

**Business Enterprise Program Council for Minorities,
Females, and Persons with Disabilities Meeting**

MEETING MINUTES

**Monthly Council Meeting
Location: Video Conference Room 2-025
James R. Thompson Center
100 W. Randolph Street, Chicago, Illinois**

Monday, October 25, 2010 1:00 p.m.

COUNCIL MEMBERS IN ATTENDANCE

Beth Doria
Alesia Hawkins
Lourdes Coss
Patrick Blair, via video conference
Hedy Ratner
Michael Gonzalez
Florence Cox
Jesse Martinez

COUNCIL MEMBERS NOT IN ATTENDANCE

Phillip Barreda
Larry Ivory
Lawrence Parrish
Nelida Smyser-De Leon
Lynne Turner

COUNCIL CHAIRMAN

James P. Sledge, CMS/ Director

ACTING COUNCIL SECRETARY

Elias Ricks Ngwayah II, CMS/BEP

CMS STAFF IN ATTENDANCE

Agueda Corona, Disparity Study Manager
Tasha Green Cruzat, CMS/ Chief Operating Officer
Philina King, CMS/BEP Legal Counsel
Jacob Stuckey, Special Assistant to Director James Sledge
Nadine Lacombe, CMS General Counsel
Steve Schweitzer, CMS Legal Counsel
Susan Hartman, CMS/BOSSAP
Ellen Daley, CMS Legal Counsel
Lynn Carter, CMS Deputy General Counsel, Procurement
Yvette Riley, CMS/BEP
Gladys Rodriguez, CMS/BEP
Harry Reinhard, CMS/BEP
Leslie Taylor, CMS/BEP

OTHERS IN ATTENDANCE

Vir Doshi, Healthcare and Family Services
Jenny Waldinger, Contract Compliance Director, Northstar Lottery Group

Timothy Fishburn, Illinois Procurement Policy Board
Ben Bagby, Chief Purchasing Officer for Higher Education
Michael Fries, General Counsel, IL Gaming Board
Erin Alexander, Deputy General Counsel, IL Gaming Board
Leonard McGee, Illinois Capital Development Board
Ngozi C. Okorafor, Legal Counsel for Illinois Capital Development Board

AGENDA

- 1.0 CALL TO ORDER
- 2.0 ROLL CALL
- 3.0 APPROVAL OF THE MINUTES OF THE REGULAR COUNCIL MEETING HELD ON September 27, 2010
- 4.0 CHAIR'S REPORT
- 5.0 POSTED BUSINESS
 - 5.1 Disparity Study Update – Agueda Corona
- 6.0 UNFINISHED BUSINESS
 - 6.1 Committee Updates
 - A. Exemption/Compliance Committee
 - B. Bonding Committee
 - C. Professional Services
 - D. Policy/Enforcement Committee
- 7.0 NEW BUSINESS
- 8.0 ADJOURNMENT

CALLED TO ORDER

James P. Sledge, Director for Illinois Department of Central Management Services, called the Business Enterprise Program Council meeting to order at 1:40 PM.

Elias Ricks Ngwayah II, Acting Business Enterprise Council Secretary, took roll call.

MINUTES OF COUNCIL MEETING OF September 27, 2010

The minutes of the Council meeting held September 27th were approved without opposition or abstentions.

2010 COUNCIL MEETINGS

The upcoming BEP Council meetings will be scheduled for the fourth Monday of each month, from 1:30 PM. to 3:00 PM. The start time for the BEP Council meetings has been switched from 1:00 PM to 1:30 PM, effective, September 27, 2010.

The Council meeting calendar for 2010 is as follows:

22nd November 2010 – JRTC, Room 2-025

27th December 2010 – JRTC, Room 2-025

POSTED BUSINESS

Chair James Sledge called for presentations.

Agueda Corona reported on disparity study.

Updates are as follows:

- Mason Tillman finalized the data verification reports.
- Mason Tillman will conclude the industry classification by next week.
- Anecdotal interviews are ongoing.
- There will be a disparity study oversight committee meeting held on Thursday, October 28, 2010, 2:00 PM at the James R Thompson Center 100 W Randolph Street, 16th Floor – Chicago.
 - Ms. Corona noted that Dr. Eleanor Ramsey and Lynn Reddrick from Mason Tillman will be present at the meeting via teleconference.

