

**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

IDOT District
401 Main St, 9th Floor
Video Conference Room
Peoria, IL 61602

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

Monday, October 23, 2017- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Jesse Martinez, Hedy Ratner (PH), Sharla Roberts, Michael Hoffman, Khari Hunt, Beth Doria, Marcus Yancey (Ph), Larry Ivory

COUNCIL MEMBERS NOT IN ATTENDANCE

Charisse Witherspoon, Sheila Hill Morgan, Edward Mckinnie, Denise Barreto, Emilia DiMenco, Karen Eng

COUNCIL CHAIR

Michael Hoffman, Chairman

COUNCIL SECRETARY

J. Marcos Peterson

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II, Harry Reinhard, Carlos Gutierrez

OTHERS IN ATTENDANCE

Gary Luvert, Stephen Keith, Debbie Cortez

**PUBLIC NOTICE
STATE OF ILLINOIS**

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AGENDA

October 23, 2017
1:30 p.m. – 3:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meeting held on August 28, 2017 & Subcommittees Minutes
- V. Chair's Report
- VI. Subcommittees Reports
 - Certification Subcommittee Report
 - Outreach Subcommittee Report
 - Compliance Subcommittee Report
- VII. Posted Business
 - Holiday Meeting Schedules
 - Exemptions
- VIII. Public/Vendor's Testimony
- IX. Adjournment
 - Next Subcommittee Meetings
 - Certification Subcommittee Meeting – November 27, 2017
 - Outreach Subcommittee Meeting – November 28, 2017
 - Compliance Subcommittee Meeting – November 29, 2017
 - Next Council Mtg. – December 26, 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 1:40pm and proceeded with roll call.

III. Roll Call

Roll call conducted. Quorum was not established. Secretary Peterson informed the council about the death of BEP analyst, Marsheila Hardy.

IV. Approval of Minutes

Approval of Minutes was postponed due to the lack of quorum.

V. Chair's Report

Chair Hoffman informed the council that in response to the request from the council to have a presence at the Government Procurement Compliance Forum, we now have a member of BEP present at all meetings. He also informed the council that Secretary Peterson is now the co-chair for Transparency, Outreach, and Capacity Building subcommittee. Chair Hoffman commended Irma Lopez, BEP staff, and the outreach subcommittee for their efforts in outreach. He said for the first time in many years we have out outreach calendar full.

Chair Hoffman also talked about the Internet Egress RFP that was discussed at the last meeting. He said based on questions from the public as well as the council, we went back and sat down with DOIT and looked at the issues and challenged them. After the meeting, we decided to rescind the previously granted waiver, they were going to pull the RFP and work closely with our BEP staff to try and find a way to put a goal on it and if they were unable, they will have to explain to us why this is the case. He further said BEP staff, CMS, and DOIT have been working collaboratively on this issue. He said not only are we looking at this issue, we are taking a hard look at how we set goals, and how we grant waivers. He also said we are working on a policy memorandum which will be shared with the BEP council prior to publishing.

Chair Hoffman commended the certification committee for reviewing the JCAR rules. He said the recommendations from the subcommittee had been received and will be shared with the council for its review.

Chair Hoffman also talked about the Sheltered Market JCAR rules and said that today was the last day of the 45-day notice period. He said to date we have received questions and request for clarification from the JCAR staff. He stressed the point that this is not a foregone conclusion. He said just because you submit rules do not mean JCAR will have to adopt those rules. According to him that is why it is important for us to answer their questions. He said if there is any material change in the language of the rules, he believes the

council should vote again on the new language. He said he does not want to delay the process unnecessarily so his staff is currently going thru the questions which were recently received.

Lastly, he talked about today being the first time in a year since he took over that we did not have quorum. He stressed how important attendance is and urged council members to reach out to those that are not present and encourage them to attend.

Chair Hoffman said that the compliance subcommittee met on Friday and went over exemptions but was not yet ready to make recommendations to the full council. He is however hopeful that by the next subcommittee meeting they will come to an agreement that will give the program staff and himself the following month to review those recommendations and weigh in on operational policy implications. He said ideally the full council should be able to review the **recommendations**. He went on to say that other ways to make these council meetings more effective and broadcast some of the things we are doing out there is to invite some of the General Assembly members to future council **meetings**. He said it also includes further work with the **comptroller on the aspects that they work on their issue; and working with the CPO office**. He said he had talked about these things but there have been no follow-thru on them. He said he takes responsibility for that. He asked that the **outreach subcommittee meeting should work on what members would like to see at these future meetings**. He said tasks would be assigned to staff to make that **happen**

VI. Subcommittees' Reports

Certification Subcommittee: Chair Roberts said the subcommittee had a meeting on September 25, 2017 where changes were made to the JCAR rules. She said everyone supported the move for certification from 5 years to 7 years.

