

**Business Enterprise Program
Council for Minorities, Females and Persons with Disabilities**

**Monday, February 25, 2019 - 1:30 PM – 3:30PM
COUNCIL MEETING MINUTES**

100 W. Randolph
Room 2-025
Chicago, Il 60601

401 S. Spring St.
Room 500 ½
Springfield, IL 62706

COUNCIL MEMBERS IN ATTENDANCE

Sharla Roberts; Beth Doria; Jaime Di Paulo; Khari Hunt; Alex Bautista; Bola Delano; Jorge Perez; Larry Ivory; Hedy Ratner; Edward McKinnie; Emilia DiMenco; Kaney Frances O’Neill

COUNCIL MEMBERS NOT IN ATTENDANCE

Derrick Champion; Denise Barreto; Karen Eng; Jesse Martinez; Sheila Hill Morgan

COUNCIL CHAIR

Janel Forde

COUNCIL SECRETARY

N/A

CMS STAFF IN ATTENDANCE

Benjamin Jones; Terrence Glavin; Elias Ricks Ngwayah II; Harry Reinhard; Carlos Gutierrez; Irma Lopez; Leslie Taylor; Jeanetta Cardine

OTHERS IN ATTENDANCE

Michelle Flagg; Charles Harrell II; Andrew Johnson; Jean Pierre; Dale Morrison; Corey Mays; Robert Bell; Aaron Carter; Thomas Bowling; David Lockman; Arkeitha Monroe; Frederick McGhee

PUBLIC NOTICE
STATE OF ILLINOIS
Business Enterprise Council for Minorities, Females, and Persons with Disabilities

100 W. Randolph
Room 9-040
Chicago, IL 60601

401 S. Spring St.
Room 500 1/2
Springfield, IL 62706

AGENDA

February 25, 2019
1:30 p.m. – 3:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meeting held on December 3, 2018
- V. Chair's Report
- VI. Subcommittee Reports
 - Certification Subcommittee Report - Chair Sharla Roberts
 - Outreach Subcommittee Report – Chair Emilia DiMenco
 - Compliance Subcommittee Report – Chair Sharla Roberts
- VII. Old Business
 - Sheltered Market Discussion
 - Agency Exemption Requests Update
 - Vendor/Contract Concerns
 - Wesco/Obama Energy
 - Internet Egress RFP
 - Attendance and participation policy for Council members
 - Defining and accessing BEP performance metrics
 - BEP “wish list” for the new administration
- VIII. New Business
 - BEP related legislation
 - Updated Utilization Plan
 - BEP Administrative Rules amendments
- IX. Public/Vendor's Testimony
- X. Adjournment
 - Next Subcommittee Meetings
 - Certification Subcommittee Meeting – March 25, 2019
 - Outreach Subcommittee Meeting – March 26, 2019
 - Compliance Subcommittee Meeting – March 27, 2019
 - Next Council Mtg. – April 22, 2019

Please note: In case you need to connect to the meeting via teleconference, please use the following number and access code:

Teleconference Number: 888-494-4032

Access Number: 2587213722

BEP Outreach Events: <http://www.illinois.gov/cms/events/SitePages/List.aspx>

Note: There will be no IPB Notices and Solicitations Reports for this meeting.

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MINUTES

February 25, 2019
1:30 p.m. – 3:30 p.m.

I. Welcome

Chair Janel Forde welcomed all to the BEP Council Meeting.

II. Call to Order

Chair Forde called meeting to order and requested a roll call at 1:35 p.m.

III. Roll Call

Assistant Director Benjamin Jones conducted roll call and quorum was established for this meeting. Member Beth Doria motioned to have people recognized on the phone. Vote taken, motion passed.

IV. Approval of Minutes of Council Meeting held on December 3, 2018

Assistant Director Jones requested a motion to approve the minutes from the December 3, 2018 meeting. Member Doria motioned for the approval of the minutes and member Ratner seconded. Vote taken motion passes.

V. Chair's Report

- Acting CMS Director Janel Forde introduced herself and said she has only been in the position for four weeks starting in January. Regarding her background, she said she was the Chief Operating Officer for the City of Chicago for three years. She also worked with the State Board of Education and prior to that she worked as the Deputy Commissioner of Fleet & Facilities Management with City of Chicago for four years. Explaining her background in the public sector, she told the Council that she had worked with the Chicago Public Schools and worked in the private sector as a banking consultant. She hopes to bring to the organization her experience in professional services, banking, and consulting as well as a passion for the job. She said she loves working with the public. She concluded by saying there is a lot of work to be done with the changes in Springfield and Chicago and she is looking forward to working together as a team.

