

**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, December 08, 2014- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Fred Coleman, Florence Cox, Larry Ivory, Corinne Pierog, Chima Enyia, Jesse Martinez, Perry Nakachi, Hedy Ratner, Charisse Witherspoon, Denise Barretto, Karen Eng, Nelida Smyser Deleon, Samantha Hufnagel

COUNCIL MEMBERS NOT IN ATTENDANCE

Lynne Turner, Susan Shaw, Rodney Lewis, Beth Doria, Charles Lowder, Jaime Martinez

COUNCIL CHAIR

Simone McNeil, Chairlady

COUNCIL SECRETARY

Absent

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II, Vince Bass, Susan Hartman, Austin Baidas, Harry Reinhard, Carlos Gutierrez, Ellen Daley, Tom Mikrut, Ben Jones

OTHERS IN ATTENDANCE

Gustavo Geraldo, Philip Dalmage, John Cieslik, Adam Flores, Deanna Rossetto, Sabina Childs, Elwina Slegall, Vernell Hammons, Herman Strahan, Terrence Walsh, Van Austin, Tom Hwang, Adam Bruns, H. Kevin Davis, Michael Holmes, Ollie Riley

**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

December 8, 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 October 27, 2014.
- V. Chair's Report
- VI. Posted Business
 - Veterans Business Program Update
 - Update on the Commissary and MSP Contracts
- VII. Committee Updates
 - Procurement Committee
 - Business Development Committee
 - Capital Access and Banking Committee
 - Certification Committee
 - Policy, Rules and Enforcement Committee
- VIII. New Business
- IX. Public/Vendor's Testimony
- X. Adjournment
 - Next Council Mtg. – January 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

- Chairlady Simone McNeil welcomes all.

II. Call to Order

- Chairlady Simone McNeil called the meeting to order at 1:45pm. She asked Secretary Cerpa to conduct the roll call.

III. Roll Call

- Roll call conducted. Quorum was not established.

IV. Approval of Minutes

- Vote was postponed until quorum is established. As a follow-up, member Corinne Pierog wants to know about having an outreach meeting in Aurora with the mayor and elected officials that she proposed at the previous meeting. Secretary Cerpa said he would do a follow up.

V. Chair's Report

- Chairlady McNeil welcome new member Karen Eng to the Council. Next, Chairlady McNeil talked about the statewide electricity master contract. She said this was the first time a BEP goal was attached to the contract. She said Integrys was the winning firm and that they have allotted 15% to an MBE certified firm and also 5% was allotted to a certified FBE firm. She said this would result in an annual allocation of 7.5 million to the MBE firm and 2.5 million to the FBE firm. This is a 5-year contract with a three year renewal. Finally Chairlady McNeil wished everyone a happy holiday season and thanked them for their services. She also informed the Council that there was going to be a transition impacting CMS and the State in general and thanked all Council members for their support and achievements.

VI. Posted Business

- **Veteran Business Program Report**

Secretary Cerpa gave an update to the Council on the Veteran Business Program. He informed them that the Veteran Business Program does not specifically fall under the Council's charge as it is administered through separate legislation. He told them that unfortunately has been a slow moving program. He told them that per established legislation, 3% of all state spend should be allocated to the

Certified Service Disabled Veteran Owned Businesses and Veteran Owned Businesses. In FY12, the State expended only \$700,000 to Veteran Owned firms. At that time there were only 13 Vets firms in the program. He further explained that the program is jointly administered by CMS' Business Enterprise Program (BEP) and the Illinois Department of Veteran Affairs (IDVA). BEP oversees the administration and IDVA is responsible for the outreach. In FY13, there was a gradual increase in the number of firms in the program to 37 firms and an annual spend of \$32 million. In 2014, we had 97 certified firms with a spend of \$28 million.

The breakdown of these firms to date accounted for: 15 African Americans; 11 Hispanic Americans; 1 is Asian American; and 70 are non-minority. Member Ratner wants to know how many females are in program. Secretary Cerpa informed the Council that there were 8 certified female firms in the Veteran Business Program. He further stated that while the veteran's program participation is progressing, we are not satisfied with the low numbers of participants and urged members to help in any way possible in the recruitment effort of SDVOSB and VOSB firms.

Member Hedy Ratner said that the Women Business Development Program has a Vet's program that they are administering and that it was very difficult because a lot of women do not self-identified as Veterans. Member Ratner said they mainly work with female-Veteran businesses in the Northern Illinois Region. She commended Secretary Cerpa for doing a great job.

