



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

Monday, February 24, 2020

1:30 PM – 3:30 PM

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

Denise Barreto; Alex Bautista; Bola Delano; Emilia DiMenco; Larry Ivory; Jesse Martinez; Sharron Matthews; Edward McKinnie; Kaney Frances O'Neil; Jorge Perez; Hedy Ratner; Sharla Roberts

COUNCIL MEMBERS NOT IN ATTENDANCE

Jaime di Paulo; Beth Doria; Karen Eng;

COUNCIL CHAIR

Janel L. Forde

COUNCIL SECRETARY

Radhika Lakhani

CMS STAFF IN ATTENDANCE

Kori Acosta; Terrence Glavin; Paul Kuchuris; Radhika Lakhani; Chris Mather; Mike Merchant; Elias Ricks Ngwayah II; Harry Reinhard

OTHERS IN ATTENDANCE

In accordance with the Illinois Open Meetings Act (5 ILCS 120) and the
Freedom of Information Act (5 ILCS 140) the above meeting is open to the public



**PUBLIC NOTICE
STATE OF ILLINOIS**

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

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AGENDA

Monday, February 24, 2020

1:30 p.m. – 3:30 p.m.

WebEx: Telephone # 312-535-8110

Access Code: 804-232-650

- I.** Welcome
- II.** Call to Order
- III.** Roll Call – Radhika Lakhani
- IV.** Approval of Minutes of Council Meeting held on October 28, 2019
- V.** Chair’s Report – Michael Merchant
 - Mentor Protégé Program
 - Events and Outreach
- VI.** Subcommittees Reports
 - Certification Subcommittee Report
 - Outreach Subcommittee Report
 - BEP Council Attendance Policy
 - New Chairs and Subcommittee Membership
 - Compliance Subcommittee Report
- VII.** Ongoing Business
 - Update on Utilization Plan
 - Update on Attendance Policy
 - Update on Dispute Resolution

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VIII. New Business

- Updated 2020 BEP Council and Subcommittee calendar

IX. Sheltered Market

X. Public/Vendor's Testimony

XI. Adjournment

- Next Subcommittee Meetings
 - Certification Subcommittee Meeting – Monday, January 27, 2020
 - Outreach Subcommittee Meeting – Tuesday, January 28, 2020
 - Compliance Subcommittee Meeting – Wednesday, January 29, 2020
- Next Council Mtg. – Monday, February 24, 2020

BEP Outreach Events: <http://www.illinois.gov/cms/events/SitePages/List.aspx>

Note: There will be no IPB Notices and Solicitations Reports for this meeting.

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- I. Welcome – **Michael Merchant**
- II. Call to Order – **Michael Merchant** called the meeting to order at 1:38 p.m.
- III. Roll Call – **Radhika Lakhani** carried out roll call. Quorum was established.
- IV. Approval of Minutes for Council Meeting held on December 9, 2019 – **Michael Merchant**
Member Matthews pointed out a sentence order discrepancy on page 10, paragraph 2.
Member Barreto motioned for approval of the minutes with the correction. Member Roberts seconded the motion. All agreed.
- V. Chair's Report – **Michael Merchant**
 - Black History Month Celebration
Mr. Merchant acknowledged that sometimes it takes a village to get things done. He reported having been out dealing with some personal matters, but he wanted to give a shout out to Mr. Ngwayah, the rest of the BEP staff and Ms. Lakhani for filling-in during his absence. Mr. Merchant reported that CMS in partnership with Chicago Minority Supplier Development Council (CMSDC) held its first Black History Month Celebration on February 14 at the Bilandic Building, which was well attended. He stated there were a lot of staff, vendors, and some of the Council members present and thanked everyone for

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BEP Council



their attendance and support of the celebration. Mr. Merchant announced there were some BEP vendors who were recognized, having thrived in the program and serving as a model for other businesses to emulate. He added that they want to continue to encourage and recognize successful BEP vendors from all regions of the State for their successes. Mr. Merchant thanked everyone who was in attendance and anyone who helped participate in that program.

- Illinois Higher Education Supplier Diversity Report Workshop

Mr. Merchant announced there would be an Illinois Higher Education Supplier Diversity Report Workshop on Friday, the 28th, at the JRTC building. He disclosed that this workshop is in accordance with Public Act 100-0140 which requires CMS to hold annual higher education supplier diversity workshops. Mr. Merchant noted they would be working with representatives of the institutions of higher education and vendors. He added that the speakers will be State university purchasing officers, higher education collaborative representatives, and the community college purchasing staff. Mr. Merchant stated they are looking forward to that event on Friday.

- Road Show

Mr. Merchant declared that CMS will be launching a Road Show, which is expected to commence in March 2020. He described that it would be taking BEP to various locations throughout the State, educating people about the opportunities that exist for businesses owned by minority, female and persons with disabilities. Mr. Merchant stated there are a lot that have not had participation with BEP vendors, but they want to make sure to get the message out and have BEP vendors in every corner of state. He highlighted that they are working closely with the DCEO. Mr. Merchant said CMS looks forward to creating a presence throughout the State.

- Sheltered Market

After hearing from the Council, the public and other concerned parties, Mr. Merchant stated that CMS is responding and created out a road map, which was distributed to all agencies so that each has a procedure of how to implement sheltered markets. Mr. Merchant reported the Council would hear from DoIT later in the agenda. He added that DoIT has really taken the bull by the horns and have a very exciting sheltered market that they will discuss.

- Implementation of the Utilization Plan

Mr. Merchant stated that in an effort to respond to vendor's concerns about providing clarity and uniformity in the procurement process, CMS, in conjunction with the Chief Procurement Office (CPO), has initiated and distributed a revised Uplan to the CPOs for posting on their websites. He said it would be used for all upcoming procurements. Mr. Merchant mentioned that CMS legal has worked hard with some of their Council members and wanted to thank all of the Council members who worked on that process

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and for really pulling together to come up with a plan that should streamline the procurement process and provide clarity.

- MPA Capstone Students

Lastly, Mr. Merchant announced that CMS is working with MPA capstone students. He said CMS was selected by the MPA capstone students and they have begun work on the project. Mr. Merchant explained that the students will develop disparity study best practices, so they can have qualitative and quantitative resources behind finding out which markets would be available to implement a disparity study.

Members DiMenco and Perez were noted present by Mr. Merchant.

Member Matthews informed Mr. Merchant that there were three members who were not familiar with the Road Map and requested copies. Mr. Merchant responded absolutely and clarified that it was named the Road Show, which is being headed by BEP Outreach. Member Matthews thanked Mr. Merchant for the work he did on the Uplan and said she loved that they had in bold in several pages that the Uplan and also the participation agreements, formerly the letters of intent, are part of the contract, not to be an aside and not as something to be dealt with, but as a legal part of the contract that if not upheld, can be cause for termination of the contract if there is no BEP participation upfront and the forms are filled out properly. She stressed that is something that needed to come back, she was sorry to see it had gone over the years but was very happy they were able to have that in bold, so there is no excuse now for any prime to say they were not aware that the Uplan is part of the contract.

Member Ivory requested that Mr. Merchant to reach out to the Procurement Policy Board to ensure they are participating in the sheltered market because they have a responsibility to make sure other people are aware of it. Mr. Merchant confirmed this, stating that BOSS is holding quarterly trainings for all APOs, and will be including BEP liaisons in those trainings and they will make sure they talk to the BEP officers about potential sheltered market opportunities. Member Matthews stated in regards to the guidelines distributed on January 10th on how to implement a sheltered market, which she thanked him for, that she wanted to say that the APO is the one gifted with the opportunity to create sheltered markets, however there is no mention of the BEP liaison in that particular section and it should be a shared responsibility. Mr. Merchant said they can resend the memo and make sure the BEP liaisons are copied on the memo.

Member Roberts cited she was not made aware of the Illinois Higher Education Supplier Diversity Report Workshop although she is the Higher Education Representative for all universities. Mr. Merchant commented he will follow up with her and some of the staff as to why she was not contacted. Member Roberts emphasized she should be the first

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person contacted for her input and expertise. Additionally, she added that as Member Matthews mentioned for the Road Show and some of this information, the law states that they should have BEP liaisons appointed as part of the compliance plan and it appears that herself and Members Matthews and Delano have not received the information, nor were they part of the CMS training given on the utilization plan that they worked so hard on and put it together. She stated she was unaware until after the fact and would have loved to be a part of that training. Mr. Merchant acknowledged that was brought to his attention, it was a misstep and the training was given to the APOs. He asserted he will make sure it is corrected in the future.

Member Roberts brought up the Capstone project selected by the University of Illinois students and requested a timeline. She attested knowing that they have rules on what the process should look like and that it typically takes 16 weeks for them to complete a project for her. Mr. Merchant confirmed she is correct. Member Roberts asked that in the interim, they already have two sheltered markets declared by the Council, one in IT and one in advertising, and she requested a list of all procurements for the next Council meeting that have gone out to see where they have established sheltered markets in IT and advertising to see where agencies and universities have not utilized them. Mr. Merchant remarked they can do that.

Ms. Lakhani noted Member Ratner present.

Member Matthews remembered asking for a process for the sheltered markets, adding that the concept was great but there was no process. She stated that on January 30, they issued a process to the APOs as opposed to what was said. Member Matthews wanted to see if DHS could implement the process for the census procurements. Member Matthews reported that unfortunately those procurements went out before the process went out. She said she did her best as far as notifying individuals, but this did not go through the BEP liaison or the Council members, two places where she should have received the information, and that one procurement should have gone to marketing.

