

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

**Monday, August 27, 2018 - 1:30 PM – 3:30PM
MONTHLY 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

Hedy Ratner; Sharla Roberts; Ben Jones (Tim McDevitt); Beth Doria; Larry Ivory; Derrick Champion; Emilia DiMenco; Denise Barreto; Edward McKinnie (via phone); Jesse Martinez; Karen Eng; Khari Hunt, Alex Bautista

COUNCIL MEMBERS NOT IN ATTENDANCE

Shelia Hill-Morgan

COUNCIL CHAIR

Ben Jones, Acting Chairman

COUNCIL SECRETARY

Cate Costa

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II; Harry Reinhard; Carlos Gutierrez; Irma Lopez; Leslie Taylor

OTHERS IN ATTENDANCE

Albert Cartharn; Mark Iacoponi; McLane Lomax; David Lockman; Thomas Bowling; Linda Compos; Lisa Campos-Manfort; Juan Marado; Craig Holloway; Tara Washington; Matt Boyle; Charles Avery; Richard Flynn; Matt Brown

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

MINUTES

August 27, 2018
1:30 p.m. – 3:30 p.m.

I. **Welcome**

Acting Chair Ben Jones welcomed all and introduced Ngozi Okorafor, Chief Operating Officer & Sr. Policy Advisor; Terry Glavin, Deputy General Counsel for BEP; Pedro Pineda, new Outreach Coordinator (works with Irma Lopez); and Tracy Collier, assisting BEP with administrative functions.

II. **Call to Order**

Acting Chair Jones called meeting to order at 1:39pm.

III. **Roll Call**

Secretary Costa conducted roll call and quorum was met for this meeting.

IV. **Approval of Minutes of Council Meeting held on June 25, 2018**

Acting Chair Jones requested a motion to approve minutes from June 25th. The motion was made and seconded. Minutes are approved by consensus.

V. **Chair's Report**

- Acting Chair Jones mentioned a past meeting discussion of bringing in different guests or subject matter experts to discuss various topics, this is still a work in process. There have been discussions with the Comptroller's office; they are willing to send us a representative, we're just working out scheduling. He spoke about combining that presentation with the Vendor Payment Program and DCEO's loan programs to do all the payments and fiscal issues at the same time. Acting Chair Jones noted that the Department of Corrections was invited but did not respond.
- Acting Chair Jones recognized Chair Roberts' question "aren't the agencies required to attend meetings when they're extended an invitation?"
 - Ngozi Okorafor reported that she did not know that Department of Corrections was extended an invitation from BEP to attend this meeting, but she assured the members that she will follow up with them.
 - Acting Chair Jones reported a large contract with JLL, the BEP subcontractor will perform janitorial and property maintenance services. It's expected to be 30 million dollars over the course of five years but, it could be larger with CMS facilities. He expressed the excitement of this news for BEP and the community. The firm is call RJB properties, an African-American owned firm. The award notice has been published and details between both vendors are still being worked out.

- Acting Chair Jones informed the members with regards to a BEP Council member’s (Sharla Roberts) previous request to get materials for their meetings to go out to them seven days in advance of their next meeting. The plan is to create policies to get information out to the members in a timely manner to review.
- Acting Chair Jones Committed to submitting all materials to the members before next month’s meeting.
- Acting Chair Jones recognized member Roberts request to adjust the procurement report to make it easier to read.
 - Acting Chair Jones reported that he passed out copies of Roberts Rules of Order at a previous meeting and gave a brief overview of expectations when the meeting was in progress, e.g. respect the person speaking. This will be in an effort for the meeting to flow efficiently to get through the agenda more quickly.
- For the record, Acting Chair Jones would like to recognize member, Larry Ivory.

VI. Subcommittees Reports

- Certification Subcommittee Report - Chair Sharla Roberts
 - Chair Roberts said the Certification Subcommittee meeting was held on Monday, July 23rd. The purpose of the meeting was to have two vendor certification hearings at which the denial of both vendors’ decisions was overturned. Chair Roberts noted that the committee also discussed ensuring all BEP materials were updated to reflect the change into law that now grants certifications for 7 years. Chair Roberts ended her report by encouraging anyone to join their meetings that are held every other month to provide their inputs.
- Outreach Subcommittee Report – Chair Emilia DiMenco
 - Chair DiMenco, reported on two areas of discussion. First, the ongoing discussions of speakers for the BEP Council meetings. It was suggested that we survey all members of the Council to see where the highest priorities are. The second area of discussion was to increase resources and have more targeted outreach, both geographically and reaching groups with a high potential for providing us with BEP service providers. She also spoke about the collaboration with DCEO and their support with going downstate to attend various events. The new coordinator was discussed and how to develop a more formal strategy.
 - Members Ivory, Roberts and Ratner requested recommendations on how to improve contracting in Central and Southern Illinois.
- Compliance Subcommittee Report – Chair Sharla Roberts
 - Chair Roberts announced that the Compliance Subcommittee meeting was held on Wednesday, July 25th. Posted business items discussed were the utilization plan and ensuring that is up to date with the current law. Chair Roberts wanted clarification that the utilization plan will be posted on the BEP website. This request is from the prior VP of Education.
 - Chair Roberts reported that she realizes that there are universities that have not been in compliance with the law. The law requires that agencies and universities must submit their semi-annual compliance reports.
 - Chair Roberts requested a meeting to review the agencies requested exemptions.

