

December 10, 2018

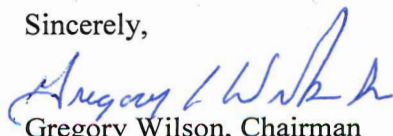
Dear Governor Holcomb:

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 October 1, 2018. Our next report, due March 1, 2019, will be submitted in the spring. 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-Lee.

Sincerely,



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

REPORT OF THE GOVERNOR'S COMMISSION ON MINORITY AND WOMEN'S BUSINESS ENTERPRISES

December 10, 2018

Prepared By the Division of Supplier Diversity

The Governor's Commission on Minority and Women's Business Enterprises ("MBE" and/or "WBE") ("Commission") was created in 1983 by I.C. 4-13-16.5. The Commission's mandate is to explore opportunities and implement activities that will enable MBE/WBE to fully participate in the State's procurement system.

Commission members, together with the Indiana Department of Administration ("IDOA") Division of Supplier Diversity ("DSD"), actively work to cultivate an environment that provides contracting opportunities for minorities and women across the State of Indiana. Member appointments are four year terms. Their responsibilities include but are not limited to the following:

- Being advocates for M/WBE goals in state contracting;
- Active in their region to promote M/WBE;
- Keep abreast of information that would assist the state in achieving the M/WBE goals;
- Oversight of the M/WBE Division as it relates to duties, goals and objections to assure compliance with state and federal legislation and policy concerning the awarding of contracts to minority and women's business enterprises;
- Establishment of annual M/WBE goals; and
- Oversight of a disparity study which provides statistical analysis of utilization of state contracts every five years.

The statute specifies that a report is to be provided to the Governor and the Legislative Council, describing the visions, aims, and activities of the Commission.

The major responsibilities of the Commission are: to identify MBE and WBE firms in Indiana, analyze their needs, create programs to meet those needs, get the word out about contracting opportunities with the state, and set the goals for utilization of MBE and WBE businesses by prime contractors on state funded contracts.

The following sections of this report will touch on the Commission's activities in those areas:

(1) The identification of minority and women's business enterprises in the state.

The IDOA is the only state agency that certifies MBEs and WBEs, therefore, certification is the core function of DSD. DSD is constantly seeking MBE/WBE businesses and offers them the state certification program for free. The potential MBEs and WBEs are encouraged to fill out the application, which is available for them online. After creating the bidder's profile with the IDOA's purchasing division, the applicant MBEs and WBEs will submit various documentation to help DSD determine eligibility. The review process may involve on-site meetings and additional documentation to confirm required business information.

In order to help potential MBEs/WBEs understand the process, DSD created a bilingual (English and Spanish) guide of the certification process for the potential MBEs and WBEs (*See Exhibits 1 & 2*).

Business outreach is another way for the Division of Supplier Diversity and the Commission to identify the MBEs and WBEs in the state. Through various outreach events, DSD gives existing and potential M/WBE vendors unique opportunities to attend, network and build relationships with various stakeholders: government entities, private sector, prime contractors and other certified vendors. This is done by several regional conferences throughout the year that are held statewide.

Every year, DSD creates a theme for the Regional Business Conference Season. In 2016, the theme of the year was “A Season to Grow”; in 2017, DSD built its conference programming around the theme of “A Season for Success” and this year, in 2018, the focus of the theme was on “A Season to Connect.” As the MBEs and WBEs established their businesses, we help the owners grow their businesses in order to become successful and expand their network.

