

**REPORT OF THE GOVERNOR'S COMMISSION ON MINORITY AND
WOMEN'S BUSINESS ENTERPRISES TO THE GOVERNOR**
February 28, 2020

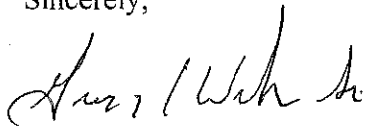
Dear Governor Holcomb:

The Governor's Commission on Minority and Women's Business Enterprises ("Commission") is pleased to submit the attached report, as required by I.C. 4-13-16.5-2 (f)(9). The report is required to prepare a review of the Commission to be submitted to the governor and the legislative council on March 1 and October 1 of each year, evaluating progress made in the following areas:

- Identifying minority and women's business enterprises in the state;
- Assessing the needs of minority and women's business enterprises;
- Initiating aggressive programs to assist minority and women's business enterprises in obtaining state contracts;
- Giving special publicity to procurement, bidding, and qualifying procedures;
- Including minority and women's business enterprises on solicitation mailing lists;
- Evaluating the competitive differences between qualified minority or women's nonprofit corporations and other than qualified minority or women's nonprofit corporations that offer similar services and make recommendation to the department on policy changes necessary to ensure fair competition among minority and women's business enterprises; and
- Defining the duties, goals, and objectives of the deputy commissioner of the department as created under this chapter to assure compliance by all state agencies, separate bodies corporate and politic, and state educational institutions with state and federal legislation and policy concerning the awarding of contracts (including, notwithstanding section 1(d) of this chapter or any other law, contracts of state educational institutions) to minority and women's business enterprises.
- Establishing annual goals:
 - for the use of minority and women's business enterprises; and
 - derived from a statistical analysis of utilization study of state contracts (including, notwithstanding section 1(d) of this chapter or any other law, contracts of state educational institutions) that are required to be updated every five (5) years.

Attached here is the report for March 1, 2020. Our next report, due October 1, 2020, will be submitted in the fall. We are proud of the work of the Commission and of the Indiana Department of Administration's Division of Supplier Diversity. If you have questions regarding this report, please do not hesitate to contact me, or the Deputy Commissioner of the Division of Supplier Diversity, Maia Siprashvili.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gregory Wilson".

Gregory Wilson, Chairman
Governor's Commission on Minority
and Women's' Business Enterprises

M/WBE Commission Update

Commission Meeting

The Governor's Commission on Minority & Women's Business Enterprises (Governor's M/WBE Commission) met on December 9, 2019. Commission meeting began with one-hour orientation for the new Commission members about their roles and responsibilities while serving on the Governor's M/WBE Commission. Per the Chairman's request, the Commission meeting was proceeded by the reports of the State Educational Institutions (SEIs) on their utilization numbers. Deputy Commissioner of the Division of Supplier Diversity (DSD), Maia Siprashvili, provided updates on M/WBE program activities and highlights of the M/WBE certification, compliance and business outreach of the year of 2019. Ms. Siprashvili provided:

