

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

MONTHLY COUNCIL MEETING MINUTES

100 W. Randolph
Room 9-040
Chicago, IL 60602

401 S. Spring St.
Room 500 1/2
Springfield, IL 62706

Monday, July 28, 2014 – 1:30 P.M.

COUNCIL MEMBERS IN ATTENDANCE

Beth Doria Fred Coleman Richard Boykin Jesse Martinez Larry Ivory
Chimaobi Enyia Nelida Smyser DeLeon

COUNCIL MEMBERS NOT IN ATTENDANCE

Alfred Ramirez Rodney Lewis Joan Archie Charisse Witherspoon Samantha
Hufnagel Marva Boyd Lynne Marie Turner Omar Duque Perry Nakachi
Corinne Pierog Florence Cox Hedy Ratner

COUNCIL CHAIR

Simone McNeil, Chairman

COUNCIL SECRETARY

Paul Cerpa, BEP Deputy Director

CMS STAFF IN ATTENDANCE

Carlos Gutierrez Elias Ngwayah Ellen Daley Harry Reinhard Vincent Bass
Susan Hartman Greg Wass Tom Mikrut Ellen Daley Ben Jones
Austin Baidas

OTHERS IN ATTENDANCE

Philip Dalmage Vir Doshi Dale Morrison Sharla Roberts Terrance Walsh
Veronica Reyes R. Dale John Cieslik Michael Hites Rosanna Diaz
William Jameson Robert Blackwell Deanna Rossetto Michelle Casey Ben Bagby
Art Moore Darryl Harris

AGENDA

July 28, 2014

1:30 p.m. – 3:30 p.m.

- I. Welcome
- II. Call to Order
- III. Roll Call
- IV. Approval of Minutes of Council Meeting held on June 23, 2014.
- V. Chair's Report
- VI. Posted Business
 - Greg Wass- Deputy Director, Bureau of Communications and Computer Services
 - Michael Hites, Chief Information Officer, University Administration, University of Illinois
- VII. Committee Updates
 - Procurement Committee
 - Business Development Committee
 - Capital Access and Banking Committee
 - Certification Committee
 - Policy, Rules and Enforcement Committee (Exemption Vote)
- VIII. New Business
- IX. Public/Vendor's Testimony
- X. Adjournment
 - Next Council Mtg. – August 25, 2014

Welcome

Council Chair Simone McNeil welcomed the members present.

Call to Order

Council Chair Simone McNeil called the meeting to order and directed Council Secretary Paul Cerpa to conduct the roll. A quorum was not obtained.

Chair's Report

Council Chair Simone McNeil introduced Ben Jones who is replacing Michelle Jackson as Deputy General Counsel for the Business Enterprise Program.

Council Chair Simone McNeil Also announced the awarding of a five year, \$30,000,000 IT contract by CMS that contained a 26% BEP goal.

Posted Business

Greg Wass is the Deputy Director, Bureau of Communications and Computer Services gave a presentation to the Council regarding CMS/BCCS role in the procurement process. Mr. Wass entertained a number of questions and concerns from the Council. A copy of his presentation is attached to the minutes.

Council Member Larry Ivory asked Mr. Wass to give a sense of how to measure the diversity in contracting, and to give a methodology on how to improve diversity in this process. Mr. Wass noted that through vendor conferences and open house forums specific to communities were two methods. He also noted that communications needed to be broadened. For example, there appears to be a communication disconnect in government between the initial procurement and reporting back the results of that procurement.

Council Member Larry Ivory believes that to maximize goals we need to do everything in our power to maximize the service capacity. Council Member Chimaobi Enyia confirms that the key is to maximize the goal.

Council Member asked Mr. Wass what procurement initiatives are BCCS currently under discussion with the CPO's Office. Mr. Wass pointed out that he

can't be specific about any potential procurement. Council Member Chimaobi Enyia noted that everyone is a lot more sensitive about these issues and that more discussions should take place regarding these potential procurements.

Council Member Richard Boykin agrees with Council Member Larry Ivory and also praised Mr. Wass for his work. Council Member Richard Boykin asked if there are any best practices from the county concerning IT contract programs. Mr. Wass related the open forum concept again for those looking for opportunities. Mr. Wass noted that his personal involvement has made a difference; a consciousness helps to implant it in the procurement process. Mr. Wass went on to point out that the county has copied the state in some of their IT programs. Mr. Wass stated that BCCS is looking at more consistent and standardized services in the state's data center.

Council Member Richard Boykin said that he has been asked why the state isn't doing more.

Michael Hites is the Chief Information Officer for University Administration at the University of Illinois. Mr. Hites spoke on diversity in purchasing through master contracts to satisfy the state's sheltered market initiative. A copy of his presentation is attached to the minutes.

