

**Governor's Commission on Minority and Women Business Enterprises  
December 10, 2012  
Meeting Minutes**

**I. Call to Order**

The Governor's Commission on Minority and Women Business Enterprises was called to order by Chairman Jamal Smith at 1:14 p.m.

**II. Roll Call**

The following Commissioners were present: Jamal Smith, Robert Wynkoop, Felecia Roseburgh, Sarah Taylor, Jesse Moore, Rae Pearson, Lani Chuang, Marcia Duncan, Alfonso Vidal, Tiffany Mulligan.

**III. Establish quorum**

Chairman Smith determined that there was a quorum.

**IV. Adoption of Past Minutes**

**a. June 11, 2012**

Minutes of the June 11 meeting were approved after one amendment by Tiffany Mulligan on the INDOT DEB/Ohio River Bridges Update portion of the minutes. Marcia Duncan moved approval with amendments and Rae Pearson seconded.

**b. September 10, 2012**

Minutes of the September 10 meeting were approved with two amendments by Tiffany Mulligan to the DBE Program Update portion of the minutes. Jesse Moore moved approval with amendments and Sarah Taylor seconded.

**V. Welcome Remarks and Chairman's Update**

**a. Meeting Dates for 2013**

MWBE Commission meetings for 2013 will be from 1 to 3 p.m., same location, on the following dates:

- March 11
- June 10
- September 9
- December 9

**b. Supplier Diversity Briefing for SEIs and State Agencies**

Chairman Smith said a bid process will take place on this issue, with additional information to come.

### **c. Award Acknowledgements**

Chairman Smith said the Enterprise Great Lakes WBNC recently honored, at its 12<sup>th</sup> annual Women's Business Conference Luncheon, Dr. Rae Pearson as WBE volunteer of the year; Felecia Roseburgh as government advocate of the year and Ronalda Minnis of Duke Realty as corporate advocate of the year.

## **VI. Indiana Gaming Commission Disparity Study Report**

Jenny Reske, deputy director of the Indiana Gaming Commission, said a statutorily mandated disparity study is completed every five years by the Public Policy Institute of IUPUI. When appropriate, the commission establishes goals for spending with minority and women-owned businesses. The first study was five years ago and is gaming specific, examining how casinos spend their money. Purchasing is tracked for each casino, according to vendors. Categories are construction, procurement, professional services and other services. The spend is entered quarterly in the Gaming Commission's proprietary Purchase Tracking System and reviewed annually. Audit staff compares the Purchase Tracking information to the general ledger. For \$1.2 billion in casino expenditures from January 1, 2009 through December 31, 2011, the MBE spend total was \$187 million or 15.3% and the WBE spend total was \$149 million or 12.2%

The Gaming Commission also conducted outreach to find companies owned by minorities or women that weren't certified and determined all MBE spend was increased to \$204 million (16.7%) and WBE was increased to \$175 million (14.3%).

Rob Wynkoop said the document provided by Jenny Reske had blank pages. She promised to provide a full copy of the report.

Jenny Reske said a disparity study comprises two main components: utilization and capacity. The utilization numbers have been mentioned. Capacity was determined to be a universe of firms reached through various outreach programs. In the area of construction, MBE estimated capacity was 10.4% while actual utilization was 15.7%; WBE estimated capacity was 9.9% while actual utilization was 10.7%. In procurement, estimated MBE capacity was 2.9% while actual utilization was 15.5%; WBE estimated capacity was 4.8% while actual utilization was 14.7%. In professional services, MBE estimated capacity was 6.9% while actual utilization was 13.1%; WBE estimated capacity was 10.4% while actual utilization was 10.8%. Other services MBE estimated capacity was 5.7% and actual utilization was 30.8%; WBE estimated capacity was 11.4% while actual utilization was 22.7%.

## **VII. Deputy Commissioner's Report**

Felecia Roseburgh said the final report for 2012 shows excellent results. The division's operational focus continued in the areas of improved customer service, full integration of the pay audit system, expanded use of technology, launching a MWBE branding and marketing strategy and leveraging partnerships for success.

A year end supplier survey was presented in certification and contracting, business development and outreach, as well as customer service. Suppliers were asked whether their company participated on a state contract. 33% said yes and 64% said no; 3% did not answer. When asked if they knew where to

find business opportunities with the state, 60% said yes and 40% said no. Suppliers were asked whether certification had benefited their business and 65% said yes.

In business development and outreach, the results show that certification does make a difference. In understanding the benefits of certification, the results were split with 46% understanding completely, 46% understanding somewhat and 8% not understanding. Felecia Roseburgh said the division is working on clearly communicating the benefits of certification. When asked if business opportunities are being communicated, 66% said yes; 27% said no and 7% didn't know. Suppliers asked if they participated in any outreach or training events and the response from 32% was yes; 66% said no and 2% didn't know.