Member Roberts remarked that Member Ivory just presented some data that he received from the Procurement Policy Board as it relates to advertisement; \$600-700 million have gone out, DCEO had one \$20 million contract with a 10% BEP goal, ICS had a \$5 million contract, UIC had \$3 million in radio buys, and SIU \$3 million in radio buys. She explained bringing this up because they declared a sheltered market in IT and advertising and the law says they shall utilize this procurement to make sure they are addressing the disparities, and as a Council member, she feels they failed the community. Mr. Merchant acknowledged her statements and said they have already heard this comment which is why they have had to step back and create a process to reach out to the agencies to let them know there are declared sheltered markets and how they can

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view any sheltered markets that are coming up. He added that CMS is asking the agencies and BEP staff members to look for opportunities as well.

Member Delano stated she believes this misses the point and that most agencies aren't aware of what the Council is doing. She said it also confirms the need to have meetings with Agency Directors to make them understand what is required by law. Member Delano stated she believes they have a problem with a lot of their agencies being busy putting out procurement opportunities and they are not complying with what the statute is saying. In terms of an action point, she outlined that they should either to try to quicken the information they have to put out to them and quicken the meetings they need to have with them so that this does not happen. Member Delano attested that because they all know that within agencies, once the information is out it's out and they already start making decisions. Member Delano stated this is serious because it basically means this is not a level playing field and some people have got that information before the other people they are here to represent. Mr. Merchant thanked her for her input. Member Roberts asked to have Directors of these agencies and institutes of higher education who have had similar sheltered market procurements out, come to every BEP Council meeting to address their concerns. Mr. Merchant said they can look into that. Member Roberts asserted she recommends they have someone here, not look into it.

VI. Subcommittees Reports

- **Certification Subcommittee Report - Chair Sharla Roberts**

Member Roberts reported that the Certification Subcommittee held a meeting on February 20, 2020. She said they heard five appeals, overturned two, upheld one, requested more information on another because the firm was over the \$75 million cap, and had one no-show. Member Roberts reported that new legislation regarding certification passed in January was deliberated. She stated they have to look at a process to include other certifications that are similar to the State of Illinois that gave some responsibilities to the Council, which they are going to discuss at their next Certification Subcommittee meeting. Member Roberts detailed that proposed legislation discussed allows other programs, not just city and county programs, regardless of size cap, which has not recently been passed but is on the floor was discussed. She said they have to look at what is CMS' and their position. Member Roberts said as stated before they have a lot of associations that are here that have members who need their support and that if they need their support, they are going to be there to support them.

Member Barreto asked if the stated legislation recognizing other groups is disregarding size. It was pointed out by Council members that SB 177 applies to the City of Chicago and Cook County. Member Barreto contended that the issue of changes to the BEP size cap is very important to her as a small (business) and that she would want to be on top of that.

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Member Ratner requested they receive copies of SB 0177 and other legislation on size standards because she is very concerned about eliminating size standards. Mr. Merchant responded they could get that to her. Member Ivory reported that on April 8th, the Illinois Black Chamber will bring a significant number of black business owners down to Springfield, so if there is legislation to be discussed, then they would like to put it on their legislative agenda to talk to both Republican and Democratic legislators.

- **Outreach Subcommittee Report – Chair Emelia DiMenco**

Member DiMenco reported they have been focused on a lot of topics that have to do with improving their effectiveness and hopefully increasing their speed. She noted there were a number of topics they all voted on and decided to move to the full Council because the subcommittee moved those topics on as much as possible. Member DiMenco listed them; the draft attendance policy, the program reception for all the Directors so that they learn and engage with what the Council does, the approval of a one pager marketing piece, and the discussion on stipends for Council members who are business owners.

Member DiMenco announced they are working on onboarding new council members and on a piece to get them to learn more about what the subcommittee's focus is faster. She added they are getting close to being able to present that to the Council. She said they talked a lot about being notified on new and pending legislation that pertains to what they are responsible for, and getting that as soon as possible. Member DiMenco affirmed that the Outreach Subcommittee does have strategic plan and they stay focused on what that plan is. She outlined that a key component is determining what the KPIs should be, which were touched on earlier in today's conversation, so they can know if the tactics they have been using are being effective. Member Ratner interjected that legislation is something that was discussed repeatedly in that meeting and requested they be notified of proposed legislation well in advance that affects BEP and minority business opportunities. She emphasized it would be critically important for them to know about it. Mr. Merchant assured her they would get that legislation to them. Member Ratner thanked him.

- **Compliance Subcommittee Report – Chair Sharla Roberts**

Member Roberts reported that the subcommittee met on February 21, 2020. She said the they discussed pre-bid conferences for all solicitations that have BEP goals and affirmatively voted on having mandatory goals when reasonable and attainable. Member Roberts added that they want to ensure they are educating the business community on that process and what goals should look like. She allowed that it is understandably a lot for the BEP program, but they will work with them to see what that will look like. Member Roberts said they also worked on the goal setting process. She stated her awareness that CMS gave a training on what goal setting looked like, and that it could possibly be done through a pilot program for CMS contracts, but that this did not include all the agencies and institutions under higher

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education on how they establish goals. She explained goal setting is currently done with a formula and is supposed to be done with anecdotal evidence. She described that you look at the universe of all firms in a particular category by the number of women-owned, minority vendors in the program, however they used the Hoovers database that was not related to the State of Illinois, which included any vendors in a particular industry. Member Roberts explained that Mr. Merchant and his team, the Bureau of Strategic Sourcing (BOSS), as well as Collette Holt have given extensive studies demonstrating they should be utilizing more realistic data to yield higher goals because the old way was yielding 0-2% goals and in the realistic universe you sometimes get 3-4 vendors. She applauded Mr. Merchant for taking initiative on looking at how goals are established. Member Roberts said she believes what was put in place for quite some time was a stop gap. She added they are looking to move that process for all agencies and universities once they remove some kinks. Ms. Lakhani reminded everyone to speak up.

Member Roberts said they reviewed the submitted compliance plans. She cited that the law states that before any contract of \$20 million and above with a goal under 20% must come before the Council to give them the ability to make recommendations. She pointed out they cannot stop those, but if they review them and they know there are minority women-owned vendors out there that gives them the opportunity to plead before the agency or university to make sure the correct goal is assessed. She applauded DoIT for all the hard work they have done as they implement their sheltered market Mr. Merchant mentioned earlier. Member Roberts highlighted it will be good for certified minority and woman-owned firms. She asserted belief that minority women-owned businesses want to become primes and this gives them that opportunity.

Member McKinnie declared that they eliminated the most important thing they did which was to eliminate exemptions. He reported that he motioned to eliminate exemptions and Member Ivory seconded the motion. Member McKinnie restated that they eliminated agencies' ability to request exemptions as part of their compliance plan. He emphasized the fact that agencies have been allowed exemptions, having millions of dollars in contracts, where they don't have to put goals was eliminated. Many applauded. A member of the public interjected if it is still part of the law. Member Roberts answered that every agency has to submit their compliance plans to them, including requests for exemptions. She explained that Collette Holt, who did their disparity study in 2012, recommended they eliminate the ability for agencies and institutions of higher learning to use that practice. And in her report, she stated it was a highly unusual practice in this industry. Member Barreto pointed out that it was also recommended in 2015.

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Member Matthews stated she was ashamed of some of the numbers they have now, they all agree on that, and they also all agree that less than 1800 BEP vendors for the whole State is not enough. She said they have to beef up both parts of the program and that for agencies to do what the Council wants many of them to do, the reality is some don't believe in this type of program and others do regardless of the administration. Member Matthews explained that the law states the intent of the law and they need a process to transform from the old system in effect, until something is voted on in full Council, concurrent with the committee vote. Using her agency as an example, Member Matthews said it was first brought to the table in 2015, and to the Council this year, with almost 6 months to go from whatever they did last year which was pitiful. She acknowledged they've made some strides, but it is impossible to go from \$840 million that same year in just six months, so what she is requesting again is a process that allows agencies to do what they're asking, because without a process to make that transition and a phase in, it's not going to happen and they're going to be where they were six months ago where agencies were refusing to submit compliance plans because they didn't understand how they were supposed to do that and did not want to be out of compliance technically. Member Matthews foretold that they were going to be greeted the same way by the agencies and this is not what they want, they all want to work forward as quickly as possible, and emphasized that the State a bureaucracy that needs procedures and processes and time.

Mr. Merchant stated that with that being said, he would like to make the recommendation that the subcommittee recommend to remove requested exemptions. He specified that he would like to bring in Colette Holt to explain to the agencies and the Council how they can implement a process. Mr. Merchant pointed out there are best practices in other states and assured Colette Holt can assist with that. He stated the belief that they all want to eliminate as many exemptions as they can, but proposed that Collette Holt come in and give them a road map on how they can do that.

