



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, Items 123

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 Schmidt Construction, Inc.
- 2) The contract pertains to the contract for construction related services in Moultrie County.
- 3) Schmidt Construction, Inc was selected using Competitive Sealed Bidding.
- 4) The disclosure form submitted on behalf of Schmidt Construction, Inc indicates the following:
 - a. Frank Hill, an individual with an ownership or distributable income share greater than the requisite thresholds, has disclosed he is a Trustee of the Marrowbone Township, Moultrie County, Illinois. Mr. Hill does not receive an income in excess of 60% of the Governor's salary in his capacity as trustee. Mr. Hill is additionally not in a capacity to influence the competitively sealed bidding process in any way.
- 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 Schmidt Construction, Inc 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 Schmidt Construction, Inc., lowest responsible and responsive bidder for Letting Item 123 from the January 18, 2013 letting

Dear Mr. Carter:

Attached is a potential conflict of interest form for Schmidt Construction, Inc., a lowest responsible and responsive bidder for Letting Item 123 from the January 18, 2013 letting by the Department of Transportation. This contract consists of construction related services in Moultrie County, and includes: removal of the existing bridges and construction of a three span precast prestressed concrete deck beam bridge, aggregate approaches and earthwork located on TR 19, 2 miles Southeast of Lake City over Stringtown Branch.

Schmidt Construction, Inc., 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 roadways to ensure the safety of the motoring public.

Frank Hill, an individual with an ownership or distributable income share greater than the requisite thresholds, has disclosed he is a Trustee of the Marrowbone Township, Moultrie County, Illinois. Mr. Hill does not receive an income in excess of 60% of the Governor's salary in his capacity as Trustee. Mr. Hill is additionally not in a capacity to 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 South 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: Schmidt Construction Inc.
Address: 1205 Woodland Drive City/State: Mt. Zion, IL
Contact Person: Chad Johnson Title: President
Phone: 217.864.5535 Fax: 217.864.4525
Email: scinc1205@comcast.net
Procurement Bulletin Reference Number: Letting Item 123 Date Posted to Bulletin: 12/7/2012

CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: This contract consists of construction related services in Moultrie County, and includes: removal of the existing bridges and construction of a three span precast prestressed concrete deck beam bridge, aggregate approaches and earthwork located on TR 19, 2 miles Southeast of Lake City over Stringtown Branch.

Total Contract Amount (Estimate if actual is unknown): \$ 283,247.80

Contract Begin Date: Upon authorization to proceed is received. Department has 45 days from date of Letting to award contract. Contract End Date: 45 Working Days

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

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? 3 total bidders

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

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

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.

Frank Hill, an individual with an ownership or distributable income share greater than the requisite thresholds, has disclosed he is a Trustee of the Marrowbone Township, Moultrie County, Illinois. Mr. Hill does not receive an income in excess of 60% of the Governor's salary in his capacity as Trustee. Mr. Hill is additionally not in a capacity to influence the competitively sealed bidding process in any way.

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.

This is not actual. Mr. Hill is additionally not in a capacity to influence the competitively sealed bidding process in any way.

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

This is for the maintenance of the State's roadways and bridgeways. This is necessary to ensure the safety of the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE



Agency/University Representative Signature

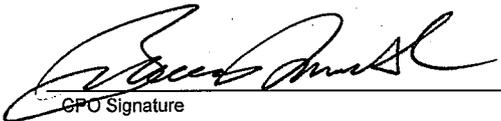
Michael Layden
Agency/University Representative Printed Name

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