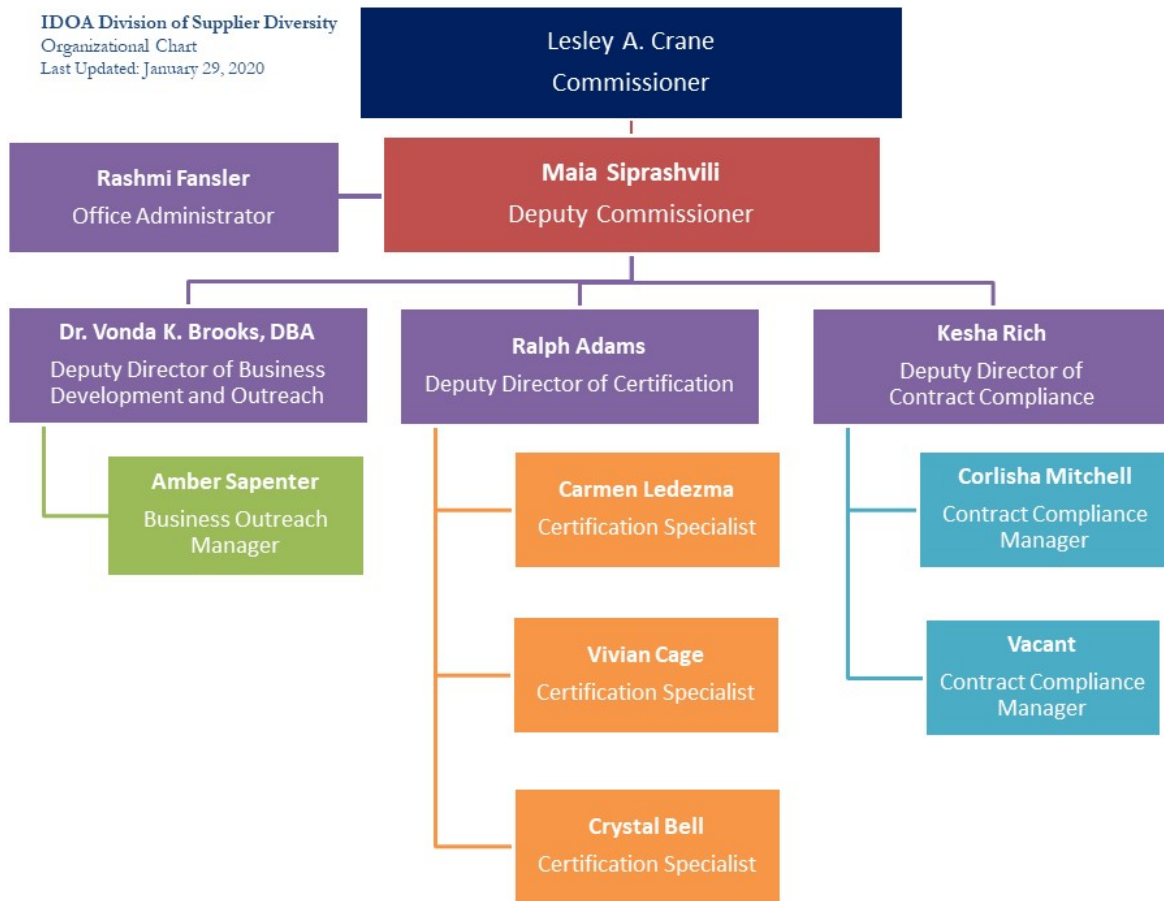
- Certification 2019 highlights as well as plans on improving MBE/WBE/IVOSB certification process in 2020;
- Division's average days to process MBE/WBE/IVOSB certifications remain under the-90-day requirement;
- Contract compliance 2019 highlights and plans for 2020;
- DSD is actively attending pre-proposal meetings to raise awareness on MBE/WBE/IVOSB subcontractor participation requirements;
- Business outreach 2019 highlights and business strategy 2020;
- DSD has begun actively promoting the IVOSB program within the veteran community around the state;
- Update on the Disparity Study timeline and project deliverables;
- Update on working with the SEI on their reporting templates and process.

The Deputy Commissioner also distributed the end of year reports from the DSD's Business Outreach and Contract Compliance teams.

Several action items were identified at each of the meetings; the responses will be presented at the next Commission meeting. The next commission meeting will be held on Friday, February 28, 2020 at 1:00 PM at the Indiana Government Center Conference Center, Conference Room C.

Division of Supplier Diversity Team

Here is the current DSD Organizational Chart:



Major Projects:

Electronic Certification

Online certification tool in place of the current manual paper-intensive process is much needed to improve the efficiency of DSD certification programs and operational needs and better serve our MBE/WBE and IVOSB vendor community. E-certification will help in the following areas:

- Elimination of the voluminous amount of paper associated with the current certification process;
- System-enforced requirements to prevent incomplete application submission;
- Self-serve access for companies to follow review and check current status;
- Provide for communication and conversation tracking within the online tool;
- Allow companies to upload required documentation;
- Automated certification expiration alerts.

Current status:

On January 23rd, 2020, the IDOA DSD presented the electronic certification charter to the Peoplesoft Enterprise Steering Committee (ESC). ESC approved the IDOA Charter on e-certification, which envisions the Indiana Office of Technology (IOT) to be utilized to upgrade the existing PeopleSoft database of MBE/WBE and IVOSB firms, called the Repository. This will provide the necessary functionality to enable DSD to accept certification applications electronically.

Preparation for the Disparity Study 2020

The Governor's Commission on Minority and Women's Business Enterprises will rely on the Statistical Analysis of Utilization Study (Disparity Study) to establish annual goals for participation of MBEs to ascertain a "compelling interest" as set forth by *Richmond v. Croson*, 488 U.S. 469 (1989). The Study will include data from July 1, 2013 through June 30, 2018 on both contracts and subcontracts, as well as the availability and utilization of MBEs and WBEs in the State of Indiana.