In comparing contract participation to MWBE Division event attendance, 41% of the attendees participated in state contracts and 27% of the attendees had not participated in state contracts. 57% of the certified businesses with state contracts did not attend an event and 72% of the certified businesses without state contracts did not attend. The findings show that businesses that participate in MWBE Division events are more successful in securing state contracts. The likelihood of being able to obtain a contract, understanding the steps, knowing where to go, having access to resources is dependent upon how well suppliers are connected to the MWBE Division.

Customer service was a major focus from the beginning of the year. 61% of respondents said they contacted the MWBE Division in 2012 and 39% did not. Rating satisfaction of service, 37% were overwhelmingly satisfied, 22% were somewhat satisfied and 27% were neutral. Overall, the surveys showed 58% were satisfied with their experiences.

In certification updates, the average days to certification is 24.5 days. There are currently 2,500 certified MBEs and WBEs – 926 are MBEs and 1,500+ are WBEs. Since July 1 (beginning of FY 2013), the number of applications has been 250, a 50/50 split between new applications and recertification applications. Certification approval rate is 96.85% - 98.78% of MBE applications are approved and 95.28% of WBE receive certification.

During the September MWBE Commission meeting, a Commissioner asked how the Division had reduced its certification time frame. Felecia Roseburgh, responding to that question, said the major factor was improvement of the overall process for recertifications.

A tremendous amount of work over the last year has reduced the certification time frame. The statutes allow 90 days for certification approval but the internal goal was 45 days. The goal was reduced to 40 days and with process improvements, the Division was able to reduce it to 27 days. Compared to last year, 1<sup>st</sup> Quarter was 47 days versus 27 days for FY 2013. 2<sup>nd</sup> Quarter was 46 days versus 22 days in FY 2013. Now, in 3<sup>rd</sup> Quarter, the time is about 24.5 days.

Process improvements include automation and technology and the first step was online applications. The application is now a fillable .pdf and was online as of October. The recertification and certification applications have been split into separate documents.

In development and outreach, the quarterly newsletter, The Link, is mailed electronically. Hot links in the newsletter go to the web site, Facebook and Twitter.

In business development, two new workshops will be offered in 2013: "I'm Certified, Now What" and "What's My Value?" The second workshop connects the products and services of MBEs and WBEs to vendors.

The outreach chart shows 71 events and that is just halfway through the year, so the Division is really proud. Outreach events have also gone to areas of the state such as Northwest Indiana.

The transition to the Pay Audit System has provided an enhanced ability to examine contract spend data. Previously, only contract commitments were reported. Of new contract commitments, utilizing the Pay Audit System, 26.5% include MWBE spend. 25% of those are directed to MBEs and 1.49% go to WBEs. The system to date shows a value of \$3.98 billion, representing 40 active contracts. The MWBE Division is spending a lot of time informing prime and sub contractors of the requirement to report MBE and WBE spend. Primes are being asked to report payments on a monthly basis and subs are being asked to report receipt of payments. Those who fail to report are considered non-compliant. A sanctioning process can include everything from a phone call or a letter, to being kept from present or future contracts. To insure compliance, the MWBE Division is sending e-mails, making phone calls, even conducting monthly training sessions. A help desk is also available.

Jesse Moore inquired if the active contract data was from pay audit or award data and was that information the primes and subs had entered into the pay audit system? Felecia Roseburgh replied that the MWBE Division has 100 percent oversight of all state contracts with MWBE spend. Jesse Moore asked if Pay Audit is capturing contracts that have no MWBE spend and if so, what percentage would that be? He said he believes the commission is charged with looking at the overall spend of the state. He said he would like to know what percentage of contracts have MWBE spend and what percentage do not; that would enable the commission to compare the percentage of the MWBE spend with the overall spend of the state.

Felecia Roseburgh said the 26.5% of new state contracts with MWBE spend offers a close idea of the overall percentage. She agreed with Jesse Moore's interpretation that \$1 of every \$4 spent by the state is with an MWBE contractor.

Rae Pearson asked if the MWBE Division is spending too much time on the certification process and not enough time getting contracts. Felecia Roseburgh pointed to the evidence presented that firms that participate in MWBE Division events, activities and information are better connected to state sub-contracting opportunities and so are successful in obtaining contracts.

Rob Wynkoop said that the disparity study performed a year ago reflected similar results and that the study was approved and accepted by the commission. Felecia Roseburgh added that the MWBE Division will continue to evaluate its success in bringing MBEs and WBEs to the state's procurement process.

Jesse Moore said that the certification process is necessary but expectations must be managed because he is not sure that certification gives a business an advantage. Rae Pearson said she hears from certified businesses that are not receiving contracts. Even though the commission is not charted to do so, it would be nice to know how effective the program is.

Felecia Roseburgh acknowledged that the Division's work does not stop with certification. The workshop "I'm Certified – Now What?" is designed to take certified firms to the next step of competing for state contracts.

