

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

MONTHLY COUNCIL MEETING MINUTES

100 W. Randolph
Room 2-025
Chicago, IL 60602

401 S. Spring Street
Room 500 ½
Springfield, IL 62702

Monday, March 23, 2012 – 1:30 P.M.

COUNCIL MEMBERS IN ATTENDANCE

Samantha Hufnagel	Joan Archie
Charles Lynn Lower	Rodney Lewis
Alesia Hawkins	Jesse Martinez
Beth Doria	Charisse Witherspoon
Larry Ivory	Marva Boyd
Omar Duque	Perry Nakachi
Florence Cox	

COUNCIL MEMBERS NOT IN ATTENDANCE

Richard Boykin
Alfred Ramirez
Lynne Turner
Fred Coleman
Nelida Smyser-DeLeon
Hedy Ratner

COUNCIL SECRETARY

Paul Cerpa, BEP/Deputy Director

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II	Philina King
Harry Reinhard	Denise Reed
Carlos Gutierrez	Susan Hartman
Gladys Rodriguez	Darryl Harris
Donald Lynch	Jacob Stuckey
Sharla Roberts	Evonne Velasquez
Chima Enyia	Tasha Cruzat
Angela Stinson-Marti	Ngozi Okorafor

OTHERS IN ATTENDANCE

Bob Dale	Gilbert Villegas
Omar Brown	Kristene Callanta
David Byrd	Kevin Krass

Tim Fishburn
Margaret Van Dijk
Ken Martin
Darryl Harris

Mary Vaughn
Kathleen Michales
Art Moore

AGENDA

1.0 Welcome

2.0 Call to Order

3.0 Roll Call

4.0 Approval of the Minutes of the Council Meeting held on February 27 , 2012

5.0 Chair's Report

6.0 Posted Business

6.1 Don Lynch, CMS Vendor Payment Coordinator

7.0 Unfinished Business

- Open Meetings Act
- Committee Updates
 - A. Procurement Committee
 - B. Business Development Committee
 - C. Capital Access and Banking Committee
 - D. Policy, Rules and Enforcement Committee
 - E. Certification Committee

8.0 New Business

- Comptroller's Office Presentation 4/23/12

9.0 Adjournment

- Next Council Mtg. April 23, 2012

1.0 Call To Order

Secretary Paul Cerpa called the March 23, 2012 Business Enterprise Program Council meeting to order at 1:40 pm and informed the Council that Director Weems is out of town taking care of key State business that will benefit us in the months to come. Secretary Cerpa welcomed newest Council member, Marva Boyd, IDOT Chief of Staff, replacing Larry Parish.

2.0 Roll Call

- 2.1 Council Secretary Paul Cerpa took the roll call and announced that a quorum has been obtained.

3.0 Approval of the Minutes of the Council Meeting held in February 27, 2012.

- 3.1 Beth Doria motion to approve minutes contingent on typo corrections to be made; Darryl Harris also voiced his comments that he also has corrections to page 12 section 7.17. That the Council's lawyers should take look into having lobbyist participating on the Commissions or Councils, Should reflect the Council and Committee of the Council of other inquiries rather that they can be seeking support of legislation through the council.
- 3.2 Secretary Cerpa stated will make the notations and corrections to the minutes with changes and updates. Motion seconded by Rodney Lewis, Council voted approving February minutes.

4.0 Chair's Report

- 4.1 Secretary Cerpa informed the Council that there was no Chair's report- moved into posted business.

5.0 Posted Business

- 5.1 CMS' Donald Lynch and Jacob Stuckey presented the State's Payment Plan Program. Mr. Lynch explained the program is a mechanism that brings together willing vendors with the Purchasers that have been prequalified by the State in order for the vendors to sell their receivables at 100 percent of the face value of the voucher to the qualified purchasers. In exchange the vendor gives up the prompt payment interest that otherwise would be received. This program was conceived by Director Weems while he worked at GOMB department to relieve pressure on the States general funds and to provide an opportunity for the vendors to receive timely payments of their vouchers to help alleviate cash flow difficulty.
- 5.2 He continued to explained the voucher have to be older than 90 days to qualify. To date the program has paid \$10 million to qualified purchasers since November 2011. There are approximately 200 vendors signed up in the program and not all have placed any vouchers due to not all falling into the 90 days wait period that is a requirement by law. Of the \$10 million payout about 25 vendors have qualified.
- 5.3 Florence Cox understands there was no outreach, wished to know how the 200 vendors were initiated into the program.
- 5.4 Donald Lynch believes it probably was word of mouth. Have gone to businesses and minority fairs; however no comprehensive outreach as plan is ongoing, continued to state wanted to make sure the program is working before marketing the program.
- 5.5 Charles Lowder questions what kinds of outreach is there for the program. Does agency have a list of vendors and or database that they or agency can tap into to let them know about this program? Donald Lynch stated all agencies should have some kind of list. The