VI. Subcommittees Reports

- Certification Subcommittee Report - Chair Sharla Roberts
 - Chair Roberts stated that the meeting was held on February 21, 2019. She said they had four appeals for certifications. Three were denied and one was overturned.
- Outreach Subcommittee Report – Chair Emilia DiMenco
 - Chair DiMenco stated that we had a meeting on the 20th of February. She said they focused on two things: Making sure that there will be an increase in the amount of M/WBEs in the program and bringing in speakers before the Council. She noted that they had sent out a survey

on December 12, 2018 and only received two responses. Chair DiMenco stated that if they can get a response from the Council, they will have a better idea of what is needed. In relations to the speakers, she said they are doing a one-pager that is to be sent out to the speakers, so they can understand what we do and why we want them to speak to the Council. Chair DiMenco encouraged Council members to distribute outreach notices from BEP to their list of members about events BEP will be attending. She said they have also scheduled events throughout the year for outreach.

- Assistant Director Jones said he will be working with the Outreach Subcommittee to put the one-pager together.

- Compliance Subcommittee Report – Sharla Roberts

- Chair Roberts stated that a meeting was held on February 11, 2019. She noted that items discussed were related to the finalization of the Utilization Plan. She stated that Assistant Director Jones said once this is done, it will be given to the Council for review before being distributed to the agencies and universities. She said they also discussed amending the administrative rules for compliance matters. She also said all Cook County contractors and the City of Chicago contractors are to adhere to the laws and language of the contracts. The information is outlined in the contract document. She said because we have a similar program in the State, those same procedures can be followed and adhered to.

Old Business

- Sheltered Market Discussion

- Assistant Director Jones reminded the Council that they had approved the Sheltered Market for Advertising in August 2018. He said at the last BEP council meeting, the Council was notified that the CPO for general services was reviewing the Sheltered Market for certain legality. The Council asked CMS to draft a letter to request that CPO get back to the Council with a decision by a certain date. He said they did get a response from the CPO's Office via email, and they did confirm they did not have authority to determine the legality or the viability of the Sheltered Market. He said her authority was more so on individual solicitations. Therefore, he said, essentially, we can move forward with the Sheltered Market. He also stated that he had a conversation with CMS Deputy General Counsel and he is looking into doing the Advertising Sheltered Market as a master purchase which potentially would be much more effective. He noted that we are making progress, thanks to the Council for pushing the needle on that and helping them get a response from the CPO's Office. He promised to keep the Council updated on further business with Sheltered Markets.
- Sharla stated that there is still clarity needed with regards to the Sheltered Market. She said we need to know who it is for. Assistant Director Jones said typically all Sheltered Markets are for entities under the BEP Act. He said we are looking into getting further information on the universities, because the data was more focused on the agencies. However, he said we are looking into getting more data on the universities.

- Agency Exemption Requests

- Assistant Director Jones reminded the Council that they had discussed the exemptions from the agencies at the last meeting. He also reminded them that at one of the subcommittees' meetings, they had voted to not approve the exemptions that were received from the agencies. He stated there was an issue member Hunt needed clarification on regarding master contracts and how some agencies sometimes will not purchase off the master contract. According to Assistant Director Jones, the CMS Deputy General Counsel said that the agencies should be purchasing off the master contracts. He stated that sometimes the agency does want to purchase outside the master contract because they can save a little of money. According to him, the policy is that they should be purchasing off the master contract. CMS Deputy General Counsel stated we are going to be working on memorializing that through discussion with the Director and a memorandum or

some type of directive. He reiterated that the universities should purchase off the master. He mentioned that the council did vote on the exemption issues.

