

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

MONTHLY COUNCIL MEETING MINUTES

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

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

Monday, April 27, 2015- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Kim McCullough, Charisse Witherspoon, Perry Nakachi, Corinne Pierog, Denise Barreto, Jesse Martinez, Beth Doria, Edward McKinnie, Fred Coleman, Larry Ivory, Hedy Ratner (Phone), Samantha Hufnagel (Phone)

COUNCIL MEMBERS NOT IN ATTENDANCE

Kacy Bassett, Rodney Lewis, Charles Lowder, Susan Shaw, Lynne Marie Turner, Karen Eng

COUNCIL CHAIR

Tom Tyrrell, Chairman

COUNCIL SECRETARY

Paul H. Cerpa

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II, Harry Reinhard, Ellen Daley, Ben Jones, Leslie Taylor, Jeanetta Cardine, Chantel Snelling, Mike Basil

OTHERS IN ATTENDANCE

Gustavo Geraldo, John Cieslik, Dale Morrison, Sharla Roberts, Art Moore, Michelle Casey, Deanna Rossetto, Ben Bagby

**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

April 27, 2014
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 February 23, 2015 and March 23, 2015.
- V. Chair's Report
- VI. Posted Business
 - BEP Annual Report Exemption Presentation
- VII. Committee Updates
 - Procurement Committee
 - Business Development Committee
 - Capital Access and Banking Committee
 - Certification Committee
 - Policy, Rules and Enforcement Committee
- VIII. Old Business
- IX. New Business
- X. Public/Vendor's Testimony
- XI. Adjournment
 - Next Council Mtg. – May 26, 2015

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

I. Welcome

- Chairman Tom Tyrrell welcomes all.

II. Call to Order

- Chairman Tom Tyrrell called the meeting to order at 1:41pm. He designates Acting Assistant Director Kimberly McCullough as CMS representative for the BEP Council. He asked Secretary Cerpa to conduct the roll call.

III. Roll Call

- Roll call conducted. Quorum was not established.

IV. Approval of Minutes

- Approval of Minutes was postponed due to the lack of quorum however there were corrections of the minutes cited by members of the council including Council Member Edward McKinnie requesting correction of the spelling of his name.

V. Chair's Report

- a. None

VI. Posted Business

- Secretary Cerpa presents the BEP Annual report exemption presentation process implemented to achieve the annual report. He stated that the BEP Annual report is based on categories that are developed by the Office of the Comptroller. They are called Detail Objects Codes (DOCs). Agencies used the Details Object Codes to identify the expenditures. In total, there are 325 DOCs of which 194 of them are allowable BEP exemptions. These are defined by the BEP Council and reported in JCAR. On a regular basis these exemptions are examine by the Council to see if there are enough BEP vendors to qualify for a BEP goal to be attached. Based upon the council's decision, an exemption maybe changed or accepted. The Compliance Plan template is structured on the Council's decision on whether a DOC is an allowable or requested exemption. There are some exemptions that are not based on BEPs availability as well. Regarding the compliance plan, agencies and universities annually are required to submit their compliance plan to BEP once the fiscal year budget has been passed. The main purpose of this plan is to develop our statewide BEP goal as well as to illustrate the yearly spending plan or expenditure forecasting of agencies and universities. This report requires that the agencies and universities identify their total allocated budget amount at the detail object code level. That amount is exempted from this budget, and whether it is allowable or requested. If is a requested exemption, a detail explanation is required for the justification for the requested exemption. Once the BEP compliance plan is completed by the agency or university, it is then transmitted to BEP for review. The plan is checked by BEP for completeness and accuracy and any discrepancies are dealt with at this

point. Once the plan is validated by the BEP staff and the agencies and universities, the requested exemptions are compiled and sent to the BEP council committee for their review. At this point the council may question and/or reverse the request for the exemptions. If rejected or reversed, the plan is recalculated and an updated BEP goal is determined. All the universities and agencies total amount are combined and calculated for the statutory statewide BEP goal.

- Council Member Nakachi asks what the criteria to exempt a category are. Is it a big number? Where would the BEP cut off and exempt a category? Secretary Cerpa responded by stating that some of the primary elements associated with requested exemptions lie in sole source contracts, proprietary in nature, or contract renewals. Member Nakachi further asks “In those types of situations is there any type of consideration given to indirect participation? Secretary Cerpa told the Council has addressed indirect approach. However, as it stands indirect participation is not considered.
- Additionally, Assistant Director Kimberly McCullough stated that indirect participation is a way to understand if a prime contractor is exercising good faith efforts. She states that the Business Enterprise Program will take a look at incorporating indirect participation from policy perspective.
- Council Member Denise Barretto wants to know what the regular basis is by which the council looks at the exemptions. Secretary Cerpa responded that it was on an annual basis.

*Council Members Witherspoon, Martinez, and Ratner (by phone) join meeting- Cerpa announces a quorum is met- votes taken and minutes approved pending earlier noted corrections.

