

**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, June 23, 2014- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Joan Archie (Phone) Fred Coleman Nelida Smyser Deleon (represented by Kacy Bassett)Larry Ivory Corinne Pierog Richard Boykin Chima Enyia Samantha Hufnagel Jesse Martinez Charisse Witherspoon Perry Nakachi Hedy Ratner

COUNCIL MEMBERS NOT IN ATTENDANCE

Marva Boyd Omar Duque Florence Cox Alfred Ramirez Rodney Lewis Lynn Marie Turner

COUNCIL CHAIR

Simone McNeil, Chairlady

COUNCIL SECRETARY

Paul Cerpa, BEP Deputy Director

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II Vince Bass Susan Hartman Michelle Jackson Vince Bass Carlos Gutierrez Ellen Daley Tom Mikrut Roger Nondorf Ngozi Okorafor Leslie Taylor

OTHERS IN ATTENDANCE

Gustavo Geraldo Kathleen Grief Eliot Montenegro Virginia Reyes Maria Rosales Charlie Price Dale Morrison Sharma Roberts Jeffrey Sterling Cringe Mullins Veronica Reyes Lela Suleiman-Gonzalez Ambush Sturtevant Ver. Dashy Sharron Matthews Ben Bagboy John Lewder Deanna Rosetta Melissa Hamilton Art Moore

I. Welcome

- Chairlady Simone McNeil welcomes all.

II. Call to Order

- Chairlady Simone McNeil called the meeting to order at 1:50pm. She started off by announcing BEP victories starting with the Buck Natural Gas. It is a 336 million contract over an eight-year term. It has a 20% goal, which amounts to \$8,400,000. This contract went to Integers Energy Services. Chairlady McNeil noted that this is the first time any energy contract has had a BEP goal. The second victory involved the Security Guard Services. The contract is worth 72 million over eight years and was awarded to Universal Protection Services. The contract has a 25% goal on it worth 2.2 million annually. This is the first time we have had BEP goal on this master contract. The third victory is the Multi-Function Digital Devices contract that was awarded to Xerox with a 6.4% BEP goal. The contract is estimated at 45 million dollars over 4 years.

III. Roll Call

- Roll call conducted. No quorum established. Decision made to continue meeting until a quorum is achieved. Council members were encouraged to turn in their parking and other expense receipts in as soon as possible in order to be reimbursed. Members were also encouraged to use the validator in order to reduce the cost for parking.
- Chairlady McNeil informed the council that member Marva Boyd has been reassigned from the Illinois Department of Transportation (IDOT) to the Capital Development Board (CDB) and will need to be replaced on the Council. Secretary Cerpa announced the arrival of members Corinne Pergo and Hedy Ratner which now constituted a quorum.

Member Nakachi asked why the contracts referenced by Chairlady McNeil did not have BEP goals in the past. Secretary Cerpa responded by saying that BEP staff has been looking into the reasons why all contracts may or may not have goals in the past solicitations. According to Secretary Cerpa, BEP has taken a more active role in all solicitations by addressing the establishment of BEP goals on all contracts, some of which did not contain a goal in the past. In short it is addressed by applying a formulaic approach, sub-contracting availabilities and the market share of BEP vendors. Also member Chima Enyia said this administration has taken this issue of goal setting far more seriously than others in the past. Member Nakachi reminded the council that it seems that the Master

contracts are also the ones without BEP goals. Member Enyia said that is part of the reason we are looking at innovative ways to be inclusive on Master Contract renewals.

Chairlady McNeil talked about the ERP pre-bid meeting. Member Enyia said there were about 35 companies present with interest in participating in the bidding process. He also said that since the pre-bid meeting, we have had lots of calls from some of the companies seeking to get their paperwork in order. Member Larry Ivory stated he was concerned about the oversight of these companies acting as a sub with minimum profit margin. He wants us to make sure that these companies have legitimate opportunities to build capacity.

Chairlady reminded the council that there was a request to have the CFO and CIO to appear before the council, however, the CFO informed her that he was on vacation. She also said the CIO assured her that he would appear at a meeting in the future but could not be available for this meeting at this time. She said the timeline for the ERP solicitation is very aggressive and that the 25% goal is the floor and not the ceiling.