- program is in place for their benefit to help the vendors. He understands the agency are constantly hearing from their vendors, understanding they are not happy with State's payment options and here is a program that may relieve some of their stress. Target outreach is now ongoing as the program has gone through a couple of alterations; we are now making a consideration to push the program to more agencies. Mr. Lynch asked the Council to spread the word out to the business owners that have financial difficulties.
- 5.6 Perry Nakachi asked where the money is coming from. Mr. Lynch and Mr. Stucky stated money comes from the qualified purchasers/investors it does not come from the State other than the fact the State eventually pays the prequalified Purchasers. Named several of the private investors: CitiGroup Global Finance, Vega Group Limited, Wells Fargo, Advanced Placement, among others, we had direct contact with at this time.
- 5.7 Perry Nakachi asked if the cost is none other than the interest on the late payments. Mr. Lynch stated that is the only cost, there is no discounting.
- 5.8 Beth Doria asked is it going to be CMS web page. Mr. Lynch provided everyone with Webpage address.
- 5.9 Paul Cerpa asked with the qualified investors how the contracts distributed among the investors. Mr. Lynch stated currently have one investor however are in discussion with others. Vendors would be able to choose among qualified purchasers. Mr. Stuckey added once a vendor chooses most would stay with the qualified purchaser for stability.
- 5.10 Paul Cerpa asked how is the program monitored.
- 5.11 Mr. Stuckey stated after voucher has been purchased, we do follow up with the vendors.
- 5.12 Paul Cerpa have minority institutions been contacted.
- 5.13 Donald Lynch right now only market to vendor fairs, it's a volunteer program, and it's in the infancy stages.
- 5.14 Jessie Martinez confirmed he has heard from vendors who are happy with the program.
- 5.15 Perry Nakachi what is the purpose of waiting 90 days.
- 5.16 Jacob Stucky mentioned the prompt payment statute states in 91 days you start earning one percent or a fraction thereof. Qualified Purchasers will not purchase receivables until the prompt payment statutes kicks in. The law changed from 60 days to 90 days vendors had to wait longer, this affected the program as vendors had to wait longer - when it was 60 days turnaround was 30 days faster it is one of the consequences of the change.
- 5.17 Paul Cerpa asked why a volunteer program why wouldn't a vendor participate in the program can you give us some of the benefits to the vendor.

- 5.18 Jacob Stuckey explained there is no extra cost for the State; it helps vendors with more working capital to bid on more jobs, also contribute to the economy. Basically, on the vendors' side, having more capital working for them now.
- 5.19 Paul Cerpa thanked both presenters, wished the program continued success and that BEP will assist to get the word out to more vendors and agencies.
- 5.20 Paul Cerpa switched agenda ask any report for the Procurement committee.
- 5.21 Larry Ivory stated before meeting continues he explained that in the past he requested someone from IT department to present to the BEP council and emphasized the need to be added to agenda.
- 5.22 Paul Cerpa relayed he was not made aware of this request.
- 5.23 Larry Ivory stated some of his questions are time sensitive to BEP council. Does not know where the ball was dropped. He is concerned when Council asked for a specific meeting that are time sensitive and not acted upon, they should know why. Next Mr. Ivory asked to make sure IT concern be placed on agenda today under New Business so as to have conversation that needs to be relative to IT and to plan and or formulate the questions to make sure that we understand how important this is to the council and how important it is to me.
- 5.24 Secretary Cerpa asked Mr. ivory to specially submit in writing directly to his attention his concerns on IT that he will make sure BEP will have it on the agenda.

Business Development Committee:

- 5.25 Secretary asked for presentation of report, no new updates. However having Donald Lynch presentation was one of the requirements of last minutes.