Outreach Subcommittee: Secretary Peterson told the council that the outreach subcommittee met and discussed the outreach strategies about how we would move forward and how events would look like. He also said the subcommittee talked about GPC and partnering with the City, the County and Metra, etc.

Member Roberts said there was a new legislation passed out about CMS doing outreach with Higher Education. She said because she is the representative of Higher Education would like to work with CMS with the outreach initiative which include locations and things of that nature.

Compliance Subcommittee: Chair Roberts said the subcommittee met three times after the last council meeting. She said they met in an emergency meeting on August 31, 2017. She said they also met on September 27th and October 20th to discuss exemptions. She said progress was made in those discussions.

VII. Posted Business

Holidays Meeting Schedule

Chair Hoffman said the next full council meeting is scheduled for December 26, 2017. However, he said there were three options available to the council: Leave the date as is; bring it earlier; or push it later. He said in the past the meetings were held earlier in December. He said the 4th of December of the 11th of December seem the most reasonable to him. The council decided to do a Doodle to ensure quorum in the next meeting since there is no quorum presently. Chair Hoffman said following this meeting a Doodle poll would be sent out to council members.

Exemptions

Chair Hoffman said based upon the report that the council just received, he believes it is premature for the full council but he does expect it will be on the next council meeting agenda. He said he expects a vote by the next meeting.

He further talked about the Higher Ed Supplier Diversity and said one of his concerns of this CMS legislation is that BEP is not funded to the level we would like it to be. Therefore, he said we want to make sure that we find a way to do this for little or no cost to the program. He said he is confident that with the universities onboard we would be able to do a good workshop without things costing too much.

Chair talked about how the sponsor of Senate Bill 262 (the State Government Tech Bill), Senator Clayborne, worked with CMS to address all our administrative concerns. He said there are some

ould Roberts said they agreed that they would only accept the local certification rather than the national certification.

New Business: Member Roberts talked about a sheltered market annual report that was given to the CPO's office since August 3, 2017 and the council members have not seen it yet. She said those are things that she as a council member would like to have.

Chair Hoffman said there was no attempt to prevent council members from getting the report but it was due to time factor as they were running against the deadline by the Executive Order to provide it to the CPO's office and the

Governor's office. He said he had hard copies to pass out today which will be followed by email out to the council members.

Member Roberts said she also requested to get a copy of the JCAR Rules that was submitted to JCAR but she never received it. She also reminded the Chair that she has requested a report from the Comptroller's office regarding the 15 dollars per contract and how it was spent. She said according to the law the comptroller's office should have been doing outreach in conjunction with us therefore we need to see what outreach have been done and provide report on how much money have been collected.

Member Ivory informed the council that Senator James Clayborne was on the call and they had just discussed a piece of legislation that he had coauthored related to what member Doria was talking about. Senator Clayborne told the council that he appreciates the Governor signing the legislation and he is looking forward to the Council implementing it. Counsel Jones told the Senator that it was good working with him and that it is going to add some extra teeth to the BEP Act. Senator responded by saying going forward he is looking forward to having all contracts having an inclusion for minority, women, latinos, veterans, and that we make sure that everyone has an opportunity to enjoy the tax dollars they paid.

Secretary Peterson said he spoke with Bola Delano and she say roughly they have around twenty four to twenty six thousand dollars for outreach and they we are working together to come up with a plan on how to facilitate that. He said we do have monthly meeting with the Comptroller's office to make sure that these BEP funds are utilize in the right way.

In reference to what Senator Clayborne just spoke about, Member Roberts talked about the contract related to the State of Illinois Internet RFP that went out without a BEP goal and she wants to know how this and other IT contracts can go out without a goal.

Chair Hoffman said this contract was recently brought to his attention. He said we do look at every contract very carefully. He said we try to make sure that every contract above \$250 thousand dollars does or either contain a goal or is review by our office to ensure that a waiver is given and that there is a valid reason for the waiver. He said that process was followed with this contract. He said the Department of Innovation and Technology (DOIT) has been innovative not just in their approach to information technology but also in their approach to diversity as well as to the BEP program. He said they worked very closely with the chief procurement office on an IT rationalization contract which led to creating a prequalified pool of vendors. He said in addition when CMS approached them about Information Technology Vertical being the first area for a sheltered market designation, they eerily jumped on board and were active working thru that issue and supported us thru some compliance issues.