Member Ivory stated that as Chair of the IT committee he feels some degree of responsibility to correct the consistent pattern of non-inclusion. He said it is not a good excuse for the CIO to say he is too busy to address this council. He stated that the CIO has an obligation to address the council that has been appointed by the Governor when requested to do so. He expressed his displeasure with the attitude of the CIO and the ERP procurement. He said there is no need for the CIO to come to the council after the fact.

Member Richard Boykin indicated he was supportive and in agreement with member Ivory's comments.

IV. Approval of Minutes

- Votes were taken and the Minutes from the June 2, 2014 meeting were approved unanimously by the full council.

V. Chair's Report

- Please reference Chairlady McNeil statements above.

VI. Posted Business

- **HFS Presentation**

Secretary Cerpa introduced the Assistant Director of Health and Family Services (HFS), Ms. Sharron Matthews. Director Matthews said she would do two things:

Be able to answer some of the questions and issues that were brought up at the last meeting and provide you with information with where we are with our activities and goals. She started with the budget in order to clear out some misinformation given to the council. She said the budget for this year is \$9.5 billion. She stated that there is a high exemption because a majority of the funds goes to direct care of the clients. She said there are 3 million citizens of Illinois that are on Medicaid and that are provided services. That leaves \$122.5 million for BEP. Out of this amount, there is a 20% goal per State law which comes to \$24.5 million. She said for FY14 the 20% BEP goal came to \$24 million. By the end of the third quarter HFS had already exceeded its goal to \$30 million. The fourth quarter has not yet been tallied. She stressed that for the last five years HFS has passed the goal set at 20%. **Please reference the attached copy of the HFS presentation given by Assistant Director Matthews to the Council on June 2, 2014. .**

Secretary Cerpa noted that Ms. Matthews mentioned in her B.E.S.T. initiative 30 contracts, 18 were MBES or FBEs. He observed that the majority of the contracts went to female minorities but the majority of the spending went to the non minority females. He however applauded her efforts.

Member Ivory wanted to know if the budget was \$19 billion as stated in the report or \$9 billion as announced by Ms. Matthews. She said it was \$19 billion. Member Ivory asked for an explanation as to why so little allocated for the BEP goal. Ms. Matthews referenced the chart on page 2 and said the reason was that the majority of the money is spent on direct care. Ms. Sharron acknowledged that direct care is exempt from BEP goal.

Member Ivory asked that Dr. Sterling be given a chance to respond and expressed his concerns.

Chair McNeil and Secretary Cerpa expressed concerns wanting to ensure our Council meetings do not become adversarial between contractors and agencies. In addition, Secretary Cerpa noted that a Sterling Medical representative Mr. Austin was allowed a presentation at the last Council meeting. However, Mr. Sterling took time to attend from out of town and would allow Dr. Sterling 3 minutes to state his concerns after all questions were asked.

Member Corinne Pierog wanted to know why isn't there a BEP goal for drugs companies and other for-profit companies?

Ms. Matthews said that there are BEP goals for those companies such as pharmaceuticals.

Member Witherspoon asked Ms. Sharron what she was doing to spread the word about the non-medical opportunities.

Ms. Sharron said she did a series of e-blasts to all 1800 BEP vendors and handed out the listing at forums that they did. We are also utilizing sister agencies to facilitate the spreading of the word.

Member Nakachi stated that he does not think the role of the council is to be refereeing between agencies and contractors who do not get a contract.

Secretary Cerpa responded that he understood member Nakachi concerns and that he believes this would also be the consensus of the Council and would do everything for that not to happen during our meetings.

Dr. Jeffrey Sterling introduced himself as the CEO of Sterling Medical Advice and Sterling Initiative. He also introduced Mr. Marcus Austin as their Sales Director for the State of Illinois. He said he wasn't there for a "tit for tat" with HFS. He said he wanted to talk about the nature of the opportunity. He said their goal has always been to be the vehicle of quality healthcare for the citizens of Illinois. He said the primary problem as he has seen it was that there has not been sufficient oversight or protection of the would-be vendors. He said they have shown incredible flexibility throughout the process. He said they've asked for a trial contract, they asked to compete, they asked for consideration as a partner, they asked for preventative health services, and they asked to perform as an NCO. He said they have shown flexibility in order to demonstrate the value of their product and wherever they have turned they were told this is not the right venue.

Mr. Austin said there was a difference between aggression, assertive, and responsive. He said they talked to Community Care Alliance and was told by them that they have no budget yet they have contracted with the State to do business as a manage-care organization. He said all they were asking for was the appropriate accountability of the process. He urged the members of the council to make the process fair.

