STATE OF ILLINOIS
PPB
PROCUREMENT POLICY BOARD

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

May 29, 2013

Bill Grunloh
Chief Procurement Officer
Illinois Department of Transportation
Executive Ethics Commission
2300 S. Dirksen Pkwy
Room 200
Springfield, Illinois 62764

Re: 50-35 Potential Conflict of Interest, Contract #89464, from the January 18, 2013 Letting

Dear Mr. Bill Grunloh,

In accordance with the requirements of Section 50-35 of the Illinois Procurement Code, I have reviewed your request received May 29, 2013 and understand the facts to be as follows:

1) The Illinois Department of Transportation has issued a request for a review and comment on potential conflicts of interest disclosed by R.A. Cullinan & Son, a Division of United Contractors, Midwest, Inc.

2) The contract pertains to the contract for construction related services in Peoria County.

3) R.A. Cullinan & Son, a division of United Contractors, Midwest, Inc. was selected via competitive sealed bid sub-contractor agreement.

4) The disclosure form submitted on behalf of R.A. Cullinan & Son, a Division of United Contractors, Midwest, Inc. indicates the following:

    a. The Disclosure Form A submitted on behalf of Stephan A. Cullinan, M.D., an individual with an ownership interest and distributive income of more than 60% of the Governor's salary, indicates that Mr. Cullinan is the Chief Medical Officer of Health Professional, Ltd, and a minority shareholder in Correctional Healthcare Companies, Inc. Health Professionals, Ltd. is a health care company that provides medical management services to inmates at various Illinois Department of Corrections facilities Statewide. Dr. Cullinan is in no position to influence the competitively sealed bidding process from the position he holds.

5) The Illinois Department of Transportation confirmed that none of the disclosed individuals were in a position to influence the award of this contract. The Illinois Department of Transportation and CPO Bill Grunloh 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 Department of Transportation from entering into a contract with R.A. Cullinan & Son, a division of United Contractors, Midwest, Inc. for the services outlined in your letter received May 29, 2013.

Sincerely,

Aaron Carter
Executive Director

Cc: EEC General Counsel

222 SOUTH COLLEGE STREET, SUITE 231, SPRINGFIELD, IL 62704
Telephone: (217) 785-3988 Fax: (217) 557-9927 TTY: (888) 642-3450

CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

May 29, 2013

Procurement Policy Board
222 South College Street, Suite 231
Springfield, IL 62704

RE: Conflict of Interest Disclosure R.A. Cullinan & Son, a division of United Contractors Midwest, Inc., Sub-Contractor for contract 89464 from the January 18, 2013 letting

Mr. Carter:

Attached is a potential conflict of interest form for R.A. Cullinan & Son, a division of United Contractors Midwest, Inc., a sub-contractor for Midwest Bridge and Crane, Inc. (Midwest Bridge), the lowest responsible bidder who was also responsive for construction contract 89464 advertised on the January 18, 2013 letting by the Department of Transportation. This contract is for construction related services in Peoria County, and consists of bridge removal and replacement with associated approach roadway work and all other incidental items to complete the work on FAS Route 1381 (West Smithville Road) over East Branch of Copperas Creek. RA is being selected for HMA surface paving.

Midwest Bridge was selected via competitively sealed bidding process. A description of the contract and low bid amount is enclosed with this letter and conflict of interest checklist. This contract is in the Department's interests of maintaining safe bridge passageway to ensure the safety of the motoring public. A copy of prior approval by the Procurement Policy Board is also enclosed herewith for your review.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Health Professionals, Ltd. provides medical management and services to inmates at the following Illinois Department of Corrections facilities:

1) Illinois Youth Center, St. Charles, IL:
    a. Start Date: 7/1/07
    b. End Date: 6/30/2012
    c. Contract #: 9903001
2) Illinois Youth Center, Joliet, IL:
    a. Start Date: 7/1/07
    b. End Date: 6/30/2012
    c. Contract #: 9903001
3) Illinois Youth Center, Warrenville, IL:
    a. Start Date: 7/1/07
    b. End Date: 6/30/2012
    c. Contract # 9903001
4) Illinois Youth Center, Chicago IL:
    a. Start Date: 7/1/07
    b. End Date: 6/30/2012
    c. Contract # 9903001

2300 South Dirksen Parkway • 200 Hanley Building • Springfield, IL 62706
P: (217) 558-5434 • F: (217) 557-5445

5) Illinois Youth Center-Murphysboro, IL:
    a. Start Date: 4/1/2008
    b. End Date: 9/30/2011
    c. Contract # 9905003
6) Taylorville Correctional Center:
    a. Start Date: 4/1/2008
    b. End Date: 9/30/2011
    c. Contract # 9905003
7) Centralia Correctional Center:
    a. Start Date: 4/1/2008
    b. End Date: 9/30/2011
    c. Contract # 9905003
8) Vandalia Correctional Center:
    a. Start Date: 4/1/2008
    b. End Date: 9/30/2011
    c. Contract # 9905003
9) Southwestern Correctional Center:
    a. Start Date: 4/1/2008
    b. End Date: 9/30/2011
    c. Contract # 9905003

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

This conflict has been reviewed by our office, and it has been determined that this is not an actual conflict and will not interfere in the execution of this contract.

If you have any questions concerning this request, please contact Michael Copp of the Bureau of Construction, at 217-782-3413.

