, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 7075, effective June 7, 1999; amended at 24 Ill. Reg. 1900, effective January 21, 2000; amended at 26 Ill. Reg. 13189, effective August 23, 2002; emergency amendment at 29 Ill. Reg. 20540, effective December 2, 2005, for a maximum of 150 days.

SUBPART E: SOURCE SELECTION AND CONTRACT FORMATION

Section 1.2036 Other Methods of Source Selection**EMERGENCY**

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

a) Split Award

- 1) An award of a definite quantity requirement may be split between bidders or offerors. Each portion shall be for a definite quantity and the sum of the portions shall be the total definite quantity required. A split award may be used only when award to more than one bidder or offeror for different amounts of the same item are necessary to obtain the total quantity or the required delivery.
- 2) The Procurement Officer shall make a written determination setting forth the reasons for the split award, which determination shall be made a part of the procurement file.

b) Multiple Award

1) General Conditions

A4) A multiple award is an award of an indefinite quantity contract to more than one bidder or offeror when the State is obligated to order all of its actual requirements from those vendors.

B2) A multiple award may be made when award to two or more bidders or offerors for similar products is necessary for adequate delivery, service, or product compatibility. Any multiple award shall be made in accordance with the provisions of Section 1.2010 (Competitive Sealed Bidding), Section 1.2015 (Competitive Sealed Proposals), Section 1.2020 (Small Purchases), and Section 1.2030 (Emergency Procurements), as applicable. Awards shall not be made for the purpose of simply dividing the business or to select products or suppliers to allow for user preference unrelated to utility or economy. Any such awards shall be limited to the least number of suppliers necessary to meet the valid requirements of State agencies.

C3) The State shall reserve the right to take bids separately if a particular quantity requirement arises that exceeds its normal requirement or an amount specified in the contract.

D4) If a multiple award is anticipated, the solicitation shall state this

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

fact as well as the criteria for award.

E5) In a multiple award situation, one vendor may be designated as the primary recipient of orders. The other awardees may receive orders in the event the primary vendor is unable to deliver or for other reasons as determined by the Procurement Officer.

2) Multiple Award with Set Rate

A) Notwithstanding anything to the contrary in this Part, when the Chief Procurement Officer, but not a designee, determines in writing that it is in the best interest of the State, a procuring agency may enter into contracts with multiple vendors under a process that provides for prequalification, agreement to perform at a set rate, and final selection based on equitable distribution of work among qualified vendors.

B) The Chief Procurement Officer's written determination shall include a statement detailing why the methods of source selection described in Article 20 of the Code are not reasonably adequate to meet the needs of the State. The justification shall include a statement of the need for and the advantage to be derived from multiple vendor availability at a set rate of reimbursement, as well as the capability to determine the rate of reimbursement that will ensure maximum overall advantage to the State.

C) Vendors shall be prequalified once per fiscal year, or as often as necessary, through use of a competitive sealed proposal. The minimum qualifications (including performance standards and agreement to provide services at a set rate determined by the State) and the method of obtaining and setting rates shall be stated in the solicitation advertised in the Illinois Procurement Bulletin. Those vendors meeting minimum qualifications shall be offered non-exclusive indefinite quantity master contracts against which a procuring agency may later place one or more orders on an as needed basis in accordance with the vendor selection procedure set forth in subsection (b)(2)(F).

D) The procuring agency may set in the solicitation the rate that vendors must agree to bill. In general, this rate shall be the lowest

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

rate at which a sufficient number of vendors are ready, willing and able to meet the State's needs. The procurement file shall show the procuring agency has conducted sufficient market research (such as reviewing past State contract rates, reference to GSA or other governmental contract rates, or private sector rates determined by internal or industry expert surveys) that the public can have confidence the rate provides overall advantage to the State. Alternatively, the procuring agency may require that vendors submit prices, including disclosable prices, and shall use that price information, best and finals, and market research to propose or establish the rate that vendors must bill. While the lowest price offered will be a consideration, that price will not necessarily be the set price.

- E) Vendor's not willing to agree to bill at the set rate may be rejected or may have their contracts restricted to use in special circumstances approved by the Chief Procurement Officer.
- F) The procuring agency shall select the vendor to meet its particular needs by selecting a master contract holder on a random basis. If the procuring agency determines that exceptional circumstances exist such that random vendor selection does not meet its needs, the procuring agency may submit an alternate selection request to the Chief Procurement Officer, setting forth all reasons why a random vendor selection would not reasonably meet the needs of the agency. In the event that the Chief Procurement Officer determines, in writing, that exceptional circumstances exist such that random vendor selection is not the most advantageous means of selection, the procuring agency may select a vendor to meet its particular needs by:

 - i) contacting all applicable master contract holders and selecting the one with the best qualifications; or
 - ii) contacting at least three applicable master contract holders selected by the Chief Procurement Officer on a random or rotating basis and selecting the one with the best qualifications.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- G) In order to ensure the continued availability of the set of master contract holders, all potential orders shall be monitored by the CPO to ensure the equitable distribution of work and that no single vendor has an unwarranted disproportionate share of the available work. The CPO may, to avoid a disproportionate distribution of work, remove a vendor from consideration for a period of time. Further, potential orders may be set-aside for small business.
- H) It shall be the affirmative obligation of each vendor with a master contract to update information provided to the State regarding its continued ability to provide the contracted service. Master contracts may provide that vendors who cannot perform the required services when contacted and who have not provided the updated information may be taken out of consideration for orders for a period of time, including until the next prequalification.
- I) The procurement file shall contain justification for the selection of the master contract vendors and each selection to meet the particular need. The procuring agency shall publish the names of the vendors selected to receive master contracts and the name of each vendor selected to receive an order to meet the procuring agency's particular need.
- c) Term and Condition Contracts
- 1) A term and condition contract contains agreed contractual terms and conditions established for the convenience of the parties to be used in conjunction with a subsequent procurement and processed in accordance with the requirements of the Code and this Part. A term and condition contract is not a procurement. It creates no obligation on the part of the State to procure from the vendor nor does it create an authorization for a State agency to order based on that term and condition contract, except as provided in subsection (c)(2).
 - 2) Orders may be placed against term and condition contracts without use of any prescribed method of source selection for convenience of processing sole source, emergency or small procurements. Agencies with reasonably defined repetitive small needs that, over the course of a fiscal year, are likely to exceed the small purchase amount set in Section 20-20 of the Code and this Part should consider a competitive method of source

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

selection to contract for those repetitive needs.