Capital Access and Banking Committee

- 5.26 No report presented

Policy and Rules Committee

- 5.26 Beth Doria stated committee was able to meet on March 13, 2012. Discussion items were the review of our mission, also review purpose language for enforcement procedures not included in minutes. Suggested to have legal review the pending language then approved by Council. Other item addressed was the need to have some written basic checklist for Good Faith Efforts so as to have a better procedure to refer back on. Different agencies would look at making certain that when they receive a request of waiver or a request on reduction amounts on goal, all of these checklist items would be reviewed to ensure follow through prior to approval.
- 5.27 Charles Lowder liked the fact he felt the report was all well thought out.

- 5.28 Secretary Cerpa added that in following good faith effort documentation on checklist, agencies are recommended to make sure firms exhaust steps in every area.
- 5.29 Jessie Martinez stated when CDB looks at good faith; we look for as many of those issues to be addressed based on checklist items that the prime/contractors are truly negotiating, we monitor it may not be all of them, but at least a good sample of the steps on the checklist are being met.
- 5.30 Charisse Witherspoon asked if most of the companies that are sincere do this anyway.
- 5.31 Paul Cerpa stated that sincere is the key word but that this was a good template to use.
- 5.32 Darryl Harris stated we should look at federal statute - there is 2 or 3 of extensive pages that determines good faith effort.
- 5.32 Margret Van Dijk asked if whether references on checklist are going to be incorporated in the BEP rules. Suggest this to be mention in the rules what a good faith effort is and or any changes would need to be incorporated in this rule.
- 5.34 Darryl Harris agreed, again mentioned the 2 and or 3 page document as a good item to look at for good faith effort language.
- 5.35 Marva Boyd explained that the document Darryl reference is the Federal DBE regulations on the good faith effort.
- 5.36 Darryl Harris stated yes definitely.
- 5.41 Marva Boyd would be happy to share this document with the group. Especially at this point because it does put the responsibility on the firm to engage the company.
- 5.42 Beth Doria stated several of the agencies including CMS/CDB really do work closely with the contractors to provide resources to contractors to assist them as much as possible in identifying certified firms to pair them up.
- 5.43 Darryl Harris explained never direct them to a person, normally provide them with a list of people that are doing that particular function.
- 5.44 Jessie Martinez several documents were used to compile part of CDB good faith effort that we incorporated information from IDOT's federal rules so the documentation that is floating around for many years that drive compliance officers crazy was used to develop the checklist.
- 5.45 Secretary Cerpa encouraged the Council and Springfield members to provide comments to committee and that BEP would incorporate into program when finalized.
- 5.46 Charisse Witherspoon feels we can also play on anecdotal comments, listen to people stories that may be making impact; the vendor prospective.

- 5.47 Secretary Cerpa likes the fact that good faith effort has more detail and it is not ambiguous and it leaves the prime with the clear path it should be pursuing. In respect to the document Jesse is referring to that is still floating around to try to drive compliance officers crazy, is at least 20 years old.
- 5.48 Jessie Martinez stated they still are using it out there.
- 5.49 Charisse Witherspoon stated maybe the approach is being updated.
- 5.50 Ken Martin stated Council consider implementing requirements that the prime self fulfilling the contract calling for them to do X percent of the work as sometimes the agency sets on construction jobs. The prime has to do 50 percent of work has that has been considered. I am aware of instances of BEP vendors that won contracts 100 percent self fulfilled and others subbing out the work, not to a BEP vendor.
- 5.51 Secretary Cerpa agreed that was an excellent point in that participation should always be based on a commercial useful function aspect and should be strongly considered. Further indicated that he does not believe that CMS has a requirement for self performance of a specific percent for any project.
- 5.52 Daryl Harris believed where agencies do require self performance - it is at least 50 percent.
- 5.53 Jessie Martinez stated it depends if you are a general contractor or other trade; then it is 40 percent, others at 20 percent.
- 5.54 Ken Martin stated for non construction at IDOT we do not have that requirement –but we should consider strongly putting that requirement in place.
- 5.55 Charles Lowder stated the veteran federal program for socially disadvantaged is a toothless dog. He hopes the Veterans get the same enforcement mechanism as to what the BEP Council has been addressing and perhaps maybe Veterans have a better shot.
- 5.56 Larry Ivory stated he would like to take better compliance measures and oversight. stating Jessie does a good job at that. Feel s compliance has to be the cornerstone of improvement of minority percent. Without compliance, he believes program will go backward not forward. Feel we should push for more compliance not less.
- 5.57 Charisse Witherspoon stated everything Council does sets the standards to move forward.