Member Roberts stated her understanding of Member Matthews' passion and concerns but said this practice has been going on where the law where agencies and universities have exempted up to 99% of their budgets. She said it has been egregious to the point that minority and women-owned vendors don't even see the opportunities. Member Roberts attested that all they are requesting is that solicitations be assessed for a goal like they do now. She countered that they have that process for everything that is exempt so there is a process in place. Member Roberts explained they assess minority and women-owned solicitations and would have to assess everything that goes out for bid, so there is a process



in place. She said it's the enforcement of the process to ensure they are looking at everything and are maximizing the utilization of minority women-owned firms.

Member Rodriguez admitted perhaps being a little confused but when setting out their goals, any project in construction over \$250 thousand has a goal. Any project over a million dollars has a goal, and what goal that is depends on the available certified talent in that specific scope of work. He contested he doesn't need a process for that, but if it's complicated, they need to understand that, then let them have the director come here to explain to them what is difficult about their procurement that they may not be aware of and develop a process for. He conceded that maybe he is oversimplifying because of the world he is in; it's a dollar value, here is the scope of work and here is the talent. Member Martinez said he thinks what they have always been asking for is for each individual agency director. Member Rodriguez stated he doesn't need the director, he needs that upper middle manager who is making the decision whether that procurement is going to have a goal or not because his Director doesn't set those goals, they do. Member Martinez stated maybe he opened up a can of worms but that's where he thinks they are of value. He said if those procurements are going out there and there are no goals then they need to question why and if there is a legitimate reason. Member Roberts interjected they exempt it at that time. Member Martinez argued that they have gone through an exhausting exercise of identifying a procurement that they could say this cannot be exempt and this justifies an exemption and if there are other exemptions because they set no goals then they would like to know why.

Member Matthews pointed out if they want the money freed up at the level that they want, the mid-managers that Member Martinez is speaking of, also senior managers, that's where they have to give them the process and procedure for how to go from one to the other. She said it's as simple as that for those that aren't ruled by federal guidelines, the social service agencies and others. Member Matthews stated capitol development, IDOT, and the rest have a lot of federal guidelines that already align with what they are doing, that's great, but they don't necessarily have that. She said the agencies where these decisions are made is where she is receiving pushback.

Member Matthews highlighted that Member Martinez is saying for one, some of the exemptions they are asking for are related to JCAR and that's one of the issues that there are some dollars that cannot legally be put in the pot and there aren't as many as they are trying to exempt now by any means, but there are some and they have to get those out of the way, then they will still have millions not billions left but they have to put a process together in order to make the transition, not for making goals, they know how to make

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goals. She added that's why they are here because the goals aren't being met, but the issue she's talking about is weeding out the exemptions that they legally cannot touch and there are some. Member Matthews asserted they need to work out a process where they can get to the rest as quickly as possible and the agencies can do their job. She said that's what she meant otherwise they still don't go out the door.

Member Barreto said she appreciates the proposal that they made of getting this hope back, but she asked that they have agency representation. She commented she speaks as a small business person who is doing a lot of business in Minnesota and Arkansas, but not Illinois. Member Barreto added that is why they don't see her at these meetings, not because she is not dedicated, but because she is doing business in other states. She expressed wanting to preface that with her willingness to be part of those discussions. Member Barreto said they need to find people within these agencies who are willing and get paid to attend because she does not. Mr. Merchant agreed.

Member McKinnie commented that the problem is no one is trying and the agencies that are not doing it are not doing it because they don't want to. He said the problem is that at this point they have 0.00% and they should at least try doing 2%, so it's not a matter of setting a goal, it's a matter of finding the people who want to participate. Member McKinnie explained it's like what was discussed about the sheltered market that they already knew about it yet the agencies are doing the same thing because that's what they want to do and until someone says they have to stop doing this they are going to keep doing the same thing. He affirmed that it's not matter of the law, it's a matter of person sitting in middle management who says they are not going to do it, that's why they keep having the same argument. Member McKinnie stated this is not the first time they have tried to do this, so until then they should do 1%, 2%, but let's do something. He emphasized that now they are doing nothing and these people in the room are suffering including this one. AD Merchant announced they would take the last two final comments before moving on to the next pending business.

Member Matthews acknowledged agreement with all that Member McKinnie said. She commented that many years ago the Council decided that sheltered markets were a good idea, but that on January 30, 2020 is when the process, as far as how to do it, went out to agencies and that wasn't until 5 years after the Council came up with the wonderful idea. Member Matthews emphasized that is really needed, processes and procedures for bureaucrats to carry out it out who may not want to in the first place, but once it's here they can reference it and they have to do it.

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Member Roberts stated there are rules on the how to carry out the sheltered market process. She surmised that at that time, CMS put out the JCAR rules laying out what the process should look like for anyone wanting to utilize it. Member Roberts added she believes they asked for CMS, the new administration, to put something current out as a reminder. She said to piggy-back off of what Member Martinez said that they have to look at these solicitations and see if there are minority women-owned businesses that can be accessed for BEP goals. Member Roberts stated it's not magic or rocket science, if they have money in the pot, look at that pot and look at the opportunities. She pointed out that they have historically allowed agencies and universities to exempt 99% of their budget and some exemptions are allowable like salaries and such, but the law requires them to request additional and they have eliminated that.

Member Ratner moved that at the beginning of the next BEP Council meeting they have a series of agencies and their Directors come to discuss how they have met the goals, what is their process, and why they have exemptions. She added that they can choose the ones that have done the least first. Member Martinez seconded. All agreed. The motion was carried. AD Merchant asked if there are any departments they could think of or if they would like to look back at the compliance reports and then give them a recommendation for which Directors they would like to reach out to first. Member Roberts said she could do the latter.

VII. Ongoing Business

- Update on Utilization Plan – **Radhika Lakhani**

AD Merchant stated they had discussed this.

- Update on Attendance Policy– **Radhika Lakhani**

Ms. Lakhani reported that during the last Council meeting Member Roberts requested they do some research regarding designees and proxies and what's allowed under their statutes and rules. She said there is nothing prohibiting allowing proxies and proxy voting so that is ultimately a decision to be made by the Council. Ms. Lakhani stated she would recommend that appointees specify any limitation of their proxy designation, so whether or not that be voting, what to discuss at meetings and etc., Member Roberts confirmed she read the applicable rules and Open Meeting Act and is in support of an attendance policy for carrying out the mission of the Council. She reported that the BEP Act is very clear on who shall serve and who shall serve as designee when someone is not present. Member Roberts explained it's very clear those working for the state can have a designee and others, even though it doesn't spell it out, it's very clear they have to go through a process since they are serving as representatives. She said for non-statute

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members it is her recommendation for anyone who signed up that they live out their commitment without having proxies.

Member Delano elucidated that what they have now is members who don't show up and the Council is unable to do business. She outlined that this means if someone misses 2-3 meetings and reports to the secretary, then the process can start. Member Delano said in other words if they don't have a proxy and they don't attend, they are absent two times or more, then it's okay to take them off the board. She said what they have now is members who are not showing up and there are no penalties for that leaving them unable to do business. Member Delano outlined that if they go along with what Member Roberts has just said, if they have missed two or three meetings without reporting to the Secretary, that they can then begin reviewing their participation on the committee. Member Roberts affirmed she believes that to be reasonable. Member Delano confirmed she wanted to get that right because the frustration is they do not always have quorum and part of the issue is they are unable to get down to business, so if that's okay then they take out the proxy. She asked if that's what everyone is worried about. Member Roberts stated she made her recommendation.

Mr. Merchant acknowledged that this has been discussed over multiple meetings and asked if there was going to be a motion over policy. Member DiMenco motioned that the attendance policy be accepted with the change Member Roberts has made, that there be no proxy for the non-state positions and that they have to serve the life of their term. Member Ivory seconded. All agreed. The motion passed. Mr. Merchant announced they have an attendance policy.

- **Update on the Mentor Protégé Program— Elias Ricks Ngwayah II**

Mr. Ngwayah reported that the Mentor Protégé position is in the final stages of being approved by human resources. He narrated that they had interviews for the position through November and December, however they realized the responsibilities and description needed to be strengthened so it was pulled back and rewritten. Mr. Ngwayah said human resources requested the justification which they now have, approval should be received within the next few weeks and interviews will be set. Mr. Ngwayah surmised that they would have a Mentor Protégé in place by the final quarter of FY20, at least by July 1st.

- **Update on Dispute Resolution – Radhika Lakhani**

Ms. Lakhani reported that they are finalizing the Dispute Resolution process which was piloted it over the summer of 2019, as many of the Council members are aware. She said they were working on having the disputes handled by both parties on the agency level, then moved to CMS under a mediation format. Ms. Lakhani stated that throughout this process they have come to realize that having a neutral third party who can review the

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established record is the best way to move forward so that both parties are heard and that all their concerns are addressed.

Member Roberts commented that on this dispute resolution process, as higher education representative and BEP liaison for the State of Illinois, she never received a copy to provide input, and pointed out that before putting dispute resolution process out, the BEP Act states they should receive such. She affirmed that as a council member and BEP liaison, she would like to see and review them before they are put out. Ms. Lakhani confirmed she would distribute it to the Council for review. Member Roberts requested it be made a habit that policies and procedures be distributed before they are rolled out, to respect the Council and their position supporting this program, and to provide them that which by law states they shall review rules. Mr. Merchant responded this was noted for the record.

