

# REPORT OF THE GOVERNOR'S COMMISSION ON SUPPLIER DIVERSITY TO THE GOVERNOR

February 26, 2021

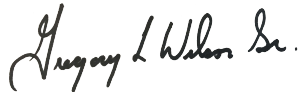
Dear Governor Holcomb:

The Governor's Commission on Supplier Diversity ("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 business enterprises, women's business enterprises, and veteran-owned small businesses in the state;
- Assessing the needs of minority business enterprises, women's business enterprises, and veteran-owned small businesses;
- Initiating aggressive programs to assist minority business enterprises, women's business enterprises, and veteran-owned small businesses in obtaining state contracts;
- Giving special publicity to procurement, bidding, and qualifying procedures;
- Including minority business enterprises, women's business enterprises, and veteran-owned small businesses 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 and veteran-owned small businesses that offer similar services and make a recommendation to the department on policy changes necessary to ensure fair competition among minority business enterprises, women's business enterprises, and veteran-owned small businesses.
- 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 business enterprises, women's business enterprises, and veteran-owned small businesses.
- 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 is the report for March 1, 2021. Our next report, due October 1, 2021, will be submitted in the fall. We are proud of the work of the Commission and 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 Saprashvili.

Sincerely,

A handwritten signature in cursive script that reads "Gregory L. Wilson Sr.".

Gregory Wilson, Chairman  
Governor's Commission on Supplier Diversity

## Commission Update

### Quarterly Commission Meetings

The Governor’s Commission on Supplier Diversity held four (4) quarterly meetings in 2020. The 4<sup>th</sup> Commission meeting was held on December 14, 2020. Commission meeting began with a one-hour orientation for the new Commission members about their roles and responsibilities while serving on the Commission. Per Chairman’s request, the first agency to report to the Commission was the Indiana Department of Transportation (“INDOT”). After INDOT, the meeting was proceeded by the reports of the State Educational Institutions (“SEIs”) on their utilization numbers. Detailed utilization numbers are provided in the Commission meeting minutes that are published on DSD’s webpage after the Commission adopts them.<sup>1</sup>

Deputy Commissioner of the Indiana Department of Administration (“IDOA”) Division of Supplier Diversity (“DSD”), Maia Sibrashvili, provided updates on MBE/WBE program activities and highlights of the MBE/WBE certification, compliance, and business outreach of the year of 2020. Ms. Sibrashvili provided:

- Overview of the Division’s organizational chart and MBE/WBE/IVOSB participation goals.
- Temporary policies due to COVID-19 on paper certification intake.
- Discussed the continuation of the 2020 goals for certification which include: electronic certification project to be unveiled in February 2021.
- The Division has two (2) vacant positions and in the process of hiring a new Director of Certification and Contract Compliance Manager.
- Contract Compliance continued an electronic review process. There has been an influx in change requests and Good Faith Effort reviews on INDOT projects.
- Compliance continued its processes in reviewing and auditing contracts.
- Business outreach update addressed the 2020 Business Outreach Strategy – **Seeing the Big Picture**. Due to COVID-19, the Division had to adjust to the new normal and transitioned the outreach efforts to a digital platform. DSD implemented a new weekly/bi-weekly webinar series at the beginning of April and concluded in August. The webinar series featured information from our partners to provide diverse suppliers with access to a variety of resources during the pandemic. During the twelve weeks, DSD presented 40 webinars and hosted twenty-seven panelists, with 423 participants. The 12<sup>th</sup> Annual Division of Supplier Diversity Business Conference was held on October 5-9, 2020. The week-long workshops were a huge success and had over 675 participants, reaching in total 4,068 recipients.
- Disparity Study 2020 results to be published in early 2021.
- The Business Development team needed additional assistance to expand their outreach efforts throughout the State of Indiana and a new position was created for the Director of Business Development & Outreach. The position has been filled by Dr. Vonda Brooks.
- 2021 Business Outreach Strategy – **Transforming Your Vision**. Due to the COVID-19 pandemic, DSD will continue to utilize the digital platform for their 2021 outreach efforts

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<sup>1</sup> IDOA DSD website for Commission meeting minutes: <https://www.in.gov/idoa/mwbe/minority-and-womens-business-enterprises/governors-commission-on-supplier-diversity/commission-meeting-minutes/>.

through hosting or attending webinars and events while cultivating more partnerships and joint ventures.