Open Meeting Act:

- 5.59 Secretary Cerpa explained he has had some brief discussions/queries with Council members in reference to the open meetings act. In particular, how it relates to the telephone conferencing.

- 5.60 Secretary Cerpa continued to explain in interpretation of the Act, we must have a quorum in person and that is why in part, the Act was on agenda. That the best approach is to go to the training website that the Attorney General put together.
- 5.61 Cerpa explained his interpretation to response to the quorum's physical Presence requirement as first, the Quorum can take place in any one of the public buildings. for instance we can have it down in Springfield IDOT facilities. Law states specifically that it has to be a quorum in person. For instance a recent Certification Committee meeting quorum was having difficulty meeting its quorum in person. We've expanded the number of participants to help but a quorum must still appear in person at a public available facility. The Capital Access and Banking Committee members all reside out of Chicago, scattered in three separate locations throughout the state and that's a little difficult to meet quorum requirements as well. Basically, the Act's requirement is one of the hurdles we have to address and ensure it's met as we move forward in our respective meetings.
- 5.62 Also Secretary Cerpa affirmed that every one of the Council members since they're appointed to a public body, needs to be trained in the Open Meetings Act as it is another requirement. It takes 30/40 minutes and encouraged all to simply go through the training at the link provided.
- 5.63 Rodney Lewis questioned if it would be possible to have two step tiers for the Open Meetings Act. Philina King stated in determining any questions of the open meeting act it is the Attorney General and they have a person devoted to this to answer any questions in regards to this Act. In the mean time, the Council is required to participate in completing the training. Once you get certificate verifying you completed training, you can submit that information to Paul Cerpa so he can keep that in file. After the training, if Council still have questions we can invite the public counsel to present to the BEP Council members.
- 5.64 Ms. King also pointed out there is a portion of the open meetings act of how the council may participate which was summarized on my notes provided earlier.
- 5.65 Florence Cox asked Philina King to explain further the section of out of the offices.
- 5.66 Ms. King explained you could have members from other offices for example that are present at JRTC, present in Springfield in the State building. All the members present are counting as a quorum if they can find the state offices to use for the meeting via phone or teleconferencing. The building has to be accessible to the public to attend and posted locations on the agenda.
- 5.67 Ken Martin asked if Springfield office requires to post agenda.
- 5.68 Ms. King and Secretary Cerpa both stated all sites have to post.
- 5.69 Ms. King stated the whole key is you have to make accessible for a public member to attend who wants to attend the meeting.

- 5.70 Florence Cox public building means any building or portion owned or lease by any public body, so it does not mean only state of Illinois building; could it be a municipalities owned building.
- 5.71 Ms. King stated she wouldn't not disagree with that interpretation. Refer back to her notes documentation and refer to Attorney General on the public counsel for correct interpretation.
- 5.72 Rodney Lewis on the agenda is there a requirement for public comments.
- 5.73 Paul Cerpa and Philina King both stated No
- 5.74 Secretary Cerpa again encouraged all to take time for completing the required training.

6.0. Unfinished Business

- 6.01 Mr. Harris to look at prior minutes, that we are require to stay on item until they are addressed. Brought the \$250,000 threshold at that meeting.
- 6.02 Secretary Cerpa explained we are finding with threshold interpretations that are at different levels and based on some agencies, establish goals over \$500,000 and some agencies go below as well. We definitely need clear precise direction from the Council and CMS actually where that threshold limit is .
- 6.03 Mr. Harris stated what was asked before was to look at lowering threshold to \$250,000 Believing the Council voted on this previously several years ago. Ms. Doria believed it may have been 3 yrs ago.
- 6.04 Secretary Cerpa asked if 3yrs ago the Council voted on establishing a threshold limit , then what did Council do after that. Ms. Cox responded they waited until Paul Cerpa got there.
- 6.05 Mr. Harris also asked if there are other issues that Jessie was responsible for waiver action in senate bill 3249 grants action back and forth; have we resolved look into that item.
- 6.06 Secretary Cerpa indicated there is a policy in place in DCEO and CDB in fact we discussed that during the last meeting between the agencies and CMS that the waiver will be process through CDB but will have concurrence with CMS.
- 6.07 Mr. Harris explained that was not confirmed at last meeting; what was stated was CMS attorney was going to look into it. We need to figure if responsibilities lie with CMS BEP Committee or CDB. We need to confirm if that is the direction that we are going. Would like confirmation of that.
- 6.08 Paul Cerpa replies that is the direction we are going.