Mr. Hites commented on the difficulty in accessing and utilizing BEP certified vendors. Current utilization of these vendors was very low, around ten percent. Council Member Richard Boykin commended Mr. Hites on university using pre-certified contracts; it is a great example of leadership. Mr. Hites is seeking Council approval for this approach, in order to get the RFP in the public as soon as possible. Council Member Beth Doria also commended the University for utilizing IT professionals within the University system to evaluate the potential vendors. Council Member Larry Ivory also commends the University in its proactive efforts.

Darryl Harris asked, of the eleven vendors identified, how many were minority vendors and what the amounts of their contracts. Mr. Hites notes that there were only one or two minority vendors. This is the reason the University now wants to specify that the vendors be minority vendors through a sheltered market initiative.

Council Member Fred Coleman noted that so far a quorum had not been obtained, and that Mr. Hites is asking for Council approval to proceed with future discussions with the Board of Higher Education and the CPO's Office; the

Council should at least offer its support for this advancement. Council Member Chimaobi Enyia commended the University on its efforts.

Darryl Harris asked for an outline of the proposal that will be presented to the Board of Higher Education and the CPO's Office, to get a sense of the numbers that will be involved and the potential impact on the program.

Committee Updates

Procurement Committee

No Report.

Business Development Committee

No report

Capitol Access and Banking Committee

Committee Chair Fred Coleman noted that information on twenty-two venture capital firms has been gathered and documented. The next step is to make this information available to BEP vendors – the target date is August 2014.

Certification Committee

No report.

Policy, Rules and Enforcement Committee

The Policy, Rules and Enforcement Committee reported that two GFE waivers were presented; however, there was no quorum of the Committee to conduct a vote.

Council Member Beth Doria also presented an exemption recommendation document to the Council an entertained any questions. As a quorum was not obtained at this meeting, no vote was taken on the presented exemptions. A copy of this document is attached to the minutes.

New Business

No new business.

Public/Vendor's Testimony

Mr. Robert Blackwell noted that a procurement vehicle must be in place to deal with and solve the diversity disparity in procurements.

Adjournment

Meeting was adjourned at 2:50 P.M.

Next Council Meeting will take place on Monday, August 25, 2014 at 1:30 P.M.

NOTE: The following URL sites contain actual audio and video of the Council meeting. For specific and detailed information on any topics of the meeting, please access the following URL:

<http://multimedia.illinois.gov/cms/bep-072814.html>

CENTRAL MANAGEMENT SERVICES - BUSINESS ENTERPRISE PROGRAM (BEP)

BEP COUNCIL REVIEW OF EXEMPTIONS

JULY 28, 2015

It is the responsibility of the BEP Council to review, on a periodic basis, the exemption status of the Illinois Office of the State Comptroller's Detail Object Codes. These codes are instrumental in the development of the annual statewide BEP goal as promulgated through the Annual BEP Compliance Plans.

The following Codes and their exemption status recommendations have been made by the BEP Council Policy, Rules and Enforcement Committee, and are now presented for the full Council's acceptance. The Committee has based their decisions on the fact the BEP vendor pool, and the areas of expertise for BEP vendors has increased, as well as, state spending for BEP vendors has been identified within these Detail Object Codes.

The Committee has placed the following recently established Detail Object Codes in a Non-Allowable exemption status:

7734 – Construction and Improvement – Aeronautics

7735 – Repair and Maintenance – Aeronautics

7736 – Architectural and Engineering Fees – Aeronautics

7741 - Construction and Improvement – Railroads

7742 – Repair and Maintenance – Railroads

7743 – Architectural and Engineering Fees – Railroads.

The following recently established Detailed Object Codes have been placed by the Committee in an Allowable Exemption status based on the nature of the spend identified within these Codes:

1295 – Travel, Mileage Reimbursement to Employees (State employees)

1995 – Interest Penalty – Prompt Payment Act – Future Year (Funds are interest payments only)

Within the next two Detailed Object Codes, the Committee has maintained the Partial exemption status and defined the focus of the Non - Allowable exemption status to the administrative cost(s) associated with the spend:

4422 – Worker's Compensation Payments to Medical Service Providers

1180 – Employer Contributions for Group Insurance

The following two Detailed Object Codes were identified as having a 'Partial' exemption status. The Committee has removed the 'Partial' exemption status and opened them to a full Non-Allowable exemption status.

4458 – Services, Not Elsewhere Classified

4900 – Awards and Grants, Lump Sums and Other Purposes

The following list of Detailed Object Codes has formerly been listed in the BEP Allowable Exemption Status. The Committee has indicated that they should now be moved to a Non-Allowable status. Some of these Codes are identified in JCAR Section 10.22 as exempt from the BEP goal. Rule changes will have to be made to affect the exemption status of some of these Codes. (JCAR reference of the exemption is noted after the DOC title.)

