

Business Enterprise Program Certification Subcommittee Meeting
Minutes

**100 W. Randolph
Room 4-404
Chicago, IL 60601**

Monday, May 22, 2017- 1:00 PM

COUNCIL MEMBERS IN ATTENDANCE

Beth Doria, Sharla Roberts, Karen Eng, Marcus Yancy, Larry Ivory

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

**Business Enterprise Program Council
CERTIFICATION SUBCOMMITTEE MEETING**

Monday, May 22, 2017

1:00 pm – 2:30 pm

AGENDA

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Posted Business
 - Elect a Certification Subcommittee Chairperson
 - Define subcommittee description, objectives, & goals
 - Define suggestions on BEP possible agreements accepting national certifications
- V. Old Business
- VI. New Business
- VII. Define Action Items
- VIII. Suggestions for full BEP Council meeting agenda
 - Next Council Meeting – July 24, 2017
- IX. Adjournment

I. Welcome

Member Doria welcomes all.

II. Call to Order

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

III. Roll Call

Roll call conducted. Quorum was established.

IV. Posted Business

- **Elect a Certification Subcommittee Chairperson**

Member Sharla Roberts unanimously voted as chairperson of the Certification Subcommittee.

- **Define subcommittee description, objectives, & goals**

1. Review the possibilities of accepting the national Minority Supplier Development Council (NMSDC) and Women's Business Enterprise National Council (WBENC) certification as part of State of Illinois BEP Recognition process by the 3rd quarter of 2017.

Member Doria asked whether this has been addressed in a previous council meeting. Mr. Gutierrez said it was referred to the certification subcommittee by the full council. Member Doria said this issue goes back about a year and a half ago and there were some discussions about the differences in the review process and the fact that the NSNDC and the WBENC are for-profit certification groups. Chair Roberts noted that they were set up as not-for-profit entities. Member Doria acknowledged that they do in fact charge for the certification application based on the size of the company. She said there are some financial gains for these organizations in processing these applications. She further said these organizations have a different set of criteria for evaluating these applications from the public entities. Chair Roberts said CMSDC is part of a national organization and their certifications are the same except you have regional offices. She said the issue is that the University of Illinois does business with companies all across the country and what they have been struggling with is being allowed to accept other certification to gain credits. She further said their goal is to do business with minority/women owned businesses. She stated that they have a recognition agreement with CMSDC but there are lots of companies that do business with us that are not certified with CMSDC. She said they can get certified but they will have to go to CMSDC to go thru an extra step that she does not deem necessary.

Mr. Gutierrez said WBDC process is more robust. They want the vendors to give us the letter and we in turn submit the letter to WBDC. He said according to the national organization charter, once you are certified with one of the eight regional offices, you are certified through them. He said the issue is we have an agreement with WBDC not WBENC therefore these certified vendors will have to go through WBDC in order to be validated.

Member Doria is trying to understand where the issue is regarding this process.

Chair Roberts said all we need to do is to codify an agreement with WBENC regarding its affiliates. Member Doria said this issue is getting into the technical. She believes that once you accept certifications from WBDC, you are in fact accepting certificates from WBENC. Mr. Gutierrez responded by saying technically yes but for auditing purposes we have to have that spelt out in the agreement. He said we will need to modify the agreement with CMSDC as well as WBENC in order to be inclusive. He further said we are also working on an agreement with Mid-States which are part of NSMDC. He said once this issue is addressed, we will be able to eliminate the barrier for those vendors that want to be certified.

Member Doria talked about the potential pushback that might arise from Illinois based vendors concerning accepting businesses from out of state at their expense.

Chair Roberts responded by saying she does understand but we do not have a local preference law. Member Doria asked whether there is a preference for local businesses. Chair Roberts said she always asked for local first but we do want to be inclusive by encouraging local participation. Member Doria asked if we can facilitate that because as an Illinois based business, she would hope that you will want her to get the business because that would create jobs in Illinois. She was wondering whether this should be an outreach issue. Mr. Gutierrez said this is a certification issue because it impacts who gets certified.

Mr. Ivory said there are some states that have local preferences. He said Jim Wolf was authoring local preference legislation but he does not know how far it has gone. He further advised that if an out of state firm comes in lower than a local firm but the contract was awarded locally, it could be challenged. He said in order to avoid this; we have to change the laws.

Chair Roberts advised that we stick to the issue at hand and asked whether this is something that we want to do for certification. Mr. Gutierrez said he was in favor of creating a seamless process and

having more inclusive vendors by doing away with barriers. Member Doria wonders whether it could be implemented in such a way that it could be revisited in case of a push back from local businesses. Mr. Gutierrez further advised that this could be implemented as a pilot program for about a year at which time an evaluation could be carried out. Member Doria asked what would happen to those vendors that have been accepted in the event the pilot program is to be cancelled. Mr. Gutierrez said during their time of renewal, be advised that our policy has changed and they are now required to go thru WBDC in order to get certified. He said that way they are not being excluded.

Member Doria wants to know whether MSNDC tells their various regional agencies like CMSDC that they can only certify people that are within their region. Mr. Gutierrez said he will not be able to answer that question but it should be referred to member Hill-Morgan.