- d) **Auction**
Purchases may be made at auction in accordance with the procedural requirements applicable to the particular auction. Notice and competition is not required and the amount payable shall be the amount bid and accepted plus any required buyer's premium.
- e) **Non-governmental Joint Purchase**
 - 1) The CPO may enter into (or authorize one or more SPOs to enter into) an agreement with a person not eligible for the Governmental Joint Purchasing Act for the joint procurement of anything covered by the Code. Any method of source selection may be used and may be modified or adapted to meet the needs of the non-State entity.
 - 2) The primary use of this provision shall be to accommodate mutual relationships between the State and not-for-profit groups whose purpose is to conduct programs adjunct to those of the State agency that is party to the contract.
- f) **Federal Requirements**
The Procurement Officer for any State agency receiving federal aid funds, grants or loans or otherwise subject to federal entity requirements may conduct procurements in accordance with federal requirements that are necessary to receive or maintain those federal aid funds, grants or loans or to remain in compliance with federal requirements.
- g) **Foreign Country Procurement**
Procurements to meet the needs of State agency offices located in foreign countries shall comply with the Code and this Part whenever practicable. The SPO shall maintain a record of such action.
- h) **Donations**
 - 1) When a procurement will have the majority of funding from a donation, the terms of which donation require use of particular procurement or contracting procedures, the Procurement Officer may follow those procedures, but shall follow the Code and this Part whenever practicable.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

NOTICE OF EMERGENCY AMENDMENT

- 2) Donations may be acknowledged by the donee agency in a manner appropriate to the type of donation and the program activity associated with the donation. Acknowledgment may include, but need not be limited to, public announcement at the event or in donee agency publications, and inviting the donor to attend the program activity associated with the donation.

(Source: Amended by emergency rulemaking at 29 Ill. Reg. 20540, effective December 2, 2005, for a maximum of 150 days)

Terrence Healy, Chairman

Members: Michael Bass, Ed Bedore, Ricardo Morales, Carmen Triche-Colvin

Minutes – June 1, 2007 Meeting

Present in Chicago: Terry Healy
Rick Morales
Carmen Triche-Colvin
Ed Bedore
Mike Bass

The Board started the meeting by confirming attendance at 11:00 a.m.

The minutes of the April 9, 2007 meeting were moved for approval by Member Triche-Colvin and seconded by Member Bass.

First on the agenda was CMS-BOSSAP – Mike Smith was in attendance for CMS. Mr. Smith started with discussion about the proposed rule to add alternative methods of source selection by using other governmental contracts and for cooperative purchasing. Mr. Smith started with a slide show presentation on Government Contracts and Cooperative Purchasing. The presentation was a summary of how CMS got to where they are today with the proposed rules. It covered questions on authority, best practices, competition, transparency, controls, terms and conditions, Illinois businesses, procurement staff, efficiency and past questions that were brought up by the Board. Mr. Smith asked if the Board had any questions on the presentation. Chairman Healy started by stating that the State should be using methods of source selection that would save the State money. The question is does CMS have the right by law to do it. Chairman Healy further stated that it falls in a gray area when CMS says it is in law currently and others say it is not. The State legislature did not do anything to clarify this when they had the opportunity authorize this in statute and didn't pass it into law, which causes problems today. Chairman Healy said that the General Assembly did not feel it is a State law currently. Mr. Smith wanted to know if it was because they proposed the Bill or did not pass the Bill. Chairman Healy replied that it was because they proposed the Bill and he felt that the fact that the GA did not pass it was due to other issues. Chairman Healy continued by saying that provisions of the rule required statute compliance, but earlier Mr. Smith stated the needs of the State allowing for minor deviations. Ms. Lynn Carter, legal counsel for CMS replied that they are two separate issues.

Chairman Healy asked if legal counsel for the Board would like to comment. Todd Turner responded by saying he still has concerns with the statutory authority. Also, the term minor deviations has many interpretations of what are and what are not minor deviations. Mr. Turner wanted to know why CMS would need language regarding minor deviation. Ms. Carter replied that the language might not be necessary because it is the duty of the procurement officer to decide what the procurement need is in any particular instance and the procurement officer is going to write a specification to determine what the particular need to be fulfilled. If CMS is looking at a procurement of another state and wants to join in cooperatively, for example, CMS

has the authority today whether or not those specifications meet our need. Mr. Smith stated that he agrees with Ms. Carter's example.

Chairman Healy stated that a physical item is very obvious; however, what about services since it is different from physical items. Ms. Carter replied that it is going back to the requirements of defining the need and as long as you are defining the need within the parameters of the State's needs. Mr. Smith also commented that if there is a service business case and it is written up with objectives defining what the need is and someone reads that business case and realizes that the city of ABC did something very close to the objective, CMS could look at that contract and if it is close to what their need is, with some minor deviations, then they could change it to fit. Mr. Smith said that if there are wording issues, CMS is willing to work with someone to make it clearer as to what that means. Chairman Healy asked what happens if this is made into a rule and then challenged. Ms. Carter stated that it would ultimately be decided by the courts whether the rule exceeded the statutory authority of the State. Chairman Healy asked what would happen if the courts decided that it did exceed. Ms. Carter replied that the contracts would be voided. Chairman Healy asked if any other Board member had a question. Member Bedore commented that he hoped that CMS would have proposed this as a Bill several months ago and is not convinced that this is legal and he would not feel comfortable voting for this. Member Bedore was also concerned that CMS is doing this for a specific vendor. Mr. Smith replied that there are no specific projects in mind. Member Bedore also had a concern with transparency. CMS states that all the information for this type of procurement is available in the procurement file. The Auditor General just released an audit saying that 50% of the contracts audited in FY06 lack documentation in the contract files. Member Bedore also said that from previous audits the same comments were made and that CMS said that they were working on it. The Board's counsel closed by stating that he perceived the right way to do this is by statute.

