

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

MONTHLY COUNCIL MEETING MINUTES

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

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

Monday, April 24, 2017- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Larry Ivory (Ph), Ngozi Okorafor, Jesse Martinez, Hedy Ratner (Ph), Emilia DiMenco, Sharla Roberts, Charisse Witherspoon, Michael Hoffman, Khari Hunt, Beth Doria (Ph), Marcus Yancy, Karen Eng

COUNCIL MEMBERS NOT IN ATTENDANCE

Sheila Hill Morgan, Denise Barreto

COUNCIL CHAIR

Michael Hoffman, Chairman

COUNCIL SECRETARY

J. Marcos Peterson

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II, Carlos Gutierrez, Ben Jones, Harry Reinhard, Irma Lopez, Jeanetta Cardine, Ryan Green

OTHERS IN ATTENDANCE

Barry Taylor, Mark Iaoonon, Eric Steves, Bola Delano, Louisa Keefe, Dale Morrison, Charles Harrell II, Jeffrey Revere, Antonio Hylton, Quentin Patterson, Margaret Van Dijk, A. Davis

**PUBLIC NOTICE
STATE OF ILLINOIS**

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

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

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

AGENDA

April 24, 2017
1:30 p.m. – 3:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meetings held on February 27, 2017
- V. Chair's Report
- VI. Subcommittees Reports
 - Certification Subcommittee Report
 - Outreach Subcommittee Report
 - Compliance Subcommittee Report
- VII. Posted Business
 - Compliance Tracking System Update
 - Comptroller's Update
 - Verizon Update
 - AT&T Update
 - Equal Employment of Persons with Disabilities Task Force Presentation
- VIII. New Business
 - Vote on Public Vendor Testimony Timing
- IX. Public/Vendor's Testimony
- X. Adjournment
 - Next Subcommittees' Meetings
 - Certification Subcommittee Meeting – May 22, 2017
 - Outreach Subcommittee Meeting – May 23, 2017
 - Compliance Subcommittee Meeting – May 24, 2017
 - Next Council Mtg. – June 26, 2017

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>

I. Welcome

Secretary Peterson welcomes all.

II. Call to Order

Secretary Peterson called the meeting to order at 1:35pm and proceeded with roll call.

III. Roll Call

Roll call conducted. Quorum was established. Voting held to allow members on the phone to participate in the meeting. Motion passes.

IV. Approval of Minutes

Approval of Minutes was established.

V. Chair's Report

Chair Hoffman informed the council that he will have to leave early due to a critical meeting he has to attend. He told the council that when he took over as Chair of the Council, he made the decision not to delegate the responsibility that comes with being the Chair; notwithstanding, because Jimmy Odom is now Assistant Director and part of his responsibilities includes the BEP program, he will ask Jimmy to be his designee whenever he cannot make a meeting. He said he will not delegate that responsibility when there is a vote. He asked the council members to show the same level of respect to Jimmy and they have shown to him as council members. Chair Hoffman introduced the new DCEO representative, Mr. Marcus Yancy, to the council. He said Mr. Yancy was replacing member Samantha Hufnagel from DCEO.

Chair Hoffman said he hopes all members got the invitation to the next two meetings. He urged members that have conflict with the meeting dates to get in touch with their meeting coordinator in order to be able to obtain quorum. He reminded the members that if they are unable to attend in Chicago or Springfield, they can go to any state facility and call in from there. This would allow your presence to count toward quorum. He said Rockford was just approved as an option and also Peoria could be used.

Chair Hoffman announced that BEP working with the Department of Innovation and Technology held a successful IT outreach event with over 100 participants of both primes and subcontractors. He said this is the start of our mentor protégé program. Chair Hoffman further said that the next meeting he will go through the progress the program has been making since the Governor signed the Executive Order. He said as these events occur, we will get the word out to you so that you can attend and also inform the various groups that you work with. He said he hasn't had a chance to review and sign the document but once that is done he intends to distribute them to the council.

Chair Hoffman said CMS is looking at redoing how can look at contracts renewals and how we put goals on them.

Member Roberts said she was concerned about the Chair delegating his responsibility to Mr. Odom when he is not a council member. She said she does not think it is lawful to do this. Chair Hoffman said he has checked on it and it is lawful. Regarding setting goals, she wants to know whether this is something the Council needs to weigh in on. The Chair said he does not think so. He said it is going to be handled the same way we handle new contract. He also said as Director of CMS, and BEP being part of CMS, he believes we can change the internal process without the participation of the council. He said anyone who wants to talk about this new policy memo he is happy to do so with them.

