

**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 St.
Room 500 1/2
Springfield, IL 62706

Monday, August 26, 2013 - 1:30 P.M

COUNCIL MEMBERS IN ATTENDANCE

Corinne M. Pierog	Beth Doria	Fred Coleman	Richard Boykin
Alesia Hawkins	Charisse Witherspoon	Larry Ivory	Jesse Martinez
Samantha Hufnagel	Nelida Smyser-Deleon		

COUNCIL MEMBERS NOT IN ATTENDANCE

Alfred Ramirez	Rodney Lewis	Omar Duque	Hedy Ratner
Joan Archie	Perry Nakachi	Florence Cox	Marva Boyd
Lynne Marie Turner			

COUNCIL CHAIR

Malcolm Weems, Chairman

COUNCIL SECRETARY

Chima Enyia, Deputy Chief Operative Officer, CMS

CMS STAFF IN ATTENDANCE

Harry Reinhard	Kevin Connor	Susan Hartman	Sharla Roberts
Ngozi Okorafor	Jeanetta Cardine	Elias Ricks Ngwayah II	
Leslie Taylor	Vincent Bass	Tara Jackson	Craig Holloway
Carlos Gutierrez	Israel Salazar	Michelle Jackson	Roger Nondorf

OTHERS IN ATTENDANCE

Charles Harrell	Timothy Fishburn	Deanna Rossetto	Kevin Krass
Michelle Casey	Joan Mardo	Margaret Van Dijk	
Veronica Reyes	Rosanna Diaz	Tom Mikrut	Steve Richie
Matt Brown	Ben Bagby	Dorelia Rivera	Will Blount
Sharon Ferguson	Art Moore	Michelle Casey	Gustavo Giraldo

AGENDA

August 26, 2013 - 1:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meeting held on July 22, 2013.
- V. Chair's Report
- VI. Posted Business
 - DHS Procurement
- VII. Committee Updates
 - Procurement Committee
 - Business Development Committee
 - Capital Access and Banking Committee
 - Certification Committee
 - Policy, Rules and Enforcement Committee
- VIII. New Business
- IX. Public/Vendor's Testimony
- X. Adjournment
 - Next Council Mtg. – September 23, 2013

Welcome

Chairman Weems called the August Business Enterprise Program (BEP) Council meeting to order at 1:40PM on August 26, 2013.

Roll Call

Acting Council Secretary Chima Enyia took the roll and announced that a quorum has not been obtained. Chairman Weems said that they would wait for others to join by phone or in person.

Chairman Weems also urged Council members to look at the Minutes and as soon as a quorum is established, a vote will be held.

Chair's Report

Chair Weems informed the council that the Department of Human Services (DHS) had representatives present in fulfillment of what was discussed about bringing in different agencies to talk about procurement in their various agencies and their policies. He further said that the representatives were people who worked operationally with BEP including their Chief Operating Officer (COO), Mr. Matt Grady.

Chairman Weems also informed the council that CMS had to withdraw their rules that were presented to JCAR in order to make some modifications. He said the rules are currently being worked on.

Member Larry Ivory asked for Chairman Weems to clarify what he had just talked about. Chairman Weems explained what he said and then said that CMS is considering JCAR's recommendations and is working on the rules. He told the Council that after they voted to have a sheltered workshop, a report was produced taking into account what the council had voted on, the process that the Council used to arrive at the sheltered market decision, and also added that recommendations were included to help the process along.

Members Richard Boykin and Nelida Smyser-Deleon recommended corrections on the July BEP council meeting.

Posted Business

Chairman Weems introduced the representatives from DHS. Member Nelida Smyser-Deleon started by explaining to the Council that Secretary Saddler and the APO could not be present there due to a planned vacation scheduled prior to the meeting. Member Smyser-Deleon introduced Mr. Matt Grady as the Chief Operating Officer for DHS, and Mr. Steven Richie as the BEP liaison. Member Smyser-Deleon explained to the council that DHS is the largest state agency with about 12,000 employees. She said DHS is divided into three (3) different subdivisions: Program; Central Operations, and Operations. She further noted that in FY12, DHS spend with BEP was 73.6%, and with sheltered workshop additions, it increases to 120%. In FY13, the numbers were increased to 14 million dollars and the 12 million was allocated for BEP vendors. She noted that there were some personnel shifting which took place to concentrate specifically on BEP related issues. Member Smyser-Deleon explained that DHS procurement has 4,000 contracts with an average sheltered market contract of \$643,000. In FY12, DHS entered into 98 contracts.