The Disparity Study will report on the utilization of MBEs and WBEs, in accordance with Indiana statute IC 4-13-16.5 for IDOA and applicable separate bodies, corporate and politic. The focus of the Study is to determine availability and utilization with the requirements set forth in IC 4-13-16.5-2 and Title 25 of Indiana Administrative Code (IAC), Article 5.

In September 2019, the IDOA commissioned BBC Research & Consulting (BBC) to conduct a Disparity Study to assess whether MBE, WBE and IVOSB businesses face any barriers as part of the State of Indiana's contracting processes. Information from the study will help IDOA assess its efforts to encourage the participation of MBE/WBE/IVOSB businesses in state contracts and help inform any refinements that IDOA might make to its implementation of the State's supplier diversity program or state contracting policies.

The Disparity Study will focus on construction; professional services; and goods and supplies contracts and procurements that state agencies and State Educational Institutions awarded between July 1, 2013 and June 30, 2018. BBC initiated the disparity study in September 2019 and will complete the study at the end of December 2020.

The disparity study will be to examine whether there are any disparities between:

- The percentage of contract dollars that state agencies and SEIs spent with MBE/WBE/IVOSB businesses during the study period (utilization); and
- The percentage of contract dollars that MBE/WBE/IVOSB businesses might be expected to receive based on their availability to perform specific types and sizes of state contracts (availability).

The study will also examine other qualitative and quantitative information related to:

- Legal considerations surrounding IDOA’s implementation of the supplier diversity program;
- Marketplace conditions for MBE/WBE/IVOSB businesses;
- Contracting policies and business assistance programs that IDOA currently has in place; and
- Program measures for IDOA to consider implementing to further encourage MBE/WBE/IVOSB business participation.

DSD Certification:

DSD certification team continues to serve the MBE/WBE and the IVOSB vendor communities. Average days to certify remains stable and is currently 34 days. DSD started to successfully integrate the IVOSB certifications into the regular process and currently, the average days to certify IVOSBs is 23 days. It should also be noted that the number of IVOSB certification applications is lower than MBE and WBE applications.

Certification Challenges: As mentioned above, e-certification project has been underway for several years now. DSD is working closely with IOT and holds weekly meetings about the requirements gathering and the next steps of the e-certification. No timeline has been provided yet for the completion of the project.

MBE/WBE Certification Statistics:

<u>New Applications Received</u>			
	MBE	WBE	TOTAL
Q1 2020 (as of 1/31/20)	30	33	63
Q4 2019	32	38	70

<u>Recertification Applications Received</u>			
	MBE	WBE	TOTAL
Q1 2020 (as of 1/31/20)	20	22	42
Q4 2019	12	31	43

IVOSB Certification Statistics:

	<u>Q4 2019</u>	<u>Q1 2020 (as of 1/31/20)</u>
New Incoming Applications	16	15
Recertification Application	5	3
Applications Completed	21	17
Average Processing Time (Days)	10.15	16.5

DSD Compliance:

DSD outreach and compliance teams regularly publicize procurement and bidding opportunities with the State of Indiana. Bid notices and due dates are electronically sent out to over 4,000 recipients on a weekly basis. Special project announcements and procurement opportunities are separately sent out, as well as posted on the Division's website:

<https://www.in.gov/idoa/mwbe/2488.htm>.

DSD contract compliance team continues to proactively audit state contacts with the M/WBE and IVOSB subcontractor utilization. In 2019, there have been total of 80 compliance reviews, most of them with the subcontractor participation plan change and the Good Faith Effort (GFE) reviews. DSD contract compliance managers attended 55 pre-proposal meetings and presented the information on the tier two MBE/WBE and IVOSB utilization.

DSD is the final approval authority on requests to change subcontractor participation plan, so the vendor education, whether it is the primary contractor or the subcontractor, is crucial. The flow chart below demonstrates the process of amending the contract as it relates to the MBE/WBE and IVOSB subcontractor plan change.



DSD Compliance Initiatives

- *IDOA DSD and Department of Natural Resources Pre-Proposal Meetings*

Before the award of a proposal or the contract execution phase, the Contract Compliance team promoted the utilization of MBE/WBE and IVOSBs through attending pre-proposal meetings. Pre-proposal meetings are specifically called for the primary vendors or subcontractors, who are interested in bidding on the state contract and scheduled by IDOA Procurement after a solicitation has been advertised. The purpose of pre-proposal meetings is to clarify any concerns

bidders may have with the solicitation documents, scope of work, and other details. The meetings also serve as networking opportunities for bidders to meet potential subcontractors. Subcontractors are made aware of solicitation expectations and requirements.