The Deputy Commissioner also provided certification updates and distributed end-of-year reports from the DSD's Business Outreach and Contract Compliance teams. DSD posts these end-of-year reports on DSD's website annually.<sup>2</sup> Maia Saprashvili was preceded by the Directors of Contract Compliance and Business Development & Outreach, Kesha Rich and Dr. Vonda Brooks, who presented detailed information about DSD's contract compliance and business outreach efforts.

Several action items were identified at each of the meetings, including Chairman Greg Wilson's request for DSD to help organize the retreat for the Governor's Commission on Supplier Diversity members. The next commission meeting was scheduled to be held on Friday, February 26, 2021, at 1:00 PM via virtual platform due to COVID restrictions.

### **Governor's Commission on Supplier Diversity Retreat**

The Commission retreat took place on January 22, 2021, via Webex video conference that was recorded and open to the public. DSD publicized this meeting through their website, public notices, and eblast. Commission members discussed the following topics on the agenda: the purpose of the retreat and Commission's responsibilities; SEI MBE/WBE and IVOSB utilization and challenges; recommendations for the SEIs; Disparity Study 2020 and goal setting methodology and process; IDOA's past MBE/WBE and IVOSB goals.

The Commission retreat resulted in specific recommendations for the SEIs as well as for state agencies on how to improve the utilization numbers of the diverse vendors. The Commission provided the following recommendations for the SEIs.

- Promoting joint venture initiatives among diverse suppliers.
- To use more efforts and means than emails to reach out and solicit MBE/WBE and IVOSB vendors.
- Review the procurement process within the SEIs based on the Disparity Study.
- Face-to-face interaction between SEIs and vendors, reaching out to businesses in person.
- Developing and promoting mentorship programs for diverse vendors.
- Having a short-term or long-term plan for their supplier diversity efforts, focused on increasing MBE/WBE and IVOSB utilization numbers.
- Consider partnership with the Higher Education Commission and speak with them about how the Governor's Commission on Supplier Diversity can help with their diversity numbers.
- Consider the possibility of the RFPs to be weighted based on the point system and several other criteria: historical record and performance of the vendor, participation pledges of the MBE/WBE and IVOSB vendors, and price.

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<sup>2</sup> For Business outreach reports, please visit: <https://www.in.gov/idoa/mwbe/newsletter/>

The Disparity Study discussion ended in Chairman Wilson's suggestion to create a subcommittee to take a deeper dive into the list of subcontractors that the state agencies are using. Commission mandated several decisions regarding continuation of the Disparity Study discussion:

- Chairman Wilson suggested taking a deeper dive into the list of subcontractors. He explored ideas on how to work with those contractors and encourage them to diversify.
- To create a new subcommittee to review the actual lists of vendors that were frequently used on State contracts and make recommendations accordingly.
- The new subcommittee would need to see the last 3 disparity studies for comparison and additional data before making recommendations.
- The Commission discussed implementing the "most responsive and responsible" bids on Public Works projects.