UNFINISHED BUSINESS

Chair James Sledge called for committee updates.

A. Exemption/Compliance Committee - No Report

B. Bonding Committee - No Report

C. Professional Services Committee – No Report

D. Policy/Enforcement Committee

Member Beth Doria reported on the policy/enforcement committee. Ms. Doria advised that her committee continues to meet and will meet again shortly after today's meeting.

NEW BUSINESS

Chair James Sledge called for new business.

Chair James Sledge introduced Michael Fries, General Counsel – IL Gaming Board. Chair James Sledge thanked him for attending today's meeting and advised council members that any details concerning open procurements will not be discussed.

Chair James Sledge yields floor to Michael Fries.

Michael Fries reported on video gaming procurement issue and the State's legalization of video gaming. After his presentation, he addressed members' questions and concerns.

Highlights and key points of discussion are as follows:

The Illinois Gaming Board (the "IGB or "Board") regulatory responsibility, including procurement issues:

- July 2009 video gaming was legalized in Illinois implementing a new industry. The Video Gaming Act (Public Acts 096-0034, 096-0037 and 096-0038) (the "Act") allows for video gaming terminals to be placed in certain liquor establishments, truck stops and fraternal/veterans clubs throughout the state.
- IGB is mandated to regulate the commercial casino industry in Illinois.

Diversity:

- IGB is a diverse organization with a total of 200 employee's statewide. Out of the 200 employee's, 47% are minority and females.

RFP solicitation and procurement issues:

- IGB issued an RFP in December 2009 for the design, implementation and administration of a Central Communications System for video gaming.
- IGB made a determination that it was in the state's best interest to terminate the contract that had been signed by the vendor, Scientific Games International, Inc.
- IGB will start over and rebid video gaming contract. The bid has been reposted on IGB website and due December 2010.

Protest:

- Protest and responses are available to the public.

Member's concerns and recommendations:

- BEP participation in proposals.

Chair James Sledge yields floor to Jenny Waldinger, the Contract Compliance Director for Northstar Lottery Group.

Jenny Waldinger presented information regarding Northstar Lottery Group contract structure and timelines for the private management agreement contract. She provided a detail overview of the company's operational activities, explaining breakdown of management expenses, general expenses and lottery reimbursement expenses. After her presentation, Ms. Waldinger addressed Council member's questions and concerns.

Highlights of presentation are as follows:

- Contract Timeline: private management agreement contract is in the finalization stage. Northstar Lottery Group is expected to be fully operational by July 1, 2011.
- Overview of Northstar Lottery Group procurement and employment opportunities.
- Updates on Northstar Lottery Group minority outreach program.
- Vendor Outreach Fair scheduled on or around December 2010.
- Northstar Lottery Group will report program and contract performance to Illinois Department of Revenue, IL Lottery and Governors Office and all interested parties to ensure accountability.
- Northstar Lottery Group will utilize Illinois based qualified BEP certified-firms. Minority subcontracting dollars will remain in Illinois.

Discussion on waivers and exemptions

Member Jesse Martinez and Leonard McGee provided a summary of Illinois Capital Development Board current procurement issue, various emergency level procurements and asked how the Council reviews state agency waiver and exemptions. Chair Sledge stated that this issue will be reviewed further by CMS and BEP legal and communicated to Jesse Martinez and Council members.

Next Steps:

- Next meeting is scheduled for Monday, November 22, 2010, James R Thompson Center, 100 W Randolph Street, Room 2-025, 1:30 PM to 3:30 PM.
- CMS/BEP legal will communicate to Jesse Martinez and Council members state agency waivers and exemptions requirements pursuant to the BEP Act.

- CMS/BEP Counsel, Philina King will brief members' on the Open Meetings Act.
- Member Jesse Martinez volunteered to chair the exemption/compliance committee replacing Raymond Arias.

Meeting Adjourned at 2:35 PM