DSD’s conference programs are tailored towards the regional market and local needs. However, in order to promote the certification program, DSD offers certification workshop at every business conference. In 2018, DSD planned and held the following outreach events:

- ✓ **May 14, 2018 – Southern Indiana Business Conference – Evansville, Indiana;**
 - 2017 was the first time DSD held a business conference in Evansville in order to tap into the local MBE/WBE vendor market. In two conference years, over 250 businesses were reached.
 - The program included the following components:
 - *Leveraging Your Certification: What’s Next?*
 - *Contracting Opportunities: Local, State & State Educational Institutions (“SEI”)*
 - *Doing Business with Large Corporations.*
 - The panelists of the workshop were the representatives from Cummins, Vectren, University of Southern Indiana (“USI”) (host and sponsor of the event), the City of Evansville, IDOA, and Ivy Tech Community College.
 - Commission Chairman and the Commissioners also participated in the panel and talked about the benefits and value of certification.
- ✓ **June 11, 2018 – Northern Indiana Business Conference – Gary, Indiana;**
 - Governor’s M/WBE Commission initiated combined business conferences in 2018. Gary, Indiana was the first location to pilot this concept. The second quarterly Commission meeting was held in the morning and DSD continued with the Northern Indiana Business Conference, with the networking luncheon in between the two events.
 - These events were hosted by the northern Commissioner, Ms. Francis Vega-Steele at the Ivy Tech Community College facility.
 - The program included for this business conference included the following topics:
 - *Leveraging Certification.*

- *Accessing Capital* – through ACCION, BMO Harris, Centier Bank and Indiana Small Business Development Center.
 - *Doing Business with Municipalities and Local Corporations.*
 - The organizations represented at the panels and workshops were Indiana Toll Road Concession Company, Procurement Technical Assistance Center with the Indiana Economic Development Corporation, City of Gary Sanitary District, City of Gary Urbanist and Environmental Affairs.
 - Commission Chairman and the Commissioners also participated in the panel and talked about the benefits and value of certification.
- ✓ **August 13, 2018 – South Central Indiana Business Conference – Columbus, Indiana;**
- Governor’s M/WBE Commission initiated combined business conferences in 2018 and after Gary, Indiana, the third quarterly Commission meeting was held in Columbus, IN. The Commission meeting commenced in the morning and DSD continued with the South Central Indiana Business Conference in the afternoon, with the networking luncheon during the break hour.
 - The Commission meeting and the business conference took place at the Columbus City Hall and were hosted by the Central Indiana Commissioner, Ms. Cassondra Wilson and the Mayor of Columbus.
 - The program for the South Central business conference consisted of:
 - *Leveraging Certification.*
 - *Doing Business with the State & Large Corporation.*
 - Commissioner of the Governor’s M/WBE Commission participated in a certification panel to talk about the benefits of certification.
- ✓ **September 27, 2018 – 10th Annual Division of Supplier Business Conference – Indianapolis, Indiana;**
- The Indianapolis business conference is IDOA DSD’s biggest event of the year. Together with the workshops, DSD opens the Indiana Government Center South conference and atrium areas to the vendors, who have an access to the Business to Business (“B2B”) showcase.
 - Over 350 businesses registered for the event.
 - Over 60 vendors participated in the B2B and in total, over 250 business owners attended the business conference in different capacities.
 - Commission had a table at the conference.
 - The program at the 10th Annual Business Conference included the following seminars and workshops:
 - *Bonding – Let’s Get Bonded*
 - *Accessing Capital – Money Talks*
 - *Doing Business w/Large Corporations*
 - *Leveraging Certification*

(2) The assessment of the needs of minority and women's business enterprises.

The assessment of the MBE/WBEs conducted through the statistical analysis of utilization study, which is also known as the disparity study. Disparity studies examine whether or not there is

evidence of discrimination in the utilization of minority and women-owned firms. Disparity studies are a way for government agencies to examine whether programs are needed to assist small businesses and/or minority and women-owned businesses in government contracting and purchasing.

According to the I.C. 4-13-16.5-2, the State of Indiana is required to update its disparity study every five (5) years. An updated disparity study must be completed in order to establish the legal validity for maintaining an M/WBE program, as well as assess their needs, when and if such exist. The last State of Indiana disparity study was commissioned in 2014 and completed in 2015. The upcoming disparity study is due in 2020.

Together with the study, the Commission and DSD also assess and listen to the needs of the MBE/WBE community by holding public Commission meetings at least four times a year, as well as attending other public forums and events. In addition, DSD started surveying MBEs and WBEs to collect their feedback about the Division's certification, compliance and business outreach efforts. The collected data from two types of surveys (electronic and hard copies) are analyzed and taken into consideration in the Division's future strategic initiatives.

