

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

MONTHLY COUNCIL MEETING MINUTES

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

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

Monday, August 25, 2014- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Fred Coleman Florence Cox (phone) Nelida Smyser- Deleon Larry Ivory Beth Doria Corinne Pierog Chima Enyia Samantha Hufnagel (Phone) Jesse Martinez Perry Nakachi Alfred Ramirez (Phone)

COUNCIL MEMBERS NOT IN ATTENDANCE

Joan Archie Richard Boykin Hedy Ratner Lynne Turner Charisse Witherspoon Rodney Lewis Omar Duque

COUNCIL CHAIR

Simone McNeil, Chairlady

COUNCIL SECRETARY

Paul Cerpa, BEP Deputy Director

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II, Vince Bass, Susan Hartman, Austin Baidas, Harry Reinhard, Jeanetta Cardine, Carlos Gutierrez, Ellen Daley, Tom Mikrut, Roger Nondorf, Tremaine Boykin, Ben Jones

OTHERS IN ATTENDANCE

Vir Doshi, Gustavo Geraldo, Philip Dalmage, Carl Harris, Robert Sterling, Thierry Walsh, John Cieslik, Marcus Austin, Bryan Gleckler, Jared Brunk, Art Moore, Ben Bagby, Michelle Casey

I. Welcome

- Chairlady Simone McNeil welcomes all.

II. Call to Order

- Chairlady Simone McNeil called the meeting to order at 1:50pm. She asked Secretary Cerpa to conduct the roll call.

III. Roll Call

- Roll call conducted. No quorum established. Decision made to continue meeting until a quorum is established.

IV. Approval of Minutes

- Approval of Minutes was postponed until a quorum was established.

V. Chair's Report

- Chairlady McNeil informed the Council that she had just signed a telecom master contract that morning for statewide radio maintenance with a 20.5% BEP participation. It is a \$16 million dollar contract. Also a Board of Election contract for \$165,000 awarded to a BEP certified vendor. For the rock salt contract, a contract was awarded to Morton Salt with a 10% goal on a \$76 million contract; Central Salt was awarded a contract with a 10% BEP goal on a \$7 million contract; North American Salt was awarded a contract with a 2.0% BEP goal on a \$9.5 million contract; Gap reporting (professional services) contract worth a \$1 million was awarded to Crowe Horwath with a 20% BEP goal; Two dish washing contracts worth a million dollars awarded with a 25% BEP goal for one, the other contractor is a certified MBE contractor; CMS is printing the Trail Booklets (Retirees booklets) and the awarded vendor is a BEP certified vendor; Lottery's drawing observation and Auditing services contract was awarded to Crowe Horwath and Adelphia with a 2% BEP goal.

Member Larry Ivory asked Director McNeil whether we are now getting reports from the lottery in terms of their minority participation. Secretary Cerpa said we are and it is being monitored closely.

Secretary announced the record should reflect that the presence of member Larry Ivory but still no quorum.

VI. Posted Business

- **Department of Correction (IDOC) Chief of Staff, Brian Gleckler Presentation**

Mr. Gleckler introduced his Chief Financial Officer, Mr. Jared Brunk. Mr. Gleckler started by saying he will first start by giving an overview of where the department is in regards to BEP participation and explain how some of the challenges we have had getting some of the vendors that probably would qualify for BEP and getting them registered so that those statistics count as far as our efforts on an annual basis. In FY13, which is the last year we have a complete data, we have an achievement of approximately \$7.7 million for BEP and Sheltered Workshop participation which total 79 prime contracts that the department maintained. These dollars only captured certified BEP vendors that IDOC have a contractual relationship with and do not include contracts with minority vendors that are of a not-for-profit status or any subcontracting efforts achieved through vendors who have a primary contract with IDOC. Mr. Gleckler said in a lot of their re-entry contracts are with vendors with not-for-profit status who are minority backed and many have not become BEP certified. He said there will be an enhanced emphasis on getting them to follow the proper procedure and become BEP certified.

Regarding the commissaries procurement, we have tried on two occasions to go through a formalized procurement process but both times they proved unsuccessful because prior to award they were cancelled by the CPO's office. The latest procurement was cancelled in February of this year, causing the department to go back to the drawing board. He further said they have formalized a new approach: a category by category approach rather than an all or nothing approach. This approach is expected to expand the universe of vendors expected to bid.