1240 – Statistical and Tabulation Services (10.22 b.1)

1246 – Hospital and Medical Services, Payments to Providers (10.22 b.2)

1251 – Gas (10.22 b.7B)

1252 – Electricity (10.22 b.7A)

1256 - Pharmaceutical Services

1271 – Surety Bond and Insurance Premiums

1298 – Purchase of Investments (10.22 b.3C)

1725 – Communication Services Provided Under Tariff (10.22 b.7C)

4401 – Services for Benefit Recipients, Payments to Providers

4402 – Home-Based Support Services for the Mentally Ill, Payments to Providers

4404 –Transportation Grants – Nonessential Bond Fund Projects

4411 – Travel and Expense Reimbursements to Service Providers

4423 – Worker's Compensation Payments to Vendors for Drugs, Medical Equipment and Supplies

4433 – Support Services for the Unemployed

4460 – Medical Services for Public Assistance Recipients, Payments to Service Providers (10.22 b.4D)

4463 – Medical Preparation and Food Supplies for Free Distribution

4468 – Supplies, Equipment, and Prescription Drugs, Payments to Vendors

4469 – Local Government Group Insurance Payments for Members

4472 – Transportation Grants

4473 – Construction Grants

4474 – Grants for Education Purposes – Elementary and Secondary Education (10.22 b.4)

4494 – Day Care Provider Payments (10.22 b.4A)

4495 – In-Home Day Care Provider Payments (10.22 b.4)

4496 - Living and Supportive Expenses for State or Non-State wards Outside of State Institutions –
Payments to Service Providers (10.22 b.4F)

4497 – Living and Supportive Expenses for State or Non-State wards Outside of State Institutions –
Payments to Parental Designee (10.22 b.4F)

4501 - Services for Benefit Recipients, Payments to Providers –Restricted Use – IOC Authorized

4560 - Medical Services for Public Assistance Recipients, Payments to Service Providers (10.22 b.4D)

6660 – Utilities (10.22 b.7E)

7713 – Land Relocation Costs – Highways (10.22 b.8B)

7733 - Land Relocation Costs – Aeronautics (10.22 b.8A)

7753 – Land Relocation Costs – Waterways (10.22 b.8C)

7751 – Land, Rights of Way and Easements – Waterways (10.22 b.8F)

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

July 28, 2014

Creating an Information Technology Targeted Market for M/FBEs
at the University of Illinois

Michael Hites, Ph.D.

Good afternoon Director Simone McNeil (or Director Designee Chimaobi Enyia) (or Secretary Paul Cerpa) and Business Enterprise Program Council Members.

I am Michael Hites, Senior Associate Vice President for Administrative IT Services at the University of Illinois.

The University of Illinois intends use the Request For Proposal (RFP) process to establish master contracts with multiple minority- and female-owned business enterprises (M/FBEs) to provide IT services to the University. The resulting contracts would be used to help satisfy the State of Illinois BEP Sheltered Market initiative, and it would provide departments at the University of Illinois an easier method to voluntarily access IT services provided by minority and female owned businesses.

Our result would be similar to the awards by the City of Chicago where 17 M/FBE vendors were selected under five different service categories as part of a master consulting agreement within a targeted market for information technology.

A recent query of the Central Management Services (CMS) BEP database shows 211 BEP certified vendors in 16 different IT categories. While it is possible to use this list of certified vendors, it is not practical because not all of the 16 categories align with those needed by the University, and the process for soliciting bids amongst 211 vendors would be laborious and confusing for the colleges and departments trying to assess the qualifications of the vendors.

Additionally, within the 17 IT/Telecommunications categories documented in the June 2013 Availability and Disparity Report by CMS, there is less than 10% participation in IT services by minority- and female-owned business enterprises (M/FBEs). These two points: the difficulty in accessing existing BEP vendors and

lack of M/FBE participation in Illinois, lead us to the conclusion that we should act immediately to establish a better way to engage M/FBE vendors in IT.

The University of Illinois has experience with setting up contracts to promote the use of smaller companies, though not specifically targeting minority and female owned businesses. In 2011, the University awarded eleven contracts to IT consulting firms that are utilized by any department or college from the three University of Illinois campuses. At the discretion of the departments and colleges, these contracts are used to quickly obtain services from one of six groups of services to assist in the implementation of IT projects. Approximately \$6M of consulting services have been purchased from these contracts since 2011.

For our new RFP specifically for M/FBEs, we would use ten IT categories, create technical criteria to evaluate each vendor's submission, and use IT professionals on all three campuses to perform the evaluation. Only vendors that met the 70% threshold for technical applicability to the University would be invited for contracts. We would ensure that selectivity parameters and experience of the vendors matched the scale and scope of the university environment. We will work with UIC purchasing and the Chief Procurement Officer to confirm that the proposed pricing is aligned with the services being provided.

