

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

**MONTHLY COUNCIL MEETING MINUTES**

100 W. Randolph  
Room 2-025  
Chicago, IL 60601

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

**Monday, February 27, 2017- 1:30 PM**

**COUNCIL MEMBERS IN ATTENDANCE**

Larry Ivory, Ngozi Okorafor, Jesse Martinez, Hedy Ratner (Ph), Emilia DiMenco, Sharla Roberts, Cate Costa, Charisse Witherspoon, Michael Hoffman, Khari Hunt, Sheila Hill Morgan (Ph)

**COUNCIL MEMBERS NOT IN ATTENDANCE**

Samantha Hufnagel, Susan Shaw, Erin Aleman, Karen Eng, Beth Doria, Edward McKinnie, Denise Barreto

**COUNCIL CHAIR**

Michael Hoffman, Chairman

**COUNCIL SECRETARY**

J. Marcos Peterson

**CMS STAFF IN ATTENDANCE**

Elias Ricks Ngwayah II, Carlos Gutierrez, Ben Jones, Harry Reinhard, Irma Lopez, Jeanetta Cardine, Ryan Green

**OTHERS IN ATTENDANCE**

Dr. Helen Randolph, George Medellin III, Marcus Yancy, Derrick Champion, Mic Williams, Gustavo Giraldo, Kristie Sweat, U-Jung Chie, Louisa Keefe, Vince Bass, Eric Akines, Charles Harrell II, Dale Morrison, Antonio Hilton, Debbie Cortez, Avkeitha May, Angela Davis, Jason Perry, Shirley Webb, Ben Bagby, Rodney Hodge, Margaret Van Djik

**PUBLIC NOTICE  
STATE OF ILLINOIS**

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

100 W. Randolph  
Room 2-025  
Chicago, IL 60601

401 S. Spring St.  
Room 500 1/2  
Springfield, IL 62706

**AGENDA**

February 27, 2017  
1:30 p.m. – 3:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meetings held on December 12, 2016
- V. Chair's Report
  - Welcome & Introduction of Acting Assistant Director Jimmy Odom
  - 2016 BEP Annual Report
- VI. Posted Business
- VII. Old Business
  - Subcommittees Meetings
  - Comptroller's Office Update
  - Certification Recognitions Update
  - Verizon Contract Update
- VIII. New Business
  - AT&T Contract # CMC131864A
  - Compliance System Update
- IX. Public/Vendor's Testimony
- X. Adjournment
  - Next Council Mtg. – April 24, 2017

**Please note: In case you need to connect to the meeting via teleconference, please use the following number and access code:**

Teleconference Number                      888-494-4032  
Access Number                                      2587213722

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

**I. Welcome**

Secretary Peterson welcomes all.

**II. Call to Order**

Secretary Peterson called the meeting to order at 1:30pm and proceeded with roll call.

**III. Roll Call**

Roll call conducted. Quorum was established. Voting held to allow members on the phone to participate in the meeting. Motion passes.

**IV. Approval of Minutes**

Approval of Minutes was established.

**V. Chair's Report**

Chair Hoffman introduced Mr. Jimmy Odom as acting assistant director of CMS. He is one of the two assistant directors of CMS along with Mr. Markus Veile. He said Mr. Odom is a Governor's appointee and will be confirmed by the Senate. He further said he will be playing a role in our outreach efforts here at CMS. Chair Hoffman also told the council that Mr. Odom recently worked at Intersect Illinois, which is a non-for-profit economic development corporation which was recently formed about a year ago. He said before that Mr. Odom worked at the Department of Commerce and Economic Opportunities where he worked on Small Minority Business efforts for the State. Chair Hoffman said Mr. Odom will be working on increasing the diversity in our vendor pool as well as the diversity in hiring. Lastly Chair Hoffman noted that Mr. Odom is not a member of the council but will be here to help the council wherever needed.

Next, Chair Hoffman mentioned that all council members should have received the draft FY 2016 BEP Annual report. He admonished the council members to read the report and any concerns should be relay to Secretary Peterson. He said it would be discussed at a later date. Lastly, Chair Hoffman said he was happy to inform the council that BEP met their goal of 20% for the fiscal year 2016. He also said meeting our goal was not good enough. He wants to exceed the goal.

**VI. Posted Business**

None

## **VII. Old Business**

Secretary Peterson said the council will commence the subcommittees' meetings next month and that he will email them the information regarding that after he has gotten everyone's committee's preference next week. He said he is missing a few of those.

Member Roberts inquired about the description of the various subcommittees. She said she had requested for them in the past but never received them. Secretary Peterson promised to provide the descriptions. Member Okorafor asked for the names of the subcommittees. Secretary Peterson said they are compliance, certification, and outreach subcommittees. He said they are representing the three departments within BEP.

Secretary Peterson introduced Ms. Louisa Keefe from the new management team within the Comptroller Office. She was invited because according to State statutes the Comptroller's office is to work with BEP on outreach activities. He also informed the council that BEP had met with the Comptroller's office.

Member Roberts wants to know whether the council can get a report from the Comptroller's office regarding the use of the \$15.00 for outreach activities. Ms. Keefe promised to get that report to her.