- Chair Roberts

Old Business

- Requested contract information: Secretary Cost submitted reports on these contracts.
 - i. State Employee Retirement System Lighting Contract (22042619)
 - Reported that this contract was procured by the State Employer Retirement System and was not subject to BEP. That's the reason there wasn't a goal on it.
 - Council members requested a list of the agencies and boards that are or are not subject to BEP.
 - ii. EMC Storage Hardware and Software Maintenance Contract (22042653)
 - EMC did go through the goal setting process, but it is proprietary. The resellers need to be certified but there were no vendors that were both BEP certified and certified resellers.
 - iii. Internet Egress Contract
 - Acting Chair Jones reported that this contract is with DoIT and is still under review. DoIT further explains that since this contract is an open procurement, they can't provide further information at this time.
 - iv. Lottery Private Manager Contract
 - Acting Chair Jones reported that Illinois Lottery procured the services of a private manager to administer and implement the gaming and IL Lottery System. The company is Camelot and they have presented before the BEP Council and the Task Force. CMS has met with the General Counsel of Lottery and Camelot. Camelot is committed to meeting the goal to look for more BEP vendors to do business with.
 - Acting Chair Jones recognizes members Roberts' and Ivory's comments with regards to extending and invitation to the Illinois Lottery to come before the Council meeting to explain what their actual spend is with African-American businesses; He recognized Ngozi Okorafor's comments on agreeing with inviting the Illinois Lottery to come before the Council to answer members questions directly about their contract spend and future BEP goals.
 - Acting Chair Jones thanked members for their comments with regards to the Illinois Lottery and committed to members that these comments will be taken into advisement. He recognized member Roberts' suggestion to have this discussion entered as an item on the agenda.

Tollway Bond Counsel

- Secretary Costa reported that BEP did connect with the Tollway. Tollway Special Assistant Attorney General must be appointed by the Attorney General and subcontracting is not permitted. She informed members that the Tollway can't provide further information because

it's an open solicitation. In previous years, the pool of firms used included 20% minority owned firms.

- EO 2018-07:
 - i. Revised guidance memo
 - Secretary Costa gave an update of guidance memo that was approved by members with modifications. Cate reported that the modifications have been made and the guidance memo was released in early August.
 - ii. Outreach strategy
 - Secretary Costa reported that the executive order 201807 requires BEP to release a strategy within 120 days. BEP has completed a strategy and the feedback was that it would be helpful to provide guidance to agencies on how they can increase their outreach without violating their procurement laws. Terry Glavin and Deputy Director Costa are working with the CPO's office to come up with a list of what they can do and can't do during this process.
 - Member DiMenco expressed concerns and asked Secretary Cate for an example about why the vendor would have the possible fear of ex parte communication and fear of an outreach event.
 - Ngozi Okorafor responded to member DiMenco's questions and stated concerns about sharing non-public information related to open or future solicitations.
 - Acting Chair Jones recognized member Roberts' comments with regards to providing our vendors with fundamental education on their procurement goals and how to do business with the State of Illinois; member Ivory comments regarding protecting vendors from potential lawsuits; member Ratner's comments on participation with partners and State agency providing forecast and access to opportunities; and member Martinez stated his agreement with other members comments.
 - Acting Chair Jones expressed his appreciation with regards to the Council members comments and stated they were all good comments.
 - iii. Process for contract cancellation review
 - Secretary Costa reminded members of the discussion of the EO's provision for the Secretary and Director of CMS' ability to cancel contracts due to noncompliance with BEP. She confirmed that there was the process of making this decision and it was sent to members for review.
- BEP Act's discussion of advance and progress payments
 - Secretary Costa commented on discussions from the last meeting; confirmed to members that there is a discussion of advance and progress payments in the BEP Act. However, it only addresses payments to BEP Primes and not to Subs. Secretary Costa also stated to members that Ben Jones wants it noted that after conversations with the Office of the Comptroller, the Office of the Comptroller committed to working to expedite payments for vendors whose BEP subcontractors are facing a hardship and need to be paid expeditiously.