Regarding this specific contract, Chair Hoffman said it went thru the normal review process and when it was brought to his attention had some questions. He said the information he received from the agency is that the way this contract is set up did not lend itself to be able to have a BEP goal on it. He said subcontracting was not allowed in the RFP because of the criticality of the service and requirement to keep that in house for this tier 1 internet access. He said he had spoken to the leadership of the Department of Innovation and Technology and he is going to ask them and the compliance subcommittee to hear directly from the people who drafted the RFP and the rationale behind why there were no goals assigned to it and then the compliance subcommittee can brief the full committee on it so that we are aware.

Member Roberts said she has the contract before her and reading the solicitation it said subcontract is allowed. She said it has what is required and it has: In-house call center maintenance; help desk staffing level; due process and repair.

Member Roberts said she is no expert either. She said it looks like there are areas in which minority and women owned businesses can participate. She asked how we are going to approach this moving forward when we are no IT expert but yet we are making decisions that have impact on the minority community and we are signing on waivers. She said she believes we failed the minority and women owned businesses on this contract. She said we should not wait until September 28, 2017 to act but instead look at it now so that if we need to amend the contract in order to include BEP goal.

Member Martinez said he appreciates the fact that this council takes on tough issues head on. He said he likes the statement that the director said. He said he likes to question the agency that initiated this contract and ask them for their justification whether we agree with them or not. Then we can bring the full report once we are informed.

Member Roberts said her only concern is time sensitive.

Member Okorafor said they were going to have a meeting with two agenda items: Exemption review and this contract.

Member Roberts asked when is the due date for the contract. Secretary Peterson said September 6, 2017. Member Roberts said we have a meeting set for September 28, 2017. She said it would be too late. She proposed that a meeting be held before September 6, 2017 before it is too late and it cannot be amended.

Chair Hoffman proposed scheduling a meeting with the Compliance subcommittee so everyone can have the accurate information and reviews it; provide a recommendation to the subcommittee chair and himself, if there is a

necessity to call a special meeting or for us to work with DOIT on delaying the implementation of the contract. He said right now no one on the council has a copy of this contract except member Roberts.

Member Okorafor said she is disturbed by the fact that only member Roberts has a copy of the contract and even notified by member Roberts about this contract prior to the meeting. She said she is the compliance subcommittee chair and knows nothing about this contract. Therefore, according to member Okorafor, they are not all informed.

Secretary Peterson said he will send the correct information because that was not the final draft.

Member McKinnie said given the fact that the Chair was told that there were no contracting available when in fact there are subcontracting available, who has the authority to issue an addendum postponing the bid date.

Chair Hoffman they will make sure that the appropriate documents are verified and the correct ones are provided to the subcommittee and get their feedback on it. He further said that in terms of amending the contract that would fall on the agency that drafted the contract.

Member Martinez said this case scenario has played out to a longer culture of what the BEP council is about. He said the fact that the council can go thru an exercise, question the individuals, the entities that are setting these goals and they understand that there is going to be scrutiny on further contracts is worth playing out. He further said this will allow the council to question those individuals who then will be more cautious in the future about the goals they set or rather their due diligence can justify it.

Member Ivory sought clarity on the fact that this is an IT contract that has no goals on it.

Counsel Jones responded by saying that this is not a contract but instead an RFP that is presently out on the street.

Chair Hoffman stated that it has been concluded that the compliance subcommittee will work with staff and get a doodle out today and get multiple meeting times this week to get the subcommittee together to review this get the appropriate documents to the subcommittee.

VIII. Public/Vendor's Testimony

Mr. Charles Harrell II, President and CEO of IT Architect Inc. expressed his concerns about the IT RFP that is out on the street without a goal. He asked why CMS granted a waiver without BEP goal. He read a description of the RFP. He said the question is whether there is any qualified BEP firm to participate in this contract. He said this is the second go around for this telecom RFP. He said his firm participated in one of their contracts. He said there were no BEP goals but it happened that the telecom firm brought him in as a subcontractor. He urged the council to take action because he along with other firms would like to participate in this contract. He reminded the council that time is of the essence.

Mr. David Lockman, Chief Operating Officer, Obama Energy his discouragement over the IT RFP that had been put out on the street without a goal. He said this is not the first time this has happened. He said this has been going on for decades. He said instead of going thru a process as member Martinez had proposed, we should make the big guys wait and delay the RFP. He further said that there should not be a contract coming out of the state without a BEP goal attached. He said for council members to have a copy of the contract is an atrocity because the RFP is on the street.