- ***IDOA DSD and IDOA Procurement Joint Efforts***

DSD Contract Compliance team joined forces with the Procurement Vendor Management team to attend training sessions between Grainger, one of the State's MRO providers, and its three subcontractors. Although Grainger's contract has been in effect since February 2019, there were significant challenges that delayed the usage of the subcontractors on this contract. However, throughout the year, Grainger, Contract Compliance, and Vendor Management remained in constant communication to establish a feasible strategy to ensure the usage of the subcontractors on this contract. The meetings were a culmination of our yearlong effort. Firms were provided an overview of the State's MRO program and the role DSD plays in advocating for our certified firms, which includes monitoring state-funded contracts with subcontractor commitments.

This joint initiative with Procurement is the first of its kind and participating firms were delighted to see support from both Procurement and DSD. The training sessions highlighted the State's commitment to diversity and creative solutions.

DSD Business Outreach:

In 2019, the Division of Supplier Diversity participated in 73 different outreach-based events, 22 of which were presented by DSD. The events that we hosted varied from webinars, to business conferences and workshops. By these efforts alone we have been able to connect with 475 attendees.

On the 3rd Wednesday of each month DSD host a certification webinar that walks attendees through the certification process. A certification specialist provides insightful information and highlights what common mistakes to avoid and tips for a smooth application process.

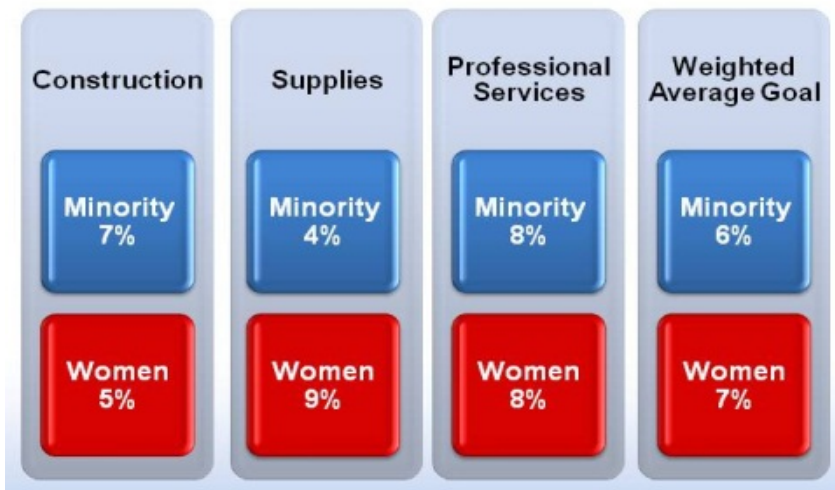
Each year, DSD hosts multiple business conferences across the State of Indiana. In 2019, business conference theme was *The Power of Now*, which focused on the opportunities and resources that businesses could take advantage of that would have an immediate impact on their business. The business conference was held in two cities this year, Hobart, IN and Indianapolis, IN. Combined, the conferences offered content at focused on the various areas of how to obtain area contracts and the importance of state certification. Each conference offered the opportunity to network and engage with the businesses that were in attendance.

This year, the Division hosted its inaugural Preparation Meeting Opportunity Workshop (PMO). This workshop is a unique initiative to help newly certified MBEs, WBEs and IVOSBs navigate through the State of Indiana contracting process. This program identified the fundamental information business owners need to know when actively pursuing a state contract as a contractor or subcontractor.

DSD posts and update events for businesses for them to attend and find out about upcoming outreach initiatives and networking opportunities: <https://www.in.gov/idoa/mwbe/2749.htm>.

Conclusion:

The current MBE/WBE participation goals are as follows:



In conclusion, the Governor’s Commission on Minority and Women’s Business Enterprises works closely with the IDOA to ensure that the Division promotes, monitors, and enforces the standards for certification of the Minority and Women’s Business Enterprises, as well as provides equal opportunity to the Minority and Women Business Enterprises in the state’s procurement and contracting process. Current IDOA leadership does their best to properly administer the program and take the MBE/WBE and IVOSB programs to the next level.