Member Okorafor said she did not know that the IT event that was held was meant for people that were not council members to attend. She said she thought the invitation was only for council members. She asked that going forward it would be helpful to make it known to council members that their constituents are invited as well.

VI. Subcommittees' Reports

Outreach Subcommittee: Chairlady DiMenco said the Outreach Subcommittee met on Tuesday, April 4, 2017. She said in the future the minutes of the meeting will be attached. She informed the council that she was elected as chairperson. She said they went over what the subcommittee objectives and goals were and are going to work on a long time outreach strategy. Chair DiMenco further said they discussed building alliances with the right organizations so they people are informed about certification and why it is important to the State. They want them to know that BEP exists and its purpose. She said committee members are going to be assigned various regions of the State. Member Okorafor also informed the council that the outreach subcommittee members decided to go back to their agency and use resources there to reach out to the public.

Certification Subcommittee: Secretary Peterson said initially the committee did not have a quorum but obtained it later in order to make a decision on the application Ride Right LLC. This application was denied for cause for being over the 75 million dollars cap. The subcommittee is waiting to hear from Ride Right LLC to see if they are going to be appealing to the full council.

Compliance Subcommittee: Secretary Peterson said this subcommittee had no quorum and therefore they have no report. They also do not have a subcommittee chairperson at this time.

VII. Posted Business

Chair Hoffman said one thing he did not mention in the Chair's report was Sheltered Market. He reminded the council that the Executive Order that was issued by the Governor last year had a provision to establish sheltered Market that was already in the BEP statute. He said we are moving forward on that. He told the council that they had put one contract out as a sheltered market RFP and that they are in the final stages of finalizing that award so he cannot talk about it.

Next, Chair Hoffman talked about the need to have some rules put in place. He said the council will need to vote to approve some rules that will go through the JCAR process (Administrative Rules) to support and explain the process. He said it has not been done before so they have drafted some rules that he hopes will be given to the council very soon. He said it is in a final review and will be given to the council who will have adequate time to review these draft rules before we propose them to JCAR organization. He said it will give us more guidance on how to execute the sheltered market and give us more ammunition to support the proposal that we put together in the Executive Order that the Governor had issued. He said he does not want to wait for the June meeting and will be getting them to the council as soon as possible.

Member Martinez said he is in the process of putting together a mentor protégé program for CDB and wanted to run that by the council. He said he has a draft on the way the project actually started. He said he will be putting that on the table once it is completed.

Verizon Update: Chair Hoffman said he had pledged to have a resolution to this issue resolved by this meeting or he would have the Verizon representative present for this meeting. He said that did not happen. He said at recently as last Wednesday they were working on it but they did not get full resolution. He said he was under the impression that they had achieved resolution but he was corrected. He said they are working with Verizon and Mr. Harrell to come to a resolution that makes everyone comfortable. He told the council he is working with his legal team to see what our options are. He will be checking with every member of the council to see their availability for the Special meeting that is being called to resolve this issue.

Member Roberts asked about the 10% BEP goal that was part of this contract when it went out. Chair Hoffman said it was 3% and it went up to 5%. He said they were review the BEP Act to see what we legally can do to make this right per the original goal.

Member DiMenco wants to know if we have found Verizon to be working in good faith with us. Chair Hoffman responded "yes".

The council agreed to have the Special council meeting date set for Monday, May 8, 2017. Chair urged members to let us know if the date is a problem.

Member Roberts wants to know if there will be enough time for members to review and make recommendations regarding changes. Chair Hoffman said that discussion amongst members could be held at the time special meeting. Chair Hoffman reiterated that there will be no agreement until the document have been fully reviewed and discussed amongst council members. He also went on to say he will be getting back to member Roberts regarding the issue of having Mr. Odom represent him in the council during his absence.

Compliance Tracking System Update: Secretary Peterson said we are moving forward with the Compliance Tracking System but because of procurement laws it cannot be discussed at this time. He said we do have a timeline which projects full procurement of 7 to 8 months. He also said at the earliest we could get it by 6 to 8 weeks. He further said we are looking at a holistic approach to compliance system.