Mr. Bill Howe, representative of Revere Consultant of Richton Park, IL said they are an IT company and can provide the exact type of services that the RFP requires and they would like to have an opportunity to bid on it. He said we are looking at a situation whereby we have 5 days to act. And he is concerned whether that is enough time to for the process to work going thru your subcommittee, coming up with a recommendation, getting it acted upon in time to extend the due date beyond September 6, 2017. He asked the chairman whether there was a way to be able to get the September 6 date extended immediately. Chair Hoffman said he will not answer the question but will follow up with the procuring agency following this meeting. He said all members understand the urgency of this issue.

Mr. Wole Adeoye of Victory Pharmacy of Decatur said he had been in the presence of the council three time s and have sounded the alarm that his business would go under if there is no action with CVS, the Insurance Company. He said he had two pharmacies in Decatur and was about to open the third one in Springfield. He said the city gave him land and he was about to start when he had the opportunity to sign up with Caremark Cigna thru the BEP program. He said he believes he was signing letter of intent but the letter said nothing about the contract, agreement, or reimbursement. He said after signing the letter of intent, he did not see CVS or Caremark. He commended Paul Cerpa for helping him during that time. He said because there was no contract, the insurance would pay what they want to pay. He said he lost a lot of money. This led to the closing of his pharmacies in November 2016. He said he believed that when one works hard in this country, you will be rewarded. Sadly he said it was not the case. He told the council that what happened to him, he does not want it to happen to anyone else. He told the

council that if they sincerely and intentionally want to help small businesses, the letter of intent is not enough. He said the council need to make sure that there is an agreement contract between the prime and the pharmacy vendor.

Laura Sanchez, CEO of Squad Work, a full service IT company told the council that she wanted to know more about the mentor protégé program that the Governor had mentioned last year when he announced the IT Sheltered Market on August 24, 2016. She said she a minority in the IT sector and she believes there is no hope for her without the mentor protégé program. She wants to know who the contact person is for the mentor protégé program and how she can be a part of it.

Chair Hoffman said the letter can be given to him and that they are currently working on the mentor protégé program.

Deli McGovern, President and CEO of Current Technology and Consulting and she concurred with former speaker Laura Sanchez. She believes that mentor protégé program would help her company get contract.

Michele Flagg, President and Owner of Redacre Solution, Inc. said she was at the last meeting and recommended that having an exemption class be eliminated. She said she wanted to know the current process of BEP goals prior to being advertised. Also she said she has noticed a trend of BEP goals decreasing from 20% and she has a listing of BEP contracts that have no goals. She wants to know why this is occurring. She asked that the BEP council identify potential RFPs that could be sole source. She recommended that the director of DOIT be invited to the council meeting so that he can meet IT firms they could work with.

Mr. Patrick Thompson, President of VEYA Inc. from Champaign, IL told the council that over the last three years he had lost over 1.2 million dollars in contracts. He said one was due to the budget and the other was due to material deficiency for a contract at Peoria Aviation for not submitting form 26 when they were already registered with IPG. He also has issue with the Champaign County which he said 28% of all state contracts pass thru Champaign yet they do not see any. His other issue is that he was let go from a contract at the Governor's mansion because some of his employees had prior convictions. He wonders why they were let go when they only do concrete work. He said he needs an explanation of why these things are happening in the BEP program. He said his last issue was with the University of Illinois. He said he was a subcontractor on a project at the University of Illinois in Champaign. It was a half a million dollars contract. He said they received a notice of intent to award contract. It was approved by the board. The contractor back out. He termed this action as institutionalized racism and discriminatory. He said he has been to the board and also the diversity officer but it was to no avail. He said he will complain to the bitter end. He said it has cost financial burden on him. He told the council he is going to be looking if there is going to be a

subcommittee or discussion on why these state agencies are not following the legislation on making sure that minority contractors are able to bid as prime contractors. He asked the council whether there was a sheltered market in construction.

Chair Hoffman said right now the only sheltered market that was declared is in Information Technology. He further said that we are evaluating the further expansion of that right now.

Member Doria said that one of the reasons why they are very careful when determining sheltered market is that almost every court has struck down sheltered market for construction.

Thomas Bowling, President, Obama Energy said minority companies are already overlooked and not given the opportunities to get on certain contract you will never know their ability. He said everyone should be given the same opportunity to submit their paperwork and see if they are qualified or not.

IX. Adjournment

Member Doria motioned for adjournment. Member Okorafor seconded. Vote taken, motion passes.