**SR 259 DBE Taskforce**

**Minutes from November 15, 2019 Meeting**

**Members Present:**

 **Sen. David Koehler (Chair),**

**Sen Chuck Weaver (VC),**

 **Sen. John Curran,**

 **Dr. Amir** **Al-Khafaji,**

 **Mr.** **Guillermo Garcia,**

 **Ms. Jennifer Krug,**

 **Mr. Dan Meckes,**

 **Mr.** **Aaron Ozinga,**

 **Ms. Mary Person,**

 **Ms. Leslie Sawyer,**

 **Ms.** **Harvind Singh,**

 **Mr. John Trotta,**

 **Karen Jensen,**

 **Mr****. John Kapovich,**

**Absent:**

 **Sen. Mattie Hunter,**

Senator Koehler:

Introductions: Nate Harris, Legal Team, State Senate

Announcements: Senator Hunter has been appointed as the Chairperson of the Transportation Committee and Senate President Cullerton will be retiring.

Senator Koehler: Approval of minutes, Steering Committee meeting.

Jennifer Krug McNaughto: Dr Al-Khafaji’s, comments concerning qualifications for companies doing government work, those are for general contractors, not sub-contractors. In the construction side, in the engineering side, many of the sides can use their pre-qualifications. Need a separation there. There are prequalification’s for companies as general contractors on the constitution side, but not for sub-contractors.

Senator Koehler: Motion to approve Steering Meeting Minutes John Trotta, seconded by Harvind Singh. Motion was approved with unanimous vote. Introduction of Julie Vahling, Department of Labor, who will be keeping the minutes, in addition the meetings will be recorded. Sent out last meeting minutes, September meeting, Senator requested a motion to approve those minutes. Motion made to approve by Dan Meckes, seconded by Guillermo Garcia. Motion was approved with unanimous vote. These minutes will then be posted on the Department of Labor’s website. Committee then entered discussion on the first meeting and the importance of the task force.

Senator Weaver: Importance of getting people across all parts of society employed.

Karen Jensen: Excited about the opportunities with the Capitol Bill and the opportunities to be a part of this.

Senator Koehler: Comments on the report the Senator Hunter requested be sent out. A lot of the issues are going to be the same. Our focuses may be broader but the issue has been recognized as something the state knows makes us very diverse. The task force can create a nuts and bolt approach on how we are going to be successful and create a blue print to be successful. Please look over the report.

Senator Weaver: Discussion regarding SB177

Senator Koehler: We will gather more information to send to task force members.

Harvind Singh: Is this in regard to the federal or state bill? DBE programs fully regulated by the feds.

Discussion then around the DBE program in general about: Different communities, different cities, develop regulations around DBE. There was more were more comments regarding the federal and state programs and the guidelines used for different programs. DBE is more comprehensive, minorities, there are many groups falling under DBE.

Dr. Al-Khafaji: Asked about request to get more information regarding Open Meetings Act

Senator Koehler: Nate will address the Task Force regarding this issue when he returns. In the mean time inviting the IDOT panel guest to come forward, there were none present. Invited the Cook County personal to come forward and have an open dialogue about DBE groups. They respectively declined but asked for the opportunity to present in the future.

John Trotta: Comments on Steering Committee Minutes – talks about graduating isn’t always a good thing. Companies have gone and been successful. General Contractors may not be able to survive if they face strains on funding.

Senator Koehler: Looking for success for contractors so we can address the issues.

Leslie Sawyer: With the robustness of the Capitol Bill there should be a lot of work on all sides. There are companies are purposely do not wish to graduate. Once they do they are not going to be able to compete with other larger majority firms, because they will remain stagnate.

Senator Koehler: The peculiars of this process is that there is this ceiling it is hard to transition through it. How we can input from those that have experienced this? What do we do about this? This is what we are charged with. Maybe we raise the limits, but some of those are set by the federal government.

Harvind Singh: If there is no federal money, there are lot of things to do: city and county money is reciprocal: the city do not have a personal net worth statement. The limits are much higher. You are robust. If we are going to encourage growth it will be with what the state does with the state’s money. Comments on the leveraging local money not federal money.

Jennifer Krug McNaughton: Lot of contracts with state are not exclusive – they have an 80/20 split.

Mary Person: Its ok to have competition with the DBE

Dan Meckes: Stayed in the same team due to the DBE program

Senator Weaver: Stagnation when do reach the point when people are graduating out or letting new people come in? Are we near that? Is there a transition period? Is there a latter? Is there a dollar amount? Are there plans?

Mary Person: Chicago has tried planning on some of those issues. But there isn’t a plan yet.

Senator Weaver: It not urgent for us but we need to planning for the future.

Mary Person: We need to build the future.

Senator Koehler: IDOT will not be appearing so Nate will now be addressing how Open Meeting Act and how it pertains to the Task Force

Nate Harris: Whenever there is a quorum – it is supposed to be posted. If there is a majority. There must be a posting of the meeting prior to the meeting. Do not talk about task force issues unless it is a posted meeting if a quorum is present.