Our RFP would call out approximately 30 specific titles for IT consultant services needed across the ten categories of IT Planning, Information Security, Software/Application Development, Teaching and Learning Services, Mobile Technologies, Web Content and Development, Desktop Services, Networking Services, Infrastructure Support, Customer Service. Similar to the City of Chicago would expect a minimum of 15 vendors to qualify.

The University of Illinois also would market the new M/FBE contracts through the President's Office. We would encourage the large, central IT units on each campuses to utilize these new contracts and seek specific set-aside funding for pilot projects. We would invite the selected M/FBE vendors to attend our annual IT conferences at the Urbana and Chicago campuses where they would interact with hundreds of IT professionals from dozens of departments throughout the University. Finally, we would provide a website that describes the services available, the vendors that can provide the services, and the process to quickly access the services from the vendors.

We believe that by having pre-certified IT contracts that are easy-to-use, our colleges and department will voluntarily use these contracts, and our executive administration will encourage the use of these contracts to promote additional spending with M/FBE companies.

We expect to measure the success of the program by the amount spent through these contracts. Additionally, we would find the program successful if other public universities or the Illinois Public Higher Education Cooperative (IPHEC) adopted the RFP methodology or the actual contracts.

We are asking for your approval to work the higher education Chief Procurement Officer to complete these contracts as soon as possible, with a goal to have the RFP out in about one month. We anticipate that the contracts would be renewable for a total of ten years, in sequence of four, three, and three years for a total of ten years.

Thank you for your consideration.

Additional Questions

Q. What will the monetary impact be for this RFP?

A. It will depend on the number of contracts awarded. If approximately 15 awards were made at \$1M per year, then the maximum impact would be \$15M/per year.

In comparison, 11 awards were made in 2011 on a similar RFP without an M/FBE focus. These 11 awards had no advertising and no marketing, and have approximately \$6M in cumulative expenditures to date.

Q. Do you have an outline of the RFP?

A. Yes, the basic details are provided in this document, which was presented to the Council. Additionally, a complete narrative has been developed at the University that describes the ten groups and the approximately 30 titles of temporary IT service providers that are requested. This draft will be submitted to the university's purchasing department, and the RFP will be a public document once released.

Q. Who can participate in responding to the RFP?

A. Any M/FBE company that provides services in one or more of the ten categories in the RFP and that has experience meeting the IT needs of a large, decentralized organization.



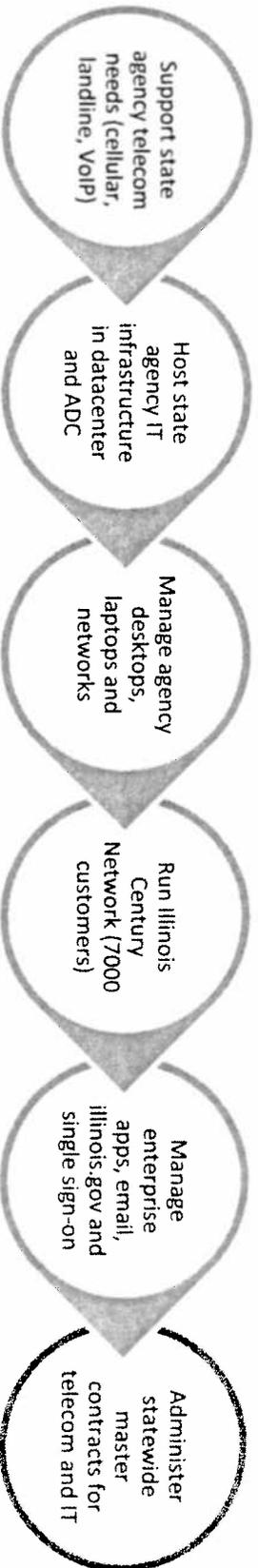
CMIS

Illinois Department of
Central
Management
Services

Bureau of Communications and Computer Services (BCCS)
IT Strategic Plan Discussion

Greg Wass, Deputy Director, BCCS
July 2014

What BCCS does



What BCCS doesn't do



Develop and maintain agency business apps

Support constitutional officers, legislature and judiciary

Support ISP, DCFS and some smaller agencies and commissions



The state faces numerous business and IT challenges



CMIS Illinois Department of
Central
Management
Services

- Budget constraints / lack of capital for plant and equipment
- Decentralized decision making
- Aging workforce and legacy infrastructure
- Varied and specialized client agency needs
- Services not standardized; difficult to measure / manage

In 2014 we adopted 5 strategic principles

