



STATE OF INDIANA

Mitchell E. Daniels Jr., Governor

DEPARTMENT OF ADMINISTRATION
Minority and Women's Business Enterprises Division

Indiana Government Center South
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Indianapolis, IN 46204
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Governor's Commission on Minority and Women's Business Enterprises
Friday, December 17, 2010

MINUTES

The Governor's Commission on Minority and Women's Business Enterprises met on Friday, December 17, 2010, in the Government Center South, Conference Room 2, in Indianapolis, IN.

Call to Order

Chairman Jamal Smith welcomed the commission members and attendees and called the meeting to order at 1:05 p.m.

Roll Call

Present:

Jean, Breaux, Indiana State Senator
Marcia Duncan
Tiffany Mulligan, INDOT for Mike Reed
Mike Madrid, Highway Safety
Felecia Roseburgh, Deputy Commissioner, Minority and Women's Business Enterprises Division
Jamal Smith, MWBE Commission Chairman
Sarah Taylor, City of Indianapolis
Sylvia Trotter, Trotter Construction
Robert Wynkoop, Commissioner, Indiana Department of Administration

Absent:

Ronnie Alting, Indiana State Senator
Mara Candelaria-Reardon, Indiana State Representative
Adele Corya
Cleo Duncan, Indiana State Representative
Angela Faulkner, Faulkner Strategies
William Harmon
Rae Pearson, Alpha Rae Personnel
Lisa Spaulding, IEDC for Mitch Roob
Gilbert Velez, G & M Training & Services, LLC

Establish Quorum

Chairman Smith noted that there were not enough voting members present to establish a quorum.

Adoption of Minutes

Chairman Smith noted that since we did not have a quorum we could not vote on the minutes from the September 2010 minutes.

Welcome Remarks/Chairman's Update

Chairman Smith requested a copy of attendance for this meeting.

Chairman Smith also introduced/welcomed the new Deputy Commissioner Felecia Roseburgh to the MWBE Commission.

Senator Breaux requested board training / informational session with the new deputy commissioner and board members interested in receiving training about fundamental issues that pertain to what the commissioners are tasked with.

Chairman Smith opened this topic up for discussion and input as to how/when the training would occur.

Commissioner Wynkoop stated that statute of Administrative Code defines the commission's job and duties related to the position.

Chairman Smith stated they would work to form what the training should be.

Chairman Smith stated that there will be a presentation from BBC with a disparity study overview.

IDOA Commissioner Update

Commissioner Wynkoop officially introduced/welcomed Felecia Roseburgh as the new Deputy Commissioner for the Minority & Women's Business Enterprise Division in the Department of Administration. He described the candidate selection process and gave a brief biography on Felecia's work before she came to work at the State.

Deputy Commissioner Report

Deputy Commissioner Roseburgh indicated that the BBC would be finalizing their reports after today's commission meeting. They will respond to inquiries on methodology used, data findings, and respond to some of the questions posed through forums in the study.

Deputy Commissioner Roseburgh announced that Natalee Summers will be departing from the Minority & Women's Business Enterprise Division on January 7, 2011 to pursue new opportunities.

Senator Breaux posed the question, what does finalize the draft of the disparity study mean and who is responsible for final approval.

Deputy Commissioner Roseburgh stated that BBC/IDOA held a public forum and opened up communications for public comments to be incorporated into the final disparity study document.

Commissioner Wynkoop responded that BBC will present the facts as they are and the board & division will work together on how to implement/address findings.

New Business

Chairman Smith introduced BBC Consulting, Dave Keen and Sameer Bawa, to give an overview of the Disparity Study.

BBC distributed a copy of the Disparity Study presentation and stated that they will review the purpose, methodology, and key results of the study as well as how to implement the results.

Senator Breaux asked if the 9,000 firms called for the disparity study were majority owned firms or MBE/WBE firms.

Dave responded that they did not know when they called the firms whether they were majority or MBE/WBE owned.

Senator Breaux asked if this was a complete list of the whole population of Indiana businesses.

Dave responded that the firms contacted were in the particular categories that the State & SEI's buy from the most. They successfully contacted about half of the 9,000 firms.

Senator Breaux posed the question, how do you account for the firms that were excluded?

Dave answered that if they are excluded, they were not included in the study. These firms were contacted 5 times by phone without a response before they were excluded from the study.

Sen. Breaux asked how you account for the firms who did not get to participate.

Dave said that comparing firms within like business segments. 1 in 4 businesses that we did get a hold of were minority or women owned. There were 9,000 firms and we successfully contact half of the firms. We started with a neutral list that represented Indiana. The list came from Dunn & Bradstreet.