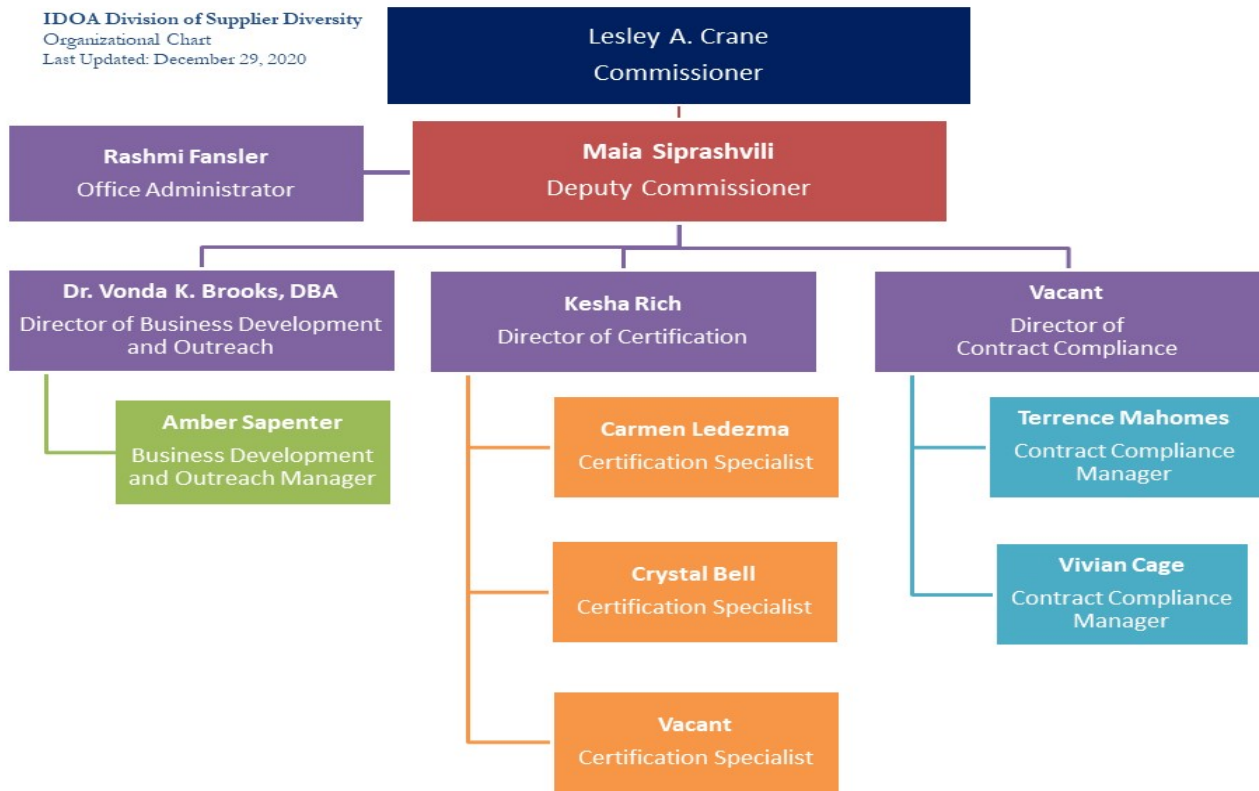
The Commission decided to schedule a second meeting to continue the discussion on the following topics:

- Goal Setting, Methodology, and Process.
- IDOA DSD Past Goals.
- Disparity Study Recommendations.

Commission members also voted to invite the SEI Presidents and/or their designees to attend the 1<sup>st</sup> Quarter Governor's Commission on Supplier Diversity meeting on February 26, 2021, to present the SEI data.

## 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 was much needed to improve the efficiency of the IDOA 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 the review and check the status of their application.
- Provide for communication and conversation tracking within the online tool.
- Allow companies to upload required documentation.
- Automated certification expiration alerts.

On January 23, 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. DSD and Government Management Information Systems (“GMIS”) teams worked together on the electronic certification application all year round and developed the effective e-certification system.

The electronic certification system will launch on February 27, 2021, and the last day to submit a paper application to the IDOA DSD is March 31, 2021. DSD has been actively promoting the e-certification project to the vendor community via social media, electronic blasting system, and through partners. DSD posted training materials and tutorials to help businesses transition from paper to electronic application smoothly and efficiently.

## **Disparity Study 2020**

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 helps IDOA assess its efforts to encourage the participation of MBE/WBE/IVOSB businesses on State and SEI contracts and inform any refinements that IDOA might make to its implementation of the State’s supplier diversity program or state contracting policies.

The Disparity Study focused 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 completed it in December 2020.

The Disparity Study examined whether there were 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 Disparity Study also examined 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.

IDOA received the final report from BBC and will make it public upon Commission’s approval. The Governor’s Commission on Supplier Diversity 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 Disparity Study will report on the utilization of MBEs, WBEs, and IVOSBs, 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.

**IDOA DSD Certification:**

DSD certification team continues to serve the MBE/WBE and the IVOSB vendor communities. The average days to certify remains stable and is currently 31 days. Electronic Certification (E-Certification) Go-Live date is on February 27, 2021.

**MBE/WBE Certification Statistics Q1 2021 and Q4 2020:**

<u>New Applications Received</u>				<u>Recertification Applications Received</u>			
	MBE	WBE	TOTAL		MBE	WBE	TOTAL
Q1 2021 (as of 1/31/21)	33	41	74	Q1 2021 (as of 1/31/21)	19	28	47
Q4 2020	66	69	135	Q4 2020	38	73	111

**IVOSB Certification Statistic Q1 2021 and Q4 2020s:**

	<u>Q1 2021</u>	<u>Q4 2020</u>
New Incoming Applications	11	22
Recertification Application	9	6
Applications Completed	14	16
Average Processing Time (Days)	13	12



## Total Certified Firms in 2020:

	<u>TOTAL</u>	<u>MBE</u>	<u>WBE</u>	<u>IVOSB</u>
Q4 2020	1,962	681	1,038	243
Q3 2020	2,015	706	1,083	226
Q2 2020	1,976	684	1,071	221
Q1 2020	1,925	666	1,043	216

## IDOA DSD Contract Compliance:

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 contract compliance team continues to proactively audit state contracts with the MBE/WBE and IVOSB subcontractor utilization. In 2020, there was a total of **125** compliance reviews, most of them with the subcontractor participation plan change and the Good Faith Effort (“GFE”) reviews. DSD contract compliance managers attended **33** pre-proposal meetings and presented the information on tier two MBE/WBE and IVOSB utilization.