VIII. New Business

- Subcommittee Chairs

Member Ivory voiced that perhaps there were some concerns in some cases about people wearing too many hats and he just wanted to put it into perspective for the record that historically they have had this situation. He offered that currently Member Roberts is doing an outstanding job. Member Ivory stated he cannot facilitate at the level Member Roberts is performing and that he would surely support the person who is getting the job done. He assured all that she is getting the job done and asked that in consideration of subcommittee chair that performance and leadership be considered. Member Ivory added that he requested this because he wanted it to be part of the record. Mr. Merchant asked if any other members had any comments.

Member DiMenco commented that the suggestion came from the Outreach committee and there were two reasons. She said one reason is the purpose of BEP is to have oversight on how the agencies in the state are doing and the belief was, not taking away the effectiveness of the people that are chairing, that should the chair of a subcommittee be an agency that should have oversight, is that a conflict? Member DiMenco stated the second reason is usually subcommittee chairs have term limits to bring new thinking to the table. She summarized that the Outreach subcommittee brought this forward because of those two issues and said lightheartedly not to take away from the wonderful job that herself and Member Roberts are doing.

Speaking to conflict and stating she would like to take it up a notch, Member Matthews cited that BEP should not be part of CMS because they also monitor CMS as one of the 60 agencies and should instead be part of the Governor's office. She mentioned stating this 20 plus years ago when she was Secretary of BEP and understood what was going on. Member Matthews specified she agreed when it comes to conflict and asserted what she stated

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needed to be placed on the table as well, citing hardship being the BEP council living inside one of the agencies they are supposed to have oversight on, and that much of what is discussed involves support from the Governor's office. She affirmed that if BEP was there it wouldn't be an issue. Member Matthews also posited that there should be 2-year term limits for all Council members. She added that not having more members from the business community demonstrates they are out of sync and she suggested they have 10 of them.

Member Roberts contended that she does not see a conflict because appointment is by the Governor's office. Additionally, she asserted she didn't want both committees but at the time there were other members in the Council handling multiple roles who did not want it; therefore, she was nominated unanimously. Member Roberts stated it made no difference to her because there was nothing unethical about it, she takes her role seriously and they all serve at the pleasure of the Governor. She chimed in that the law states there should be more members like Member Barreto (independent business owner).

Member Delano responded that their points are well taken but they have to look at the fundamentals, which are that they serve two years and the private sector has a significant amount of involvement. She professed that for years this commission hasn't been where it needs to be, and people have stepped up. Member Delano concurred they need more private sector involvement, pointed out that there was a lot of bureaucratic spiel which could have been said behind closed doors, and that they need more private sector involvement to bring in their ideas. She said it doesn't mean that agency people there are not doing a good job but that involving the private sector in State procurement means they actually use them a lot more, and added they are lucky to have Members Ivory and Barreto, emphasizing the need for more around the table. Member Delano specified it is nothing about anybody. She explained Member DiMenco wants to step down and that's how the discussion and how who goes came about. She said most in the Outreach Subcommittee are agency representatives and she does not think they should be chair, but they need somebody like Member DiMenco who can take that responsibility. Member Delano said where they had the conflicts of interest and term limits issues were because Member DiMenco said she wanted to step down because she has been doing it for quite some time and she is just trying to put all into perspective, that it wasn't about an individual, it was more about who is going to take her place.

Member Barreto stated she wanted to give some context and that this is a great discussion. She brought up the need for her to have an onboarding. Member Barreto explained having been here for 6 years, wanting to be done but she won't because she doesn't see people like her around the table, so until she sees more of her peers around she remains. She contended that she cannot in good faith recommend anyone to join the Council in its current form, because she barely has the ability, bandwidth and financial means to what she is doing and is not in a place where she can subject a peer to that until she knows the Council is in a place where they can onboard properly, have clear objectives and ways to get

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people on a committee. Member Barreto stated Member O'Neil and herself have sat by each other many times and she is also not on a committee, which is not necessarily anybody's fault, but it is all of their faults because she doesn't know how to get on a committee or how to raise that issue. She said that until they get that together, it's hard to ask people in small business to commit to this because yes they want to be there, but it has to be worthwhile. Member Barreto concluded she is for all the different things they just talked about, but they have to get it together if they are going to outreach people like her and have something that is meaningful and is going to drive this agenda forward.

Member Roberts pointed out that the responsibility is spelled out. She said there is no BEP Council Secretary in place right now and it says there should be one that the BEP Council shall approve at the recommendation of CMS. Member Roberts outlined that the BEP Council Secretary is responsible for carrying out the day to day responsibilities of the Council and they haven't had one in a year. She said in that role there was an onboarding process. Member Roberts maintained they need to recommend when they will hire a BEP Council Secretary pointed out that when she came on she had an onboarding process and members are saying new Council members need onboarding. Mr. Merchant replied it was noted and he is in full agreement with her. Member Matthews thanked both committee members who have been valiantly carrying on the committee structure for CMS even over several administrations.

Member Barreto asked to add a piece of new business under the Compliance Subcommittee that has actually been going on for a while. She announced she wanted to update her peers and asked if they remember in December and even before that, almost every meeting they have had a representative from Obama Energy Corporation. Member Barreto said she had done some very diligent research about that situation, as well as on the original Wesco contract that started in 2012 and is set to finish in June. She met with them and with the agency that issued that contract, and there are three things she wanted everyone to know. First Member Barreto specified this is an ongoing issue that they all know about it, particularly in the last 7 months. She said they have had Obama Energy Corporation come before them about the situation and from her understanding Wesco, who originally requested exemptions and were denied, in good faith made goals up to 22%. Member Barreto declared this is a lesson for them in the future because it is not a good precedent and she realizes they have corrected it but wanted it out on the table. She said there were several addendums to that contract including the one in 2016 adding Obama Energy and they know from their testimony and written documents submitted to the Council where they ended up. Member Barreto asked what are their remedies, because part of what this program lacks is remedies. She said she researched it because she was not going to come to another meeting and have Obama Energy come before the Council without her having done so.

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Mr. Merchant interjected that to that point they have been dealing with this for years which is why they did institute a process that Obama Energy Corporation and Wesco were participating in. He stated there was a memo that was issued to Obama and Wesco which stated that as this is an ongoing issue that will be referred to the Bureau of Administrative Hearings, CMS is not going to comment. Mr. Merchant said that BEP has put together a process where they will most likely be submitting information Member Barreto spoke of to an Administrative Law Judge to help determine the facts of the matter for the Council in an objective way, so that is in process right now. Mr. Merchant declared they were not going to discuss that case until there is a recommendation coming back which is fast-tracked by the Administrative Law judge.

Member Roberts thanked Mr. Merchant and said she wanted to comment that they do have remedies. She said the law does state several things that the BEP Council can do, but when someone violates their policies they lack enforcement of cancelling contracts, prohibiting them from doing business. Member Barreto protested stating that Mr. Merchant doesn't enforce the power of this meeting because she had to yield the floor to Member Roberts to say what she was going to say. She added that she thinks that's not fair and is part of the problem too, how voices are valued around the table. Mr. Merchant responded that Member Roberts brought up a different point, to address that point he stated that there is a dissolution process that they have implemented, and with that announced the end of the discussion.

IX. Sheltered Market – DoIT

Mr. Merchant introduced DoIT to discuss the sheltered market they have implemented. Mr. Watson thanked the Council for allowing them to present on their upcoming solicitation for a sheltered market procurement. He introduced it as project resource sheltered market or PRSM ("prism"). Mr. Watson stated PRSM is an IT solicitation where vendors have the ability to show them their expertise in 10 categories and become pre-qualified to enter into terms and conditions contracts with the State of Illinois. He listed those categories as; IT planning services, information security services, software development services, teaching and learning services, mobile technology services, web content and development services, desktop services, networking services, infrastructure services, and customer support services. Mr. Watson said State agencies will have the option to solicit for these skill categories and vendors will go through a multi-step bidding process allowing them to be evaluated on these skill sets to become part of that pool of vendors. He explained that when they qualify, anytime a state agency goes out on any one of these categories, they will do a short IFB and the low bidder will win that particular contract.

Mr. Watson outlined that this is only available for certified BEP vendors, they published a notice to the BidBuy bulletin about 3 weeks ago to allow vendor community know this is coming, also for those who are not yet certified to give them time to get their other state of Illinois registrations together such as with the Secretary of State, Department of Human Rights, State



Board of Elections, to get certified, so they will have that opportunity. He added they have also been working with CMS/BEP for those who are first time applicants to expedite those certifications. Mr. Watson said the solicitation should publish any day now and will be on the street for approximately six weeks.

Mr. Watson stated these vendors will be primes and not subcontractors which they are excited about. He said they will have the opportunity to do business directly with the state of Illinois and build their portfolio with the skill sets that they have. He indicated this will allow state agencies overall to increase their BEP goals, it's good for the vendor community, and they want to allow minority vendors the opportunity to become prime vendors on contracts with the State of Illinois. Mr. Watson asked if there were any questions.