- 6.09 Secretary Cerpa stated per the meetings, his understanding was CDB will receive waiver request from the vendor of any grant and would be evaluated just like any other CDB contract and would be analyzed along with assurance that good faith efforts were adhered too, similar to every other process and then render our final determination.
- 6.10 Mr. Harris reply then it is not going to CMS. Mr. Cerpa for the final waiver approval it will go to CMS, no we do not have that in the process with the Council.
- 6.11 Secretary Cerpa relayed that no process with Council was discussed. Cerpa explaining the discussion was made as to comments on Council's involvement was made previously with respect to CMS Waivers and or Decision memos. The issue of the Council meeting only on monthly basis would impact and dramatically slow down the procurement process. Secretary Cerpa was of the opinion that in that previous meeting, several Council members stated they were comfortable CMS could administer the processes on its own for Decision or Waiver requests but would provide reports to Council accordingly. However, if the Council is of the opinion to now considering reversing this process, let me understand that process being suggested and we can discuss it in detail once again.
- 6.12 Larry Ivory indicated statutory policy that waivers are suppose to come forward to BEP Council the overseer of the waivers should not exempt ourselves to do anything less than that.
- 6.13 Rodney Lewis stated it if a good strategy is in place its good as long as we don't lose sight how we lose results on granting waivers.
- 6.14 Beth Doria stated if we wait to bring this to Council, it will delay process longer; the policy first is to trust that CDB through Jessie Martinez and any request would then be submitted to the policy enforcement committee to look into the waiver.
- 6.14 Darryl Harris explained that BEP should be involved even if in the last step after CDB review and request the process in writing.
- 6.15 Paul Cerpa agreed stated CDB will try to finalize committee meetings and the way it stands right now CDB is going to do its due diligence and then report to the subcommittee.
- 6.16 Jessie Martinez explained we develop a purpose in process everyone has a copy what we look for is concurrence and approval of this process want everyone's input to finalize this issue.
- 6.17 Beth Doria stated Rodney Lewis came up with good suggestion perhaps what we do is Paul, Jessie and I get together for next meeting to put process together for then legal to review. Darryl Harris stated that is fine with him.
- 6.19 Charles Lowder explained that he is very comfortable with the Council committees managing the waivers what he looks for are the trends. We all look at CDB/IDOT how the large amounts money flow, but every state agency is subject to the council

oversight. What we will see are trends across the board if due diligence is being performed. If Jessie monitors them good then for me looking for trends. If I see agencies that are consistently asking for waivers than want to bring the agency in here to the Council to ask them what is going on.

- 6.20 Beth Doria stated that is what we do in the past we would ask the agencies directors to appear before the council.
- 6.22 Paul Cerpa will notify the committee heads recommends meeting to discuss before the next council meeting and attempt to add to unfinished business for next agenda.
- 6.23 Ken Martin asked can we distinguish between a waiver of the requirement versus a reduction of the goal. A waiver of the requirement as told by a bright attorney would be responsibility of Council. A reduction in a goal is not a waiver. Clarification about waiver requirement should be provided to agencies.
- 6.24 Paul Cerpa asked do you mean the agency would be required to appear before the Council. Mr. Martin, no, reduction in a goal is not a waiver which requires no goal on the contract. Mr. Cerpa agreed.
- 6.25 Margret Van Dijk Phase in BEP rules is in that the rules about waiver or reduction of goal are used interchangeable- don't think they mean the same and feels there should be clarification for the agencies.
- 6.26 Paul Cerpa stated that for the last month, in reviewing the Decision Memo (approval to bid without a goal) process that goes to the CMS Director for signature, out of about 7 requests received, 5 were returned denying such requests. The term decision Memorandum may have to be changed as that term lends to more confusion as in itself, I can see it being interpreted as a waiver request from the agency.
- 6.27 Susan Hartman stated the Decision Memorandum is an exception to the policy that came out May 2006. It is not a waiver to an established goal it is a policy that the Chief of Procurement CMS request \$500,000 RFP and above contain a BEP goal. The Decision Memorandum came about if the agency did not want to follow policy for that procurement they fill out the form. This exception it is not considered a waiver.
- 6.29 Ken Martin when he gets procurement contracts of \$500,000 , that also oblige CMS directors request but to place a lesser BEP goal, this is considered a goal modification, we do not consider to have issue a waiver request. Rules in place are \$500,000 and above have BEP goal. Susan Hartman states to follow Procurement rules.
- 6.30 Jessie Martinez at CDB if the contract has a goal than that is the requirement. If it s a \$100,000 contract, CDB set the goal then if the requirement is not met, then the contractor need to summit good faith effort for evaluation.
- 6.31 Mr. Martin replied you are stating the obvious. What I am saying in writing where does it state \$100,000 procurement must have a BEP goal