Secretary Cerpa asked whether according to his report he had done a lot of contracts with vendors that are not-for-profits. Mr. Gleckler answered that they were not-for-profit or they are firms that are procured through the purchase of care provision in the procurement code which in many cases, there are no formalized procurement process. Secretary Cerpa cautioned DOC to be careful with those not-for-profit firms as it would be difficult to certify them because one of the basic criteria is addressing ownership unlike potential purchase of care firms whose actual ownership may be able to be considered.

Secretary Cerpa asked whether the Department of Correction account for subcontracting achievements at the end of the year. Chief Financial Officer Brunk said they are looking into that.

Member Beth Doria wanted to know what was the reason for the procurement being cancelled by the CPO's office. Mr. Gleckler said that there were several

bids that did not make the check list requirements therefore it was decided to cancel the bid and take another stab at it.

Member Florence Cox wanted to know whether the Council has the list of requirements that the CPO's office used to cancel the bids. Mr. Gleckler responded by saying he was referring to what was outlined in the vendor's conference such as the certificate of election from the Board of Election and other requirements. Member Cox also asked who the largest supplier in terms of supplying commissaries is. Mr. Gleckler said there was no formalized contract for commissaries but their largest supplier is Keefe Commissary Corporation based out of St. Louis, Missouri. Member Cox wanted to know whether DOC has been operating without a formalized contract and for how long. Mr. Gleckler said yes they have operating without a formalized contract and have never had one. Member Cox wanted to know whether the state does receive remuneration from these companies that supply the commissaries. Mr. Gleckler said according to statute, a portion of the sales go toward funding the commissaries' workers' salaries and also goes toward the inmate benefit fund. This fund is used for cable TV, special meals, and speakers brought in throughout the year. Some funds are used for restocking the goods in that are sold from the commissaries. Member Cox wanted to know if the percentage was static. Mr. Gleckler said it was static by statute.

Member Larry Ivory wanted to know the size of the commissaries in terms of dollars and cents. Mr. Gleckler said on an annual basis, based on the 25 commissaries around the state, the revenue is 40 million dollars. Member Ivory wanted to know the length of the contract. Mr. Gleckler said he believed it is about three years but should not be quoted on that. Member Ivory wanted to know the BEP goal attached to that contract. Mr. Gleckler said it is 20%. Member Ivory said he is looking forward to receiving additional information regarding the contract of these commissaries from Mr. Brian Gleckler.

Member Corinne Pierog asked why aren't these not-for-profits measured and why aren't we counting them as viable business entities even though they are held by a group of trustees or a board who will be the owners of that business. Secretary Cerpa responded indicating the reasoning is based upon not-for-profits not able to meet the eligibility criteria of 51% ownership of minority, females or persons with disabilities so it would not be rationale to have them not go through that certification process. Member Pierog wanted to know whether going forward, the statute could be amended to include not-for-profits. Secretary Cerpa said currently, a not-for-profit could participate in the BEP program via recognition as a Sheltered Workshop if it met that program's criteria, however he did say the council would have to consider any other amendments to current statutes in expanding not-for profits.

Member Cox wants to know if the commissaries' solicitation includes telephone services. Member Cox said she heard from her constituents that the cost is astronomical. Mr. Gleckler said this solicitation speaks to only commissary supplies and goods. He said he understands the concerns and that the current contract is being reviewed based on some recent Illinois Telecommunication ruling.

Member Fred Coleman wants to know how the solicitation was broken up by categories and what those categories are. Mr. Gleckler said they are broken up according to what those types of items are: food, clothing, and electronics. Member Coleman wants to know if the BEP goal is expected to be met on each of those categories. Mr. Gleckler said yes. There are 11 or 12 categories.

Member Doria said because so much of the solicitation is supplier based, are the products going to be counted according to whether they are manufactured by BEP certified vendors. Secretary Cerpa responded by saying that we will have to look at all the solicitation sponsors to see how they are attempting to achieve the BEP goal participation - whether through purchase of the various commodities directly, or warehousing and delivery from the standpoint of overall achievement in addressing the goal.

Member Perry Nakachi asked if isn't there several minority firms that could participate / bid on the solicitation just amongst themselves. Secretary Cerpa responded by saying it would then be a Sheltered Market.

