



NOTICE

**Business Enterprise Council
COMPLIANCE SUBCOMMITTEE MEETING
Friday, December 18, 2020
1:30 pm – 3:30 pm
Location: WebEx Meeting**

MINUTES

I. Welcome

Chair Roberts welcomed everyone to the meeting.

II. Call to Order

Chair Roberts called the meeting to order at 1:32 pm. Kori Acosta proceeded with roll call.

III. Roll Call

Roll call was conducted. Quorum was established.

BEP Compliance Subcommittee				
ATTENDANCE ROSTER: COUNCIL MEMBERS				
Members	Present			Absent
	In person Chicago	In person Springfield	via WebEx	
Sharla Roberts, Chair			x	
Denise Barreto				x
Larry Ivory			x	
Jesse Martinez			x	



Sharron Matthews			x	
Jonathan McGee			x	
Edward McKinnie				x

Note: Meeting was held via WebEx video conference to adhere to the social distancing guidelines, due to the COVID -19/Coronavirus pandemic.

Agency Representatives

BEP Compliance Subcommittee				
ATTENDANCE ROSTER: Agency Representatives				
Agency	Representative	Present		
		In person - Chicago	In person - Springfield	via WebEx
Central Management Services	Kori Acosta			
	Radhika Lakhani			
	Julie Langrehr			
	Nicole Mandeville			x
	Patricia Pérez			
	Harry Reinhard			
	Rebecca Roussell			
	Courtney Woods			
Illinois Tollway	Jose Alvarez			x



BEP Compliance Subcommittee				
ATTENDANCE ROSTER: Agency Representatives				
Agency	Representative	Present		
		In person - Chicago	In person - Springfield	via WebEx
	Sainey Jobe			
	Angela Arrington Jones			

Total: 8 CMS and other Agency Employees attended this meeting.

Posted Business

IV. Approval of the Minutes for November 18, 2020 BEP Compliance Subcommittee Meeting

Member Matthews motioned to approve the minutes from November 18, 2020.

Member Martinez seconded. All agreed. The minutes were approved.

V. Item

a. Update on Pharmaceutical Related Contracts with State Agencies

Ms. Mandeville apologized for not having the information at this time but stated they would be able to share it later.

Chair Roberts welcomed new Council member, Jonathan McGee to the Compliance Subcommittee and gave him the floor. Mr. McGee introduced himself as Deputy Director of Regional Development at the Department of Commerce and Economic Opportunity, overseeing the 10 economic regions in the state.

b. Goal Setting

i. Mr. Reinhard shared and presented the new goal setting plan.

- The highlight of the new process is the replacement of the denominator of the Hoover’s database with BidBuy.

In accordance with the Illinois Open Meetings Act (5 ILCS 120) and the Freedom of Information Act (5 ILCS 140) the above meeting is open to the public
BEP Council Compliance Subcommittee



- The FastTrack certification program will increase the vendor pool resulting in higher goals on contracts.
 - Consolidation of coding schemes to one – the NIGP Coding system. A common system reference with the elimination of crosswalk tables.
 - The number of required BEP vendors certified within an NIGP Code has been reduced from 3 to 2. This action will result in more solicitations are eligible for goal setting.
 - The roll out the manual is upcoming in the next couple of weeks. There are 16 agencies identified to be a part of the pilot project. February 1st is the full launch of the new goal setting methodology to all state agencies. There are a series of trainings on the calendar before the launch.
1. Mr. Reinhard confirmed that anecdotal data and historical evidence are employed in the goal setting process. Rater large goals in some areas are anticipated and will be handled on a case by case basis as with all processes currently.
 2. Member Matthews asked that evaluation of prior performance be a crucial part of looking at potential primes.
 3. Member Martinez pointed out that vertical construction has the advantage of line item cost estimates in setting goals.
 4. Chair Roberts outlined that the goal setting process included putting the weighted dollar amount on each goal setting but did not know whether it was commonly used. Mr. Reinhard confirmed this.
- ii. 1:45 – 2:30 pm; Illinois Tollway
1. Chair Roberts introduced Jose Alvarez to give an overview of the Illinois Tollway’s compliance and goal setting, especially when it comes to their professional services contracts.
 2. Mr. Alvarez stated that the challenges he is facing on the professional services side is on any CMS master contract that they are required to use. He noted that he has his staff reach out to see if they are willing to add additional goals.
 3. Mr. Alvarez said it is hard for his staff to confirm compliance and they need help. Mr. Alvarez said he wants to be able to ask contractors for additional participation if possible. He explained that they just brought a contract up for renewal for Grainger and had a very hard time getting information on their compliance on the goals CMS set which is the issue.