➤ Vendor/Contract Concerns

- Assistant Director Jones said there were several issues with vendors that he needed to update the Council on. According to him, one of those issues had to do with the contract between Wesco and Obama Energy. Wesco is the prime vendor and Obama Energy is the subcontractor. Assistant Director Jones stated we have Aaron Carter to provide an update.
- Mr. Carlson, counsel for Obama Energy, stated that since the last council meeting, we have not heard anything from Wesco regarding the request that was made by the Council. He also stated that out of the \$7.5 million spent by the universities for the 2 to 4-year contract, they are supposed to provide 22% for the participation of other minorities. He said Obama Energy received one contract for \$16,000 and was shut out for any participation. Mr. Carlson also stated that was some sort of dispute with Wesco and Obama Energy regarding what Wesco's obligations are for the universities program. According to Mr. Carlson, Wesco has taken a position that merely allows Obama Energy to bid against many of their other suppliers. He said if Obama Energy was the low bidder, they would get the contract, but if they were not, too bad on the contract as long as Wesco's bottom line is not impacted. Carlson stated the subcontractors will provide up to 22% and we are one of the suppliers. He said Obama Energy is looking at a loss for two years and hoping to work out something. He said the lost profit is between \$400,000 to \$600,000. He concluded that this is where they stand as of right now.
- Mr. Lockman, COO for Obama Energy, stated that he met with Wesco two weeks ago and reminded them to correct the past issues regarding compensation. Wesco wants to use their own manufacturer since they were already approved. Mr. Lockman said the message that came from this meeting is we cannot move forward for compliance with Wesco.
- Member McKinnie asked whether this contract was for all the universities. Mr. Bowling said it is for all universities.
- Chair Forde asked whether the contract includes any services or is it just supplies and purchase of goods. Mr. Martin stated it does include installation purchases.
- Mr. Carlson states that Wesco said the contract does not include installation, but it is in fact part of the contract.
- Mr. Bowling said that Wesco said whatever product we have they should be able to get a percentage of the profit. Member Doria inquired whether they want you to reduce your price so that they can mark up on their end for them to make a profit.
- Member McKinnie wanted to know whether their mark-up is a part of what Obama Energy participation should be a part.
- Mr. Carlson said they did it on the one contract, but never showed that what their charge was.
- Mr. Carter stated there was miscommunication with Wesco regarding the participation.
- Chair Forde asked Mr. Carter if the 22% is explicitly stated in the contract solicitation or if this was an agreement that was reached after the solicitation.
- Mr. Carter stated that he was under the impression that Wesco would achieve that after the award. He also said that Wesco did not take the participation goals seriously. Member McKinnie asked if there will be any penalties if Wesco did not meet the participation goals.
- Assistant Director Jones said the contract can be terminated. He also said the user agency has the power to terminate the contract and replace the prime vendor, but he emphasized that there are restrictions in terms of procurement codes. But there are penalties that can be implemented.
- Member Doria had a couple of concerns with the participation goals. She said Wesco appeared via telephone regarding this issue, and they woefully lacked answers to a lot of their questions. Member Doria thinks the main issue is Obama Energy has appeared before the Council and brought this issue up on numerous occasions. She said there are also other subcontractors involved on this procurement and they are experiencing the same problems. She said it boils down to what can we do to penalize or correct the issue. She further said this may be a longer conversation that would perhaps be initially addressed with the Compliance Committee and legal counsel to look at all the rectifying options. Then, bring it to the next Council meeting.

➤ Internet Egress RFP

- Assistant Director Jones reminded the Council that this procurement was for providing certain data services for the State of Illinois, and the procurement went out with a 20% goal on it; and that he had reached out to DOIT for an update for the Council. (The audio went dead). He further stated that the council will be updated on this matter.

➤ Attendance Participation for Council Members

-Assistant Director Jones said this is an item from the last Council meeting. He said they ran out of time and postponed the discussion to today's Council meeting. He said the discussion was about creating an attendance policy for Council members. He explained that sometimes at the Council meeting or subcommittee meeting they do not get full participation, are not able to achieve quorum and, therefore, cannot vote on anything. He said the Council wanted to memorialize a policy to encourage full participation.

Member Roberts wanted to know if the Council was the one raising this issue. Counsel Glavin said this issue has been brought up during several meetings and that CMS had been asked to develop a policy to be consistent with Roberts Rules and any relevant By-Laws, and that they have begun the draft. He said they would welcome any guidance they can get to add to the details and make sure that the document works for the Council as oppose to interfering with its processes.

Member Roberts stated that each member signed up and have a role they are responsible for. She said she takes her role and responsibility with the committees very serious. She said we can create a rule that if you cannot attend the meeting, you can have a proxy. She said the individuals that work for the State of Illinois should attend the meeting. She stated that if you join a Council committee you must be accountable, and if you do not want to attend the meetings, you need to resign.

-Member Doria questioned the idea of an attendance policy since the BEP committees have appointed members already. She said she could not imagine having a strict attendance policy when members are already appointed for the position. She stated she is one of the most critical of people about attendance at meetings. She said failure to attend does make it very hard to conduct business, but she feels there needs to be a better dialogue and perhaps we can present this to the Governor's Office and let them know how this is interfering with our meetings. Member Doria does not see how we can do an attendance policy when we have appointed positions.