Member Ratner asked what is IFB. Mr. Watson responded that it stands for "invitation for bid". He highlighted that once they have qualified pool of BEP vendors, they will put forth an IFB for a particular need identified by a state agency. Mr. Watson clarified that only those qualified vendors in that particular skill set will have the opportunity to bid on that IFB and the winner is chosen by low cost. Member Martinez asked if they had assessed the vendor pool talent. Mr. Watson said that all are run against BEP codes 132-33 and there are a large number of vendors out there. He explained that this solicitation is similar to their ITRP solicitation where there are the same type of contracts, except with 6 types of skill sets. Mr. Watson commented that there were 50 in that pool and to expect more for PRSM. Member Ivory congratulated DoIT for taking some bold steps that will be beneficial to their collective community and pointed out the need to celebrate those successes. Member Martinez said that he guesses they can use the fact that vendor pool does exist so that when anyone requests waivers this is an obvious statement. He added that they will be subcontracting on larger more complicated processes and is looking for less good faith efforts. Member Matthews congratulated "the warriors" on the Council who have worked towards this for years, also DoIT for coming up with the procedures and processes to get it out. Mr. Merchant thanked DoIT and said he appreciated them taking the time to help their vendors.

X. Public/Vendor's Testimony

- Jeffrey Sterling, MD, MPH, FACEP – Presentation on BEP opportunities within Health Care;

Dr. Sterling introduced himself, as a physician, a public health professional, a healthcare entrepreneur and a servant and leader. He stated he has two BEP certified vendor systems in Illinois, including a medical supply company and an international healthcare consulting and implementation firm. Dr. Sterling said he has 3rd firm, SIMPCO, he is working on getting certified which is what he will be presenting on today. He thanked the Council for the opportunity to present. Dr. Sterling stated they are generally speaking very appreciative of the sincere efforts here to financially empower diverse communities across the great State of Illinois and that indeed his presence here is specifically in support of the documented goals of the BEP program. He stated that however their communities are cognizant that in

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some significant ways those efforts have fallen short of the mark. Dr. Sterling attested that he would be remiss if he didn't take a moment to convey his personal experience with the process which he has learned is not uncommon.

Dr. Sterling stated he first presented to this Council in 2014, it was then that he had spent about \$350,000 attempting to obtain business within the managed care organizations servicing state Medicaid expansion, a.k.a.. Health Choice Illinois. He commented that in spite of his investment, he was unable to secure a single penny in procurement. He narrated that he was in some ways distraught about the perceived business worthiness of his ideas until he began to subsequently see many of the ideas that he had advanced incorporated into the offerings of various NCOs with whom he had presented. Dr. Sterling interjected that in other words he was just giving free consulting. He stated that in the subsequent six years he similarly failed to secure business working throughout the NCOs paradigm, spending an additional 100s of thousands of dollars. Dr. Sterling said that perhaps this would be easier to swallow if he wasn't otherwise successful. He stated he does business around the world, including about 40 states in the United States, named having business matters in as far away as Tokyo, South Africa, which he would speak about that at the very end. He said this experience is what specifically stimulated his interest in fashioning an environment back home that would entice businesses to participate and to be successful inside the BEP program both in the short and long term.

Dr. Sterling advised that there are some structural components that need to be addressed. He announced he also came here as Chairman of the Illinois Black Chamber of Commerce's Health Industry Group. Dr. Sterling stated that in that capacity he serves to facilitate the business aspirations of over 80 black businesses in every part of the state. He said he can say two things with certainty as relates to the question of capacity of black businesses. Dr. Sterling pointed out that there is a need for concerted effort to cultivate the black business community. He affirmed that has been stated he's sure many times.., where is the capacity? Secondly, Dr. Sterling confirmed, there is capacity. He said it exists in a much greater way than is represented by those who have opted into the BEP process. Dr. Sterling stated he wanted to speak to the perception of an all too often experience inside of the current landscape for the vast majority of the BEP certified contractors. He cited the upfront requirements to register, the qualifications to compete, the financial strength to perform, in the midst of existing reimbursement policy and the additional investment necessary to be compliant. Dr. Sterling asserted that all these factors have proven to be inhibitory to palliative and otherwise qualified businesses. He stated that these conditions institutionally inhibit potential advancement of BEP firms to greater success over time. Dr. Sterling restated that he comes here in support of the goals of the BEP program and what could be described as the programmatic intersection of the goals specifically of DHFS, IDPH, and DHS. He asserted he would like to address in broad terms what their team has termed the SIMPCO solution.

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Dr. Sterling said state agencies have documented the extent of worsening challenges in health care and the managed care landscape. He detailed that most notably certain Illinois citizens particularly in inner cities and rural communities have become beset by what they call health care disparities which are the production of worse health care outcomes in the presence of the same medical conditions. Dr. Sterling explained that these disparities are typically caused by some combination of poor access to care, inequities of quality of care and cost prohibitive conditions. He said many of these conditions exist simultaneously across the state where people have to choose between cost considerations over cost of living over cost of care for example. Dr. Sterling stated that implementation of Health Choice Illinois, a.k.a. state Medicaid expansion further complicated by a loss of over half the NCOs that originally served the state so there is a capacity state inside of that paradigm as well.

He noted specifically where there were once 13 there are now less than half that number left to administer a \$13 billion spend for over one million citizens. Dr. Sterling pointed out a void actually exists notably in the diversity spend data, which someone mentioned diversity studies earlier. He said that in health care that has kind of been done, so much so, and this data that comes from the Illinois legislature appropriations committee, that over the six-year period fiscal year between FY11 and FY16, the African American BEP spend deteriorated 0.05% of the total spend and just over 5%. He commented that in fiscal year 16 that represented a total of \$5 million \$5 thousand spend on African American vendors. Dr. Sterling announced he wanted to go over some notable facts, stating that collectively NCEs contracted by HFS receive \$9.5 billion in FY 16 over all spend is about \$29 billion, but for Medicare, Medicaid expansion \$25 million the NCP administrative spend for BEP vendors was just over \$100 million. He continued, explaining that the MCE average administrative spend with BEP from fiscal years 11-16 was 1.14% annually although the target goal is 20% and does not include cost of care values. Dr. Sterling said the cumulative NCE spend from those fiscal years is \$16.4 billion. He commented this draws a startling contrast to the meager 5.8% or \$214 million spent during that same time frame. Dr. Sterling reiterated, \$214 million of \$16.4 billion and every year of this study the African American spend decreased. He stated that during those years those numbers represent for African American businesses 1/5th of the spend received by their Hispanic brethren. Dr. Sterling added it represents 1/20th of the spend for non-minority BEP firms. He said they needed to address that, and the data is actually in.

Dr. Sterling proclaimed that he came here specifically as President and CEO of an unprecedented effort to dually increase the States' capacity to service the citizens of the State of Illinois and increasing the diversity business community's capacity. He avowed that they propose to meet the objective of Health Choice Illinois with a new paradigm, America's first managed care organization. Dr. Sterling said this initiative represents the first effort in the U.S. to bring a suite of acknowledged best practices in preventive health care under one organization. He added that on the programmatic side this initiative is consistent with the

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stated objectives of HFS, IDPH, and DHS. He outlined that as it relates to the BEP program, this is actually an exercise in collective economics. Dr. Sterling said they propose to specifically grow the capacity of underrepresented communities within the BEP program statewide by implementing this program at the beginning of the process. He announced they have already secured the support of projected participation of over 100 African American businesses of whom 15-20 were represented in the room, in other words where individual African American companies may not have the individual or may not have had the previously demonstrated capacity to complete such projects, what they are advancing is that the SIMPCO solution is advancing by engaging a community of businesses, each serving in various native functions for a greater role in serving the citizens of the State of Illinois.

Dr. Sterling explained that for example they have groups of attorneys, accountants, IT professionals, marketing, public health, public relations professionals, office services, health care service professionals, all at the ready to do their part in service for this project. He said they have the infrastructure ready to go, it spans every region of the state ready to be deployed, ready to focus on specific communities as desired and directed by the agencies that were mentioned. Dr Sterling noted that the executive management of SIMPCO has previously managed state agencies for industry specific departments of state agencies, so there is a native knowledge to this that they bring, an expertise that would be adequate, even if this was not a BEP conversation. He said it would be a dramatic difference for SIMPCO related to the intensity of their community engagement, and what they are talking about is really making a difference, changing the paradigm of how health care is delivered.

Dr. Sterling stated they want to be intensive, community culturally sensitive where appropriate, they want to get in there and turn the conversation away from sick care and more toward preventive care. He said all aspects of this are being done individually but they have never been brought together in a mass project for the benefit of the community in the way they are proposing. Dr. Sterling proclaimed they have the ability to lower the deficit of BEP spend by over half. He said that over the long term they will save the State of Illinois billions of dollars by addressing the expanding void of service delivery and in sublimating the sick care paradigm with a preventive care paradigm. Dr. Sterling said being an emergency care physician, he can see the cost of an emergency department visit is 8 times that of other considerations and that's inside of health care, if you go to prevention, everybody knows an ounce of prevention is worth a pound of cure, and what they are doing is looking at a situation now where you get to see your doctor once a year for 15 minutes.

He proposed they are going to launch an army of businesses that are going to provide them with assistance along those lines. Dr. Sterling said the SIMPCO solution is also notable in that it is a transformative approach to growing capacity of individual BEP certified firms. He said the question needs to be asked, how will they ever get out of institutionalized subcontracting. Dr. Sterling stated they want to build a bridge that will transform businesses from having to compete for subcontractor awards to competing as primes. He

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said they will give them management and financial consulting, the oversight inside SIMPCO needed to create the desired performance, all the while improving health care across the state. He pointed out that they have identified 5 particular subsets of the Medicaid population especially at risk across the state. Dr. Sterling stated it totals about 400,000 citizens and that they discovered that the cost effectiveness of their program is about 5 times less expensive than waiting for them to enter the sick care paradigm.