Member Perry Nakachi asks whether the Veteran Business Program subject to the Disparity Study. Secretary Cerpa said no. Member Nakachi wants to know whether there is a size limitation on the program. Secretary Cerpa said there is a \$75 million dollar cap limitation on the program which mirrors our current BEP requirements. Secretary Cerpa also stressed that it is an Illinois based business program being applied to both the ownership residency and home office requirements. However, that has had some very small impacts on Veteran eligibility.

Member Denise Barretto wanted to know if one has some resources that could be directed to the program, who will they be directed to. Secretary Cerpa said they should be directed to him for now.

Member Fred Coleman wanted to know if an M/FBE firm can be certified as a BEP and Vet's certified firm. Secretary Cerpa noted that one of CMS' efforts last year was to amend the Vets legislation to allow for dual certifications for both BEP and VBE eligible firms. However, regarding BEP and VBE goals being met on established contracts, Secretary Cerpa said bidders will have to declare one or the other - not both being met by one firm. Member Coleman second question

was regarding the 134 Veteran Businesses that Secretary Cerpa had mentioned. He wanted to know whether it was nationwide. Secretary Cerpa said it was our last review of the Center for Entrepreneurial Veterans (CVE) federal certification list accounting for Illinois, not nationwide.

Regarding the Commissary and the MSP contracts, Secretary Cerpa stated we have gathered that the commissary contract is still under consideration and has not been posted yet. It is expected to be posted shortly. It was revealed that once it is posted, DOC would be amenable to answering questions through a pre-bid meeting.

Member Larry Ivory said he has heard about the contract being out shortly before and stated that it seems as though his interpretation of shortly might be different. He also said it would be good to have a mandatory pre-bid meeting rather than just a pre-bid meeting. Secretary Cerpa promised to relay that message on behalf of the council. He said the ultimate decision lies in the CPO's office.

Member Nakachi wants to know if the State provides a list of who took out the bid. No, it does not. As for amendments, they get posted. Member Charisse Witherspoon said one of the things she noticed is the bid could say that one is "strongly encouraged" to attend the pre-bid meeting. Member Nelida Smyser-DeLeon said most of the time, Subs would attend the pre-bid meeting in order to do networking. Member Ivory said the mandatory pre-bid is always with the Primes. He also urged Secretary Cerpa to have the Council vote on the mandatory pre-bid proposal so that there can be a written record of the Council's action which would later be given to the CPO's office for consideration.

Secretary Cerpa acknowledged the arrival of member Jesse Martinez and announced that we had established a quorum.

Member Ivory emphasized that the Council's proposal should not be broad but instead be selective based on disparity study findings in targeted places where the Council is working on improving BEP participation like IT.

Counsel Benjamin Jones recommended that the Procurement Department be tasked with producing a letter for consideration by the Council that will be presented to the CPO's office. He recommended that the letter be produced and distributed to the Council before the next meeting so that member can have a chance to look it over before a vote next week. He recommended a motion by a member to make it official. Member Ivory so move. Member Cox seconded. An unanimous approval vote was taken.

Regarding an update on the ITRP/MSP statewide contract which accounts for IT services statewide, Secretary said it is a five-year contract with a five-year renewal. It involves hardware, software, technical support, and web services for all agencies. Member Smyser-DeLeon stated that hardware was removed from the contract. Secretary Cerpa said the information being sought regarding the ITRP contract cannot be divulged. He however said that CMS had revealed the contract's scope and believes there will be lots of opportunities for BEP's vendors.

Member Ivory wants to know what the BEP goal on the ITRP contract is. Secretary Cerpa said he and his staff had looked over this contract and he can only say it is an aggressive goal they had recommended. Member Ivory said it will not be breaking the procurement code if the goal is revealed. He wants the goal to be revealed to the council. Chairlady McNeil said our Legal Counsel recommended against further discussion on the topic. Member Cox wants to know at what point the Council will be apprised of the goal. She said what may be aggressive to one may be like the subject of egregious to me. Member Barretto wants to know whether it will be too late to have an impact by the time the Council is informed of the goal. Secretary Cerpa said the goal could be amended. Member Ivory respectfully stated that he disagrees with the Legal Council recommendation against revealing the BEP goal of the ITRP contract and stated that he will seek advice from other sources regarding that decision.

Legal Counsel Jones said he regrets the frustration but has received instruction from the CPO's office not to discuss procurement matters before they are put out for bid.