- 6.312 Paul Cerpa repeated it does not and it clearly needs to be address and have asked the same questions and that is probable why a number of agencies are working in different fashion and I can assure you I'll get that taken care of for you.
- 6.31 Darryl Harris stated that \$250,000 threshold was voted by BEP Council to ensure goals were placed on these amounts and CDB adhered to request made from prior meetings years ago.
- 6.32 Paul Cerpa question then why nothing was carried through by the Council for those threshold amounts.
- 6.33 Darryl Harris stated we need to work on this as mentioned it was at least three years ago.
- 6.34 Florence Cox stated that if the Decision Memorandum is still being use today, am I to understand a person that uses this, they do not want to do something on the contract.
- 6.35 Susan Hartman stated this is when agency does not want to include a goal in a solicitation.
- 6.36 Paul Cerpa when agency solicitation over \$500,000 and is requesting no BEP goal on that contract.
- 6.37 Florence Cox does a person or entity have the right to do that knowing the law; does agencies have the right to do that to say I do not want a goal.
- 6.38 Paul Cerpa the request in essence is a waiver of the goal whatever factors they believe warrant a goal on the contract.
- 6.39 Beth Doria when counting cases that have to have a waiver process, if agency director feels there should not be a goal, to keep in mind these contracts go before director Weems.
- 6.40 Ken Martin make note before contacting the agencies that they should be made clear on the rule.
- 6.41 Mr. Harris wanted to know about lobbyist role and did CMS attorney look at that.
- 6.42 Philina King stated as far as who can speak at BEP council it is subjective. The act indicates anybody from the public can speak however body have right to set up rules how someone addresses the meeting. At this current time, the body does not have operating rules in place as how to deal with that particular situation. So the recommendation to the Council or Policy Enforcement committee address that rule in particular.
- 6.43 Mr. Harris can they serve in subcommittees?
- 6.44 Ms. King no they are not members, but can attend subcommittee unless a rule is in

place indicting that they can't not. Secretary Cerpa verified currently BEP Committees are only composed of BEP council members with the exceptions to assigned BEP staff.

- 6.46 Larry Ivory mentioned the IT issue. Explained to council that the state spend is an excess of a billion in IT. However minority communities are lucky if it gets 4 percent of the business. Mentioned specific contract MSP \$300 million IBM has for 10 years, is concerned the Council is going down the same path as before, does not see any real participation for the African American community. Virtually none existent for Hispanics and virtually none existent even for women. Reminded the Council of their responsibility under the Act. At meetings the Council can review and discuss past and present racial, ethnic gender female and other persons with disability discrimination, after reviewing such information if the Council finds discrimination, the Council can establish a shelter market to adjust the existing discrimination. I have noticed sole source contracts but never see a minority receive sole source, always Caucasian and that is a concern that needs to stop. That is why I have requested in writing and email to bring someone from IT to present to the council. That they response in a timely manner as this is a time sensitive issues that directly impact this council.
- 6.47 Charisse Witherspoon on those matters, lots of business owners are aware of IT business and that discussion would be good opportunity for vendors to hear the presentation.
- 6.48 Mr. Ivory first of all for the point of view , the Council need to be aware what that the minority numbers are dismal, after we come to that agreement the procurement purchasing law gives us authority based upon language that we can have scheduled meeting to address the concerns establish a target / shelter program that particularly address these issues so this does not continue year after year.
- 6.49 Omar Duque if we look at the number of deferent agencies are you talking specific or CMS or you talking across state.
- 6.50 Paul Cerpa confirmed across the state.
- 6.51 Mr. Harris indicated he does not know how there is a \$300 million CMS master contract and other \$100 million contracts with little or no minority participation and if sub contracting business will be with low profit margins. Explained we should address from point of prime contractor. There are qualify companies across the board that can use some of this business and the target shelter market states it can be done.
- 6.52 Omar Duque asked if that 4 percent mention is it through only CMS.
- 6.53 Paul Cerpa numbers are from analysis across the state.
- 6.54 Larry Ivory explained these are numbers we have gotten all across state from IT businesses. Mr. Ivory stated will be happy to share this information with Council.
- 6.55 Charisse Witherspoon asked did you state RFP is due March 26 and Mr. Ivory states yes.

