



COPIES

Chairman: David Vaught
Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

July 9, 2013

Fred Hahn
Chief Procurement Officer
Capital Development Board
377C Stratton Office Building
Springfield, Illinois 62706

Re: 50-35 Potential Conflict of Interest, Reference #810-028-024

Dear Mr. Fred Hahn,

In accordance with the requirements of Section 50-35 of the Illinois Procurement Code, I have reviewed your request received July 9, 2013 and understand the facts to be as follows:

- 1) The Capital Development Board has issued a request for a review and comment on potential conflicts of interest disclosed by Pepper Construction Company.
- 2) The contract pertains to general construction services for the relocation of utilities and building demolition at the College of DuPage.
- 3) Pepper Construction Company was selected using IFB.
- 4) The disclosure form submitted on behalf of Pepper Construction Company Inc. indicates the following:
 - a. Pepper Construction company (Pepper) submitted a bid on May 21, 2013 for the project referenced above. On July 3, 2013, CDB submitted a recommendation-to-award (RTA) package for the project including completed disclosures, to the CPO, seeking to award to Pepper. The CPO's review of the submittals identified issues with Pepper's disclosures. Specifically, William J. McCarthy, part owner of Pepper, answered "Yes to Question #6 in Step 5 regarding appointive office of a family member. Mr. McCarthy's son, John David (Jack) McCarthy, works in the City of Chicago's Office of the Mayor, primarily on economic development initiatives for the Mayor and Deputy Mayor.
- 5) The Capital Development Board confirmed that none of the disclosed individuals were in a position to influence the award of this contract. The Capital Development Board and CPO Fred Hahn indicate that it would be in the best interest of the State to approve this conflict of interest due to the using agency's needs and the value of the contract.

Based on the foregoing, you are requesting my review and comment pursuant to the Illinois Procurement Code.

Review and Comment

After careful review of the documentation provided, I do not view the relationships disclosed above as creating a conflict of interest sufficient to preclude the Illinois Capital Development Board from entering into a contract with Pepper Construction Company for the services outlined in your letter received July 9, 2013.

Sincerely,

Aaron Carter
Executive Director

Cc: EEC General Counsel