Chair Roberts said her assessment is to improve her numbers and be inclusive. She wants for the vendors to go thru a more seamless process. Member Doria is concerned with having out of state vendors taking jobs from local businesses.

Member Ivory said his concern is having outside firms winning contracts and bringing subcontractors from out of state thereby shutting out local businesses.

Chair Roberts said based on her experience as it relates to services oriented contracts, local vendors are usually used. She recommended that CMS draft a new agreement and have the subcommittee review the language. Members Ivory and Chair Roberts concurred. Mr. Gutierrez said he would run it by the legal counsel and ask him to draft an agreement.

2. Review biannually the JCAR part 10 Business Enterprise Program: Contracting with business owned and controlled by minorities, females and persons with disabilities subpart D, E, F and G.

Mr. Gutierrez talked about IDOT having a life-time certification which includes an annual No-Change instead of a recertification. He said it is trying to make the process less cumbersome for the vendors.

Member Doria said that the 5-year certification was mainly a got-cha thing because of all the front companies.

Chair Roberts wants to know how many vendors are kicked out by the system. Mr. Gutierrez said it was somewhere between 7% and 12%. He said this is primarily due to change of email address and personal information.

Secretary Peterson said last week he and Carlos meet because there was a glitch in B2GNow that was not sending out reminders to vendors for recertification. He said the “on” switch” had now been turned on. It was in the off position. Therefore, that problem has been resolved. He also said he and Carlos would meet shortly to come up with a list of documents to request form vendors for recertification. He stated that the report will be available for the next subcommittee meeting.

3. Regarding reviewing on a bi-monthly basis the progress on all certification files pursuant to Part 10 Section 10.62 of JCAR, member Doria said it is explanatory and needs no further deliberations.

4. Regarding reviewing the amount of time a file takes to get certified, member Roberts recommended it be done on a quarterly basis. She later said they would need a report from Mr. Gutierrez about where they are and then a recommendation could be made.

Secretary Peterson informed the subcommittee that he and Carlos developed a certification process whereby it takes 5 days on average to process full certs and well as recognitions. He said he and Carlos meet on a weekly basis to see how much work load each analyst has. He said the last audit that we had was at 98% of approval on the state’s statute of 60 days.

Member Ivory wants to know the percentage of growth regarding BEP vendors. Mr. Gutierrez said he had not seen any growth which he blamed on the state’s financial crisis. Member Ivory said if the rate of growth is less than the rate of shrinkage then we will be faced with a shrinking pool of vendors to work with. Mr. Gutierrez said two factors that are hurting the growth of BEP vendor pool are; 1. Lack of state’s budget and 2. The lack of on-time payments to vendors.

Secretary Peterson told the council that the last 2 years have seen the highest state spend on BEP vendors despite the budget crisis. He said this something to celebrate.

5. On the issue of reviewing and recommending better customer service that is responsive to the client needs, Member Doria said we would get a lot of mileage if we were to send out informational newsletters to all BEP vendors talking about the BEP program; highlighting the work that are being done, highlighting the spend and the work of the council. She said this could be done on a quarterly basis. Chair Roberts believes this should be the work of the Outreach Committee.

6. On the issue of reviewing and participating on Appealing Hearings at least 95% within the fiscal year, the committee agreed that 80% would be preferable. They also advised that the language should be reflective of the Opens Meeting Act. Mr. Gutierrez informed the council that Ride Right LLC will be appealing to the full council.

Member Yancey said he would prefer having the subcommittee meet on a monthly basis rather than bi-monthly because there is so much work to be done.

Member Doria reminded member Yancey that the number of meeting was just changed due to the lack of attendance.

Secretary Peterson said going forward the progress of these meetings will be monitored and the determination made whether to go back to the monthly basis.

Member Doria talked about outside employment which facilitated lots of appeals. Chair Roberts said taking it on a case by case basis is working well thus far.

Member Ivory said that the big issue that he is hearing from people is when majority firms do business in the state, they do not have to jump through hoops unlike those that are going through certification. He wonders whether those hoops are not a deterrence to discourage people from doing business. He further talked about the denial of applicants because of the lack of ethnicity being mentioned on the birth certificates. Mr. Gutierrez acknowledged that but said usually he uses their parents or grandparents birth certificates because such information is provided.

Member Doria wants to know if Secretary Peterson will be participating in the GPC forum. Secretary Peterson said at this time he was not aware that he was participating but would be glad to participate.

Member Eng recommended that things Secretary Peterson injected should be put on the agenda or documented before the meeting. She said that would be helpful. Secretary Peterson agreed and said that next time he will have a report on BEP is currently doing.

- **Define suggestions on BEP possible agreement on accepting national certifications**

The issue regarding BEP possible agreement on accepting national certifications has been addressed above.

V. Old Business

None

VI. New Business

None

VII. Public/Vendor's Testimony

None

VIII. Adjournment

Chair Roberts motioned for adjournment. Member Eng seconded. Vote taken and motion to adjourn passed. Meeting adjourned at 2:23pm.