In summary, he said he has three points for consideration. Dr. Sterling stated that Illinois is in the middle of, if not already in a health care crisis; there is an expanding void in the capability to provide health care to its citizens; and the relative inability to provide culturally sensitive best practices in health prevention. He said secondly, they believe the data are already decisive in justifying the need for a sheltered market in health care. Third, Dr. Sterling said whatever the process needs to be, they can just start it by looking at the data they have examined. He affirmed his belief that SIMPCO is uniquely positioned to support multiple components of implementation of Health Choice Illinois and by extension they will support the BEP program, DCFS, IDPH, and DHS. Dr. Sterling added he believes SIMPCO is a worthy entity. He said they are a clinical, financial, best practice implementation firm that will offer tremendous return on investment through their collective efforts of over a hundred small BEP certified businesses across the state. He thanked the Council for allowing him to present these thoughts, plan for a path forward for the BEP process, participating businesses, and citizens of the State.

Member Roberts commended Dr. Sterling for providing all the data. She stated this goes back to what she discussed earlier regarding exemptions. Member Roberts pointed out that state law requires the exemption of historical benefits. She explained that when she worked at CMS, they had zero goals on their managed care types of contracts. Member Roberts said that if they continue to exempt, that community will never change. She stated that when she came, the previous Director implemented 5% goals which Member Matthews could attest to. Member Roberts emphasized that when there are low goals, that is what will be achieved, and that as Dr. Sterling says they have a community of people to help them reach higher goals. She warned that if they continue to exempt these types of contracts, there will never be anything outlined in that document if the Council continues to allow state agencies and institutions of higher education to exempt 99% of their funds. Member Roberts explained that there is a disconnect and she is trying to have more money on the table so that if something comes in and it is not exempted, then a goal is placed on it. Dr. Sterling responded that he has an office in South Africa, and they have a BEP program there as a result of apartheid. He said they made it mandatory for procurements to give 80% to the communities in question. Dr. Sterling stated that decisions simply have to be made and that communities grow into that capacity if given the opportunity.

Member Ratner asked that when talking about groups of African American businesses in various categories, was he talking about joint ventures or collaborations where for example

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a number take a contract and divvy it up between them. Dr. Sterling answered that they are looking to administer a project the way an agency would, as a managed health care organization across the state. Dr. Sterling stated that the administration of the entire contract requires they have organizational charts along those lines. He said for example for attorneys there are separate firms for compliance, regulation, administration and for subcontracting again and again, so different firms will be slotted for different tasks to make sure that the project itself is done. Dr. Sterling affirmed there will be collaboration because SIMPCO as their own contractor has an executive management team and a management team that will make sure all subcontractors perform all of their functions in compliance with state regulations.

Member Ratner surmised that SIMPCO itself would be the contractor. Dr. Sterling confirmed this. She asked if they would manage the finances for all the participating companies. Dr. Sterling said that is correct. Member Ratner commented that SIMPCO is an historical entity. She explained it was the first organization to deal with minority issues and entrepreneurship going back about 40 years or more. Member Ratner wondered how he chose that name and stated when he said it she got chills, because most of the leading advocates and leaders in minority economic and business development in both the private, non-profit and government sectors came out of SIMPCO, so he chose the right name. She said she hopes Dr. Sterling will be successful, can implement what is something very unusual and controversial in terms of management and thanked him.

Harold Davis

Mr. Davis acknowledged that Mr. Merchant's mother, Thelma, saved more black children in Chicago Public Schools than anybody he knows. He stated he was there to talk about the Department of Corrections. Mr. Davis outlined that 2,100 black men returned home this summer to North Lawndale, Roseland, Englewood, Austin, and West Humboldt Park, in a situation where all those zip codes are at \$14,500 annual income. He said they returned home to the same communities that they left, whereas the state paid \$40,000 annually to keep them locked up. Mr. Davis recounted that looking at Lawrenceville, Pickneyville, and some of the institutions where there were 2% of black people the towns were getting census dumps because the prisoners were being counted as living there because they sleep there, so to add insult to injury not only do they pay \$40,000 to incarcerate them but those communities get census dollars for them for the nice schools, nice gyms. Mr. Davis described that according to the census if you sleep there and live there but you can't go outside then you can be counted in the census, if he goes to a boarding school and sleep there he doesn't qualify as a census candidate, but in the penitentiary he does. He proclaimed that to add insult to injury not only do they receive census money from this, when they leave they get \$50 and a bus card and none of that (census) money comes back to the community.

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Mr. Davis commented that black business are not getting a fair share in contracts and they make up about 85%-90% of the prison population controlled by 95% of people that don't look like them. He said he looked at the Procurement Policy Board Report, Department of Corrections Commissary Study and proclaimed they have violated every procurement code in their own report and the auditor general said they violated every procurement code. He asked what are the consequences for not following the law because if he did that he would go to jail, and they get a slap on the wrist. Mr. Davis asserted they broke the law. Mr. Merchant informed Mr. Davis that his time was up and would need to wrap up. Mr. Davis proclaimed if anybody can act on behalf of these inmates, because the girlfriend, mother or aunt have to go pay to go down there, sleep in those hotels, eat in their restaurants.

He said he had a contract with Aramark for Cook County jail and thanks to Ms. Lavelle, Aramark was sued for defrauding black businesses out of \$12 million. Mr. Davis attested that was him. He stated not just \$12 million, but he had a 3-year contract and 6 one-year contracts, totaling 9 years, \$36 million. Mr. Davis proclaimed there hasn't been a bid since 2011 and asked where is the bidding process. He said he has a radio show with about 6.5 million listeners and added that those women have pens, he has a microphone, and they are going to expose this stuff like nobody's business because at the end of the day, this is like marijuana, they are locked in and locked out. Mr. Davis stated he doesn't know if they (the Council) do anything about that but that they aren't involved in any of that, but they've got 27 penitentiaries, 13 transitional places and 17 juvenile detention centers and guess what, black people have got nothing, they're nowhere, so he needs something with a meat some money and real quick. Mr. Merchant informed him that his time was out and thanked Mr. Davis for his comments. Mr. Davis stated what he has is from their own website and he is going to expose everything that needs to be exposed like nobody has done it before.

Dorothy Lavelle from the Crusader & Indigo, and Renee Hartman
Ms. Hartman stated they know Mr. Merchant's mom and wanted to say amen to her, she was a great, great lady. Mr. Merchant thanked her. Ms. Hartman said she wanted to talk about remedies and solutions and put Black History Month in perspective. She said there was a man named Maynard Jackson, who was Mayor of Atlanta and built an airport. Ms. Hartman reported that he faced many of these issues that many there are facing with exemptions, can't find, don't know where you at when it came to approval of affirmative action and black participation. She explained that what he eventually did after going through the bureaucratic process and procedures is he stopped the airport and said until they could find a way they won't build it, then all of a sudden they found a whole lot of people who could build the airport. Ms. Hartman pointed out that they may want to think about that as a remedy and as a solution because when you deny or stop these contracts, you'd be amazed at how creative people get with phone calls and particularly this day and age you can google, and you'll find what you need.

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She added that if you are not advertising in this day and age you are out of business, be you the state, or be you a business. Ms. Hartman said they all know that media is in a crisis, not them because they have it figured out, but the Tribune and Sun-Times, and other white people. She said they figured it out because they had to and now they are looking them saying how did you small people do what we should do now. Ms. Hartman reported that 75% of all advertising is google and Facebook, so that's where the market is. She stated she wanted to put this in perspective and speak to health, census and education. Ms. Hartman proclaimed that if black media is not getting that business, you State of Illinois are going out of business.

She explained they have been to conferences and you fill out the form, they take the white, they take the pink and the yellow slip goes somewhere, and after the conference everyone goes home until next year and then they come back and they still have the white, the pink and the yellow. Ms. Hartman informed the Council that she followed up with the University of Illinois and she asked guess what we got. She said nothing other than "we will call you when we find something". Ms. Hartman stated that then you go on the website and play the game, fill it out, etc..., She explained that what you do get, stating she wanted everyone to know the reality, is the solicitation for the state, not the solicitation for the bid, but the award, WBBM radio renewed for 3 years, and it goes to CBS, Night News, and there's another \$5 million dollar reward for 5 years, a renewal. Ms. Hartman stated they don't get those as bids, they don't get the information, they get the award. She pointed out that as they all may know higher education for black folks is at an all-time low. Mr. Merchant mentioned the time limit to Ms. Hartman. She said that lastly, if they keep on doing what they're doing, you'll keep on getting what you get and if you are going to make change, somebody has to make change for real.