Mr. Smith replied to Member Bedore's first question stating that CMS does know how to propose Bills, but CMS felt that they could do this through a rule, which he thought they had explained. Mr. Smith said that from his stand point he participates in NASPO (National Association of State Procurement Officials) and is the representative for Illinois. He also participates in annual meetings with all fifty states and also a Midwest meeting with 12 Midwest states. He further stated that in the Midwest meetings when these topics are discussed, Illinois is the only State that cannot do this (cooperative purchasing). Other states' officials ask why Illinois cannot do this as it is very beneficial. Mr. Smith said this is why he has pursued this topic and how it has been proven to be valuable. Member Bedore asked Mr. Smith about up-front joint procurement working with a fellow state. Mr. Smith replied that is what cooperative purchasing is. Mr. Smith continues to explain that there are two parts to this rule. First is piggybacking and the second is cooperative purchasing. These are two separate proposals merged under one Rule. Chairman Healy asked which one would be used more often. Mr. Smith replied cooperative purchasing by far. Member Triche-Colvin stated that in her line of work they have gone with cooperative purchasing and had significant savings and supports cooperative purchasing. Member Bedore asked the Chairman if the Rule could be split. Member Triche-Colvin said they should not be split since they are interrelated, that she supported both practices when appropriately applied and that both created savings. The ability to join existing contract relationships with other groups is valuable. Member Morales asked if this will impact Illinois businesses in a negative way. Mr. Smith replied no, CMS would not have pursued it if it has a negative impact on businesses. Member Bass wanted to go on record that he supports cooperative purchasing but has significant concerns with piggybacking and would advise splitting the Rule. He stated that he was sensitive to the fact that the GA did not pass the proposed legislation. Member Bedore asked if CMS went to JCAR with a resolution from this

Board saying that the Board recommend only cooperative purchasing, would that be beneficial? Mr. Smith replied that anything positive from this meeting would be beneficial. Chairman Healy asked if the Board should be asking JCAR to split the rule or amend it. Mr. Smith replied that the Board could support a revision to the rule that would just include cooperative purchasing. Director Brown concurred. Member Bedore made the motion to support a revision of the rule and was seconded by Member Bass with affirmative concurrence. Member Triche-Colvin asked to be recorded as present. Chairman Healy asked if CMS wanted a vote taken on piggybacking. Mr. Smith replied yes to get on record. Chairman Healy asked for a motion – no motion was put forth. After discussion about the construction of a motion on piggybacking, Member Bedore moved seconded by Member Triche-Colvin to recommend that CMS seek specific statutory authority that allows piggybacking before CMS proceeds with this activity. The motion was unanimously approved.

Next on the agenda was Facilities – In attendance were Bureau Chief Bob Schaaf, Acting Director of CMS Maureen O'Donnell and Chief Operations Officer Marcia Armstrong. Mr. Schaaf asked the Board if they could do the slide show presentation on leasing and then he would follow up with an update. The Board agreed. Maureen O'Donnell wanted to introduce herself to the Board and wanted to ensure the Board that CMS understands that the leasing holdovers are an issue. In the past three weeks, much of her time and leadership meetings devoted to the holdover lease situation. Ms. O'Donnell stated the effort surrounded what CMS could do legally. What are CMS' options given the size of the lease, length of the term, the money, area, etc? She further stated that the presentation was to give a summary of where CMS stands today, what the issues are, and how they are addressing them.

Ms. Armstrong stated that holdovers are one of the top strategic priorities for CMS. Ms. Armstrong then stated that a project management team was created including top leadership support with weekly meetings to drive the issues at hand. CMS also realizes much more must be done to come into compliance. Ms. Armstrong said since February 2006, 183 holdover leases have been eliminated and an activity based measurement was performed to analyze leasing processes and productivity. CMS has also initiated an internal efficiency audit to determine short and long term process improvements with results expected in two weeks. The space utilization planning committee created a draft statewide plan that includes best practice recommendations and strategic planning sessions with management and leasing staff. Ms. Armstrong explained that the next step is to improve technological capability and communications with agencies to promote effective overall space planning and increase resources (i.e., – reallocation of available staff from all other areas in CMS, hiring and evaluation of outside resources to lend expertise in Chicago real estate market). In conclusion, Ms. Armstrong said that their desired state would be to have a strategic portfolio planning process to integrate with long-term capital planning, customer focus with improved communication and coordination with agencies, improved data and reporting capabilities, and a focus on strategies and accountability tied to ongoing performance measures. Ms. Armstrong said she would be happy to answer any questions the Board might have. Chairman Healy asked how long it would take a new lease from start to finish. Mr. Schaaf replied that it would depend on the programmatic use of space and its size. If it is a small area, it could be done in 30 – 60 days. If you get into a large area where there is a lot of build out involved, it could take up to six months. Chairman Healy wanted to know how much cooperation they are getting from the other agencies. Mr. Schaaf said that he thinks it is improving. Chairman Healy asked when they talk about hiring someone for the Chicago area, will this person need training or have the experience? Mr. Schaaf replied that they will have the experience. Ms. O'Donnell wanted to also point out that they are conducting meetings with the four agencies that make up 70% of the leases and asking any agency that is bogged down at the