VII. Committee Updates

a. Procurement Committee

Chairlady Witherspoon said that the committee along with member Ivory is looking forward to drafting the letter for the pre-bid mandatory attendance. She further said that all other members (Alesia Hawkins, Marva Boyd, Joan Archie, and Omer Duque) are not on the Council anymore. She looks forward to talking to other members who are interested in joining the committee. Chairlady Witherspoon said the committee has drafted a letter to be sent out to the agencies directors to join the Council with forecasting. The letter talks about the mission of the Council, the procurement subcommittee, and the timing. She also mentioned sending out a letter to vendors about upcoming opportunities. Lastly, Chairlady Witherspoon wants to know how success stories can be posted on the website which encourages other small businesses. Secretary Cerpa said by the next meeting we can get a couple of success stories, interview them, and present such to the Procurement Subcommittee which in turn could be posted on the

website. Member Pierog wants to know whether we could include some of the Veteran Businesses if they met the criteria. Secretary Cerpa said absolutely. Member Barretto said we have to be strategic on where we post those success stories because the CMS / BEP website may not be considered user friendly in some cases. She said we have to put it where a lot of traffic is.

Secretary Cerpa indicated that since we now have a quorum, recommended approving the October 27, 2014, meeting minutes. Motion made by member Witherspoon and seconded by member Barretto. Motion for the acceptance of the approval of the October 27, 2014 was passed unanimously.

b. Business Development Committee

No Report.

c. Capitol Access and Banking Committee

Chairman Coleman said the committee is expecting a response from CMS that they had been waiting for but have not received it. He urged CMS to schedule some time to meet with the committee to share what their concerns are with the information we have now regarding the final vetting process and how this information can be distributed to potential stakeholders. He said the committee is in a holding pattern right now. He said the committee had proposed using CMS website as a mechanism to share the list of firms that will provide capital access to entrepreneurs and minority, female, and persons with disabilities. The committee is seeking clarification from CMS as to how to proceed.

d. Certification Committees

No Report according to Chairlady Florence Cox.

e. Policy, Rules and Enforcement

No Report.

Secretary Cerpa gave an update on the Sheltered Market working group. The group had a meeting on October 23, 2014 to re-acquaint themselves outstanding issues and distributed existing documentation and statuses. The rules were distributed also. At the meeting, it was discovered that the key outstanding issues are completion of the administrative rules and the addressing the CPO's issues. Four members participated. Sub groups were being considered but only

one person attended the meeting on November 20, 2014. The two groups will address issues related to the administrative group and the CPO's issues. Mr. Ben Bagby, CPO for higher Education, has volunteered to serve on the group for the administrative rules.

Member Ivory wants to know whether members that have not been reappointed will be reappointed before the Governor leaves or it will be the job of the new Governor. Secretary he believes it will be the job of the new Governor. He said he had informed the transitional team. Member Cox said it is her hope that when transition takes place, they would take into consideration the good work and the contribution of the existing members and that there is no disruption in the Council. He thanks Chairlady McNeil for her leadership and her contribution to the Council.

VIII. New Business

Member Fred Coleman talks about the IPEC Diversity working group is a volunteer informal working group within the nine universities. Their goal is to increase spend of the universities toward meeting diversity goals and having more universities do likewise. The report talks about outreach efforts being undertaken and also utilizing best practices with respect to forms and reports. It also talks outreach efforts in the planning stage. Examples of specific undertaking by some universities to increase BEP spend are also included.

Member Pierog asked member Coleman what the data is showing with reference to increase BEP participation from company participating in these various outreaches. Member Coleman said IPEC recently had an outreach event at the University of Illinois at Chicago where there were the nine universities and sister agencies in addition to several businesses. According to reports gathered from these universities, they made procurement decisions to issue purchase orders to those businesses in attendance. The outreach was held on November 15, 2014.

Member Witherspoon was wondering whether anyone was tracking the transparency and the use of the small contracts where you need three bids. Member Coleman said SIU (Southern Illinois University) has instituted such a procedure.

IX. Public/Vendor's Testimony

No Public/Vendor testimony

X. Adjournment

- Secretary Cerpa called for Adjournment
- Member Nelida Smyser-DeLeon casts for a motion (moved) for Adjournment
- Member Witherspoon seconded the motion to Adjourn.
- Meeting was Adjourned as of 3:17PM
- Next Council Meeting will take place on Monday, January 26, 2015-1:30 PM