The Contract Compliance team advocates for MBE/WBE/IVOSB subcontractors on State of Indiana contracts who cannot resolve with prime vendors. The team must ensure that prime percentage obligations are met according to the MBE/WBE/IVOSB sections of the signed contract clauses.

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 weekly. 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 Initiatives:**

During 2020, the Contract Compliance team implemented improvements to current procedures, which included enhanced communication with other state agencies and vendors. Also, DSD developed stronger relationships with other IDOA departments.

- The Contract Compliance team brought back the Pay Audit webinars on a bi-monthly basis. This webinar was found to be helpful to those who have encountered issues entering payment information or who need training on the new system.
- The Contract Compliance team hosted the Preparation Meeting Opportunity (“PMO”) meeting virtually, due to COVID-19, on March 27, 2020. The invitation to this meeting was invite-only and there was a total of 37 attendees. It was a successful event that the contract compliance team will hold the PMO on a more regular basis in 2021.
- DSD Contract Compliance team has partnered with the IDOA General Counsel, as an additional measure to ensure contract compliance on State of Indiana contracts, to receive subcontractor participation amendment requests to ensure they have been reviewed and approved by DSD.

## **DSD Business Outreach:**

IDOA DSD doubled their outreach efforts in 2020 during the pandemic. DSD could not hold in-person outreach events and business conferences due to COVID-19 but it soon transitioned its outreach efforts to a digital platform. Seeing the Big Picture, the theme of the 2020 business Conference season, was the new weekly/bi-weekly web series that featured information from different partner organizations to provide diverse suppliers with access to resources on a digital platform.

Instead of a one-day business conference that would normally be held in different cities of Indiana, the DSD held a week-long online 12<sup>th</sup> Annual Division of Supplier Diversity Business Conference from October 5-9, 2020. The conference also featured a new organization, Progression Partners, that highlighted the best practices for businesses to consider as they developed their contingency plans during the COVID-19 pandemic. DSD began the webinar series at the beginning of May and concluded with our final session on August 27, 2020. During 12 weeks, DSD hosted 27 panelists, with 423 participants. In 2020, IDOA reached a total of 4,068 recipients.

To spread awareness about the Disparity Study, DSD hosted the State of Indiana Disparity Study 2020 Update Webinar on April 30, 2020. During the webinar, BBC Research spoke to 157 attendees about what to expect from the Study, what type of data was collected, what the data analyses looked like, and when to expect the final report. Attendees also heard from IDOA Commissioner Lesley Crane, Gregory Wilson, the Chairman of the Governor’s Commission on Supplier Diversity, and Maia Siphshvili, Deputy Commission of the Division of Supplier Diversity.

DSD posts and updates 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>.

**1<sup>st</sup> Annual Cassondra Wilson Award:**

A successful businesswoman herself, Commissioner Cassondra Wilson was a tireless supporter and a loud voice for minority, women, and veteran-owned businesses. We can proudly and without a shadow of a doubt say that Cassondra Wilson left a legacy for diverse businesses in the State of Indiana! She will not be forgotten, and her name will live on! The Governor’s Commission on Supplier Diversity asked the Indiana Department of Administration Division of Supplier Diversity to have an award named after Cassondra Wilson that will go to a business, a person, or an organization annually that will advocate for the minority, women, and veteran-owned businesses in the State of Indiana. This is the Commission’s pledge to Cassondra and her children that her tireless efforts will have no end and her passion will continue to impact future business generations!

The award was presented to Deborah Carroll, Owner of Clean Source, Inc. MBE/WBE during the IDOA DSD 12<sup>th</sup> Annual Business Conference week. Being gifted with an eye for detail, Deborah Carroll is a CEO who is committed to providing exemplary customer service. A philanthropist at heart, Deborah has spent several years providing re-entry employment opportunities and giving people second chances at life. In November 2000 Deborah established Clean Source Inc., which currently employs over 100+people. Clean Source is a commercial cleaning company that is located in Indianapolis, Indiana, and services areas throughout the city. Her leadership and direction have catapulted Clean Source into a top competitor in the commercial cleaning industry.