approval level to designate someone that will have the signature authority to approve and if the CFO could just do a quick review. They are also doing Director to Director phone calls and letters to ask for support in making sure these leases move through their process as quickly as they can. Chairman Healy stated that he has seen improvement in the last six months with regard to lease holdovers. Member Bass wanted to know where they were with the RFP on out sourcing help in Chicago. Ms. O'Donnell replied that the RFP is in the process of being written. They have looked at a number of RFPs from other states as well as the Federal Government to see how they have done it. Member Bass asked them to explain the impact of holdover leases in totality and if they have made progress. Mr. Schaaf replied yes. The net remaining holdovers are 192 and under 200 for the first time since Mr. Schaaf has been in this position. In this year there have been 6 leases go into holdover and CMS has had 43 negotiated out of holdover and seven terminated, but there are always leases going into holdover. Member Bass also said that duration is still a concern. Mr. Schaaf replied that some of the leases with long holdover periods are the tricky leases and might have issues on CMS's side or on the landlord's side or both. Member Bedore wanted to know why the Governor's Office was involved with the leasing of property as mentioned during the presentation. Ms. Armstrong replied that it pertains to the support of hiring and getting the Governor's approval for personnel and getting the conflict of interest statements that they also review in the Governor's office. Referencing CMS's recent audit Member Bedore also wanted to know why they need to write off a half a million dollars because it can not be collected from fellow agencies. Ms. O'Donnell replied that Member Bedore is correct and wanted to address his point. CMS is directly responsible for repayment of leases to the extent that cash-in/cash-out matches the appropriations and confirmed that appropriations are not necessarily matched at times. She also stated that it is a growth function and as they have been billing agencies for the last couple of years there has been a maturation process regarding billing verses appropriation. Ms. O'Donnell stated that she has been in meetings regarding this situation and CMS is meeting with agencies asking why they have not paid them or why they have not turned in their space request. Member Bedore stated that with CMS overall authority they should be able to get the agencies to comply using other pressures. Chairman Healy stated that they have seen an improvement and feels that it will continue. Member Bedore wanted to know if CMS would attend the meeting next month with response to the Auditor General findings. Ms. O'Donnell said they would be happy to. Mr. Schaaf stated he has the information on the leases going into the AIG building to distribute to the Board and floor plans. No further questions were asked.

Next on the agenda was Minimum Wage in Procurement – Member Bedore presented an article entitled minimum wage killing business: out of state companies win bidding for state contracts. The article talks about an Illinois firm that lost bids to companies in North Carolina, Michigan and Indiana. At the time the minimum wage for those states was \$5.15 while Illinois was at \$6.50. Illinois has lost jobs to these other states due to lower minimum wage. Member Bedore suggested legislation in the veto session or spring session to address this. He proposed a resolution recommending a legislative preference to level the competitive field. Director Brown recited the proposed resolution. Chairman Healy asked if there were any comments from the Board. Member Triche-Colvin asked if there was a certain percentage we are asking for. Director Brown replied no, that it would likely be based not to exceed a certain percentage and developed through research and legislative input. Chairman Healy asked if CMS had any comments on this. Ms. O'Donnell replied that yes, a proposal like this would give the State of Illinois opportunities to work with small businesses and minorities; it would be helpful to the State. She concurred that some research on the matter would help define the application of such a preference. Chairman Healy stated that more information on this to see how some of the other states do it would be beneficial. Member Morales made a motion to table the subject until the next meeting and was

seconded by Member Bass and all members were in favor. Member Bedore asked for it to be on the agenda for the next meeting.

Next on the agenda was legislation – Director Brown outlined Bills which have passed both houses. SB767 was mentioned because it was followed closely by PPB as well as Chief Procurement Officers. It creates a new procurement bulletin clearing house. The charge of the legislation is that the Procurement Policy Board will administer an Internet database that has award information drawn from all four procurement bulletins and that the information must be searchable by vendor. The Bill has seen unanimous concurrence in all committees that have heard the Bill. It was also supported unanimously in the House and Senate as it passed each body. We have appropriation requests in with legislative offices to help fund this. Chairman Healy asked when this would be up and running. Director Brown replied that the Bill is not date specific for operation of the clearing house that would make it subject to its legislation effective date. The other Bill closely being followed is SB1305. This is a Bill that the Chief Procurement Officers have interest in. It is an ominous ethics procurement bill. It is currently on 2nd reading in the House. Late yesterday, HB824 was also amended in the Senate in late stages to include the same provision as SB1305 as well as a few other provisions. These two Bills still have some possibility of passage as the extended session progresses. SB1619 is a Procurement Policy Board Bill relating to publication of purchase of real estate, which has passed the Senate and the House as amended per our request. It is on the concurrence calendar in the Senate and upon that affirmative vote it will be sent to the Governor. HB978, which is a Procurement Policy Board bill on lease review, has passed both Houses as well. No further questions were asked.

Next on the agenda was expenditure authorization – Director Brown started by explaining that expenditures totaling more than \$500 must have prior approval by the Board. First was authorization for toner cartridges for the office laser jet printer, which is a multi-jet machine. Member Bedore made a motion to accept it and was seconded by Member Triche-Colvin and was unanimously approved. Next was the expense for membership for the State of Illinois participation in the National Institute of Governmental Purchasing (NIGP) which is paid for by Procurement Policy Board on behalf of all State agencies. This has been done annually for some years now. A motion was made by Member Bass and was seconded by Member Bedore and was unanimously approved. The final expenditure was the contract for legal counsel for FY08. A proposal was provided by counsel for consideration. The proposed contract was for \$15,960. In addition to that contract amount for annual services, there is a suggestion for special projects, specifically to deal with concerns with the Open Meetings Act and how the Board might contemplate and adopt a policy. This will be an additional \$1,500 project fee. Chairman Healy stated that this is really two separate items, the annual contract and the additional project fee. Director Brown replied yes. A motion was made to approve \$15,960 for legal counsel by Member Bedore and seconded by Member Morales. Another motion was made to accept the additional project fee by Member Bedore and seconded by Member Bass and both were unanimously approved.

As no other items of business were to be considered, a motion was made to adjourn at 1:30 p.m. by Member Bedore and seconded by Member Morales. The motion was unanimously approved.



OFFICE OF THE COMPTROLLER

DANIEL W. HYNES
COMPTROLLER

ROOM 201
STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

May 3, 2004

Chairman Terrence M. Healy
Members of the Procurement Policy Board
511 West Capitol, Suite 102
Springfield, Illinois 62704

Dear Chairman Healy and Members of the Board:

I seek action by the Procurement Policy Board in regard to the State of Illinois' procurement practices with expatriate corporations and the attached contracts involving Accenture, LLP, an expatriate corporation. I specifically ask that the Board adopt a policy that the State of Illinois not conduct business with expatriate corporations and that the Board recommend that the existing contracts with Accenture, LLP, an expatriate corporation, be voided.