Ms. Lavelle announced the Crusader will be celebrating 80 years of publishing in June and never missed an issue. She wanted to thank the Council for having a Black History Month program that they missed that the Chicago Minority Supplier Development Council had. Ms. Lavelle said they don't get information for what's happening in the State. She pointed out that is one of biggest problems that they have, communication. Ms. Lavelle she said there is no need for anyone to be sitting around this table talking unless they are going to be making some changes. She stated she is going to have her own investigative reporter on this case to get the real story and said he is the one who had the story about the former Governor being released from prison. Ms. Lavelle commented that they wanted to know who was the black man standing on the steps and they found out it was Ziff Sistrunk. She emphasized they have done historic stuff in their paper, honored a black man who should have been an astronaut (Robert Henry Lawrence, Jr.) who passed away training another pilot and he was from Chicago. Ms. Lavelle explained that they published that story and the University of Illinois downstate picked it up, did an event and invited his family to come, then NASA picked up the story and did the same. She stated that the good thing about today is the democratic party and everyone are finally realizing where they get their strength from and

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they are spending money. Ms. Lavelle thanked Mr. Bloomberg, adding that she has no plans on him, for spending \$3.5 million with the black press. She emphasized that they don't communicate with them, they have print, digital and social media, and yesterday for the first time in 52 years as publisher she was on a Chicago Tonight panel with the Chicago Tribune, the Sun-Times and Crain's. Ms. Lavelle said it was about saving the media and for one time she laughed at them and said welcome to my world, because they don't get business and the only way she's getting census money is from national. She outlined she doesn't get a dime from the State, from the County, nor from the city. Ms. Lavelle so she wants everyone to know that it's a new day and they are going to use what they have. Mr. Merchant thanked both ladies.

Ms. Hartman stated she knows they all look at them like minorities, they have a new term, now called "people of color". She said they are not people of color, they are not minorities, they are Black people. Many in the room agreed heartily. Ms. Hartman pointed out that to have these designations to lump them in an aggregate, it dilutes before it begins and that may be why they can't do all that they need to do. She added that when you say African American 5% then you get it, say 10% for women then you get it, when you say 20% on whatever it is, they get it. Ms. Hartman detailed that everyone who isn't a minority is a white man. She attested that's the first thing, to clean up the language because we live in a world of pinpoint marketing. Mr. Merchant called time. Ms. Lavelle called for Certification to be cleaned up.

Member Ratner responded that they have established a sheltered market for advertising, marketing and publishing and they need to implement it. Ms. Hartman said that's what they're talking about. She added that they need to communicate this to the masses.

Mr. Wali Mohammed, student of Louis Farrakhan.

Mr. Mohammed said good afternoon to everyone and thanked them for the privilege of their attention for these next couple of minutes. He declared he is a student of the honorable Louis Farrakhan and the Nation of Islam the context from which he wants to speak to everyone today. Mr. Mohammed proclaimed he was sorry he does not represent the feel-good session nor the rah-rah session. He stated he thinks that what is happening there with respect to the data and information is an indictment on everybody that is seated there. Mr. Muhammed pondered how they can feel good, when they know dog gone well that what you refuse to make known to our people is helping perpetuate the idea of the crime that is rampant in their community. He proclaimed he doesn't understand that and how they feel so good about what they did and urged everyone to go outside and see what they did. Mr. Mohammed said to keep it in perspective. He commented that this is not the get up and get emotional session. Mr. Mohammed stated he had some points he wanted to make. He said he would like some responses to them with all due respect, okay and all right.

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Mr. Mohammed submitted that his first question is, it doesn't seem to be transparency regarding waivers. He attested that they are not talking about sheltered markets. Mr. Mohammed said but they don't want to say why they won't advocate sheltered markets. He asked what this is, "let's have a sheltered market", and stated but they don't want to say what it represents in terms of a panacea. Mr. Mohammed asked what are they trying to correct and what are we doing here Mr. Chairman. He adjudged that everybody wants to be distinguished, said he is sorry for making them upset and stated "yeah, that's what I said". Mr. Mohammed said the Chief Procurement Office in the state of these various agencies, they don't post their waivers, but Chicago does, and why don't they. He interjected "Demand that from them". Mr. Mohammed how can the people even know they are being mistreated in terms of opportunity if they don't post the crime. He said he doesn't understand and asked if they are so happy. Mr. Mohammed asserted that they should feel shame to walk in there. He said they should be all "Ah lord, I need to remind myself on how inept I've become". Mr. Mohammed pointed out that the city does and that they are transparent, they post waivers, contracts, and all MBE participation and added why doesn't the state. He related that the state, according to what he heard there today, already has many laws that can be used to try to correct some of the obvious wrongs. Mr. Mohammed declared that it seems to him that this is an organization that doesn't have teeth. He narrated that it's like a man or woman with no teeth, but a denture and he offers them an apple. Mr. Mohammed explained that's an insult. He asked if they wanted him to get them an apple and show them that they can't bite it. Mr. Mohammed proclaimed that they have laws and his brother said that the procurement people have violated every law in the State of Illinois. He exclaimed and asked no consequence? Mr. Mohammed added but his little brother pee wee was pulled over, he going to jail, then they are going to make money off of him and then they are going to deny them services or goods to help him at a decent price. He said "wow, there's more". Mr. Merchant reminded Mr. Mohammed with all due respect of time. Mr. Mohammed said yeah with all due respect sir. He proclaimed hearing Mr. Pritzker and the Mayor have approved \$5 million for a DPI project. Mr. Mohammed stated that of course it's going to be bided. He said that this Council right here is going to be responsible for ensuring that all contracts related to the building operation of this project across the state have black participation. He asked what infrastructure is in place to do that. Mr. Mohammed outlined that it sounds like there is none here. "None" he emphasized. Mr. Mohammed explained that this Council is to make sure that black community receive jobs. "Stop", he demanded and hit his hand to the table. Mr. Mohammed proclaimed he doesn't even like the word "job". He asked how dare they think he would work for them when his fathers worked for free for years and didn't get a (word omitted) dime? Mr. Mohammed asked that they say they are going to give him a job. AD Merchant respectfully asked Mr. Mohammed to have a little respect. Mr. Mohammed responded, "brother let me tell you something, with all due respect". AD Merchant replied, "yes sir". Mr. Mohammed continued, stating that if he feels passionate fury, "it's like passing gas in a hurricane comparing to how his people feel out here, so with all due respect, allow me to express mine, because I would hate for one of my lil' brothers come up to you later on tonight and

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you feel their passion”. There were quiet protestations in the room. Mr. Mohammed said no this wasn’t a threat and told everyone to calm down. Member Ratner responded she would not calm down. Mr. Merchant said okay, apologized to Mr. Mohammed, and called time, pointed out he had been given 5 minutes. Mr. Mohammed stated that the Governor and the Mayor are claiming that this project will be a win for the black community. Mr. Merchant stated he has 30 more seconds. Mr. Mohammed asked where is the plan and the oversight. He thanked the Council for their time and humbly apologized if his words are offensive. Mr. Mohammed asserted that however they would rather his words be offensive because they only represent pain and hurt. He added that he is not a vulgar person, and some know him and know he is not like that. Mr. Mohammed said they have got to stop these games, people are hurting, and they all have positions that make it help. He asked when are they going to do something. Mr. Merchant thanked him.

Mr. Merchant called for the next speaker, Arbor, but they did not respond, and it was surmised they had left. He called the next name listed.

Mr. Thomas Bowling

Mr. Bowling extended condolences to Mr. Merchant and his family. He stated he would be allowing Mr. Davis to speak first. Mr. Davis thanked the Council for allowing him to speak to all. He said there were a couple of things they would like to address, for the BEP Council to address in the frame of entrepreneurship. Mr. Davis stated that they all know past performance is a great annunciator for future practices. He announced that they would like for the board to consider implementing the same qualifications that they do with them as BEP certified business people, they would like for them to do that with the prime. Mr. Davis explained that they would like for the prime to show what type of performances they’ve had with diversity, what type of performances have they had in their community which they are bidding for the tax dollars that come out of their community to pay them. He affirmed that that has to be on the forefront. Mr. Davis recognized they’ve heard a lot of great things, but those things were reactionary. He asserted that they have to be in on the forefront and start weaving out the bad players before they even get to the game. Mr. Davis added that then they become apprehensive because of the legal stuff. He put across that the strongest thing we have is not to let you in the door in the first place. Mr. Davis said it is just like a club where he could have all of the bouncers he has in the club, but if he doesn’t get you before you get into that club, there’s a chance something bad is going to happen and they may mitigate the problem but the solution was to see you at the door. Secondly, he asked if they remembered they talked about hitting someone upside the head. Mr. Davis said they haven’t seen it yet, they have seen these stages and strategic moves, but in order to get

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someone's attention someone's going to have to be a casualty of war. Mr. Davis emphasized they don't want to hear that the primes won't come and bid. He asked the Council whether they realized how attractive they are, adding that they are like the pretty girl who doesn't realize how pretty they are in the community. Mr. Davis pointed out that this is a \$58 billion business. He dared them to say that somebody doesn't want to do business in Illinois because of the way they treated them because they acted badly. Mr. Davis proclaimed, "give me a break, it's like the burglar going to the cops saying he had a gun, I don't know why he pulled his gun, he was in my house". He pointed out that these are the things we have to look at more and they have to start looking at designing and building these things before the contract even comes out. Mr. Davis said there is money to be spent helping diverse companies prepare for that. He stated that's what Chicago did and how Walsh Construction became who they are, adding how do they think they bid on a \$68 billion project for construction of the Dan Ryan. Mr. Davis explained that before then they were a kitchen and bath, father and son, out of Bridgeport. He said they broke the contract, with the hole in the river, Daley was able to tell them a breach of contract through incompetency even though Chicago engineers are the ones who gave them the out of date blueprints. Mr. Davis pointed out that 20 feet and they would have been okay and when you're going 300 feet down, 20 feet is significant. He continued saying Walsh Construction was fronted money to help them get started and prepare for the contracts they were given, and we walk around like it's illegal to advocate for a diverse company. Thirdly, Mr. Davis said it's the board meeting. Mr. Merchant told him to wrap it up, he's was approaching 4 minutes. Mr. Davis asked where is the board meeting for the new BEPs and the BEPs that are here, where's your vetting, when do they come out to their offices, when do they allow them to come and see them and tell them about who they are and what it is they do and why they do it, because when they start getting engaged with them and that prime gets you on that 101, and tells them they would like to hire them but such and such isn't doing right they can then say they've been to that business and not to tell them that. Mr. Davis concluded those are the three things they need to address because that heads off them getting into this conundrum on figuring out how to get that bad mate after we marry. Mr. Merchant thanked him.