One of the examples of the needs and capabilities assessment by DSD's was the matchmaker event with the Indiana Energy Association ("IEA"), held in Evansville, Indiana on September 12, 2018. For this reason, DSD competed for a grant and received \$5,000.00 to host a matchmaker for the IEA. The names of the event was "*Strike a Match with IEA*" and it took place at the University of Southern Indiana. The matchmaker was designed for five IEA members – Duke Energy, Indiana Michigan Power, Citizens Energy Group, NiSource and Vectren, who were looking for MBEs and WBEs in specific areas. DSD assessed the capabilities and matched 50 certified MBEs and WBEs with specific contracting opportunities available at these utility companies.

The matchmaker was divided into two sessions:

- Session 1: *Construction, Engineering, Design & Architecture.*
- Session 2: *Professional Services, Goods & Supplies.*

(3) The programs that have been initiated to assist minority and women's business enterprises in obtaining state contracts.

Together with the business outreach initiatives and events mentioned above, DSD promotes the certification program by advertising the benefits of certification.

- MBE/WBE certification is valid for 3 years.
- Certification opens doors once closed to MBE/WBEs.
- Certified MBE/WBEs qualify for subcontracting opportunities on state contracts.
- Certified MBE/WBEs qualify as an MBE/WBE for purchasing by casinos and state universities, as well as other public and private organizations.
- Certified MBE/WBEs receive notification of state business opportunities.

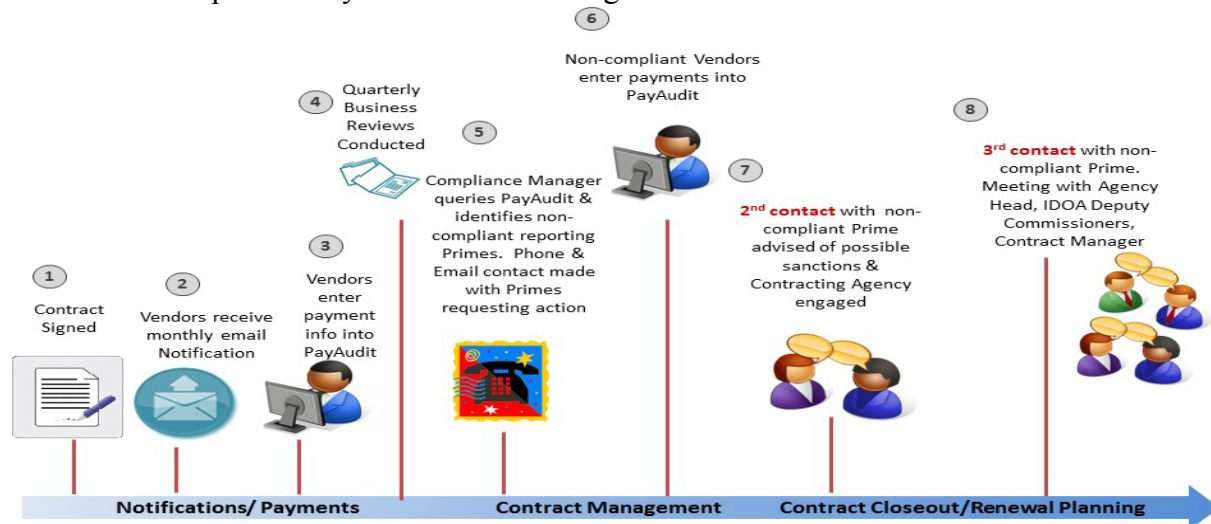
Connecting MBEs and WBEs to the business opportunities is one for the main functions of DSD.

- Division offers an assortment of networking opportunities throughout the year for our certified minority and women businesses.
- The goal of the MBE/WBE business outreach team is to provide small business owners with tools they need to help their business succeed.
- Networking opportunities allow those small businesses to connect with decision-makers at local and large corporations they would not normally have the opportunity to connect with.

