

## SECRETARY OF STATE PROCUREMENT POLICY BOARD

Minutes of Meeting – June 29, 2016 (Amended 10/27/16)

### UPON DUE AND PROPER NOTICE, A MEETING WAS HELD AT THE ILLINOIS STATE CAPITOL ROOM 213 FOR THE PROCUREMENT POLICY BOARD

The Secretary of State Procurement Policy Board (PPB) was called to order at 2:37 p.m. by Chairman David Joens in Room 213 at the Statehouse, Springfield, Illinois.

Roll call was taken. PPB Members present were Chairman Dave Joens (Archives), Ernie Dannenberger (Vehicles), Ray Cachares (Business Services) and Anthony Kalant (Office of Inspector General). Also present at the meeting were Donna Grunder (Inspector General), Jackie Price, Robert Partridge and Amanda Trimmer (Budget), and Amy Williams (General Counsel). There were no telephone participants.

Dave Joens presented minutes from the PPB meeting of January 13, 2016. After review, Ray Cachares moved to approve the minutes as presented, seconded by Ernie Dannenberger. Motion carried.

Old Business: Amy Williams provided an update regarding status of the Procurement Rule to increase the small purchase threshold. She is in the process of filing Second Notice on the rule and anticipates it should be adopted within 45 days after that filing.

New Business: None.

Vendor Communications Report: Amanda Trimmer reported that vendor communication reports have been drastically reduced since the recent rule change and clarification of the reporting requirements provided by Bob Partridge at the most recent Fiscal Officers meeting. She has received very few reports since that time, and some of those reports were unnecessary. She estimates she will only receive from 12 to 20 reports each year under the new rule, and it was decided it was unnecessary to provide a Vendor Communications Report at each meeting. Instead, it will be provided to the Board on an annual basis.

Budget and Fiscal Updates: Jackie Price reported on attempts to amend the Procurement Policy Code by the Governor's Office, most of which would not affect SOS. Amanda Trimmer reported the Governor's proposed changes would eliminate the Procurement Policy Board and revert to previous procurement practices. Budget will continue to monitor the Governor's policies for any changes that may be adapted for use by SOS.

Jackie Price reported that no issues were raised at their recent internal audit and Budget passed with flying colors. Bob Partridge reported audit personnel came to him with questions regarding procedural changes and updates to our contracts, implementing new language. He was able to answer all of their questions to their satisfaction, and most of the procedures they recommended were already in use by Budget. Tony Kalant received a copy of the audit, and indicated it had been a deep and thorough audit of our budget procedures with a very good outcome. Dave Joens

## SECRETARY OF STATE PROCUREMENT POLICY BOARD

asked how frequently internal audits are performed, and was advised different audits are performed for different areas at different times. It appears from previous records that audits of this nature are performed every 2-3 years.

Our use of the Illinois Procurement Gateway was discussed. At the last meeting, Terri Coombes has questioned whether the OIG's office had any concerns about its use. Both Nathan Maddox of the OIG and Amy Williams of the General Counsel's Office have reviewed the system and approved its use by SOS. Bob Partridge reported the Gateway has been entered into the Procurement Code as the main system for vendor registration. He also advised the Board that vendors submitting a bid last year were required to provide 22-24 pages of certifications; if they had registered through the Gateway, only 4-5 pages of certification would be required, dealing with information changes, previous conflicts with SOS or other agencies, etc. Vendors have been made aware of the Gateway through the Illinois Procurement Bulletin. It is especially useful to small vendors, as it makes bidding for SOS contracts simpler and less costly. Tony Kalant asked if the certification forms submitted through the Gateway were downloaded and Bob Partridge advised they were downloaded to the file for each contract on which the vendor submitted a bid. Budget then verifies the forms and identifies any red flags or conflicts that may interfere with the vendor's ability to bid on a specific contract.

Bob Partridge reported some vendors with multi-year contracts have failed to submit their annual certification forms, which are due July 1, 2016. He began contacting vendors in February and has followed up monthly since then to remind them of their reporting obligations. We have obtained approximately 85% compliance to date. We are not required to cancel a contract if a vendor fails to file their annual recertification on time, but have the option to do so. He has advised vendors in his most recent e-mail that failure to comply could further delay payments on their contract.

Amanda Trimmer updated the Board regarding use of Bid-Buy, which was advertised to vendors in the most recent Procurement Bulletin. The program will go into use in August of this year for agencies under the Governor's Office. We are unsure when it will go active for use by SOS. Bob Partridge reports CMS will be testing a roll out of the program in mid-August, although that date may be pushed back, and we could be online with the program as early as the end of this year. He viewed a recent Webinar on Bid-Buy, demonstrating functions of the system, and offered Board members the link to a 90-minute YouTube video demonstrating the system. Dave Joens asked if we are required to use Bid-Buy and was advised by Amanda Trimmer and Bob Partridge that the Illinois Procurement Bulletin won't be supported much longer, so we have to use Bid-Buy. Amanda Trimmer indicated we must make sure vendors know to look at both sites until Bid-Buy is up and running solo. Bob Partridge anticipates a drop in the number of bidding vendors since there will be too many sites to monitor for bidding opportunities. Amanda Trimmer reported we may send bidding opportunities to eligible vendors we have used in the past.

Dave Joens inquired as to the cost of using Bid-Buy, and Amanda indicated we are currently accessing the CMS program at no cost. Bob Partridge indicated we are not using the full system, but only a small portion of it. Hopefully we can remain at the low end of usage and continue on a cost-free basis.

**SECRETARY OF STATE PROCUREMENT POLICY BOARD**

Ernie Dannenberger advised the Board that more hotels are refusing to direct bill stays for SOS employees, but will bill through special funds only. Amanda Trimmer reported three vendors who have refused FY17 contracts until an appropriation is in place. We have few options when this occurs - we must either find other vendors or do without the service being provided. Bob Partridge reported a large drop-off in vendors who will bid for contracts with SOS. Ernie Dannenberger advised the Board he had one vendor who refused to do business with SOS because of money owed to them by other State agencies. We were threatened with a cut-off of our WEX contract in April, which provides fuel to fleet vehicles, but were able to partially pay the backlog to them with money from special funds to keep the service in place.

No public comments were offered. Dave Joens would like the Board to meeting quarterly.

A motion to adjourn the meeting was made by Ray Cachares, seconded by Ernie Dannenberger. The meeting adjourned at 3:04 p.m.

Respectfully submitted,

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Donna Grunder, Secretary

Date: \_\_\_\_\_

Approved by Board:

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David Joens, Chairman

Date: \_\_\_\_\_

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