An expatriate corporation is a domestic business entity that has moved on paper to a foreign tax haven and has no substantial business activity in the foreign tax haven. By restructuring their business organization to incorporate in tax haven countries, Accenture, LLP and other publicly traded companies are avoiding their fair share of Illinois taxes and have undermined the interests and rights of their shareholders. These expatriate corporations, by avoiding a fair share of their taxes, gain an unfair advantage over corporations that do not expatriate when competing for contracts with State of Illinois agencies, thereby undermining the competitive bidding process. Substandard corporate governance models and accounting practices may impede an expatriate corporation's ability to do business with State agencies in a manner required by state law and sound contracting practices, including limiting an agency's ability to enforce its contract rights or enforce judgments against the expatriate corporation as the result of corporate expatriation. Excerpts from the Form 10-K filed with the Securities and Exchange Commission by Accenture, Ltd disclosing these types of risks are attached for your use.

The Procurement Policy Board is charged with the responsibility to review, comment upon, and recommend the procurement practices of State of Illinois agencies. To that

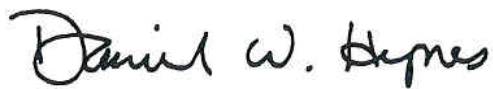
Procurement Policy Board

May 3, 2004

Page 2

end, I respectfully seek the Board's recommendations, consistent with the policy articulated above, in regard to the State's procurement practices as they relate to expatriate corporations. Specifically, our desire is that the Board adopt a policy that the State of Illinois not conduct business with expatriate corporations and recommend the voiding of existing Accenture, LLP, contracts. I ask that the Board address these concerns at their next meeting and provide an opportunity for this Office to present information on this issue.

Sincerely yours,

A handwritten signature in black ink that reads "Daniel W. Hynes". The signature is written in a cursive style with a large initial 'D'.

Daniel W. Hynes
Comptroller

Attachments

Negative publicity about Bermuda companies may lead to new tax or other legislation that could increase our tax burden and may affect our relationships with our clients.

Members of the U.S. Congress have introduced legislation relating to the tax treatment of U.S. companies that have undertaken certain types of expatriation transactions. It is possible that legislation enacted in this area could reduce the tax benefits of our structure and materially increase our future tax burden, or otherwise adversely affect our business. Other legislative proposals, if enacted, could limit or even prohibit our eligibility to be awarded U.S. government contracts in the future. In addition, similar state legislative proposals, if enacted, could adversely affect our eligibility to be awarded U.S. state government contracts in the future. We are unable to predict with any level of certainty the likelihood or final form in which any proposed legislation might become law or the nature of regulations that may be promulgated under any such future legislative enactments. As a result of these uncertainties, we are unable to assess the impact on us of any proposed legislation in this area. In addition, there have recently been negative comments regarding Bermuda companies in the media. This negative publicity could harm our reputation and impair our ability to generate new business if companies or government agencies decline to do business with us as a result of the negative public image of Bermuda companies or the possibility of our clients receiving negative media attention from doing business with a Bermuda company.

Accenture Ltd

SEC Form 10-K

For the Fiscal Year that ended August 31, 2003

Page 23

<http://www.sec.gov/Archives/edgar/data/1134538/000095013703006049/c80848e10vk.htm>

We are registered in Bermuda, and a significant portion of our assets are located outside the United States. As a result, it may not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

We are organized under the laws of Bermuda, and a significant portion of our assets are located outside the United States. It may not be possible to enforce court judgments obtained in the United States against us in Bermuda or in countries, other than the United States, where we have assets based on the civil liability provisions of the federal or state securities laws of the United States. In addition, there is some doubt as to whether the courts of Bermuda and other countries would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. We have been advised by our legal advisors in Bermuda that the United States and Bermuda do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Bermuda. Similarly, those judgments may not be enforceable in countries, other than the United States, where we have assets.

Bermuda law differs from the laws in effect in the United States and may afford less protection to shareholders.

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. As a Bermuda company, we are governed by the Companies Act 1981 of Bermuda. The Companies Act differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances. Officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of a Bermuda company is found to have breached his duties to that company, he may be held personally liable to the company in respect of that breach of duty. A director may be liable jointly and severally with other directors if it is shown that the director knowingly engaged in fraud or dishonesty. In cases not involving fraud or dishonesty, the liability of the director will be determined by the Bermuda courts on the basis of their estimation of the percentage of responsibility of the director for the matter in question, in light of the nature of the conduct of the director and the extent of the causal relationship between his conduct and the loss suffered.

Accenture Ltd

SEC Form 10-K

For the Fiscal Year that ended August 31, 2003

Pages 26 and 27

<http://www.sec.gov/Archives/edgar/data/1134538/000095013703006049/c80848e10vk.htm>

SORLING

NORTHRUP, HANNA,
CULLEN & COCHRAN, LTD.
ATTORNEYS AT LAW

Suite 800 Illinois Building
607 East Adams Street
P.O. Box 5131
Springfield, IL 62705

P: 217.544.1144
F: 217.522.3173

www.sorlinglaw.com

Todd M. Turner
Attorney at Law
tturner@sorlinglaw.com

TO: Matt Brown
FROM: Legal Counsel (Todd M. Turner)
DATE: January 20, 2005
SUBJECT: Expatriate Corporations Doing Business With the State

ISSUE

Do expatriated (and/or tax haven companies) enjoy competitive advantage over domestic corporations when bidding on state contracts because these corporations pay less in taxes to the United States and to Illinois?

ANALYSIS

While there are instances where an expatriated or tax haven company might pay lesser corporate income tax to the federal and state government than their domestic corporation counterparts, this is a complex issue and it is not always true that foreign companies pay less taxes because of their foreign status. The term "expatriated corporation," itself, does not have one universal definition. In Illinois legislation introduced by the Comptroller's office, an expatriated corporation is a corporation that was originally a U.S. corporation that (i) through one transaction or a series of transactions is acquired by a foreign entity established under the laws of certain enumerated tax haven countries or (ii) where a foreign entity acquires directly or indirectly substantially all of the property held by the domestic corporation and 50% of the publicly traded stock of the foreign entity is held by former shareholders of the domestic corporation. However, legislative initiatives in the State of Ohio, for example, use the term to mean any corporation incorporated under the laws of certain enumerated tax haven countries whether or not these corporations were initially domestic corporations or not. On the federal level, the term expatriated corporation is sometimes used, but most discussions and studies that have taken place compare "tax haven" corporations to domestic corporations without regard of whether the tax haven corporation was previously a domestic

corporation or was incorporated from the beginning as a tax haven corporation.