Sincerely,

Gretchen Tucka,
State Purchasing Officer

Enclosures

STATE OF ILLINOIS
PROCUREMENT POLICY BOARD
CONFLICT OF INTEREST REVIEW
CHECKLIST

Please ensure that the following documents are included with your request:

- ☒ Cover letter with overview of the potential Conflict of Interest
- ☒ Conflict of Interest Review Request Form
- ☒ Copy of Proposed Contract*
- ☒ Any Prequalification Information Submitted by the Vendor
- ☒ Prior Procurement Policy Board/Office of the Governor Conflict of Interest Review Letter for this Vendor
- ☒ Copy of the Disclosure/Certification Documents Submitted by the Vendor

*may be the proposed contract sent in with a RFP response, a copy of the solicitation response, etc.

Please scan original documents** with signatures and email to:

aaron.carter@illinois.gov
cc: deanna.rossetto@illinois.gov

If you are unable to scan and email the original signed documents, please send to:

Procurement Policy Board
222 South College Street, Suite 231
Springfield, IL 62704

**If you scan and email the original documents, please do not send the original documents to our office. Please keep the documents in your procurement file.

CONFLICT OF INTEREST REVIEW REQUEST FORM

The following information must be filled in as accurately and completely as possible. This form will be sent to the Procurement Policy Board providing essential information needed to review and determine if an actual conflict of interest exists, which is sufficient to preclude the State from entering into the attached proposed contract pursuant to section 50-35(d) of the Illinois Procurement Code.

CONTRACTING AGENCY INFORMATION

Using Agency:	Department of Transportation		
Address:	2300 S. Dirksen Parkway	City/State:	Springfield, IL
Contact Person:	Michael D. Copp	Title:	Prequalification Engineer
Phone:	217.782.3413	Fax	217.524.4922
Email:	michael.copp@illinois.gov		

VENDOR INFORMATION FOR VENDOR WITH POTENTIAL CONFLICT

This Vendor is: ☒ Prime Vendor ☒ Sub-contractor

Name of Vendor:	RA Cullinan & Son, a Division of UCM		
Address:	PO Box 166 121 W. Park Street	City/State:	Tremont, IL
Contact Person:	Ronald Rowell	Title:	VP
Phone:	309-925-2711	Fax:	309-925-7131
Email:	rac@ucm.biz		

Procurement Bulletin Reference Number: Prime Contract 89464 Date Posted to Bulletin:

CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: Prime Contract 89464 is for construction related services in Peoria County, and consists of bridge removal and replacement with associated approach roadway work and all other incidental items to complete the work on FAS Route 1381 (West Smithville Road) over East Branch of Copperas Creek. RA is being selected for HMA surface paving.

Total Contract Amount (Estimate if actual is unknown): $

Contract Begin Date: Upon authorization to proceed is received Contract End Date:

Describe any Renewal Options (i.e. One 2-year Option): No

PROCUREMENT PROCESS

What was the method of procurement used to select this vendor? Contractor-subcontractor agreement

If this vendor was selected using a competitive process, how many vendors responded to the bid? Not Applicable

Were any vendors disqualified? Not Applicable If yes, please explain why.

If a multiple award, how many vendors were awarded a contract? Not Applicable

Were there any instances of low vendor rejections? Not Applicable If yes, please explain why.

EXPLANATION OF POTENTIAL CONFLICTS OF INTEREST

For each individual identified as causing a potential conflict of interest, include the following information: name, relationship (if applicable), Agency of State employment, start date, job title and responsibilities. Indicate if any of the named individuals earn more than $106,447.20 and explain the potential conflict of interest.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Dr. Cullinan is an individual holds an interest in UCM in excess of the statutory thresholds. RA Cullinan is a division of UCM, as this is why this is being disclosed on UCM's disclosure and all disclosures for the divisions of UCM.

Health Professionals, Ltd. provides medical management and services to inmates at the following Illinois Department of Corrections facilities: IYC - St. Charles, IYC - Joliet, IYC - Warrenville, IYC - Chicago.

1) Illinois Youth Center, St. Charles, IL:
a. Start Date: 7/1/07
b. End Date: 6/30/2012
c. Contract #: 9903001
2) Illinois Youth Center, Joliet, IL:
a. Start Date: 7/1/07
b. End Date: 6/30/2012
c. Contract #: 9903001
3) Illinois Youth Center, Warrenville, IL:
a. Start Date: 7/1/07
b. End Date: 6/30/2012
c. Contract # 9903001
4) Illinois Youth Center, Chicago IL:
a. Start Date: 7/1/07
b. End Date: 6/30/2012
c. Contract # 9903001

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

If a prime vendor, did they disclose their use of lobbyists? ☐ Yes ☐ No
If yes, did the lobbyists lobby on behalf of the vendor to secure this contract? ☐ Yes ☐ No

PROVIDE A WRITTEN STATEMENT SIGNED BY THE AGENCY REPRESENTATIVE FOR YOUR AGENCY STATING:

1. Is the conflict an actual conflict and whether or not any of the above named individual(s) were in a position to influence the State's award of this contract.

No it's potential. Dr. Cullinan will not be influencing the execution of this procurement.

2. Why is it in the best interest of the State to proceed with this contract.

This procurement is for State Route maintenance and repair. This is central to the Department's mission of maintaining safe travel for the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE

Michael D. Copp	Michael D. Copp	5/29/2013
Agency/University Representative Signature	Agency/University Representative Printed Name	Date

217.782.3413	michael.copp@illinois.gov
Agency/University Representative Telephone	Agency/University Representative Email Address

CPO SIGNATURE REQUIRED

CPO Signature	Bill Grunloh CPO Printed Name	5/29/2013 Date
217.558.5434 CPO Telephone Number	bill.grunloh@illinois.gov CPO Email Address	