-Counsel Glavin recommended two courses of actions:

- (1) Debate and decide how flexible the Council would like the draft to be and if in fact they want a draft.
- (2) They can make a motion to close the issue and vote on it and if the Council is in agreement with this issue, then there may be no form or document for an attendance policy. But obviously the issue can be discussed on another date.

-Member Doria said if someone could explain how this could work with appointed individuals, then she would have a better understanding and be able to support the decision.

-Member DiMenco said the guidelines for attendees allow for extraordinary events, but it is really to make sure that there is engagement by every Council member. She proposed an investigation of what other organizations and other agencies are doing and bring those options back to the committee.

-Chair Forde said when she met with the Assistant Director Jones and Counsel Glavin she asked how often does the Council and its committees meet. She said it is a big challenge to ask people to be a part of the conversation, to be thoughtful, do pre-work, and prepare to give time doing meetings. She said this is the reason she wants the Council to start on time and end on time. She said she appreciates and respects people's time, members calling in, and the public participation as well. She thinks one of the themes she heard today was engagement. Chair Forde stated with the new administration, this is a time to re-evaluate; and she will email future dates for the upcoming meetings. She stated she has signed pledges and acknowledgements for her commitment as a board member. She said the Council will discuss how engagement could be different in the future.

➤ Discussion of how to access BEP Performances Metrics

- Assistant Director Jones said they had been internally looking at different metrics that are important to measuring performance of the Council and programming. He said it had come up in the subcommittee meetings and the last Council meeting as well. He told the Council that we do have at CMS a new Data Analytics staff member. He handles a lot of data analytics. He said we are planning to roll this out and, once we have the annual report, you will be able to sort data a lot easier and look at the different agencies. This would be a good way for the Council and other constituents to be able to access the data and more easily sort the data as well. He said some of the important metrics that can help engage performance would be certification numbers. He said it is important to be able to look at month-to-month, quarter-over-quarter, and do a year-by-year comparison in terms of BEP vendors. Also, agencies and universities performance could be analyzed. He stated that this will be in BEP reports and on the CMS website. He stressed that he wants to make it more user friendly and make it easier for us to sort information and engage the data. He said this is what we are working for you.
- Member Ivory said the Council responsibility is to improve certifications across the board. We had a couple of Sheltered Markets that we worked very hard to get passed. He said he would like to improve access opportunities for Council members.
- Assistant Director Jones said those are good suggestions on the certifications and emphasized the importance of showing the retention metric and providing Sheltered Market analysis and how many procurements have been released in the Sheltered Market process. He said this will provide the spend on procurements as well.
- Member Roberts asked what is going to be the process with universities and agencies strategy regarding the Sheltered Market. Can we create rules and who initiates that?
- Chair Forde further clarified that member Roberts was asking who starts the process to identify which Sheltered Market the Council is considering and is it self-initiated by the agency or is it initiated by the Council.
- Assistant Director Jones said the Sheltered Market is initiated by the Council and solicitations will be by the agencies.
- Member Roberts said the Sheltered Market should be a standing item on the agenda for each meeting and not old business.
- Assistant Director Jones said Sheltered Market is on every agenda, but we can explore putting it in a different section.
- Member DiMenco suggested we have a more analytical process for determining priorities. She said she was not comfortable on how advertising was selected as a priority over other opportunities. She stated it is unclear to her why advertising should be a priority.
- Assistant Director Jones said we will explore and make the process better.

Request for Council to Create a BEP Wish List

- Assistant Director Jones stated at the last meeting, we were in a transition period and a new administration coming in. At this time, the Council would like to discuss things that are important, including comments for the administration.
- Member Roberts said transparency is important. She would like to know where the waivers come in and how it is done so the public can have a fundamental idea of the process. She said if we can get the process online, the public can see and understand the process. What are the processes? How goals are made? How contracts are awarded? She wondered if we can create an overall process on who grants the waiver and who reviews them as well. She calls for more transparency.
- Member Doria stated her priority is really to express to the administration the importance of telling each of the agencies and directors how important BEP council is to the administration. She also said to really focus and make sure they send this message to higher ranks, that BEP participation is important to the administration. She hopes that this would be expressed to the administration. She would like to see more communication and cooperation between the Council members and the legislators. She said we can educate them on our roles and how we handle things.