New Business

- Sheltered Markets:
 - New DoIT solicitation
 - Secretary Costa informed members that DoIT has several solicitations that they are looking at as potential sheltered markets there is not much more information about them as they are currently in the procurement process.
- Recommendations for new Sheltered Markets
 - Secretary Costa also talked about the information sent out to the Council members about a recommendation for new sheltered market on Advertising. She said they had discussions about the recommendation with some Council members and had sent some data regarding why they thought that advertising would make a good Sheltered Market as well as some language of how that would look like if we were to move forward with declaring one. She said it was up to the Council members to make that vote if they felt comfortable with doing that today.

Member Doria said she had reached out to Ben and Cate regarding the Sheltered Market and had asked for a larger picture. She said when the Council is reviewing these types of things, numbers can sometime skew things particularly if it is just a dollar amount rather than how many contracts were let; how did they break out?; compare to how many contracts were let in total?. She said for her peace of mind, she would like to see a larger timeframe.

She emphasized that when we did the Sheltered Market, it was done for BEP vendors. Now, she said, we are looking to pulling it apart and excluding some of those BEP vendors. She said she has a problem with that. She further said if someone can show the Council data that this is a systemic and long-term problem where specific vendors are consistently getting the contract, then I think we will have better information to consider and then exclude certain BEP vendors. She said the Council needs to see a larger picture of information.

Acting Chair Jones said there were some limitation of contract data that BEP had. He said it was limited to two years of full State spending.

Member Ratner said she supports what member Doria said. She said she remembered how long it was and how hard we worked on the IT Sheltered Market. This should be a BEP Sheltered Market excluding no one, she said. She said it has been established in such a way that she cannot support. She is it is only targeting to Hispanics and African Americans owned businesses and that is not what the BEP Council is about. She said the BEP Council is about Women, Hispanics, African Americans, Asians, and Persons with Disabilities. She said it is exclusive and not inclusive.

Member DiMenco said what we have been asked to do is equivalent to which one of my children do I want fed. She said she thinks the way the resolution is written utilizes percentages and camouflages what the root cause of the problem is. She said the root cause of the problem is not the distribution of \$184,000 over 2 years but instead it is that there is very little money to distribute. She said the problem is we have 1.28% of 14 million in spend that has been allocated. She said it is not about excluding more, but it is about including more. She said she cannot support this because it camouflages the root cause of the problem. She said there is 72 vendors. Thirty-seven (37) are Hispanics and African Americans; Fifty-eight percentage are women. She said this is an outreach problem and an inclusion problem.

Member Roberts said the law said vendor testimonies should be utilized when considering a Sheltered Market. She wants to know whether this was done. Assistant Director Jones said they have had vendor input at some of the meetings they have had. He said not only in the Council meeting but the Task Force meeting. He said anecdotal evidence is part of the study

although you cannot totally rely only on it. He said they had received feedback from members of the BEP marketing and advertising communities as well as the quantitative data.

Member Roberts recommended that some time is set aside, per the law, to hear data. Assistant Director Jones said it will be taken into consideration.

Member Hunt wants to know why advertising was targeted and was there no other bigger fish to fry.

Ms. Okorafor said there are other areas. She said CMS is analyzing and discussing quite passionately with the Governor's office to move forward in those areas. She said there was consensus in the Governor's office as well CMS to move forward with this. She also noted that pursuant to the law, all sheltered markets must come before this body to move forward.

Assistant Director Jones said they have been getting a lot of questions after the IT Sheltered market about what was next. He said they did not want to do a whole study like Collette Holt's study. Instead, they wanted to look at internal resources to see which areas had spent but also had BEP vendors that were not being utilized. They looked at the ones with the highest disparity. He said legal services was looked at but this one seems the best opportunities in terms of the data. Secondly, he said in the administrative rules for the sheltered market, it is written that BEP Council may decide which groups are eligible.

Member Ivory said this is a very important conversation. He said he has the greatest respect for member Ratner and member Doria in terms of fighting for everybody. He said just as we look at IDOT which has a DBE program, we find white women do extremely well in terms of participation whereby African Americans and Hispanics are lagging behind in significant ways. He said by definition, they are vulnerable. He said when you examine our responsibility on this Council, to be sensitive but fair across the board, what this resolution does is speaks to an opportunity that says based upon statistical data that African Americans and Hispanics have fare the less in terms of availability. He said the under-utilization mark hits us in the face. He urged his colleagues on the Council to move forward with this Sheltered Market with the understanding that this is just one Sheltered Market of many Sheltered Markets that we ought to make sure there is inclusion. He said in this case, he was urging his fellow members to utilize the statistical data in front of them.

Member Doria once again reiterated her stance that we need to have a greater picture to understand what is going on.