Member Smyser-Deleon also informed the council of a ten-year 58 million dollars contract without a BEP goal. She said the Governor office looked into this contract and determined that there was a breakdown in communication. Although awarded without a BEP goal, DHS believes there is room for BEP vendors to be included on this contract.

COO Grady said that DHS is being more aggressive on the front end to help vendors get registered and certified. He explained they will become more involved with outreach activities.

Member Charisse Witherspoon asked whether this contract was a management consulting contract. Member Smyser-Deleon responded that the contract was for a Business Process Solution for timekeeping. Member Witherspoon wanted to know how this mistake could have happened. COO Grady said improper coding contributed toward it.

Chairman Weems said there was a meeting with the Governor's office, the Secretary of DHS, and CMS so that this mistake will not happen again. He said the conclusion was that there was a breakdown in communication. He noted that several meetings were held with APOs to explain to them the process and procedures.

COO Grady stressed that there will be other opportunities to get BEP vendors on the contract, such as documentation. Member Boykin thanked the member Smyser-Deleon and COO Grady for the detail presentation. He reminded the

council that the business public is counting on the council members and that someone should be held accountable.

Member Corinne Pierog wants to know whether not-for-profit agencies are part of the 4,000 contracts and whether there is a requirement for meeting goals.

Member Smyser-Deleon said most of them are grants and not subject to goals, however, goals are added by the APOs working with CMS.

Member Jesse Martinez wants to know whether DHS has a process in place to review Good Faith Efforts in order to avoid such a mistake from occurring again. COO Grady responded that they have shifted some personnel to deal with Good Faith Efforts. He said the Secretary has instructed her legal staff to look into the process.

Member Larry Ivory said it seems to him that the procurement code was violated. He said promising to take corrective action is not enough for him. He said the procurement should not have happened. He said he would recommend to the Procurement Board to stop this procurement unless he is given an assurance that there is going to be a contractual obligation of a substantial amount for minority participation. Member Smyser-Deleon said moving forward DHS is looking at auxiliary services that could be targeted to meet BEP goal. She said Legal and the governor's office said after reviewing the contract that it was in the best interest of the state to leave it like that. She said DHS employed 28,000 people to care for the elderly and people with disability. She also said that if the contract was cancelled, it would put people lives at risk. She said they are working with the vendor to find ways to get certified vendors to work on the contract.

Member Ivory said allowing this procurement to go ahead without a remedy weakens the members' positions on the council. He further said members' integrity was at stake. Member Boykin agreed.

Member Pierog said she hope some corrective actions can be taken during review of the contract.

Member Beth Doria said she would like to hear from agencies that they are looking at opportunities in every procurement. COO Grady said they are already doing that by looking at opportunities less than the \$250,000 dollar threshold.

Unfinished Business

- None

Committee Updates

Procurement Committee – Chairlady Charisse Witherspoon told the council that they had a meeting and they are still working on the letter. She said they believed that forecasting will help avoid these kinds of mistakes. Chairlady Witherspoon said they are thinking about changing from the idea of a pilot program with few agencies to going full force and with all agencies.

Business Development Committee – No report.

Capital Access and Banking Committee – Chairman Fred Coleman said the committee continues to make progress. The committee has developed their first set of information sources. They will be working on a micro-loan program in various state agencies in the coming months.

Certification Committee – No report.

Policy, Rules, and Enforcement Committee – Chairman Doria they will be meeting immediately after this meeting and are still working on By-laws and Operating rules for the committee.

New Business

- None

Public/Vendors' Testimony

- None

Adjournment

The next Council Meeting will be held on September 23, 2013

Meeting adjourned at 3:10 PM.