The definition of the term does make a difference. For instance, Accenture contends that it is not an expatriated corporation under the definition proposed by the Comptroller's office. However, under previously proposed Ohio legislation, Accenture would be an expatriated corporation because it is a Bermuda corporation. Regardless, however, of the exact definition of expatriated corporation, the issue boils down to whether such a corporation has a lower tax liability because of its organizational structure and therefore has an advantage in bidding on state contractual work.

In a report published by the United States General Accounting Office, dated June 2004, the report found that it is possible that tax haven corporations could have an advantage in bidding contracts because of the U.S. federal tax scheme. The GAO reported there were instances where a foreign company could reduce its U.S. taxable income by shifting these other sources of income in such a manner so as to strategically use losses the company has to offset tax on the income gained from the U.S. contract and shift income to show more income coming to a foreign party company. Whether there is an actual advantage in a particular bidding situation, depends upon the tax status of the domestic corporation making bids. If the domestic corporation can generate losses for accounting purposes, the domestic corporation can use these losses to offset contract income in a similar manner to a tax haven corporation. The report noted that in 2000, 56% of 39 large tax haven contractors reported no tax liability, but at the same time 34% of the 3,253 large domestic contractors reported no tax liability. In 2001, 66% of large tax haven contractors reported no tax liability and 46% of the large domestic contractors reported no tax liability. The inference from this is that there would really be no competitive advantage between a tax haven contractor over that of a domestic contractor if a domestic contractor is one that has no tax liability on its corporate income tax return. The GAO concluded that "the issue of tax costs advantage for tax haven contractors is related to the larger issue of how companies headquartered or operating in the U.S. should be taxed. For example, the questions about how the world wide income of U.S. multi-national corporations should be taxed are part of a larger debate and beyond the scope of this report. Because of these larger policy issues, we are not making recommendations in this report." (GAO-04-856, page 15).

The report notes that tax haven countries may be able to lower taxable U.S. income by shifting income to a tax haven parent or affiliate so as to minimize U.S. income on the whole and thus lowering U.S. income tax liability. However, domestic corporations that operate multi-nationality can shift income to foreign subsidiaries thus achieving the same effect -- lowering overall U.S. income tax liability.

From this, counsel concludes that expatriated/tax haven corporations and domestic corporations that are multi-national could have a competitive advantage to domestic corporations that are not multi-national in nature and do not have the same corporate structure available to shift income to either foreign subsidiaries or foreign parent to try and minimize income from the U.S.

In discussions with the Department of Revenue, under the Illinois income tax structure, the Illinois taxing statutes do not afford any advantage to an expatriated/tax haven corporation. However, the Illinois income tax is a "tie-in" statute that has adopted federal law as the starting point for

computing Illinois taxable income. Therefore, to the extent that U.S. income can be manipulated, it would have an impact upon the ultimate income tax paid in Illinois.

COUNSEL'S OBSERVATION

1. The tax issues become quite complex and there are many pages of research that have been conducted on this issue, and it is difficult to draw a clear cut conclusion which can be concisely stated in the scope of this brief memorandum.
2. The States of California and North Carolina have adopted expatriated/tax haven legislation.
3. The AFSCME nationwide legislative agenda for protecting public services for 2005 advocate for a "tax haven contract ban." Their model legislation focuses on banning contracts with domestic corporations that have reincorporated in income tax haven countries and are companies that have no substantial business activities in the country of reincorporation.
4. The issue of expatriated/tax haven corporations also give rise to other considerations besides whether or not they have competitive bidding advantages. These other considerations include enforceability of remedies for breach of contract, and whether stockholders are adequately protected under the corporate laws of foreign companies regarding board of director and company responsibility to its shareholders.

**STATEMENT OF ECONOMIC INTERESTS
TO BE FILED WITH
THE SECRETARY OF STATE**



(Type or Hand Print Name and Address in the blank space)

(List each Office or Position of Employment for which this Statement is Filed)
(Full Post Office Address to which Notification of an Examination of this Statement should be Sent)

GENERAL DIRECTIONS

The interest (if constructively controlled by the person making the statement) of a spouse or any other party, shall be considered to be the same as the interest of the person making the statement. Campaign receipts shall not be included in this statement.

If additional space is needed, please attach supplemental listing.

1. List the name and instrument of ownership in any entity doing business in the State of Illinois, in which the ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends in excess of \$1,200 were derived during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description.) No time or demand deposit in a financial institution, nor any debt instrument need be listed.

Business Entity	Instrument of Ownership
_____	_____
_____	_____
_____	_____
_____	_____

2. List the name, address and type of practice of any professional organization in which the person making the statement was an officer, director, associate, partner or proprietor or served in any advisory capacity, from which income in excess of \$1,200 was derived during the preceding calendar year.

Name	Address	Type of Practice
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. List the nature of professional services rendered (other than to the State of Illinois) to each entity from which income exceeding \$5,000 was received for professional services rendered during the preceding calendar year by the person making the statement.

4. List the identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized during the preceding calendar year.

5. List the identity of any compensated lobbyist with whom the person making the statement maintains a close economic association, including the name of the lobbyist and specifying the legislative matter or matters which are the object of the lobbying activity, and describing the general type of economic activity of the client or principal on whose behalf that person is lobbying.

Lobbyist	Legislative Matter	Client or Principal
-----	-----	-----
-----	-----	-----

6. List the name of any entity doing business in the State of Illinois from which income in excess of \$1,200 was derived during the preceding calendar year other than for professional services and the title or description of any position held in that entity. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description.) No time or demand deposit in a financial institution nor any debt instrument need be listed.

Entity	Position Held
-----	-----
-----	-----
-----	-----

7. List the name of any unit of government which employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.

8. List the name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

VERIFICATION

"I declare that this statement of economic interests (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of my economic interests as required by the Illinois Governmental Ethics Act. I understand that the penalty for willfully filing a false or incomplete statement shall be a fine not to exceed \$1,000 or imprisonment in a penal institution other than the penitentiary not to exceed one year, or both fine and imprisonment."