Member Roberts wants to know what kind of outreach plans Mr. Odom envision for BEP. Mr. Odom said he has nothing specific to present to the council today but will be saying what some of his thoughts are. He said one of his goals is to increase dramatically the amount of vendors within our pool. He wants to have representative from every sector of Illinois and every industry in Illinois. He said the next time the council meets he will have a more detail plan regarding his strategic vision for BEP outreach. Chair Hoffman said he had asked Mr. Odom to conduct a listening tour and he will bring his finding back to the council.

Member Hill-Morgan said she was mainly concerned about the pool having access to opportunities. Chair Hoffman responded that one thing that is near and dear to the administration is procurement reform. He further said the House is holding hearings and has been holding hearings on different procurement issues. He mentioned that streamlining the system makes it easy for everyone including small businesses to access the system. He encouraged council members to look into a hearing to be held in Chicago at the Bilandic building about diversity impact from the procurement reform. Member Roberts asked the Chair to give to the council a copy of the report on the

procurement reform so that the members can disseminate the information to their patronage. Chair Peterson said there will be two documents sent out to the council members. He said since the agency had not submitted a procurement reform bill this year, he will send out the procurement bill that we supported last year. The other document that will be sent out is from the National Association of State Procurement Officers and is called the Top Ten Best Practices of State Procurement.

Member DiMenco said it is a good idea to increase the vendor pool but we need to collaborate more with the Comptroller's office to allow for timely payments to vendors. She said without these payments, small businesses do not have the working capital to run their business and make investments in their businesses. Chair Hoffman said they were working on an initiative with Vince Bass of the Comptroller's office. He said this is something that we will continue to collaborate on. Member DiMenco said some of these issues are not only with the prime vendors but are partly due to the State so the initiative will have to be expanded. She further said there are FY15 and FY16 payments that are still outstanding. She urged the Chair to make this a priority.

Member Roberts said there is a system of advance payment outside of construction that could be utilized. Notwithstanding, she admonished the Chair to please include the council members when having these discussions regarding the Business Enterprise Program. Chair Hoffman said yes.

Member Okorafor recommended to Mr. Odom that when he is on his listening tour, he should talk to every agency that plays a role in the procurement process. She said in the Department of Human Rights they play a role in the procurement process and would like to share that insight with CMS. Mr. Odom said after meeting with the council as a whole, he intends to meet individually with each council member and start asking the questions.

Member Martinez asked whether CDB can rely on the list of BEP existing vendor pool to set their goals. He said right now when they are setting a goal they are encountering problems with the system. Secretary Peterson said we are currently working on this issue with B2GNow to have it fixed.

Member Roberts asked whether the Comptroller had set the goals for her office. She said she will look into that.

Secretary Peterson said the certification recognition updates are at Legal being reviewed and upon approval it will be set for the director's signature.

Chair Hoffman introduced Mr. Ryan Greene as the new General Counsel at CMS. He said Ryan and Ben have both worked on and approved these Certification Recognitions.

Member Roberts wants to know if we can have an agreement with the nationals that cover the affiliates because most of the times we cannot do business with businesses from other states that have certifications with the nationals but not certification with the local affiliates in Chicago.

Member Hill-Morgan said the certifications processed through CMSDC are indeed national certifications. She said there is reciprocity that they can receive that said Chicago CMSDC on it that will help expedite the process.

Member DiMenco said what they do that works from their perspective is that they would release by request from other states any documents to substantiate that they are properly certified by the Illinois chapter. Member Hill-Morgan said her preference is for one to get their certification from their local chapter rather than the national organization.

Chair Hoffman said that they are actively working on this Verizon Contract. He said it will be inappropriate to get into details about the discussion on the contract as they are in discussion with the prime vendor. He said Mr. Charles Harrell will have a chance to speak.

Mr. Charles Harrell gave a brief update on the contract and proposed recommendations.

Member Ivory said he believes that is a defining moment for the council. He said there is a lot at stake here. He said it is concerning to him when a vendor has done everything that is expected and required if him and we still have people trying to get around the process. He wonders whether this is an isolated case or is this what happens commonly. He hopes this gets attention and that the vendors get treated fairly.

Member DiMenco agrees with member Ivory and said not only at the state level but at the city and county levels we see more than we would like to see.

Member Roberts wants to know how long can this go on when it seems the vendor is clearly violating the terms of the contract. Chair Hoffman they had been working on this issue and believe at one point that this issue had been resolved but it hasn't. He said they would be re-engaging the vendor on this issue. He further said CMS is committed to dealing with this issue in a transparent way.

Member Roberts proposed that if by the next meeting this issue is not resolved, the council should invite Verizon to come and explain why they are not complying with what is in the contract. Chair Hoffman said he will consult legal on that proposal but is hoping to have a resolution by April.