- Member Delano wanted to piggyback on what member Doria stated. She said some of the issues include the new agency directors getting more involved. She said there needs to be a stronger relationship between the BEP Council and Governor's Office as well. She also emphasized the creation of a one-pager which would give clients we talk to and all other partners a better understanding of what BEP does and what we can do for the clients.
- Member Ratner said the legislation that established goals and recommendations of BEP needs to be changed. According to member Ratner, it needs to give us more managing of compliances and responsibility for how the BEP Council functions and the impact that we have. Member Ratner said we need to have a more direct relationship with the Governor's Offices as well as with the legislators. She said we would like to have more of our policies and initiatives expressed to the legislators. The issues of concern to the minority and women businesses must be addressed. She would like to have the Council have more power and influence in this matter. She hopes she gets commitment from the other Council members as well.

➤ New Business

- Member Ivory stated he is still encountering people calling him about finding procurements from the universities and career colleges with no participation. At some point in time, it needs to be some sort of task force that can catch these issues.
- Member Roberts asked whether we can get a survey for the wish list for the members that did not attend.
- Chair Forde said, for additional comments, we will provide a survey or email opportunities; and forward them to the Council as well.

BEP Related Legislation

Assistant Director Jones said in the past, the Council had asked for legislation that affects the BEP Act and BEP program. He said the Council asked CMS on occasion to provide a list of legislation. He said a list has been provided. It is a description of the legislation straight from the Illinois General Assembly website with the bill number attached.

-Member Doria said if we can get a CMS decision on some of these so we can know how to proceed.

-Chair Forde stated there has been several bills filed in the past two weeks. She said they are literally trying to catch up and to make sure we have critical eyes on the proposed language, understand the impact of the proposed language and give an appropriate response. She said she will encourage everyone who has the packets to take the time and read it. Chair Forde thinks we can share our responses, summarizing our positions and the agency positions on the bills. Chair Forde said there will not be a position for all of them. She said there have been so many bills filed, and that there is a momentum and movement and that there will be some changes. She said we will come back to Council members and tell where some of the themes are and, regardless where it falls, you will have a point of view in terms were the agency falls. Chair Forde said there are lots of bills and more are coming. We will try our best to provide a consolidated view, but they pop-up so quickly as we make changes. The good up-shot is Assistant Director Jones and Counsel Glavin have been working with the Governor's Office to move things.

-Chair Forde said, in the survey, if the Council members do want to provide feedback on bills, we can consolidate and discuss at the next meeting.

-Member Doria said they have several bills that are being worked on regarding direct pay. She said they are probably going to change from direct pay to payment by prime vendors to all their subcontractors within 72 hours or five days of receiving payments. She further said they are working with the Comptroller's Office, and additional information on the warrants would specify all subcontractors, making it easier to go into the system to see if they are receiving payments or included on the applications. She said she will keep the Council updated on this matter.

Utilization Plan Update

-Counsel Glavin stated the Utilization Plan is completed and it will be sent out to all Council members as well as Chief Procurement Officers for review. He urged the Council to look forward to receiving the Plan soon. He stated that he hopes everyone likes all the changes. He also said they believe it is quite an

improved product. He showed the Council members a copy of the Utilization Plan and said they should be receiving the plan within one week.

BEP Administrative Rules

-Counsel Glavin said we have many topics to discuss including compliance issues. He stated they were moving forward and trying to make positive changes, but some of the changes can be impacted by active legislation. He said we must make sure we are on top of the connections between the legislation and administrative rules. He said once we are comfortable with things universally, we will be able to move forward with the proposed changes. Counsel Glavin said, basically, we are trying to make sure administrative rules accurately reflect what we are doing, and making sure we are improving the administrative rules where improvement is needed

Public / Vendor Testimony /Comments

-Assistant Director Jones asked that public comments be no longer than two minutes.

-Mr. Stokes from the Chicago Minority Business Development Council (CMBDC) spoke about the Lottery contract. He said he owns several companies with BEP certification and wants to speak on behalf of the Chicago Minority Business Development Council. He said he is the Chair of CMBDC's Advocacy Committee. He stated that in the past, he had been very critical towards the State Lottery, given the revenue of the State lottery. He said he was able to meet the leadership of Camelot and have engaged them with his business and learned quite a bit about the relationship, which is not legally binding. They have moved forward voluntarily to contribute to the goal and have become a member of CMBDC. They are now going to engage them to further advance their participation in their council and their goals. He thanked the subcommittee for their time.

VII. Adjournment

Meeting adjourned at 4:10 p.m.

- Next Subcommittee Meetings
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