(Signature of Person Making the Statement) (Date)

NOTE: This statement is to be filed in the Office of the Secretary of State, Ethics Section, Index Department, 111 East Monroe, Springfield, Illinois 62756

Communications

STEVE TISZA, *President*

LOCAL 4250/5050

Workers of America

(AFFILIATED WITH AFL-CIO)

806 NORTH DEARBORN STREET
CHICAGO, ILLINOIS 60610
TELEPHONE 312 988-9177
FAX 312 988-9302

May 12, 2004

Chairman Terrence Healy
Illinois Procurement Policy Board
511 West Capitol, Suite 102
Springfield, Illinois 62704

Dear Chairman Healy:

The purpose of my letter is to request your support of State Comptroller Dan Hynes request for a positive recommendation from the Illinois Procurement Policy Board not to do business with expatriate corporations awarded contracts with various State of Illinois agencies. Companies that locate offshore to evade their Illinois tax burdens.

Recently, the Illinois State Senate Executive Committee bottled up a bill drafted by Comptroller Hynes, which was passed in the House by a 113-0 vote in February. His bill closes a loophole in the Illinois tax code that allows corporations, such as Accenture, to shift profits to overseas tax havens to avoid paying taxes in Illinois.

In addition, the Illinois State Senate torpedoed their own legislation, SB 2375, when they cowered to corporate interests such as Citicorp and the Illinois Chamber of Commerce and supported an amended version of the bill that destroyed the original intent to "Keep Illinois Jobs in the USA!" The Senate eventually passed their watered down version of SB 2375, which is currently in the House.

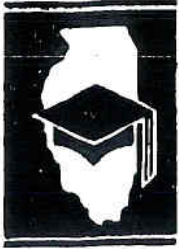
Sources say, Governor Blagojevich did not support the original language of SB 2375 or Comptroller Hynes' legislation. Therefore, a strong recommendation from the Illinois Procurement Policy Board would go a long way in helping to "Keep Illinois Jobs in the USA! even though the Governor and Senate only provide lip service to Illinois working families.

Sincerely:

A handwritten signature in cursive script that reads "Steve Tisza".

Steve Tisza, President
CWA Local 4250
Chicago

Cc: Dan Hynes, Illinois Comptroller



UNIVERSITY PROFESSIONALS OF ILLINOIS

LOCAL 4100 ILLINOIS FEDERATION OF TEACHERS AFT AFL-CIO

4 Lawrence Square • Springfield, IL 62704 • Phone (217) 789-7614 • Fax (217) 789-9551

May 18, 2004

Chairman Terrence Healy
Illinois Procurement Policy Board
511 West Capitol, Suite 102
Springfield, Illinois 62704

Dear Chairman Healy:

As President of the University Professionals of Illinois Local 4100 IFT, AFT, AFL-CIO, I am deeply concerned about the awarding of state contracts to expatriate corporations – Accenture being the most recent example.

Expatriate corporations that shirk their fair share of the tax burden by moving their operations offshore should not be rewarded with lucrative state contracts. In these difficult economic times bidding for contracts is very competitive and allowing companies established in tax havens to bid not only puts other corporations at a disadvantage, but the awarding of such contracts erodes the tax base for vital state services.

As Chairman of the body which will make recommendations on how Illinois should deal with expatriate corporations, I am asking you to consider a policy that will ban the awarding of contracts to businesses that skirt our state and our country's tax laws. This will be a major step towards putting all businesses on equal footing when it comes to the submission of bids for state contracts, help protect Illinois jobs and ultimately preserve the tax base that supports the vital services and institutions so many of our citizens rely on every day.

Thank you for your consideration of this matter and if you have any questions regarding my position please feel free to call me at (312) 771-4474.

Sincerely,

Sue Kaufman
President





May 12, 2004

Ms. Whitney Rosen
General Counsel
Illinois Office of the Comptroller
325 West Adams Street
Springfield, Illinois 62706

Dear Whitney:

I am sending this correspondence to request an explanation as to why formally executed contracts and related invoices submitted to the Illinois Office of the Comptroller (IOC) for approval and payment from the Efficiency Initiatives Revolving Fund have not been paid to date.

At the present time, invoices duly submitted for payment under the following contracts have been submitted to the IOC to be obligated and approved:

Bearingpoint – IT Rationalization

Contract was submitted 3/31/04 and currently has not been approved in SAMS.

Accenture LLP

This contract was submitted to SAMS 3/31/04 and is currently on hold at IOC. We understand from the Comptroller's May 3 Press Statement that the reason for this hold is that Accenture is an expatriate corporation that does not pay tax in Illinois. That contention is simply not correct, however.

Accenture is not an "expatriate corporation" that does not pay Illinois taxes. (While Accenture is an entity organized under the laws of Bermuda, it is not a corporation that incorporated in a foreign country to avoid paying taxes.) Accenture pays Illinois taxes on its Illinois income and federal taxes on its U.S. income. To ensure that this is the case, CMS' agreement with Accenture contains a specific provision that requires such payments. That provision reads:

Vendor represents and warrants to the State that Vendor pays all Illinois taxes on its Illinois revenues; and that it will pay all taxes on its revenues from this contract.

Contract at Section 7.3. (enclosed).

Moreover, even were Accenture such an expatriate corporation, the Comptroller's position is without factual or legal basis. As demonstrated above, Accenture is not an "expatriate corporation that does not pay Illinois taxes." Further, current Illinois law does not prohibit contracts with expatriate corporations. Thus, there is no legal basis for rejecting it, even if Accenture were—but it is not—such an expatriate corporation.

Whitney Rosen, General Counsel
Office of the Comptroller
May 12, 2004
Page 2

The Comptroller's refusal to obligate and pay this contract is at odds with his (and the Governor's) position to require foreign companies to pay Illinois and U.S. taxes, since Accenture pays such taxes and has represented and warranted in this specific agreement to do so.

McKinsey and Company

This contract was submitted to SAMS 3/22/04. The status of the contract is uncertain because it is shown in SAMS as approved but obligated for zero dollars.

