

Governor's Minority and Women's Business Enterprises Commission
Monday, December 14, 2009

MINUTES

The Governor's Commission on Minority and Women's Business Enterprises met on December 14, 2009, at 1:00 p.m. in the Government Center South, Conference Room A, Indianapolis, IN.

Handouts

The Minority and Women's Business Enterprises (MWBE) staff distributed several handouts to the commissioners prior to the start of the meeting.

Call to Order

The meeting was called to order at 1:11 p.m., by Terrie Daniel, MWBE Outreach Manager.

Welcome

Chairman Jamal Smith welcomed the Commission members and attendees and asked everyone to sign-in before leaving the meeting. Chairman Smith stated that some of the State Representatives were in Legislative Session and would join the meeting later in the day.

Roll Call

Commission members present:

Adele Corya, Hygrade Excavating
Mark Everson, Commissioner, Indiana Department of Administration
Martha Kenley for Mike Reed, Commissioner INDOT
Mike Madrid, Highway Safety
Rae Pearson, Alpha Rae Personnel
Jamal Smith, MWBE Commission Chairman
Lisa Spalding for Mitch Roob, IEDC
Sarah Taylor, City of Indianapolis
Alice Watson, Deputy Commissioner, Minority and Women's Business Enterprises Division

Commission members absent:

Ronnie Alting, Indiana State Senator
Jean Breaux, Indiana State Senator
Cleo Duncan, Indiana State Representative
Marcia Duncan
Angela Faulkner, Faulkner Strategies
William Harmon, Harmon Construction
Mara Candelaria-Reardon, Indiana State Representative
Sylvia Trotter, Trotter Construction
Gilbert Velez, G & M Training & Services, LLC

Minority Business Enterprise Center

Alice Watson, Deputy Commissioner, Minority and Women's Business Enterprises, reported that Reppard Horne, MBEC Executive Director, submitted his resignation on December 6, 2009. Jynell Berkshire of eGlobal, a WBE certified firm and a consultant from the federal Minority Business Development Agency have partnered to manage the program since Mr. Horne's departure. The grant for the Indiana MBEC center however, was not renewed but instead, extended for one year. After 2011, the center must apply for renewal which is based on performance and assessment of other centers. Indiana has performance metrics that have been difficult to achieve given the present economy and decreased minority business participation. Ms. Watson has been conferring with the Federal Government for resolution on the MBEC grant renewal.

Minority Business Outreach

Ms. Watson reported that IDOA Commissioner Mark Everson was recently on the news explaining the cost-saving measures that were recently initiated in IDOA. Ms. Watson stated that MWBE, as a cost-saving measure and in an effort to reach more clients, has launched outreach events such as in-house certification clinics. In the interim, Ms. Watson assured the commission members that MBEC will continue to be diligent in servicing Indiana MWBEs.

Certification

Ms. Watson referred the attendees to review utilization and participation numbers detailed in the handout materials. Ms. Watson referenced the average days to certify a business, the number of certified firms and number of denials from December 2009, through fiscal year December 2010. Ms. Watson stated that there was an increase in the number of certified businesses in the MWBE repository for this time period.

Commissioner Rae Pearson stated that due to the current economic climate, there needs to be a study to determine how the system is working and proposed that the study should be conducted within the next three months. IDOA Commissioner Mark Everson agreed that a study is needed and that the Disparity Study will provide the right data to proceed with the project.

Business Development and Compliance

Ms. Watson stated that utilization numbers are not good and referred the attendees to the comparison chart in the handout. Ms. Watson explained these numbers represent percentages of participation and utilization for those certified contracts that have gone through the procurement process where opportunities for MWBEs were typically at the subcontracting level. She also mentioned goals set by the Commission for minority- and women-owned businesses were not being met. Commissioner Everson interjected and stated there was a smaller total dollar value of contracts in this fiscal year which can have an impact on the opportunities. Mr. Everson stated that IDOA must look at what happened in the contracting process itself during the period as opposed to contract execution.

Ms. Watson referenced the auditing activity for contracts \$500,000 and above, audit commitments to actual participation and the cumulative averages for MWBEs in fiscal year 2010. Ms. Watson explained that the low WBE numbers were attributed to a lack of utilization on construction state contracts and as a result, some construction primes have been placed on a "corrected action plan". The primes meet with MWBEs and are allowed a couple of months to correct the situation.

Ms. Watson explained contractors not in compliance can potentially be sanctioned. Commissioner Pearson asked what happened to the proposed tracking system. Ms. Watson answered that due to budget constraints, the Pay Audit System was tabled at the point of negotiations. Commissioner Everson stated that the contract would be fairly expensive and it would be extremely difficult to make a case for the investment at this stage.

Ms. Watson referenced the chart representing field activity of the Business Development team. Ms. Watson stated the chart was self-explanatory and did not elaborate on its content.

Outreach Events

Terrie Daniel, MWBE Outreach Manager referred attendees to handouts to review events that have taken place since the last Commission meeting. Ms. Daniel informed attendees that the MWBE Division has received positive feedback regarding MWBE initiatives the office has been involved in. Ms. Daniel introduced the two BBC representatives to present their report on the Disparity Study.

Disparity Study

Chairman Smith acknowledged the Disparity Study was important and the presentation may be lengthy. Mr. Smith suggested that it would benefit the Commission Members to review any and all IDOA communications prior to the commission meetings and address any concerns or questions, via e-mail to Alice Watson. Chairman Smith stated that this procedure would allow a more concise and expeditious meeting. Chairman Smith also expressed the need for better attendance and feedback from the public.

The BBC research representative urged the Commission members to go forward with any recommendations that would properly implement the MWBE program rather than wait for the results of the Disparity Study. BBC stated their office would contact former MWBE certified firms to ascertain their reasons for not seeking recertification and would include their findings in the Disparity Study. BBC will also provide the number, by state, of those MBE and WBE firms that have never sought certification. BBC is examining minority business participation programs and different types of procurement practices at the seven Indiana universities and colleges and will document the differences in the various programs. BBC is also reviewing 25 IAC Article 5, the laws governing the MWBE program to ensure that the laws are being properly implemented.

Adoption of Minutes

Chairman Smith asked for a motion to adopt the September 9, 2009, minutes. The motion was seconded and approved.

Public Comments

Cathy Carrier of Briljent, LLC, and the sub-contractor on the BBC Disparity Study expressed her satisfaction with the work that BBC has done thus far.

Janet South of Deco Group, Inc. stated that her firm holds DBE, City and State WBE and national certifications. Ms. South shared her personal experience with one particular prime contractor, as it relates to participation figures. Ms. South stated lack of communication between both parties, specifically reciprocal communication from the prime, contributes to low utilization numbers. Ms.

South stated numerous, costly and time consuming efforts to secure construction bids were finally deemed futile after the prime made false statements about the firm's competence. Ms. South cited an instance where the prime allegedly stated he had no intention of using her firm and could not be forced to use an MBE or WBE. Ms. South, however, continued her pursuit and eventually was awarded the contract. The same prime later contacted Ms. South about another project on which he requested her participation, she felt, only for opportunity and to add value, instead of a genuine desire to use a WBE. Ms. South also shared her experience about a City of Indianapolis contract which was again awarded to her firm only after relentless communication and complaints. Ms. South expressed her frustration with the need to continually incur expenses when dealing with those primes who fail to diligently seek WBE or MBE sub-contractors.

Adjournment

Chairman Smith made a motion at 3:15 p.m. to adjourn the meeting. The motion was seconded.