Secretary Cerpa thanked them for their presentation and suggested that continued dialogue between their company and HFS could be reconvened.

VII. Committee Updates

a. Procurement Committee

No Report. However, member Witherspoon stated that she does not understand although today is the deadline why no one appeared before the council on this

important issue even though they were invited to appear. She asked what can the council we do differently to facilitate people's appearance.

Chairlady McNeil said that sometimes scheduling can be different. Member Witherspoon wanted to know the lead time to these invitations. Chairlady McNeil said sometimes a month. Secretary Cerpa said within a week he tries to follow up with them when the Council requests presentations.

b. Business Development Committee

No Report

c. Capitol Access and Banking Committee

Chairman Coleman said the committee continues their work on identifying the non-for-profit and venture capitalist firms that provide start up firms. They are about half way finished with the non-for profit entities and some major work still need to be done with the Venture Capitalist firms. It may require some phone calls.

d. Certification Committees

Member Beth Doria reported that an appeal was tabled at the last meeting pending more information and that they will be meeting immediately after the council meeting to render a decision.

e. Policy, Rules and Enforcement

Chairlady Doria said when they reviewed the bulk exemptions there were some from Higher Education that they wanted to get clarification on. There were conference calls held and the issues were clarified. The committee voted to allow the exemptions to continue.

VIII. New Business

No New Business

IX. Public/Vendor's Testimony

Representatives from Tow Tech Plumbing Virginia Reyes and Maria Rosales represented the company. Ms. Reyes said she was the owner and founded the company, a Chicago based company 130 shop located on the west side of Chicago. She started the company in 2001. She started the company with one woman two tradesmen shop and today it is one woman twenty seven tradesmen shop. She sponsored a number of apprentices at her shop, many of

them becoming journey men. All of which are people of color. The company is well known and respected in the Chicago area for their industrial, commercial, and utilities plumbing services. Tow Tech is certified with the city of Chicago and the State of Illinois as a Minority and Female Owned Business and as a DBE with the Chicago Transit Authority. She said her purpose for coming to the Council has to do with Waivers. She would like to focus on good faith and participation. Companies have phones them the same day the bids are due. She does not believe that constitutes good faith efforts. She also said the cost was high for a small company like hers that rarely gets contracts. She proposed that Good faith and participation be given more operationalized definition. That is, they should be defined to follow the true intent and spirit of the statute. She believes that because of the ease of obtaining waivers, it is suppliers that are often selected only to comply with the statute. She proposed the inclusion of minority skilled trades such as plumbers and pipefitters. She mentioned that she attended the Capital Trade Speed Dating event in Kankakee sponsored by Dr. Fred Coleman and found it to be helpful. She ended with the adage: "Give a man a fish, and you feed him for a day; teach him how to fish, and you feed him for a lifetime".

Secretary Cerpa wanted to know if there are specific agencies she usually bid for jobs. She said Tollway and Capital Development Board (CDB). She informed the council that because she went to the speed dating event in Kankakee, she got her first job with one company at the event.

Member Doria told Ms. Reyes that any vendor contacting her on a last minute basis is not acceptable that she should make the Council aware of that. She said it is a small job.

Member Nakachi asked Ms. Reyes whether she attempted to get a core group of general contractors that believe in your skills and your company that will give you opportunity at the front end of the contract rather than people who do not know you and would not give you that opportunity. She responded that she has a listing of about 300 clients. She said that is why she is branching out. She said she has a lot of letters of recommendation.

Dr. Coleman shared with the council a special initiative he undertook. He reminded the council about the March 2014 when he asked two East Central Illinois prime bidders in the mechanical trades to come and speak of some of the issues and challenges of finding and utilizing vendors in the East Central Illinois area. They wanted to be introduced to Chicago area minority vendors. This led to the organization of the speed dating event held in Kankakee on June 12, 2014. He wanted to show the result of the feedback from that event. It is rewarding to have businesses meet face to face and talk. Unlike vendor fairs that have limited dialogue and exchange of view.

X. Adjournment

- Paul Cerpa called for Adjournment
- Member Coleman casts for a motion (moved) for Adjournment
- Member Witherspoon seconded the motion to Adjourn.
- Meeting was Adjourned as of 3:45 PM
- Next Council Meeting will take place on Monday, July 28, 2014-1:30 PM



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Health and Family Services Presentation attachment: