

**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 60602

401 S. Spring St.
Room 500 ½
Springfield, IL 62706

Monday, February 24, 2014- 1:30 PM

COUNCIL MEMBERS IN ATTENDANCE

Fred Coleman Florence Cox Nelida Smyser Deleon Beth Doria Larry Ivory Corinne Pierog
Jesse Martinez Perry Nakachi Marva Boyd Hedy Ratner Lynn Marie Turner

COUNCIL MEMBERS NOT IN ATTENDANCE

Joan Archie Richard Boykin Omar Duque Alesia Hawkins Samantha Hufnagel Rodney Lewis
Charisse Witherspoon Alfred Ramirez

COUNCIL CHAIR

Simone McNeil, Chairlady

COUNCIL SECRETARY

Paul Cerpa, BEP Deputy Director

CMS STAFF IN ATTENDANCE

Elias Ricks Ngwayah II Harry Reinhard Jeanetta Cardine Leslie Taylor Susan Hartman
Carlos Gutierrez Chima Enyia Tom Mikrut Roger Nondorf Ngozi Okorafor

OTHERS IN ATTENDANCE

Brett Cox Art Moore Michelle Casey Matt Brown Deanna Rossetto Ben Bagby
Gustavo Giraldo Grady Norwood Jr Philip Dalmay Anthony Johnson Pat Hanlon
Donna More Dreena Jones Sharla Roberts Emmanuel Jackson Laura Sanchez

I. Welcome

- Paul Cerpa welcomes all.

II. Call to Order

- Paul Cerpa called the meeting to order and then conducted the roll call.

III. Roll Call

- Joan Archie – Absent
- Richard Boykin – Absent
- Fred Coleman - Present
- Florence Cox – Present
- Nelida Smyser-Deleon – Present
- Omar Duque – Absent
- Alicia Hawkins - Absent
- Samatha Hufnagel - Absent
- Larry Ivory – Present
- Rodney Lewis – Absent
- Corinne Pierog – Present
- Jesse Martinez – Present
- Perry Nakachi - Present
- Marva Boyd – Present
- Hedy Ratner – Present
- Beth Doria - Present
- Lynne Marie Turner – Present via Teleconference
- Charisse Witherspoon – Absent
- Alfred Ramirez – Absent
- Simone McNeil, Chairwoman - Present

IV. Approval of Minutes

- Minutes from December 12, 2013. (Moved and Seconded; Approved; Motion Carried)

V. Chair's Report

- No Chair's Report
- Paul shared with the Council that for FY13 there is a reporting of 31.1% of BEP participation. The previous report for FY12 was 27.7%.

VI. Posted Business

Veterans Business Program

The Veteran's Business Program (VBP) is under the Public Act 0970260 and the Illinois Administrative Code 44-20. It is the policy and the goal of the State to promote and encourage the continued economic development of small businesses owned and controlled by qualified veterans and qualified service disabled veteran owned small businesses...and to ensure that they participate in the State's overall procurement process both as prime contractors and sub-contractors. The actual Veteran's Administration Program is going to be administered by CMS and IDVA.

CMS will primarily administer the certification of service disabled veterans and veteran owned businesses. They will also oversee and coordinate the contract compliance reviews and reporting of annual spending with veteran's businesses. IDVA will primarily be handling the program's outreach and keying upon the recruitment efforts of the program. There will also be a committee of both agencies made up of five individuals, two of which will be appointed by the Director of CMS and the other three will be appointed by the Department of Veteran Affairs. These appointments will last two years and that committee will select a Chairperson who will serve until his or her term expires. The purpose of that committee will be to primarily oversee the certification process for qualified serviced disabled and veteran owned businesses and review of program achievements and its policies. We are in the process of accepting names along those lines in consideration for appointment to that actual committee.

Pursuant to the section of 4557, the Procurement Code, not less than 3% of the total value of the State contracts as defined by the Director of CMS will be the goal of awarding contracts to service disabled and veteran owned businesses. In part we are looking at the same number of dollars that are as subject to goal as it is for the business enterprise program. Those dollars that are exempted will remain exempted as well for the Veteran's Business Program as we move forward and implement this program that has been awaiting implementation for quite some time. The roll out of the program is targeted for March.

Sheltered Market

Chief Procurement Officers, Ben Bagby from Higher Education and Matt Brown from General Services commented on their understanding of the Sheltered Market.

Ben Bagby responded with thoughts on the IT Disparity Study. He stated that he had read each of the documents and related background information and that he had distributed it to the State Purchasing Officers and the University Purchasing Directors. He let them know that more needed to be done in the BEP program area. He also thought that having the authorization from the Council to utilize a set aside in the IT Telecom area and the commitment from CMS to help

identify procurements appropriate for set aside treatment is a good thing. He stated that if a set aside is appropriate to address IT Telecom disparity, he would exercise his procurement authority and approve by issuing a solicitation with a set aside designation.