Member Barreto said according to her examination of the documents, African Americans and Hispanics are lagging behind.

Assistant Director Jones wants to make clear that every group within the BEP program is important.

Ms. Okorafor respectfully disagreed with the idea that the money is small and therefore will not have an impact. She believes that will be an impact.

Motion: Member Ivory motioned for the Council to pass this resolution as is without any amendment whatsoever. Seconded by member Barreto.

Roll call:

Member	Vote
Larry Ivory	Yes
Sheila Hill Morgan	Absent

Edward McKinnie	Absent
Derrick Champion	Yes
Beth Doria	No
Jesse Martinez	Abstain
Denise Barreto	Yes
Alex Batista	Yes
Hedy Ratner	No
Emilia DiMenco	No
Tim McDevitt (Ben Jones)	Yes
Karen Eng	Absent
Khari Hunt	No
Sharla Roberts	Yes

Final Tally: Majority, Six (6) voted yes, the resolution passes.

- Supplier Diversity Senate Committee hearing

- Acting Chair Jones gave a brief update that the Illinois State Senate formed a special committee to analyze disparities in contracting particularly looking into Universities as well as State Agencies.
- Member Ratner and Roberts expressed their concerns that they are not properly informed about legislative hearings and BEP Chair is mandated to inform Council members. Chair Roberts requested that a motion be placed. Chair Jones suggested that the members discuss this item later.
- Member Roberts addressed Acting Chair Jones and other members with regards to acknowledging that Council members are here to support BEP and if members know more they can do more and can be more supportive if they are properly informed.

Member Ratner made a statement with regards to all legislative hearing in advance. Member Roberts stands in agreement with member Ratner’s inquiry and requested a motion to be put on the table.

- Member Ratner motioned that “The Legislative Liaison to CMS provide BEP officers with the information to be transmitted to the Council on any legislation or legislative hearings”. Motion seconded by member Roberts. Vote taken, motion passes.
- Ms. Okorafor committed to provide members with a compilation of legislations.

- Utilization Plan and Letter of Intent updates

- Secretary Costa reported there is a new Deputy General Counsel working with the Central Management Services Department; They are in the process of getting this done.
- Member Roberts request to Acting Chair Jones and Secretary Costa, that they notify her before submitting the plan to members due to missed information on the report that was provided.
- Acting Chair Jones recognized member Roberts’ input, comments and recommendations. He confirmed that they are in the process of being implemented.

- Acting Chair Jones recognized the recommendation to suspend the rules proceed with the Public Testimony before the Certification Appeal. Acting Chair Jones made a motion to change the order; members seconded; motion passed.
- Public/Vendor’s Testimony
 - 1) Charles Harrell II, President & CEO/Certified BEP Vendor
 - 2) Cory Maze, VP of Obama Energy
 - 3) Michelle Flagg, President, Redacre Solutions
 - 4) Mike Neal, Fair Practice in Contracting for African American, Chair, Transparency
 - Member Ratner is proposing an amendment to the Lottery contract.
 - Chair Jones reminded the Council he believes even if this was voted on he does not believe it is possible for us to unilaterally amend the contract because it is a signed contract by both party. Member Ratner said she believes that both parties will be interested in amending this contract because it is a very large contract.
- ❖ The motion made by member Ratner as it relates to the Lottery Contract is as follows:

“That the Camelot contract with the Illinois State Lottery established for ten years be amended with the approval of both parties to expand the categories of subcontracting awarded to be more inclusive of various categories that are available to BEP vendors”. Seconded by member Hunt”.

Vote taken, motion passes.

- Certification Appeal – Borchers’s

- Ms. Lynn Borchers, Owner, Borchers Decorating Services
The Council provided Ms. Borchers with an opportunity to address the reasons for denial and asked clarifying questions.

Ms. Borchers talked referenced Simpson Trucking being mentioned in her denial when in fact she knows nothing about that company. She also talked about her employees’ salaries and mentioned that they are contract employees and she paid them according to what they charged her. She said she been in business for 45 years and is in charge of everything.

Member Ivory motioned in to go into closed session. Seconded by member Doria. Vote taken, motion passes. Members of the Council deliberated and thereafter member Ratner motioned to uphold the denial. Motion made to get out of close session. Motion is seconded. Voted taken, motion passes to get out of closed session. Voted taken to uphold the denial, motion passes unanimously.

VII. Adjournment

Meeting adjourned at 3:30pm

- Next Subcommittee Meetings
 - Certification Subcommittee Meeting – September 24, 2018
 - Outreach Subcommittee Meeting – September 25, 2018
 - Compliance Subcommittee Meeting – September 26, 2018
- Next Council Mtg. – October 22, 2018

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>