- Council Member Ivory requests Cerpa’s explanation to be put in writing and given to the Council. Secretary Cerpa agrees to send presentation to Council Members. Council Member Ivory further stated his concerns that the current process doesn’t engage and involve enough members, he suggests times be blocked out to take a look at exemption, and perhaps contact agencies. Secretary Cerpa said that Council Member Ivory’s suggestion can be considered regarding discussing methods and/or possibly establishing a compliance/exemption committee. Member Ivory recommends a discussion and a vote on the issue.
- Chairman Tyrrell sought clarification on the issue of exemption. He asks if for allowable exemptions it would make sense to review the compliance plans and call in specific agencies that the council wants to question. Council Members Ivory and Barretto acknowledge agreement with Chairman Tyrrell’s suggestion.

- Council Member Ivory states historically, exemptions have been reviewed in the past. In the past it was noted that agencies were exempted simply because they had been exempt in the past with no other explanations.
- Council Member Martinez requests council to consider the time taken for a grantee to receive a decision if they are requested to come before the council.
- Council Member Nakachi questions if the proposal is to bring the exemptions & budgets in front of the entire council as opposed to the current method which is at the committee level. Secretary Cerpa responded acknowledging Nakachi interpretation is correct. And that the proposed method would allow more scrutiny. Assistant Director Kim McCullough states that the proposed method would be performed on an exception basis and announces that there is enough data to look at exemptions approved in the past to review and see if there are trends that need to be reviewed.
- Council Member Doria notes the biggest categories that struggle occur are those that say exempt because it is a CMS master contract. She asks “What does that mean?”
- Council Member Ivory moves to examine special exemption and have it brought before the committee so that the whole council can take a look and debate and figure out what can be done based upon what was shared by Director Tyrrell.
- Council Member Doria questions what “Special exemption” is. Council Member Ivory responds “master contracts or something that stands out”. Council Member Doria questions if the policy rules and enforcement committee would identify the “special exemptions”.
- Assistant Director Kim McCullough states Harry Reinhard will do a trend analysis so that it can be seen where exemptions are occurring.
- Council Member Ivory withdraws his motion.
- Chairman Tyrrell asks whether there has ever been a review of performance vs plan at the end of the year. Member Doria said that is probably what needs to be done.
- Assistant Director Kim McCullough states the logical path to move forward is that the committee will do its work and CMS will provide the committee with a report to show the trends. The committee will analyze the reports and make recommendations to the Council on what the next steps should be going forward. Council Member Doria agrees with Kim McCullough
- Council Member Ivory reiterates his concerns with the current process.

- Chairman Tyrrell asks is there a compliance monitoring aspect taken by any of the committees? Kim McCullough said that there is not a committee that does compliance monitoring and that a system needs to be in place in order to beef up compliance monitoring. She states the BEP council could create a compliance monitoring committee as a function of the committee.
- Council Member Nakachi professes the council should not be engaged in the detail but merely oversight.
- Council Member Barretto states there is a need for more policy making on the committees part.
- Chairman Tyrrell moves to Committee Updates

VII. Committee Updates

a. Procurement Committee

- Committee Member Witherspoon wants to know how the number of available renewals is set. Chairman Tyrrell said statute says 10 years. Member Witherspoon addressed her concerns regarding the 10 year limit. She believes it inhibits the spreading of the wealth and being inclusive. Secretary Cerpa agrees with her assessment of a long term contract with several renewals for a single company.
- Member Pierog wonders how many of these kinds of long term contracts exist.

b. Business Development Committee

- None

c. Capitol Access and Banking Committee

- Member Coleman had discussions with CMS regarding databases. The outcome of the meeting is that they are going to be looking for additional info from Illinois Dept. of Commerce Economic Opportunity. There is a plan to meet with CMS and/or Capital Access and Banking to meet with DCEO reps to look at how the issues can be addressed and to attempt to have the database published within a month.
- Member Ratner congratulates members of the subcommittee for a job well done.
- Member Pierog said she has met lots of companies that cannot expand because of a lack of credit or fund available to them. She said that is why this committee job is important.

d. Certification Committees

None

e. Policy, Rules and Enforcement

None

VIII. Old Business

- a. Member Ratner wants to know the status report of disparities study and the status of the Sheltered Market. Secretary Cerpa states information will be presented to the council as soon as a draft of the Disparity Study is being prepared, and is currently still in the preliminary stages.
- b. Regarding the status of the IT consultant services (Sheltered Market) Member McCullough responded by saying:
 - i. RFQ is being drafted to qualify IT consultants
 - ii. Extensive outreach will occur to ensure BEP vendors get pre-qualified
 - iii. Sheltered market will be utilized within confines of state law

IX. New Business

- a. Member Coleman said that the University of Illinois has been working on the Commercial User Function Policy in order to have a consistent policy for Capital Construction and Goods & Services. This would enable us to have a uniform policy. He recommended that the BEP Council needs to move forward having CMS, the BEP Act and/or JCAR Rules, address the definition and process and procedure for how BEP vendors are considered providing a commercial use for function.
- b. Council Member Nakachi makes a motion that the BEP Council be involved in approval in the concept and language of commercial use of function. However, there were not enough people for a Quorum.

X. Public/Vendor's Testimony

- a. None

XI. Adjournment

- Chairman Tyrell called for Adjournment
- Member Ivory casts for a motion (moved) for Adjournment
- Member Doria seconded the motion to Adjourn.
- Meeting was Adjourned as of 3:10pm
- Next Council Meeting will take place on Tuesday May 26, 2015