Senator Breaux expressed her concern that Dunn & Bradstreet may not have the most reliable data.

Dave answered that that is why they called each business to confirm the information that was on the list.

Senator Breaux said that small businesses are excluded from this list because they cannot afford to be represented by Dunn & Bradstreet.

Dave responded that the D&B list is the most comprehensive list of businesses that has been tested in court. The list that was used is called D&B Marketplace.

Senator Breaux inquired on what was the effective date of the list.

Sameer answered that the list was purchased in the 2nd quarter of 2009 right before the calls began.

Senator Breaux asked if all 9,000 businesses that were called were derived from the Dunn and Bradstreet list.

Dave replied yes and information from the telephone interviews, not the D&B list, are what they based the study off of.

Sameer added that they then bounced the businesses answers against certified lists to confirm the minority/women owned certification.

Senator Breaux asked if the utilization analysis uses the state and SEI's?

Dave stated yes and the report breaks them down into each separate entity.

Senator Breaux inquired on how the subcontractor participation was tracked.

Dave responded that a lot of the entities only track MBE/WBE participation so in a lot of cases they went back to the source documents to find other subcontracting information, including MBE/WBE firms that were not being counted as well as majority firms.

Senator Breaux asked if there were any substantial changes made to the study based on anything in the public testimony.

Dave stated that they have been adding testimony to the study since the most recent forum. They are also adding comments based off of experiences that vendors are relaying. In some instances they have responded to questions or comments by making things more clear and stated reason if nothing was changed in the study.

Sarah Taylor raised the question, For SEI participants, how was IUPUI and others schools included in the data?

Sameer responded that IUPUI falls under Indiana University's procurement and the Fort Wayne campus falls under Purdue University's procurement data.

Senator Breaux asked if there is any merit in taking some of the larger contracts we have and breaking them down so that would provide better opportunities?

Sameer responded, yes it gets more small business involved & increases participation. It does come with some potential issues like increase in administration cost and loss of economies of scale that have to be taken into consideration.

Dave added that larger contracts provide efficiency in public procurement because you get the best price when the contract is larger and across all agencies.

Sarah Taylor posed the question, Have you ever observed where it's been able to satisfy both needs. Dave responded that consolidating is always the right answer in the short run. But if you don't take the development of small business and strengthening smaller businesses you never get to answer that having more opportunities for smaller vendors is a good thing.

Deputy Commissioner Roseburgh indicated that the new pay audit system that is being developed will help with increased data collection and contract monitoring.

Chairman Smith thanked BBC for the presentation and completion of the disparity study.

Sen. Breaux asked if we were to put goals in place for contracts the numbers on page 7 of the presentation under availability results are the most we can do (23%).

Dave answered that they are not suggesting a ceiling. Were suggesting that this gives you a benchmark to evaluate how well you are doing. The best way to do this is break out the numbers by MBE and WBE and then by industry. This is just a summary of how you are doing.

Senator Breaux asked if the commission uses this study to come up with State wide goals for the MBE/WBE program.

Chairman Smith answered that we are suppose to use the study to help us make recommendations to IDOA on what we think the goals should be.

Senator Breaux requested that IDOA and BBC meet with the black legislative caucus to discuss the study results before the commission adopts this study as the data to help set goals for contracts.

Deputy Commissioner Roseburgh indicated that the study does not mean we could or could not change our goals. The study gives us the information and data to help make our program a more robust program.

Chairman Smith agreed that he and Deputy Commissioner Roseburgh would meet with the black legislative caucus to go over the disparity study results.

Marcia Duncan asked if Deputy Commissioner Roseburgh was satisfied with the Study.

Deputy Commissioner Roseburgh indicated that she has reviewed the entire study and that she agrees with BBC's approach on the methodology and what are successes have been as a program.

Commissioner Wynkoop agrees with Deputy Commissioner Roseburgh in that this provides us with a benchmark and what we need to work on.

Sylvia Trotter expressed that because of the size of the contracts the things BBC listed as obstacles are for us and we need to be conscientious of this when we make changes. What can we do to help these small businesses who are suppose to help our economy get back on track.

Commissioner Wynkoop responded that there have been efforts made in the last few years in trying to improve including small businesses in the procurement process.

Public Comments

Public comments made by Senator Greg Taylor, thanked the commissioners for the work that they do on this commission. Senator Taylor expressed his desire for IDOA and BBC to have some dialogue about the study. He also requested a peer review on the disparity study results as a check and balance. Senator Taylor also expressed some of his concerns with the methodology and information that was included in the study.

Adjournment

Chairman Smith adjourned the meeting at 3:03 p.m.

Submitted by: Megan Lawson, MWBE Contract Compliance Manager