Sarah Taylor said that there may be reciprocity or other reasons that firms seek certification; otherwise they would not seek recertification.

Felecia Roseburgh recognized that this is the last Commission meeting of the Daniels administration and she acknowledged her staff: Luther Taylor, deputy director of certifications; Jocelyn Williams, certification specialist; Vickie Scott, business project program coordinator; Nancy Walker, program coordinator; Art Sample, contract compliance manager; Nate Lofton, business development manager; Jessica (Thayer), communications manager; Debby Walker, business development and compliance deputy director; and Isabel Smith, business relations specialist.

Debby Walker provided complete copies of the Gaming Commission report.

### **VIII. INDOT DBE Program Update**

Tiffany Mulligan presented the INDOT DBE Program Update: There are 591 certified DBEs; 90 new applications in the last year; there is an 87% approval rate; 51 days is the average time for processing applications. Federal law requires an onsite review of all in-state applicants and received reviews of all out-of-state applicants. The program has a perfect record on appeals – all have been upheld.

Certification workshops in recent months have been in Evansville and New Albany. Supportive services programs are held in the summer months for new DBEs, under-performing DBEs and potential DBEs. The Entrepreneurial Development Institute (EBI) is for professional service providers, beginning December 11 and through January.

DBE utilization and contract compliance is broken down into commitment data and actual acceptance spend data. Commitment data: 225 federal aid construction contracts in CY 2012. INDOT contractors committed DBE participation of 7.81% of the total dollar amount on contracts. The trend is that actual achievement always exceeds commitment. All but 2.6% (six) of contracts had DBE commitments at the time of letting and five of the six demonstrated good faith efforts to meet the DBE goal. Items that demonstrate good faith effort are e-mails, faxes or phone logs; it is an intense review. INDOT is increasing its individual contract DBE goals in order to meet the increased three-year federal goals.

Chairman Jamal Smith asked, what is the process for contractors that fail to meet good faith goals? Tiffany Mulligan responded that contracts are actually cancelled when contractors fail to meet good faith goals; the contract will go to the second place bidder or it will be re-advertised. Sarah Taylor asked if contractors who fail to meet good faith goals are banned from bidding again? Tiffany Mulligan responded that they may bid again but they will either have to meet the goal or demonstrate good faith efforts.

Because the INDOT expert on the Ohio River Bridges project was returning from Louisville, Tiffany Mulligan began a presentation on that project: Work on three demolition projects to make way for the main project will begin Jan. 15. The Bi-State Agreement between Indiana and Kentucky has been signed. All four short-listed proposers submitted proposals for the East End Project on Oct. 26. WVB East End Partners was named the preferred proposer on Nov. 16. Public hearings were held in Louisville and

Jeffersonville on Dec. 1 with no opposing public comments. The State Budget Committee vetted the selection on Dec. 3 and the Governor accepted the selection on Dec. 4. Commercial close is anticipated on Dec. 27; the first notice to proceed will be issued shortly thereafter and WVB can then proceed with design work, build surveys and geotechnical work. Financial close is expected March 2013 when a second notice to proceed will be issued and construction will begin. The east end will open to traffic by the end of October 2016. WVB's plan for workforce diversity and small business performance can be found on IFA's web site.

KYTC has awarded the contract for the Downtown Crossing to Walsh Construction. Construction is expected to begin on the Downtown Crossing, spring, 2013; the downtown portion should be open to traffic by the end of 2013.

The construction price for the east end crossing is \$763 million – over \$200 million less than the financial plan estimate.

Ron Heustis arrived and added that about 80 people were involved in the evaluation of the proposals for the East End Crossing. WVB East End Partners is a concession of Walsh, VINCI and Bilfinger; each has an equity piece in the project. Walsh and VINCI are the two prime construction firms. The financial aspects of the project are like a very elaborate mortgage and will extend over 35 years.

Chairman Smith asked if EVB would serve collectively as the prime contractor for purposes of MBE, WBE and DBE participation. Ron Heustis said WVB stands for Walsh-VINCI-Bilfinger and the group is the developer. They will hire the design builder - Walsh and VINCI - to construct the project and to serve as prime contractor. The contractors' DBE/minority goal is 9% but they believe it will be over that – 9.23%.

Felecia Roseburgh asked for a copy of the contractors' DBE/minority goal outline; Ron Heustis said it was in the proposal and he could send when it was finalized. Felecia Roseburgh responded that would be good but she would like something in the interim. Ron Eustis agreed.

## **IX New Business**

There was no new business.

## **IX. Public Comments**

Marcia Duncan complimented the MWBE Division's training workshop in Evansville and thanked the MWBE Commissioners who attended.

## **XI. Adjournment**

There being no further business the meeting adjourned at 2:44 p.m. The next meeting will be on March 11.