

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

January 23, 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, 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 January 23, 2013 and understand the facts to be as follows:

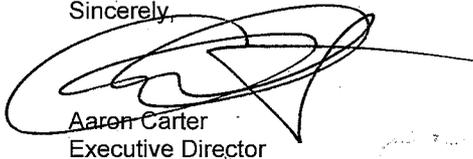
- 1) The Illinois Department of Transportation has issued a request for a review and comment on potential conflicts of interest disclosed by Illinois Valley Paving.
- 2) The contract pertains to the contract for construction related services in Shelby and Moultrie Counties.
- 3) Illinois Valley Paving was selected using Competitive sealed Bidding.
- 4) The disclosure form submitted on behalf of Illinois Valley Paving 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 Illinois Valley Paving for the services outlined in your letter received January 23, 2013.

Sincerely,



Aaron Carter
Executive Director

Cc: EEC General Counsel



CHIEF PROCUREMENT OFFICE
Bill Grunloh, Department of Transportation - Highway Construction

January 23, 2013

Procurement Policy Board
511 West Capital Ave. Suite 102
Springfield, IL. 62704

Attn: Aaron Carter

RE: Conflict of Interest Disclosure – Illinois Valley Paving, a Division of United Contractors Midwest, Contractor chosen for one Letting Item (66), on the January 18, 2013 letting

Dear Mr. Carter:

Attached is the potential conflict of interest form for contractor Illinois Valley Paving, a Division of United Contractors Midwest, the lowest responsible bidder who was also responsive for one construction contract advertised on the January 18, 2013 Letting by the Department of Transportation. Letting Item 66 consists of construction related services in Shelby and Moultrie counties, and includes: placing shoulders, rumble strips and replacing pipe culverts located on Illinois Route 128 from Findlay Road to the southern limits of Dalton City.

Illinois Valley Paving was selected via competitively sealed bidding process. A description of the contracts and low bid amounts are enclosed with this letter and conflict of interest checklist. This contract is in the Department's interests of maintaining safe roadways to ensure the safety of the motoring public.

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. Illinois Valley Paving 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.

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 these contracts.

If you have any questions concerning this request, please contact Jim Layden of the Bureau of Design and Environment at 217-782-7806.

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

*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
511 W. Capitol Avenue, Suite 102
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: Jim Layden Title: Chief Contracts Official
Phone: 217-782-7806 Fax: 217-785-1141
Email: Jim.Layden@illinois.gov

SELECTED VENDOR INFORMATION

Name of Vendor: Illinois Valley Paving, a Division of United Contractors Midwest
Address: P.O. Box 13420 City/State: Springfield, IL
Contact Person: James Bruner Title: President
Phone: 217-546-6192 Fax: Not Provided
Email: ronald.olson@ucm.biz
Procurement Bulletin Reference Number: Letting Item 66 Date Posted to Bulletin: 12/7/2012

CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: Letting Item 66 consists of construction related services in Shelby and Moultrie counties, and includes: placing shoulders, rumble strips and replacing pipe culverts located on Illinois Route 128 from Findlay Road to the southern limits of Dalton City.

Total Contract Amount (Estimate if actual is unknown): \$ 3,282,298.27

Contract Begin Date: Upon Authorization to Proceed is Received. Must receive approval within 45 days after date of letting. Contract End Date: 70 Working Days

Describe any Renewal Options (i.e. One 2-year Option): No renewal options on any of the procurements.

PROCUREMENT PROCESS

What was the method of procurement used to select this vendor? Competitive Sealed Bidding.

If this vendor was selected using a competitive process, how many vendors responded to the bid? 1 total.

Were any vendors disqualified? No If yes, please explain why.

If a multiple award, how many vendors were awarded a contract? No

Were there any instances of low vendor rejections? No 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. 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. Dr. Cullinan is an individual holds an interest in UCM in excess of the statutory thresholds. Illinois Valley Paving, Inc. 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.

PROVIDE A WRITTEN STATEMENT SIGNED BY THE STATE PURCHASING OFFICER (SPO) FOR YOUR AGENCY STATING:

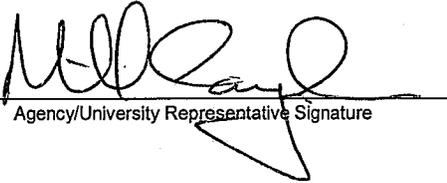
1. Is the conflict an actual conflict and whether or not any of the above named individual(s) were in a position to influence the State's award of this contract.

No actual conflict is present. Stephen Cullinan in his capacity as a MD is unable to influence the State's procurement process.

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

It is in the best interests of the State to proceed because these projects are part of the Department's mission of maintaining safe roadways for the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE



Agency/University Representative Signature

Michael Layden

Agency/University Representative Printed Name

1/23/2013

Date

217.782.7806

Agency/University Representative Telephone

jim.layden@illinois.gov

Agency/University Representative Email Address

CPO SIGNATURE REQUIRED



CPO Signature

Bill Grunloh

CPO Printed Name

1/23/2013

Date

217.558.5434

CPO Telephone Number

bill.grunloh@illinois.gov

CPO Email Address