DSD compliance team closely monitors contracts through Pay Audit System and/or other reporting tools. The compliance team also acts as a liaison between the prime and subcontractors when compliance issues arise and to ensure that subcontractor commitments are met.

- The compliance team was able to increase MBE/WBE participation on various contracts through Good Faith Effort reviews, compliance monitoring, and subcontractor replacement procedures.
- The compliance team was able to achieve this by educating prime contractors on rules governing MBE/WBE suppliers (25 IAC 2-5-4(b)) and the allowable credit of such suppliers during the good faith effort review process. As a result prime vendors increased commitments to MBE/WBE suppliers.
- The compliance team conducted routine audits of contracts to ensure commitments were being met. DSD's intervention reiterated the contractual obligations primes entered into regarding MBE/WBE participation. Due to this intervention, primes began utilizing subcontractors as agreed to. Additionally, the compliance team closely reviews any request to alter the subcontractor participation plan.
- On two occasions, DSD scrutinized the prime contractors' request to remove an MBE/WBE from a contract. Instead, the prime vendor found additional opportunities for the MBE/WBE to continue to be utilized on the contract.

Here are the steps taken by DSD when auditing a contract:



- In early 2018, DSD compliance team started attending IDOA pre-proposal and pre-bid meetings.
- To date, DSD has presented the M/WBE procedures at about 40 meetings, with over 100 MBEs and WBEs.
- DSD team attended two State Contracts Seminars to discuss the MBE/WBE program and how it is administered.

(4) The types of publicity used to announce procurement, bidding, and qualifying procedures.

Both 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>. The website also updates bidding information from the SEIs, City of Indianapolis and other governmental and private agencies.

Before the award or the contract execution phase, DSD compliance team promotes the utilization of MBE/WBE through attending pre-proposal meetings; posts bid opportunities on the MBE/WBE website and assists primary contractors in search of subcontractors to include in subcontractor participation plan on the website: <http://www.in.gov/idoa/mwbe/2743.htm> (This list is updated every 24 hours).

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 subcontractor plan change.



In order to make the primes and subcontractors aware of the MBE/WBE utilization process, DSD compliance team created visual guides for the primes and the subcontractors. (See Exhibits 3 and 4).

(5) The process by which minority and women's business enterprises are included on solicitation mailing lists.

Each state agency is responsible (and is held accountable) for meeting the State's goals and should consider this when choosing bidders during the solicitation process.

Bidders should complete and submit the Minority and Women's Business Enterprise Participation Plan ("Plan") form included in the solicitation package with each solicitation response in accordance with 25 IAC 5 and IC 4-13-16.5. In the Plan, the bidder must show that there are Indiana certified

minorities and woman-owned enterprises participating in the purchase being made or indicate that there is no participation involved with this particular procurement.

While the participation may be as a subcontractor, second tier participation with common suppliers (office suppliers, courier services, etc.) is acceptable. Respondents must list on the form the name of each Indiana certified minority and/or woman-owned business involved, a contact name and phone number, the product or service being supplied, and the specific dollar amount from this purchase that will be directed toward each M/WBE firm.

Bidders claiming M/WBE participation must include with their response a signed letter(s) on the company letterhead from the participating minority and/or woman-owned business. The letter(s) must reference and match the level of participation listed in the bidder's Minority and Women's Business Enterprise Plan. If the awarded vendor is an MBE or a WBE business, their participation, if indicated, is not applicable; only their subcontractors and suppliers participation is relevant towards the stated goals.

(6) A description of how, through a policy, the department ensures fair competition among non-profit minority and women's business enterprises and for-profit minority and women's business enterprises.

In 2007, the Indiana General Assembly passed House Enrolled Act 1566, which states that non-profit corporations are eligible for MBE and WBE certification, provided that they do not have a competitive advantage. The bill tasked the Governor's Commission on Minority and Women's Business Enterprises with recommending how best to determine if such an advantage is present when considering non-profits for certification.