4. Mr. Alvarez stated they give waivers consideration, but they have not issued any for the last year and on the professional services side that translated to them going from 40 to 60%, so that the majority are minority.
5. Mr. Alvarez reported that they are at about 28% minority on the construction side and have a long way to go there. He said he believes they are going to end up at about 40 totals for the year.
6. Mr. Alvarez stated he is holding himself accountable, Director Davis and Chairman Evans are holding him accountable to make sure they are monitoring and making sure everyone is complying.
7. Ms. Arrington-Jones stated they are currently monitoring all their contracts in the B2GNow system. She reported that as of January 1 they began to take over that process from CMS.
8. Ms. Arrington-Jones said they are now in a clean-up phase where they are reaching out to vendors to ensure all their information is up to date.
9. Ms. Arrington-Jones stated that the B2GNow system requires primes to report payments to subcontractors and for subcontractors to confirm that information in their system.
10. Ms. Arrington-Jones reported that another process that they will be starting in 2020 that they currently do on the construction side which is why they do so well in ensuring that subcontractors are performing on contracts and being paid is they are part of the payment process.
11. Ms. Arrington-Jones stated if contractors are not being paid, they will hold payment, they will work with the primes and subcontractors where there are challenges, and they will be implementing those same kind of practices on their goods and services side in the 1st quarter of 2021.
12. Chair Roberts asked Mr. Alvarez to briefly discuss collection contracts. Mr. Alvarez stated that in his opinion the goals were too low for the pool of companies available that can perform the work. He said they are now in the process of putting together a new solicitation for collection services to be out at the latest, the 2nd week of January and it is structured to allow diverse and minority contractors to compete.
13. Ms. Arrington-Jones announced the goal is 10% of the current contract.
14. Member Ivory congratulated the Illinois Tollway on their growth. He said there is work to be done in professional services and collections. Member Ivory asked Mr. Alvarez to ensure that collections contractors



are not making it difficult for subcontractors to perform which he has seen happen across the state and is common practice.

15. Member Ivory asked about the numbers in construction and professional services regarding African American and Hispanic participation.
16. Mr. Alvarez replied that on the professional services side African Americans are doing a lot better than Hispanics, while on the construction side it is the opposite.
17. Mr. Alvarez said they made 2 changes on the evaluation committee, they added contract compliance and bundling more opportunities by breaking projects down to increase diversity participation.
18. Mr. Alvarez stated that access to insurance is another big barrier, so they asked the board to approve an insurance program to put out these bundled opportunities with insurance already included.
19. Mr. Alvarez noted that there is a cap on the bundled opportunities so that the big companies are not eligible to bid on them.
20. Mr. Alvarez asserted that the non-minority portion of the pie is so big that they need to focus on getting the small minority portion to increase. He asked how can the subcommittee help bring together firms to submit a joint proposal to compete against the larger firms?
21. Chair Roberts asked that if Grainger is not meeting their goal are, they still recommending them to do business with the Illinois Tollway or taking the actions that are recommended in the BEP Act? She asked what kind of enforcement are they practicing?
22. Ms. Arrington-Jones stated this did go back out to Grainger and they did return it with the goal met. She said they can ensure as they move forward that primes are meeting the goal and going into 2021, they will be doing that in the goods and services side as well. Ms. Arrington-Jones affirmed that holding payments is good leverage.
23. Ms. Arrington-Jones noted that B2GNow is very helpful in monitoring, they have timelines, and consistent ongoing monitoring is important to get to where they want to be on that contract.
24. Chair Roberts noted that withholding payments is something the BEP Compliance Subcommittee should parking lot because she believes they could work with the Comptroller on this to assist other agencies on doing the same.