**DSD Webinars:**

DATE	EVENT	PROMOTIONS
October 5-9, 2020	12 <sup>th</sup> Annual Division of Supplier Diversity Business Conference	External e-blast, social media, partner solicitation
October 28, 2020	Strengthening Your Supply Chain	External e-blast, social media, partner solicitation
October 29, 2020	IDOA DSD Pay Audit Webinar	External e-blast, social media, partner solicitation
November 10, 2020	OMWBD Business Utilization Plan Roll Out	External e-blast, social media, partner solicitation

DATE	EVENT	PROMOTIONS
November 12, 2020	Public Sector Innovation Webinar	External e-blast, social media, partner solicitation
November 17, 2020	Mexican Consulate Webinar	External e-blast, social media, partner solicitation
November 18, 2020	INDYGO Improving Your Proposals/GFE's Webinar	External e-blast, social media, partner solicitation
November 18, 2020	IDOA DSD Certification Webinar	External e-blast, social media, partner solicitation

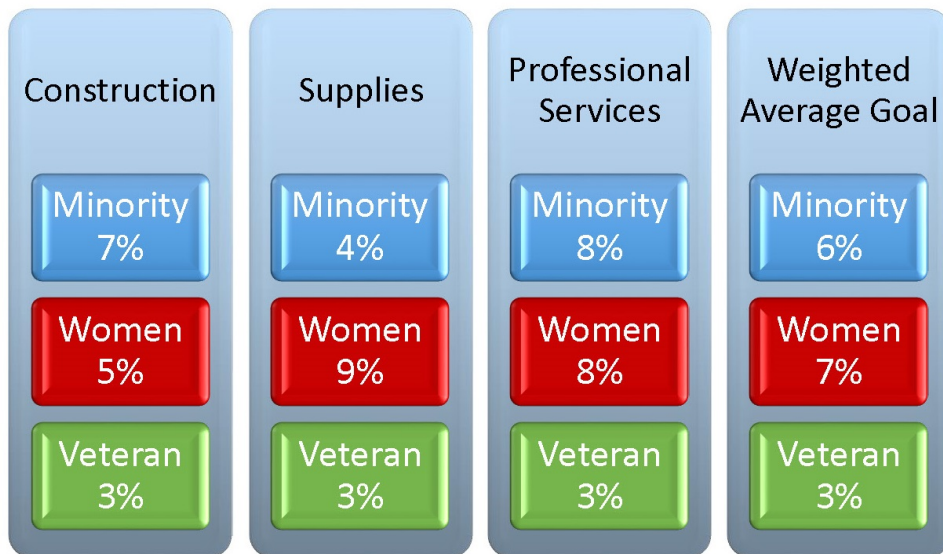
DATE	EVENT	PROMOTIONS
December 5, 2020	ILE Awards Gala	External e-blast, social media, partner solicitation
December 8, 2020	IBE Certification Webinar	External e-blast, social media, partner solicitation
December 9, 2020	City of Indianapolis Year-End Forum	External e-blast, social media, partner solicitation
December 10, 2020	INDOT XBE Online Meeting	External e-blast, social media, partner solicitation

DATE	EVENT	PROMOTIONS
December 14, 2020	4 <sup>th</sup> Quarter Commission Meeting	External e-blast, social media, partner solicitation
December 17, 2020	IDOA DSD Pay Audit Webinar	External e-blast, social media, partner solicitation
January 20, 2021	IDOA DSD Certification Webinar	External e-blast, social media, partner solicitation
January 22, 2021	Governor's Commission on Supplier Diversity Retreat	Open to Public

DATE	EVENT	PROMOTIONS
February 25, 2021	IDOA DSD Pay Audit Webinar	External e-blast, social media, partner solicitation
February 26, 2021	Governor's Commission on Supplier Diversity Meeting	Open to Public

**Conclusion:**

The current MBE/WBE and IVOSB participation goals are as follows:



In conclusion, the Governor’s Commission on Supplier Diversity works closely with the IDOA to ensure that the Division promotes, monitors, and enforces the standards for certification of the Minority, Women’s, and Veteran Business Enterprises, as well as provides equal opportunity to the MBE/WBE and IVOSBs 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.