Ms. Witherspoon explained that today is March 26. Mr. Ivory indicated he may be wrong about the date.

- 6.56 Rodney Lewis explained Business Development Committee talked about Shelter Market that mentioned persons with disability and the only shelter market is with state use program.
- 6.57 Susan Hartman explained the State Use Program is a shelter market specifically target to organizations that utilize persons with disabilities.
- 6.58 Perry Nakachi asked are we saying the prime contractors are not meeting their goals.
- 6.59 Larry Ivory explained I'm sure the primes are meeting their goals, but the profit margins are so narrow, we should look at minority number of the millions spent each year, is 4 percent enough. Suggest shelter market based on rules and regulation we have power to do it.
- 6.60 Omar Duque asked on the \$300 million contract, is it in the purview of Council to take portion of that whatever the percentage will be where it be 20 or 25 percent pull- that out separately creating shelter market for that small percentage rather than the entire amount is that possible.
- 6.61 Secretary Cerpa explained to Larry Ivory he doesn't know where the IT request to have a representatives fell, but certainly he hears it now and he assures it will be on the agenda. So BEP will have an IT representative here to start with Council discussion. We can take a look at master contracts and broaden our tentacles in looking at the other agencies that have the larger ones. We'll start with the issues talked about with CMS IT presentation to serve as foundation as we move forward.
- 6.62 Omar Duque would like the presentation also include statistic data of non compliance.
- 6.63 Secretary Cerpa stated we can ask for that information. We'll start with CMS IT, have a representative come to Council and we'll discuss some of the issues presented today.
- 6.64 Ms. King noted there is an IT summit that specifically will focus on this industry on April 10th at Governor's State University. Representatives of IT BCCS group and CMS people will be presenting including purchasing representatives and IT representatives from major IT companies and encourage Council members and their respective constituents to attend.
- 6.65 Larry Ivory explained he does not want to lose sight of state spent that if we drag this out without giving it immediate attention he believes we fail as a council. This is well over due to look at the past 4 to 5 years - the number are dismal.
- 6.66 Chima Enyia stressed the importance of attending the upcoming IT summit people will be on hand to address some of these issues.

- 6.67 Public attendee, David Byrd -events mostly explained how to only become qualified, lots of delays when the issue is doing direct business with African American companies that are qualified and that have the capacity,- we see over and over these business being left out. Mr. Byrd mentioned a \$2.2 million health contract that excluded minority participation when there are well qualified MBE that can perform the work.
- 6.68 Charisse Witherspoon suggests IT attend these meetings to resolve the problems.
- 6.69 Ken Martin reminded everyone of the procurement code not allowing to discuss upcoming procurements that will disqualify the vendor must be disclosed to the procurement policy board.
- 6.70 Charisse Witherspoon stated her comment only suggested only in coming to listen to the IT presentation.
- 6.71 Secretary Cerpa stated what we will do is to start with CMS IT group, take a look at some of the issues talked about today and hopefully let it serve as a foundation and springboard for us to move forward.

7.0 New Business

- 7.01 Secretary Cerpa noted one last point requested by the Council was about the \$15 fee being issued through the Comptroller's Office. A presentation next month from the Comptroller will hopefully will address some of the questions that many of us have with respect to the fee.

8.0 Adjournment

- 8.01 Secretary Paul Cerpa made motion to adjourned meeting adjourned at 3:30 pm.

Note: The next council meeting is scheduled for Monday, April 23, 2012 Room 2-025, James R. Thompson Center, 100 W. Randolph Street, at 1:30 pm