Member Ivory wants to know whether we are going to have a pre-bid on this contract. Mr. Glecker responded yes. Member Ivory asked how DOC was doing on the IT side and would they consider a Sheltered Market for these solicitations. Mr. Gleckler responded by saying that their day to day IT needs are managed by Central Management Services. Member Chima Enyia said they are constantly looking for opportunities whether they are managed by CMS contracts or DOC and they will be reviewed.

Member Nelida Smyser-DeLeon asked Mr. Gleckler whether a BEP vendor can be a prime vendor as well as the BEP vendor. Mr. Gleckler responded by saying absolutely.

Member Enyia wants to know how much time will be allotted for the bid in light of the new bid structure. Mr. Gleckler said he cannot say how much time will be allotted at this time but he understands the concerns and will make accommodation for those concerns.

Member Coleman wants to know if Mr. Gleckler could make available those categories and what they contained to the council. Mr. Gleckler responded by

saying no, not until the solicitation is published. However he said when they tried this as an inclusive approach, the BEP percentage was less than 1%.

Member Nakachi voiced his concerns that the length of these contracts would prohibit some BEP vendors from participating for several years. He urged to do something to have the evaluation period and the terms shorten.

Secretary Cerpa also mentioned that he had received reports that there were problems at the last DOC bid with the location and telephone numbers availability for pre-bid participation and that CMS was willing to help in bringing about a remedy on such DOC prebid solicitations. Mr. Gleckler said he understands. Member Ivory wanted clarification from Mr. Gleckler on what he meant by “He Understands”. Mr. Gleckler said he understands the concerns but does not have an answer right now. *(NOTE: SUBSEQUENT TO MEETING, DOC HAS INDICATED CALL IN NUMBERS AND LOCATION VENUE HAS BEEN ESTABLISHED FOR FUTURE PREBIDS.)*

Secretary Cerpa thanked Mr. Gleckler for coming and answering the council’s questions and addressing their concerns. He also announced that there was no quorum established and therefore there would be no vote on the minutes and the exemptions.

VII. Committee Updates

a. Procurement Committee

No Report.

b. Business Development Committee

No Report

c. Capitol Access and Banking Committee

Chairman Coleman said the committee has been working to find out how to vet the Capital Access database. The committee held meeting with the Department of Commerce and Economic Opportunity to learn from them how they perform vetting vendors when it comes to firms that are loaning money or providing funds for small businesses including venture capital firms. There are four guidelines that will be used in vetting the Capital Access database: 1. Contacting each agency or Venture Capitalist firms to make sure they are on board with their name and contact information; 2. Check to see if they are in good standing with the Illinois Secretary of State; 3. Contact the venture capitalist firm to see if they are comfortable with what we have captured from their website and also their purpose and their focus; and 4. Working closely with CMS to make sure we

have the appropriate caveat and disclaimer in order to properly inform the public that CMS or the folks who put the Capital Access database together are not responsible or liable for action that member of the public may take when interacting with any of the venture capitalist companies listed in the capital access database.

Secretary Cerpa also informed the Council that member Coleman did supply summary of responses to some the questions posed from the last meeting for the Higher Education.

d. Certification Committees

No Report.

e. Policy, Rules and Enforcement

Chairlady Doria said they are still awaiting the approval of the exemption report. Member Ivory asked that telephone calls be made to council members at least three days prior to the meeting so that a quorum can be established. Secretary Cerpa said it will be done but encourage others to come to the meetings.

Member Nakachi said he does not understand the logic of not counting people on the phone for quorum. Secretary Cerpa said that was part of legislation through the Opens Meeting Act. Member Nakachi said that he thought that members that are sick can be counted. Secretary Cerpa said it would be looked into.

Member Doria say she was told that the CPO had mandated CMS and the Tollway to use NIGP codes. She was wondering where that came from when this is throwing a wrench in our work. Secretary Cerpa said there was a need for standardization and the NIGP was selected by the CPOs.

VIII. New Business

Member Coleman said within the meeting packet for today there is a quarterly report for Higher Education regarding the Illinois Public Education Cooperative (IPEC) activities of the working diversity group. The report talks about a numbers of activities that the IPEC working group had undertaken since it was created in March 2014 and the mission statement.

IX. Public/Vendor's Testimony

No Public/Vendor testimony

X. Adjournment

- Paul Cerpa called for Adjournment
- Member Doria casts for a motion (moved) for Adjournment
- Member Coleman seconded the motion to Adjourn.
- Meeting was Adjourned as of 3:45PM
- Next Council Meeting will take place on Monday, September 22, 2014-1:30 PM