

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

March 19, 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 March 8, 2013 letting items 102, 104 and 106

Dear Mr. Bill Grunloh,

In accordance with the requirements of Section 50-35 of the Illinois Procurement Code, I have reviewed your request received March 18, 2013 and understand the facts to be as follows:

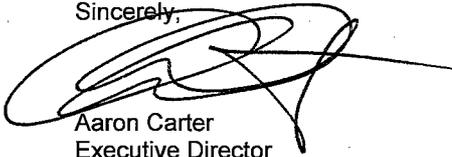
- 1) The Illinois Department of Transportation has issued a request for a review and comment on potential conflicts of interest disclosed by Kilian Corporation.
- 2) The contract pertains to construction related services in Randolph County.
- 3) Kilian Corporation was selected using the competitive sealed bidding process.
- 4) The disclosure form submitted on behalf of Kilian Corporation indicates the following:
 - a. Kenneth J. Kilian, 33.3% owner of The Kilian Corporation, stated he is an elected member of the Mascoutah School District 19 School Board.
- 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 Kilian Corporation for the services outlined in your letter received March 18, 2013.

Sincerely,



Aaron Carter
Executive Director

Cc: EEC General Counsel



CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

March 18, 2013

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

RE: Conflict of Interest Disclosure The Kilian Corporation, lowest responsible and responsive bidder for three Letting Items (102, 104, 106) from the March 8, 2013 letting

Mr. Carter:

Attached is the potential conflict of interest form for The Kilian Corporation, the lowest responsible bidder who was also responsive for three items advertised on the March 8, 2013 letting by the Department of Transportation. Letting Item 102 consists of construction related services in Madison County, and includes: replacing the bridge (S.N. 060-0103) carrying Illinois Route 140 over Silver Creek with a triple box culvert located east of Church Street in Alhambra. Letting Item 104 consists of construction related services in Madison County, and includes: milling, patching, resurfacing and structure repairs (S.N.'s 060-0246 & 060-0249) on Illinois Route 143 from 0.3 mile east of Interstate 55 to 0.4 miles west of Interstate 70 near Marine. Letting Item 106 consists of construction related services in Randolph County, and includes: placing new shoulders and rumble strips on Illinois Route 13 from just east of Vine Street in Tiden to Illinois Route 153 in Coulterville.

The Kilian Corporation 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 interest of maintaining safe bridges to ensure the safety of the motoring public.

Kenneth J. Kilian has disclosed that he is an elected member of the Mascoutah School District #19 School Board. This is being disclosed in response to Item 2(c) of the Form A Financial Interest Disclosure.

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 Jim Layden of the Bureau of Design and Environment, Plans and Contracts Unit, 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
 - Copy of the Disclosure/Certification Documents Submitted by the Vendor
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*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: Jim Layden Title: Acting Chief Contracts Official
Phone: 217.782.7806 Fax: 217.785.1141
Email: jim.layden@illinois.gov

VENDOR INFORMATION FOR VENDOR WITH POTENTIAL CONFLICT

This Vendor is: [X] Prime Vendor [] Sub-contractor
Name of Vendor: The Kilian Corporation
Address: 608 S. Independence, P.O. Box A City/State: Mascoutah, IL
Contact Person: Kenneth J. Kilian Title: Secretary
Phone: 618.566.2000 Fax: 618.566.2314
Email: saweier@kiliancorp.com

Procurement Bulletin Reference Number: Item 102,104,106 Date Posted to Bulletin: 2/1/2013

CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: Letting Item 102 consists of construction related services in Madison County, and includes: replacing the bridge (S.N. 060-0103) carrying Illinois Route 140 over Silver Creek with a triple box culvert located east of Church Street in Alhambra. Letting Item 104 consists of construction related services in Madison County, and includes: milling, patching, resurfacing and structure repairs (S.N.'s 060-0246 & 060-0249) on Illinois Route 143 from 0.3 mile east of Interstate 55 to 0.4 miles west of Interstate 70 near Marine. Letting Item 106 consists of construction related services in Randolph County, and includes: placing new shoulders and rumble strips on Illinois Route 13 from just east of Vine Street in Tiden to Illinois Route 153 in Coulterville.

Total Contract Amount (Estimate if actual is unknown): \$ Item 102: \$768,848.30; Item 104: \$2,051,105.80; Item 106: \$624,990.40

Contract Begin Date: Upon Authorization to Proceed is received. Must award upon 45 days of opening the bid. Contract End Date: Item 102: 11/01/13; Item 104: 170 Calendar Days; Item 106: 35 Working Days.

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

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? Item 102: 9 total; Item 104: 3 total; Item 106: 4 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.

Kenneth J. Kilian has disclosed that he is an elected member of the Mascoutah School District #19 School Board. This is being disclosed in response to Item 2(c) of the Form A Financial Interest Disclosure.

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:

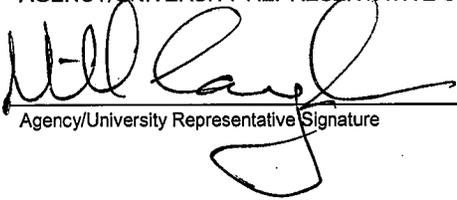
1. Is the conflict an actual conflict and whether or not any of the above named individual(s) were in a position to influence the State's award of this contract.

This is not an actual conflict. Mr. Kilian has no ability to interfere in the competitively sealed bidding process. The Competitively Sealed Bidding Process is designed to remove any potential for interference.

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

These construction projects are for resurfacing of State maintained right of ways. This is central to the Department's mission of maintaining the State's right of ways for safe passage by the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE



Agency/University Representative Signature

Michael Layden

Agency/University Representative Printed Name

3/18/2013

Date

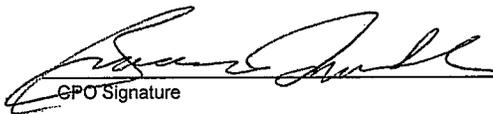
217.782.7806

Agency/University Representative Telephone

jim.layden@illinois.gov

Agency/University Representative Email Address

CPO SIGNATURE REQUIRED



CPO Signature

Bill Grunloh

CPO Printed Name

3/18/2013

Date

217.558.5434

CPO Telephone Number

bill.grunloh@illinois.gov

CPO Email Address