On December 10, 2007 the Commission voted unanimously to recommend that only non-profits can be certified are those that perform a scope of work that no for-profit certified firm provides. Should a for-profit firm believe that any non-profit is impeding competition, they may request that the certification be reconsidered.

The policy states that non-profit firms can only be certified if their scope of work does not match that of a certified for-profit entity. A non-profit firm wishing to apply for certification must do the following:

- Make a determination of which UNSPSC codes apply to the company's work using www.UNSPSC.org.
- Compare those codes to the UNSPSC codes of the currently certified businesses from the webpage: <http://www.in.gov/idoa/mwbe/2743.htm>.
- If no certified firm is found to have the codes that the non-profit wishes to be certified with, it may submit an application for certification to the Division.

(7) The steps taken by the deputy commissioner 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.

The Deputy Commissioner's position was returned to DSD in May, 2018. The Deputy Commissioner has implemented important changes in all three areas of DSD: MBE/WBE certification, contract compliance and business outreach. Certification process has become faster and more customer-oriented; contract compliance process has been entirely revamped and better aligned with the Procurement Division; business outreach has become more pinpointed and flexible.

✓ **Certification:**

- Average days to process the certification MBE/WBEs files has been stably below the 90 day requirement.
 - January 2017 through December 2017 – 68 days
 - January 2018 through October 2018 – 31 days
- No certification backlog since August 2017.
- Revised the certification application review process and made it more customer friendly.
- Currently serving over 1,600 Minority and Women Business Enterprises.
- Working on the electronic certification project to change the paper-based process with the electronic one.

✓ **Compliance:**

- Created contract compliance team with two Contract Compliance Managers.
- Resumed oversight of the Pay Audit System – the subcontractor participation payment compliance tool.
- Through DSD's proactive compliance measures, MBE/WBEs received additional \$1,818,116.44 on different contracts.
- Updated bid and contract languages.
- Started program awareness training amongst different state agencies.
- Revised the Good Faith Efforts ("GFE") evaluation process on Indiana Department of Transportation ("INDOT") and IDOA's Public Works projects.
- Created Standard Operating Procedures ("SOPs") for each new compliance process.
- At least 10 contracts every month to be proactively audited.
- Attending pre-proposal and pre-bid meetings.

✓ **Business Outreach:**

- In addition to the above-mentioned business conferences, DSD has participated in over 35 events, partnering with the organizations that included but not limited to: Indiana Black Expo, City of Indianapolis, INDOT, Small Business Administration, Indiana Economic Development Corporation, NAWBO, Indiana Latino Expo, Indiana Latino Institute, WBENC, IndyGo, Global Chamber of Indianapolis, and State Educational Institutions.
- Created a more targeted approach for business outreach.
- Working on business outreach strategy 2019.

With the initiative of the IDOA Commissioner, in June 2018, IDOA has made the following recommendations to the SEIs in order to have a better MBE/WBE utilization numbers:

- Identify one person who should be the contact person for the Division. The SEIs should communicate that person's name and their contact information to the Division so that updates, reminders, and other communiques from the Division to the SEIs may transmit through this contact person;
- The SEIs should report only State of Indiana certified MBE/WBE vendors for their projects when reporting to IDOA. Unless they do, the Division cannot attest to the validity of the vendors used by the SEIs;
- Pursuant to I.C. 4-13-16.5-3(b)(5), "The commissioner may exclude from the reports uncertified minority and women's business enterprises." Therefore, beginning from October 2018, IDOA reviews the SEIs' reports with only IDOA certified MBE/WBE vendor data;
- The Division has put together a form for reporting the data required by I.C. 4-13-16.5-3(b)(5) so that there is common format and type of information reported by the SEIs; The form will exclude vendors not certified by the Division, as permitted by I.C. 4-13-16.5-3(b)(5). That form was provided to SEIs on 6/27/2018;
- Pursuant to I.C. 4-13-16.5-3(b)(5), The Division may, "Require all . . . state educational institutions to report on planned and actual participation of minority and women's business enterprises in contracts awarded by state agencies." Beginning this fall, the Division will require that SEIs report on a quarterly, rather than on an annual basis, to the Division;
- We recommend that SEIs publish in an accessible, public, and transparent way their individual MBE/WBE contract goals. However, we recommend that overall participation goals should be the goals that are set by the Governor's Commission on MBE/WBE for IDOA. Please visit this link for updated information <https://www.in.gov/idoa/mwbe/2494.htm>;
- The Division commits to taking steps to support the SEIs as they undertake these recommendations, such as: quarterly reminders that reports are due, serving as a resource to the SEIs, and providing copies of the necessary forms each quarter; and
- The Division is willing to help promote SEI contracting opportunities via e-blasts, pre-bid meetings and/or SEI-specific outreach events. Please send bidding opportunities to mwbecompliance@idoa.in.gov and your bid announcements will be posted here: <https://www.in.gov/idoa/mwbe/2757.htm>.