Dr. Al-Khafaji – Clarification on the number of a quorum. The majority of a quorum would be 5 for an opening meeting act for this task force with 15 members.

Senator Koehler: Proposal of meeting dates for 2020:

January 24
Feb 14
March 13
April 17
May 8
Jun 12
All meetings at 10am, Bilandic Bldg, Room 600, 160 N LaSalle, Chicago, IL 60601

Senator Koehler: With the resolution that was passed we will need to submit a report by July 1. We may need an additional meeting after June 12th.

The Senator requested people we could contact for spring schedule. And private sector presentations.

Guillermo Garcia: Suggested Peoples Gas, Nicor and ComEd to present and can we get information on disparity studies?

John Trotta: Can we get participation from METRA, Tollway, differences in programs.

Harvind Singh: Comments on City programs/contracts (city & state funding contracts). This the consulting side not the contracting side. Being able to hold the contract gives you a completely different perspective.

Senator Koehler: Is there a contact at the City we could reach out to?

Harvind Singh: Chief Procurement Office: Shannon Andrews

Jennifer Krug McNaughton: One of the biggest hurdles contractors and subcontractors face is cash flow. Some real data on how long it takes to close projects and retainage. If this committee got some real date this would be very beneficial.

Senator Koehler: Why do some organizations do retainage? Is it because they don’t think the work will be done?

Jennifer Krug McNaughton: I can’t answer that I don’t know.

Mary Person: Where are their payment terms? Is that an obstacle? Focusing on new hiring initiatives. Such as: Cook County Workforce Center, Department of Revolution Workshop, CRAIG, SAFER, City of Chicago

Harvind Singh: The City has some positive programs. Allows smaller firms to build up with state and local funds that has proven to proven very successful for many firms.

Guillermo Garcia: just adding PACE

Senator Koehler: Don’t you have to post a bond on some of this projects?

Aaron Ozinga: Retention can affect your company and the bonding of your company.

Senator Koehler: Was asking about the bonding and the catch 22 as a lay person. How do you get performance bonds if you don’t have credit worthiness? I don’t know your business, and I don’t want the state at risk.

John Trotta: Why would we have to wait for extra work, that’s a lot of work for some of these of jobs.

Senator Weaver: Are inspections slow? I’m just brain storming here? Can we get we get in front of the line for performance bonds at the Comptrollers Office?

Jennifer Krug McNaughton: Shared positives on what communities are doing to promote growth for DBE firms on all aspects and that we may want to hear about on the state, county and city wide.

Senator Koehler: Who do we get in touch with at the City?

Jennifer Krug McNaughton: Chief Procurement Office: Jennifer Andrews – biggest hurdles is cash flow so getting the length for final wrap is a big obstacle for everyone.

Everyone agreed that months to close a job is greeting a huge issue for small businesses across the state.

General Discussion about bonding and the performances of companies. How do you get performance bonds? Why do you have payments held? All questions from Senator Koehler. Most of these situations are from the financial situation of the company. Senator asks the question and states the fact that you can have a successful year and still go out of business. Need to have some specific steps and remove some obstacles for folks. Many people don’t have access to money that they have already earned. How do we change this?

Mary Person: How do improve the payment terms and turn around time? Can we focus on new hiring and diversity? Invite Cook County Workforce Center, CRAIG, she was giving list to Nate.

Guillermo Garcia: Wanted to add PACE to the list also.

Aaron Ozinga: You need to have a performance bond

Jennifer Krug McNaughton: Back around with all the issues of why bonding may be a Catch 22 for may contractors as they start jumping through hoops due to state regulations.

Guillermo Garcia: Concerns about why the time lapse is so long.

Aaron Ozinga: General Contracts are pushing down liability more and more. They are not necessarily of the issue. Work comp for example.

Dave: How do we begin to do intentional recruitment for the area of labor?

Guillermo Garcia: Certification? How long should it take for recertification? Why are you not recertified? When it takes so long what do we make of this?

Dan Meckes: What are we doing to promote work force development with the Task Force as part of the initiative?

Senator Koehler: Intentional recruitment for apprenticeships through the Department of Labor.

John Trotta: There are 14 pre-qualified Hispanic firms and

Senator Koehler: Wants to see a good and fair pay business with the state.

Jennifer Krug McNaughton: The values that are designed in our “bridges” are at a difference with other contractors depending on what industries are doing.

Senator Koehler: These discussions have laid out our agenda very well I beileive.

Aaron Ozinga: I think it would be good if possible to audit some of the programs to see if them are working.

Karen Jensen: Also, task force needs to look at firms for the long run also. Working with communities’ groups she has experienced its best to approach as a partner not a manager.

Final thoughts:

Supportive Services should be supporting services throughout the state. That’s what they were created for. Insurance has been building a huge amount of liability that contractors/let alone sub-contractors can not cover.

Senator Koehler: Next meeting Dec. 6th we will have CMS, the Tollway and CDB.

Opened up the floor for any public comments. There were none. So the meeting was adjourned by Senator Koehler.