Comptroller's Update: Louisa Keefe from the Comptroller's Office of Internal Affairs and Bola Delano of the Smart Business Illinois Program introduced themselves to the council. Ms. Delano talked about the program having a new face and they are monitoring and targeting how to get people into the program. She said they do have outreach plan to promote the program. She said she reached out to others but no one has any documentation about the program so they are revamping the documentation and will be keeping the council updated. She said they realized there is a huge gap with People with Disabilities and Veterans.

Member Roberts wants to know since the inception of the program, how much funds have been collected for the program. Ms. Delano said they would get back to the council with the answer. Ms. Roberts also said she would like to have a plan of action from the Comptroller's office.

AT&T Contract: Secretary Peterson said the BEP team had looked into this contract which actually took place in 2010. He said BEP did not have control over goals until 2012. He said as they looked into it more extensively, they discovered that there were no goal set. He said as for now this contract has been taken over by other companies not AT&T. It has been split up and we are looking at what are the options moving forward. He also said there is no policy with the renewal.

Member Roberts want to know who currently has this contract and can we get a listing of all AT&T contracts that may or may not have diversity goal attached to them. Secretary Peterson said getting all AT&T contracts with the State of Illinois will be an extensive work load for his team because they do

have multiple contracts with the state of Illinois. He believes with the memo it will get those contracts in line with the opportunities.

BEP Counsel Jones said as a matter of contract law, once you sign a contract; both parties have to agree to an amendment. He said what we can do is encourage vendor to have a BEP goal once a renewal is due. He further said he has reached out to the APO for CMS to get the names of the companies that have the AT&T contract. Member Roberts wants to know how we are collecting the dollar value of a statewide contract such as AT&T that is used by community colleges. Secretary Peterson said that is why we need a compliance system. He said data that are not currently collected will be collected once the compliance software is implemented.

Member Roberts wants to know who granted a waiver from the Paul Campbell memo that stated that anything over \$250 thousand shall have a diversity goal. Counsel Jones said Director Weems memo stated that his memo superseded all previous memos. Member Roberts want to know what departments granted waiver from goals for WMBEs. Secretary Peterson said because it is historical, we will have to look into that.

Member Okorafor wants to know whether this memo regarding renewals that the council have not seen but the Director promised to share with them anticipate that the council will be part of the structure that is going to be looking at renewals. Secretary Peterson told her to wait and see but he does not anticipate the council being a part of the process because of time factor.

Equal Employment of Persons with Disabilities Task Force: Secretary Peterson introduced Mr. Barry Taylor, representative of EEOPD. He said this task force functions like BEP but for persons with disabilities. Mr. Taylor started off by saying the BEP has a 2% goal for PBEs which also includes Sheltered Workshops. He stated that in 2016 the amount of contracts awarded to PBEs amounted to 65.6 million dollars. Out of this amount, 97% went to Sheltered Workshops compared to 3% (2.1 million dollars) going to actual persons with disabilities. He said Sheltered Workshops are segregated facilities that people with disabilities go and work and are paid sub-minimum wage. He referenced the 2013 law that was passed called the Employment First Act which encourages Illinois to give preference to people with disabilities on college employ on a community and competitive basis. He said this law is meant to do away with subminimum wage and encourage competitive wage. He said after the law was passed, the governor at the time issued an executive order to put some meat on the bone. In the executive order the Governor said that BEP should be consistent in the Employment First Act. He said what is ironic is that since the passage of the law, things have gotten worse for people with disabilities. He said he is here to see how he can address this regretful situation with BEP. Mr. Taylor recommended six things to address this issue:

1. Amend the statute and to review the regulations that provide the kind of exception that use to rule.
2. Review existing data to see whether the 2% is appropriate or it should be increased.
3. The BEP membership should increase to include more people who are knowledgeable about people with disabilities.
4. BEP should work with DRS to identify people with disabilities
5. BEP outreach should develop strategies to reach out to a lot of state agencies
6. Develop peer support on mentoring and assisting people with disabilities to explore establishing their own businesses and provide support.

Counsel Jones said there is a bill sponsored by Sen. Claybourne (SB262) that amends the BEP Act which seeks to do away with Sheltered Workshop being counted when counting goals. It prevents Sheltered Workshops from being classified as PBEs.

Member Roberts said there should be no competition between PBEs and Sheltered Workshops because they provide different services.

Member Okorafor said there are two perspectives of looking at this issue. The first is looking at the Shelter Workshop as being disrespectful to the disabled and paying the subminimum wage. The other perspective is an organization that gives the severely disabled a chance to work.

Member Roberts wants to know how many firms do we have certified as PBEs.