Member Hill-Morgan said it is important to get this matter resolved because it will set a precedent for others to come. Member Hunt asked if the vendor is

currently being paid for the contract. Chair Hoffman said it is an active contract but will have to look into whether they are being paid. Member Hunt asked if it is determined that Verizon violated the contract, are there any penalties associated with that violation. Chair Hoffman said his goal is to resolve this issue in a collaborative manner. Other options will be looked at if it comes to that. Member Hunt wants to know whether there is mechanism in place to address these issues when they arise. Chair Hoffman said this should be the first item on the agenda when the Compliance subcommittee meets next month.

Member Witherspoon said this could be a good way to publicize our defense and success in working on behalf of small businesses. This could be an opportunity to show that we are prepared to protect small business. She emphasized that publicity is a tool that is available to be used by us. Chair Hoffman said this could be an area for the compliance team to work on develop a compliance strategy on how to deal with non-compliance issues.

Member Okorafor said she agreed with all of the comments that were made and applauded the members for making them. However, she said she also supports Chair Hoffman reference to collaborate and resolve this privately. She said her concern is we have not yet heard from Verizon and if we take this issue public without giving due process to all parties involved, it is never a good thing.

Member Roberts took issue with the contract being a 90 million dollars contract with a 5% goal for indirect participation. She said this goes against Gov. Rauner's Executive Order which talks about giving minority

Secretary Peterson explained that when the RFP came to our desk prior to it going on the street, it had a 3% goal. BEP fought to put a 5% goal on the contract based on the formula used to put goals on contracts. Member Roberts said she did her analysis and all the scope of work came up with a higher percentage. Mr. Harrell interjected that the City of Chicago IT contract has a 25% goal.

## **VIII. New Business**

Member Roberts wants to know how we failed to follow the Governor's Executive Order regarding IT contracts specifically the AT&T contract (\$180 million dollars) that the sheltered market study was done on and found disparity. She said we have not maximized the application of goal on this contract. She wants to know how we can ensure that these contracts do not continue go out without adequate goals. She cited the Verizon contract of \$90 million with a 3% goal as an example.

Member Ivory said this makes his work difficult because he can't go out in the committee and defend these decisions. He said if this continues he would rather turn in his resignation than to continue down this path. He pledged to work with the council staff to effect changes needed to increase goals on these huge IT contracts. Member Roberts said her request is to work with the council to address the AT&T contract to get some goals or participation on it and to have an update on it prior to the next council meeting. She wants to know how she can be a resource. Member Hill-Morgan said as a council it is our responsibility to stand, speak, and advocate. She said we are not trying to be adversarial but just trying to get compliance to do the job they have been tasked with. Member Witherspoon this would us to increase our membership. She reminded the council that publicity is one tool that is available so we do not need to act as if it does not exist.

Member Hunt wants to know how we got to this point. Did someone give a waiver? Secretary Peterson said moving forward BEP will get to the bottom of this issue and find out who gave the waiver. He also said with the lack of a compliance system in BEP, it makes it difficult to meet some of those goals.

Member Okorafor wants to know whether the AT&T contract was bid and awarded. She wants to know whether AT&T currently has the contract. Secretary Peterson said he will investigate and get back to the council.

Member Roberts wants to know what is the time frame for the roll out for the compliance tracking system? Mr. Odom asked that the council gave him until the next council meeting to clear response on this issue.

## **IX. Public/Vendor's Testimony**

Dr. Helen Randolph, a registered pharmacist and owner of 3 R Health Care Products. She said she is the only female pharmaceutical wholesale provider registered as a BEP with the State. She said she was here to express her concern about the unfair practices that she had experienced. She said she believes that the State of Illinois has a responsibility to seek ways to make sure businesses are treated fairly and that prime vendors adhere to the state requirement when it comes to doing business with the State of Illinois. She explained that in 2006, 3 R established a working relationship to one of the biggest PBM vendor, Maples. 3 R provided prescription drugs to Maples. In 2010 Maples decided to tear up the original agreement even though the end date of the contract was June 2015. In 2014 the State informed 3 R that they were being replaced by a male owned company located in the State of Mississippi. Ms. Randolph wondered how could this happened when in fact it contradicts what is written in the BEP statutes. Maples failed to provide reasons for the termination of the contracts to 3 R and they failed to follow their utilization plan. She said the State failed 3 R because they failed to adhere to their own rules. Ms. Randolph also cited the Caremark contract with



the State as another example of the State failure to follow the BEP statutes. She believes the state has contributed to this problem by allowing prime vendors to utilize indirect participation instead of direct participation. She believes her company has been treated unfairly. She requested that her statement be entered into the record.

Chair Hoffman thanked Ms. Randolph and said CMS will look into some of the issues she raised.

Member Roberts wants to know what the council will if prime vendors do not adhere to what is in the contract documents. Chair Hoffman said he would ask the compliance subcommittee to look into that as one of their first order of business when they meet next month.

Member Roberts said if there is no answer from CMS, she would like to have Verizon, AT&T, and Caremark to appear before the council at the next meeting to give reason why they are not adhering to the contract document. Chair Hoffman said he would see how we move forward with the Verizon issue and would also look into the other two situations.

#### **X. Adjournment**

Secretary Peterson motioned for adjournment. Member Witherspoon seconded. Vote taken and motion to adjourn passed. Meeting adjourned at 3:06pm.