He also said that he did have some concerns and would share them. Before attending the Council meeting, he met twice with CMS and the Disparity Study Consultant with the hope that his last few concerns could be explained away. He felt they didn't quite get there. So he was in attendance hoping that the Council could help allay his concerns. He wanted to note that he was not speaking on behalf of the Universities, but making observations based on his understanding of the study.

In short he was uncomfortable about some of the legal ramifications of the race and gender neutral statements in the Disparity Study.

Matt Brown stated that he had also met with CMS and the Disparity Study Consultant and that in concurrence with Ben, that as appropriate the Sheltered Market should be implemented to satisfy requirements for diversity in the State of Illinois. He also had points of concern from an area where a program is currently operational. He talked about the concept of availability and capacity that would be in association with Procurement trying to put their best foot forward as procurers, dissecting opportunities to conduct business with the State of Illinois.

Availability and capacity in the vendor marketplace and their desire to actually want business with the State of Illinois which not easily measured. He stated that the concepts were not mutually exclusive, but they are relevant considerations in understanding what can be accomplished to promote diversity and find minority, female and disabled owned businesses to offer the best opportunities with the State of Illinois. Specifically in IT, the State's contracting opportunities have been erratic. They are not issued in any regular fashion. And on any particular schedule. The needs are diverse and change frequently...

In short Diversity should be a priority...Procurement has asked for a review and study of IT and established a small business set aside specifically IT. They've looked specifically at goal setting to focus in this area, but have not been able to measure those particular efforts to this particular point of interest.

There remains a need to establish rules and procedures to rely on for the measurement of the Sheltered Market. In order to apply the Sheltered Market correctly when called for, it is necessary to measure and remove the requirement as the strict scrutiny rule applies to all aspects of the Sheltered Market.

VII. Committee Updates

a. Procurement Committee

No Report.

b. Business Development Committee

Nothing to report

c. Capitol Access and Banking Committee

Committee Chair gave an oral report, stating that the CABC Committee has been working on obtaining the non-profit agencies that provide various means and sources of capital. They anticipate be able to finalize their effort in that regard, including all the other agencies and financial institutions that provide capitol to small and minority business at their March meeting and be in a position to finish up on that particular task and have a full report for the Council.

d. Certification Committees

The Certification Committee reported having met that morning. New Gal, Inc. came before the committee, however they were unable to come to a decision. They are awaiting clarification from the (unclear) department.

e. Policy, Rules and Enforcement

The Policy, Rules and Enforcement Committee reported that they met on February 3rd to review a good faith effort submission from Olivet Nazarene University. After review of all the documentation the committee did vote to grant the waiver request. It was a waiver request where the goals were split between minority and female and they met or surpassed most of the goals.

VIII. New Business

Member Jesse Martinez sought permission from the Council to utilize the Professional Services Review process that Capital Development Board is conducting. Secretary Cerpa clarified that the information is mainly for informational purpose and that the vote will be conducted at the next meeting. Secretary Cerpa also urged member Martinez to summarized the issue in a written format and clarify what he wants to get done.

IX. Public/Vendor's Testimony

Dr. Helen Randolph, a clinical pharmacist, and owner of a pharmaceutical wholesale company called 3 R Healthcare. They provide prescription services to pharmacies. Dr. Randolph said her goal is to share some of the obstacles he had

not been able to overcome being a BEP certified vendor. She said there is something wrong when you have been on a contract for ten years and you are now being told that the contract is terminated because a company bought the company you had the contract with and they do not do business with small pharmaceutical wholesale company. She hopes to have the Council look into her story and find out what is wrong and why is she being faced with lots of obstacles.

Laura Sanchez, owner of Swatland, a small IT firm. She said there seems to be really big IT projects that small IT firms cannot participate in, only big firms. She feels that there are more being done for construction firms but not IT firms such as the mentor prodigy program. She urged one for the IT firms.

Emmanuel Jackson, owner of Evanston Technology Partners addressed some of the issues that came up regarding the IT Sheltered workshop. He stated that when you have a number of less than 1% participation of African American in IT projects there is a disparity. He said that the State has hundreds of hundreds of million dollars IT contracts out there without BEP goals on them. He said there are things that can be done now to bring about remedy for some of the issues we now have, and they should be done now, not later.

Dr. Helen Randolph asked the Council to invite some of the big firms to answer some questions that have been raised. Secretary Cerpa promised to look into it.

X. Adjournment

- Paul Cerpa called for Adjournment
- Multiple casts for a motion (moved) for Adjournment
- Member Marva Boyd seconded the motion to Adjourn.
- Meeting was Adjourned as of 4:30 PM
- Next Council Meeting will take place on Monday, March 24, 2014-1:30 PM