Secretary Peterson said the Director of CMS had asked the EEOPD to recommend someone for the council. He said once that name is received; it will be forwarded to the Governor's office.

Vote on Public Vendor Testimony Timing: Secretary Peterson opened the floor for discussion on the time allotted for the public to give testimony. He stressed this is no way a limitation on the public right to speak ought to be suppressed but instead it is meant as a token of respect for everyone's time. Member Martinez said 10 to 15 minutes should be sufficient to the public to express themselves. Member DiMenco said 10 minutes should be sufficient. She said it does not mean the conversation ends there, it is meant to be the presentation time. Member Okorafor said the 10 minutes should include the questions and answer period. Member Roberts said the 10 minutes should be given to them for their presentation and our response should be outside of the 10 minutes. Member DiMenco said a compromise would be to allow the person to speak during the time allotted but allow for an extension with approval from the council if necessary. Member Hunt said the time limit should apply to the person speaking and then we should set our own time limits for questions we may have. Member Doria wants to know if this has

become an issue that we are spending all this time discussing it. Secretary Peterson said it has not become an issue in the recent past, but as BEP grows, it is part of our commitment to the team and we want to ensure that as well move forward everyone time is respected.

Member Okorafor moved that vendor testimony be limited to ten minutes presentation not including questions and answers. Member Roberts seconded. The motion passes unanimously.

VIII. Public/Vendor's Testimony

Mr. Thomas McElroy from Level 1 Global Solutions, LLC said he had taken a step back and has watched CMS activities and believes there are things that can be done to enhance best practices within CMS. He said contracting is an area that needs improvement. He said the basic problem with CMS/BEP is that the State of Illinois has rules but they do not follow them. He alluded to the fact that there is not much scrutiny when it comes to the granting of waivers from goals set. He said another major problem is that we allow firm 500 companies such as AT&T to come here and use indirect participation. He said these things sound one way on paper but they are devastating to minority and women owned businesses. He stressed that we usually look to renewals to add goal which he disagrees with. He said there should be no renewal without goals. He reminded the council that renewal is not an entitlement. He said the State should allow the vendors to make the case for a waiver and not just simply grant it. He further said the state makes the bar so low which he hopes they would take a look at again. Lastly, Mr. McElroy said the he had a few suggestions for the council that will make the lives of MWBEs vendors easier and would also increase the spend for them. First, RFPs should have pre-bid conferences; Secondly, the State putting out procurement that they do not yet have the money for; and thirdly Minority and Women Owned businesses need to be paid in 30 to 45 days period. Because of time limitation Mr. McElroy had to cut short his presentation. He promised to have his presentation distributed to the council.

Secretary Peterson responded by saying regarding direct/indirect participation, it is very few and far between the BEP does accept indirect participation. He also said that BEP actively participate in all pre-bid conferences that are brought to our attention. He stressed the need to get the compliance software system. Concerning goal setting, Secretary Peterson leadership has been in talks with the Governor's office to see if we can get a different universe in order to have higher goals set for minority and women owned firms, persons with disabilities and Veterans. He said the 30 to 45 day period is in statute but they are working with the comptroller's office that if a prime does not pay the sub-vendor within 15 days, they will be hit with a penalty.

Member Roberts said the city of Chicago by ordinance can accept indirect participation. She said she does not understand why we entertain indirect participation when according to the utilization plan we should only accept direct participation. She emphasized that we do not have the same policy as the City of Chicago. She further said when you talk about setting goals, you just do not look at how many vendors but you also look at anecdotal evidence and do research such as looking at the County and the City in order to see what they have on this goal. She said there is a provision within statute that provides for advance payment to MWBEs businesses outside of construction.

Secretary Peterson said as the conversation moves forward on goal setting, he will keep the council abreast.

Member Roberts told Mr. McElroy that there are certain number of seats that have been allotted for 10 businesses owned by minority vendors on the council and urged him to consider applying.

Mr. Charles Harrell II, CEO of the IT Architect Corp. wants confirmation on the date and time of the special BEP council meeting. Secretary Peterson said it will be Monday, May 8, 2017 at 1:30pm. Mr. Harrell asked whether there is clarity on what the goal is for CMS for the special meeting. Member Roberts said it is to resolve everything.

IX. Adjournment

Member Martinez motioned for adjournment. Member Okorafor seconded. Vote taken and motion to adjourn passed. Meeting adjourned at 3:35pm.