Mr. Bowling declared he is looking for \$134,000 because that is how much he's spent as far as on a situation they are involved in, coming back and forth to the different meetings, being cancelled, no notices, back and forth. He explained he talked before about individuals behind them, entrepreneurs who spend time and money just to get

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there and unfortunately sometimes the Council doesn't have their act together and it is very costly to go out and spend time away from corporation, away from business development. Mr. Bowling stated that those of you who are doing what is right is doing what is right, but if you have a stiff ankle on your leg it is slowing down the process of what is supposed to be as far as the procurement laws themselves, no one is asking them to do anything different from what the law says. He said we have seen where what happens nationally when people sit back and know the law is there right in front of their eyes. Mr. Bowling asked if that is that happening with the BEP Council, are they looking at the laws, the codes and saying they see it but are going to give the big boys the opportunity to do this, this, this, and this, and run out the clock. Mr. Bowling added that then that particular company is really behind the eight ball because if they had made decisions, months ago instead of playing (someone interjected "years"), years ago instead of playing ball with CMS being compassionate, trying to play together, so they sacrifice so that no matter what the outcome of the case, within in the next month or so, they are still at a loss. Mr. Bowling added that at no given time was it about the money. He stated he would like the Council to understand this that it's the people who don't have the money to do what they have had to do and hire the attorneys they have hired. Mr. Merchant told Mr. Bowling that there is a memo that referenced the interaction for the process they have established for trying to complete the issue he was having with his prime and his partner. Mr. Bowling stated that with that also being said, he has not read the latest email from his legal team otherwise he would not have said that. Mr. Merchant said okay. Mr. Bowling said they're pushing for transparency, because the transparency is individuals who come and sit here can actually see what's happening and see this system is being broken and being fixed the correct way, with the BEP Council, not behind closed doors. He asserted that he doesn't like closed doors and likes things to be highlighted even if it's going to cost him. Mr. Bowling reaffirmed that for those behind him could walk the same path and succeed. Mr. Merchant called time.

In response Ms. Lakhani offered to give some background to the Council. She stated that they did not want to discuss this matter publicly, but what has happened over the past five years they've had vendors coming before the Council asking for resolution. Ms. Lakhani stated that as they mentioned they participated in a pilot mediation process and over almost six months of the mediation process, they weren't getting anywhere. She said she won't get into the details because again this is ongoing and what they would very much like to do is make sure is want to make sure that this vendor has their voice heard, their issue very clearly stated for the record for public knowledge, at a hearing

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that is a public hearing and for a third party to determine if there is a matter that needs to be recommended here so that the Council has the teeth, but also has the background that it needs as opposed to piecemeal. Ms. Lakhani concluded that that is what they need and in the process they have requested that both parties no longer comment on this.

Member Roberts stated that if they do have things in place, enforcement practices, and there is a bad actor, then she hopes they exhaust the remedies that are in the BEP Act. Member Barreto posed that is what she was trying to get at, speaking about a specific case, if you take it out of a specific case, we do have remedies and those remedies include termination of a contract and the second piece is that they can ban people for a year from being able to bid and that's where she was going but whether it's about that case or any other case, they have to start acting on their remedies because when they don't act people just continue to do what they are doing. She added that they need to do a Rod Blagojevich and make an example of somebody to let them know they are not playing, that these things have to be adhered to, it's not at our discretion or will, it's what the law says and when we let someone repeatedly do that, for years and run out of contracts that's on us and that's all she was trying to get to earlier that she took her time volunteering to go and investigate and he is right, she is not getting six minutes because she went through the contract, she went through the all the addendums, and she believes they have an opportunity, any opportunity to look at a situation and make sure that the do something, because she doesn't want to sit there every month and get railed at and all that.

Ms. Lakhani stated she completely agrees with what everyone is saying and what she wanted to do with this process was to make sure they are equipped with all the information and that's all they are trying to do is when they make that decision and they act and make their recommendation they are doing it based on enough information in order to make it instead of a gut reaction rather than based on the entire body of evidence.

Member Roberts stated because the contract is expiring we need to make a decision when something is in process they need to fast track it. Mr. Merchant affirmed that this process is being fast tracked and they realize that unfortunately this has been dragged out over 5 years in front of the Council and there had been no action taken prior to it and

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they have established a process to do that and so they are fast tracking. Member Bautista stated that today's hearings are very enlightening from beginning to end and he is extremely concerned about the allegations they have heard for a while. He recognized they are a new administration and need their own time, but he is growing increasingly impatient for them to get to a point where they hear the matter and make sanctions if appropriate. Member Bautista affirmed he is neutral at the moment because as Ms. Lakhani mentioned they do not have all the evidence and factual statements. He expressed to Mr. Bowling and Mr. Davis that it pains him to see them both come there at every hearing. Some murmured in agreement. Member Bautista stated he shares their concerns, although he does believe that some progress is being made so they can have their resolution. He said he thinks it's getting to the point where it needs to be set down so they can have their resolution and that if someone in accountability can be levied. Member Bautista thanked them for their patience, adding that all communities are harmed when one of the communities is harmed. He confirmed that he is very interested in ensuring that people understand that with the State of Illinois there is going to be a consequence for breaches. Member Bautista encouraged Mr. Merchant to go as quickly as they can. Mr. Merchant agreed.

Member Delano stated that as she has said before and alluded to in their last meeting about bureaucracies that she thinks they are letting this process take so long and time is money for private businesses. She presented that one thing they have learned from this when they are finished is that they have best practice points regarding this. She said they've spoken about sheltered contracts and all these other big opportunities and they cannot afford to through this suit without all the details. Member Delano stated that if they start looking at best practice models, like everything Mr. Merchant said is perfect, but time consuming and they need to address that as soon as possible.

Mr. Davis addressing Ms. Lakhani asked if it's true that a judge always says that if that person who is the defendant does not want to get on the stand to testify they will consider everything bad that is said about them to be true. He asked if he was correct because he sees several cases on tv with this. Mr. Davis pointed out that the Council just passed a resolution for themselves to be attendant there. He highlighted that when they have invited the other party to come, they disrespected this board and did not show up period. Mr. Davis asserted that they don't need to hear anything else from them, they have shown them who they are and what they are about. He affirmed that he doesn't

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need to hear anything else if they don't come before him, that's word enough, pictures speak a thousand words, absence speaks infinity.

Member Matthews confirmed that first to address the bad actors, they are correct, bad actors are not punished in this system. She said the transparency only goes as far as politics, not talking about the big "P", but the small "p". Member Matthews stated also as a Council, she feels they need to follow-up in what is brought before them. She said the idea of a sheltered market and developing a prime vendor for health, they should be able to say okay we think that is a valid idea and to say they will work with you on setting up meetings with HFS. Member Matthews pointed out that they didn't say anything like that. She emphasized that again it is a process, that there needs to be a process to get that out and it is not just enough to put it out on the table, if you put it on the table it's still on the menu. Member Matthews said moving on, with the prisons, this has always been true as far as the census, that's a federal issue and they have to get the federal government to change that. She added that it does impact them here at BEP, Council members as well as vendors so they should be looking at what they can do to talk to their congress people about getting the federal regulation changed because the census is federal. She stated her agency got the census money for the whole state. Member Matthews reiterated that she tried get out word about the marketing sheltered market but there was no process for her to do so. She clarified that it was all about communication, that it was not getting out to enough folks, where they can get it out early on, so they have enough time to react and they can use that tool to react. Member Matthews posited that the same thing happened to the Council as happened to the community within the last 5 years, they were debunked, we fell down, everything fell down and we are just now rebuilding and the process they have to go through is a bureaucratic and until they understand that part they won't get what they want at the end. Mr. Merchant thanked her.

Member Ratner declared she was appalled that they had a speaker that threatened the Council and Mr. Merchant. She proposed that they find a way to prohibit anything like that from happening again. Member Merchant agreed. Member Ratner stated that it is appalling that that happened and that the speaker felt he was enabled to do so. She asserted that they must find a way to deal with this issue.

Member Matthews motioned to adjourn. All agreed. The meeting was adjourned at 4:28 p.m.

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XI. Adjournment

- Next Subcommittee Meetings
 - Certification Subcommittee Meeting – Monday, March 23, 2020
 - Outreach Subcommittee Meeting – Tuesday, March 24, 2020
 - Compliance Subcommittee Meeting – Wednesday, March 25, 2020
- Next Council Mtg. – Monday, April 27, 2020

BEP Outreach Events: <http://www.illinois.gov/cms/events/SitePages/List.aspx>

Note: There will be no IPB Notices and Solicitations Reports for this meeting.

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