The Revere Group

This contract was submitted to the IOC on 4/23/04 and has not been approved in SAMS.

These contracts and invoices for services rendered are critical to CMS' charge to implement functional consolidations, efficiency initiatives, and to reengineer state government. These contracts have been formally executed in compliance with state law and the vendors' invoices are appropriate under their specific contractual provisions. There is no legal reason why these payments should be delayed in the manner they have been.

In order to resolve this issue as quickly as possible, I would like to discuss how and when these invoice amounts will be paid. Thank you in advance for your immediate attention to this request. If you have any questions please call me at (312) 814-6964 or (217) 782-0787.

Sincerely,

H. Edward Wynn
Deputy Director – General Counsel

Enclosures

Bill Status of HB4194 93rd General Assembly

Short Description: FOREIGN TAX HAVENS

House Sponsors

Rep. Gary Hannig - Jack D. Franks - Donald L. Moffitt - Eddie Washington - Linda Chapa LaVia, Michael K. Smith, Monique D. Davis, Patricia Bailey, Patrick Verschoore, Mike Boland, Thomas Holbrook, Frank Aguilar, Maria Antonia Berrios, Steve Davis, Frank J. Mautino, Susana Mendoza and Jack McGuire

Senate Sponsors

(Sen. Jeffrey M. Schoenberg - John J. Cullerton - Gary Forby - Susan Garrett - James A. DeLeo, Don Harmon and Edward D. Maloney)

Last Action

Date	Chamber	Action
1/11/2005	House	Session Sine Die

Statutes Amended In Order of Appearance

30 ILCS 500/1-15.120 new

30 ILCS 500/45-10

30 ILCS 500/50-17 new

35 ILCS 5/1501

from Ch. 120, par. 15-1501

Synopsis As Introduced

Amends the Procurement Code. Defines "expatriate corporation" as a foreign incorporated entity that (1) is publicly traded in the United States, (2) is incorporated in a tax haven, (3) less than 10% of the gross income of which is derived from activities in the tax haven, (4) less than 10% of the employees of which are permanently located in the tax haven, and (5) has certain ownership or other business interest connections with a domestic corporation or partnership. Provides that an expatriate corporation shall be considered a non-resident bidder. Provides that no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with a State agency under this Code if that business or any member of the unitary business group is an expatriate corporation. Amends the Illinois Income Tax Act. Provides that notwithstanding the definition of "unitary business group", any person formed or incorporated in a foreign tax haven may be a member of a unitary business group without regard to where its business activities are conducted. Lists those places that are "foreign tax havens". Provides that the term "foreign tax haven" also includes any foreign country that does not impose a substantial business income tax or other substantial business activity tax, as determined by the Department by rule. Effective July 1, 2004.

Actions

Date	Chamber	Action
1/26/2004	House	Filed with the Clerk by Rep. Gary Hannig
1/26/2004	House	Chief Co-Sponsor Rep. Jack D. Franks
1/26/2004	House	First Reading
1/26/2004	House	Referred to Rules Committee
2/3/2004	House	Referred to State Government Administration Committee
2/10/2004	House	Added Chief Co-Sponsor Rep. Donald L. Moffitt
2/10/2004	House	Added Chief Co-Sponsor Rep. Eddie Washington
2/10/2004	House	Added Chief Co-Sponsor Rep. Linda Chapa LaVia
2/10/2004	House	Added Co-Sponsor Rep. Michael K. Smith

2/10/2004	House	Added Co-Sponsor <u>Rep. Monique D. Davis</u>
2/10/2004	House	Added Co-Sponsor <u>Rep. Patricia Bailey</u>
2/19/2004	House	Added Co-Sponsor <u>Rep. Patrick Verschoore</u>
2/20/2004	House	Do Pass / Short Debate <u>State Government Administration Committee; 010-000-001</u>
2/20/2004	House	Placed on Calendar 2nd Reading - Short Debate
2/24/2004	House	Second Reading - Short Debate
2/24/2004	House	Placed on Calendar Order of 3rd Reading - Short Debate
2/24/2004	House	Added Co-Sponsor <u>Rep. Mike Boland</u>
2/24/2004	House	Added Co-Sponsor <u>Rep. Thomas Holbrook</u>
2/25/2004	House	Added Co-Sponsor <u>Rep. Frank Aguilar</u>
2/25/2004	House	Added Co-Sponsor <u>Rep. Maria Antonia Berrios</u>
2/25/2004	House	Added Co-Sponsor <u>Rep. Steve Davis</u>
2/25/2004	House	Added Co-Sponsor <u>Rep. Frank J. Mautino</u>
2/25/2004	House	Added Co-Sponsor <u>Rep. Susana Mendoza</u>
2/25/2004	House	Third Reading - Short Debate - Passed 113-000-001
2/25/2004	House	Added Co-Sponsor <u>Rep. Jack McGuire</u>
2/26/2004	Senate	Arrive in Senate
2/26/2004	Senate	Placed on Calendar Order of First Reading
2/26/2004	Senate	Chief Senate Sponsor <u>Sen. Jeffrey M. Schoenberg</u>
2/26/2004	Senate	First Reading
2/26/2004	Senate	Referred to <u>Rules</u>
3/2/2004	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. John J. Cullerton</u>
3/3/2004	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Gary Forby</u>
3/3/2004	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Susan Garrett</u>
3/3/2004	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. Edward D. Maloney</u>
3/10/2004	Senate	Added as Alternate Co-Sponsor <u>Sen. Don Harmon</u>
3/25/2004	Senate	Assigned to <u>Executive</u>
3/31/2004	Senate	Postponed - <u>Executive</u>
4/26/2004	Senate	Sponsor Removed <u>Sen. Edward D. Maloney</u>
4/26/2004	Senate	Added as Alternate Co-Sponsor <u>Sen. Edward D. Maloney</u>
4/26/2004	Senate	Added as Alternate Chief Co-Sponsor <u>Sen. James A. DeLeo</u>
4/29/2004	Senate	To Subcommittee
4/30/2004	Senate	Rule 3-9(a) / Re-referred to <u>Rules</u>
1/11/2005	House	Session Sine Die

[Back To Top](#)