25. Ms. Mandeville stated CMS is working on a scorecard that the agencies can use to leverage.
 26. Mr. Reinhard gave kudos to the Illinois Tollway for many times increasing the calculated goal for the contract.
 27. Chair Roberts asked, sheltered market such as IT and if there are any other markets Mr. Alvarez would like for CMS to do analytics.
 28. Chair Roberts asked that the BEP Compliance Subcommittee receive quarterly compliance reports from DCMS.
 29. Ms. Mandeville responded they would take that under advisement.
 30. Member Matthews asked why they would not be able to provide that.
 31. Mr. Reinhard replied that they could have that information at their fingertips if they had access. Chair Roberts requested that they be given access. Mr. Reinhard will investigate the system access request by the Committee.
- c. Update on BEP Act Section 8(g) reporting process
This item was skipped.
 - d. 2020 by 2020 report
This item was skipped.
 - e. Compliance Plan Review
 - i. Mr. Reinhard stated that expenditures to BEP vendors for FY 20 will surpass prior years. He then presented the compliance exemption data sheet completed by all institutions and explained that without considering requested exemptions in the statewide goal setting formula, the BEP goal for FY2020 would increase from \$912.8 Million to \$11.6 Billion as calculated by the Compliance Plans submitted. He noted the FY2020 BEP Expenditure Report is due to the Governor and General Assembly on March 1st and was seeking final clarity as to how the FY20 statewide BEP goal would be calculated for the report.
 - ii. Member Ivory commended Mr. Reinhard for his data collection skills. He asserted that he wants to be crystal clear and undeniable in his vote against requested exemptions.
 - iii. Member Matthews emphasized the need for a process on how to proceed going forward.
 - iv. Member Ivory explained that nothing is going to change unless they make changes and he recommended that they move forward with the process.



- v. Member Matthews emphasized that they need this resolved now. She said that this major change cannot continue to be moved.
 - vi. Ms. Mandeville stated they need to run this guidance through the Governor's Office.
 - vii. Member Ivory noted that white males represent 50% of the population yet receive 90% of the contracts. He wants to be clear that the council has voted on this, sick and tired of people not being on board, as the President of, Black Chamber of Commerce.
- f. Update on the process for discontinuation of additional requests for exemptions
- i. Chair Roberts requested that Mr. Reinhard put together a process for the discontinuation of additional requests for exemptions for presentation at the next BEP Compliance Subcommittee meeting to finalize, approve, and move forward.
 - ii. Member Matthews was alternately identified to craft a process for discontinuation of additional requests for exemptions.
 - iii. Ms. Mandeville pointed out the need for the discontinuation of additional requests for exemptions to be taken to leadership, the Governor's Office, to discuss the appropriate path forward.

VII. Define Action Items

VIII. Upcoming Business Enterprise Council & Subcommittee meeting dates:

- Next Council Meeting – Monday, January 11, 2021
- Next Certification Subcommittee Meeting – Monday, January 25, 2021
- Next Outreach Subcommittee Meeting – Tuesday, January 26, 2021
- Next Compliance Subcommittee Meeting – Wednesday, January 27, 2021

IX. Public / Vendor Testimony

Chair Roberts asked if there was public/vendor testimony. There was none.

X. Adjournment

Member Matthews moved to adjourn. Member Ivory seconded. All agreed. The meeting adjourned at 3:19 pm.