(8) The current annual MBE and WBE utilization/participation goals for state agencies.

Each year, the Governor's Commission on Minority and Women's Business Enterprises sets participation goals for the state contracts.

The current MBE/WBE participation goals are as follows:

Construction	Supplies	Professional Services	Weighted Average Goal
Minority 7%	Minority 4%	Minority 8%	Minority 6%
Women 5%	Women 9%	Women 8%	Women 7%

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 program to the next level.

EXHIBITS

Exhibit 1:



Exhibit 2:



Exhibit 3:

Tips for Prime Contractors on State Contracts



Pre-Award Phase

- **Prime** contractors are expected to meet MBE/WBE participation goals through subcontracting IDOA certified MBE/WBEs.
- **Use** Minority and Women's Business Enterprises Division website¹ to advertise bid opportunities. However, do not make this the only solicitation method used.
- **Research** the scope of services provided by potential subcontractors and ensure it aligns with proposal needs.
- **Subcontractors** certified as both MBE and WBE can only count towards one goal.



Award Phase

- **Notify** subcontractors, Minority and Women's Business Enterprises Division, and contracting agency of any changes that may have occurred during the contract negotiation phase.
- **Establish** performance goals and set clear deliverables mutually.
- **Provide** a tentative timeframe for MBE/WBE utilization.
- **Identify** project points of contact and provide to subcontractor(s) and contracting agency.



Post-Award Phase

- **Submit** to Minority and Women's Business Enterprises Division subcontractor agreements within 30 days of contract effective date.
- **Report** payments made to subcontractors through the Pay Audit System on a monthly basis.
- **Maintain** open communication with subcontractors.
- **Contact** Minority and Women's Business Enterprises Division for any questions or concerns.



Contact Us: Telephone: (317) 232-3061
E-mail: mwbecompliance@idoa.in.gov

www.in.gov/idoa/mwbe
www.in.gov/idoa/mwbe/2488.htm

Exhibit 4:

Tips for Subcontractors on State Contracts



Pre-Award Phase

- **Understand** your capacity and the feasibility of adequately performing services as outlined in the solicitation.
- **Review** the UNSPSC codes listed on your certification letter to ensure your firm can provide the services requested.
- **Submit** signed letters of commitment on company letterhead which include the subcontracted amount, percentage, and work being performed.
- **Visit** the Minority and Women's Business Enterprises Division website¹ for additional subcontracting opportunities.



Award Phase

- **Review** Award Recommendation notices on IDOA Procurement website².
- **Communicate** with prime contractor if you are unable to perform scope of work since proposal submission.
- **Establish** performance goals and set clear deliverables mutually.
- **Provide** key points of contact to prime contractor.



Post-Award Phase

- **Track** your recertification dates and renewal requirements and provide required documentation timely to the Minority and Women's Business Enterprises Division.
- **Report** payments received from prime contractor through the Pay Audit on a monthly basis.
- **Maintain** open communication with prime contractor.
- **Contact** Minority and Women's Business Enterprises Division for any questions or concerns.



Contact Us:
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www.in.gov/idoa/mwbe
www.in.gov/idoa/mwbe/2488.htm
www.in.gov/idoa/2462.htm