



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 Monday, June 14, 2010

MINUTES

The Governor's Commission on Minority and Women's Business Enterprises met on June 14, 2010, at 1:12 p.m. in the Government Center South, Conference Room C, Indianapolis, IN.

Handouts

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

Welcome/Call to Order

Chairman Jamal Smith welcomed the commission members and attendees and called the meeting to order at 1:12 p.m.

Roll Call

Present:

Ronnie Alting, Indiana State Senator
Rep. Mara Candelaria-Reardon
Robert Wynkoop, Commissioner, Indiana Department of Administration
Angela Faulkner, Faulkner Strategies
Tiffany Mulligan, INDOT for Mike Reed
Mike Madrid, Highway Safety
Rae Pearson, Alpha Rae Personnel
Jamal Smith, MWBE Commission Chairman
Sylvia Trotter, Trotter Construction
Alice Watson, Deputy Commissioner, Minority and Women's Business Enterprises Division

Absent:

Jean Breaux, Indiana State Senator
Cleo Duncan, Indiana State Representative
Mike Madrid, Highway Safety
Lisa Spaulding for Mitch Roob, IEDC
Sarah Taylor, City of Indianapolis
Gilbert Velez, G & M Training & Services, LLC

Chairman's Comments

Chairman Smith established there was not a quorum. He noted the attendance record sent to the commission members and mentioned attendance was an issue that would be addressed going forward. He introduced Rob Wynkoop, new IDOA Commissioner and Tiffany Mulligan, who replaced Martha Kenley of INDOT.

Chairman Smith mentioned 2010 goals but nothing could be established due to there being no quorum. Commission members discussed they would like to hear recommendations regarding the goals even though nothing could be voted on. Deputy Commissioner Watson explained their recommendation would be to hold the goals until the current Disparity Study could be completed which was projected to be completed in December 2010. Deputy Commissioner

Watson also mentioned Sameer Bawa of BBC Research would be giving an update later in the meeting regarding the progress of the Disparity Study.

Chairman Smith also talked about some concerns he has heard regarding the certification process and compliance and scoring. He mentioned there would be some recommendations presented to the commission members at the next meeting regarding the proposed changes.

Commissioner Faulkner thanked Deputy Commissioner Alice Watson for the prompt efforts of the MWBE staff in addressing and following up on issues previously discussed at past commission meetings. She applauded the efforts.

Chairman Smith also noted that he had accepted the position as the new Director of the Indiana Civil Rights Commission but would still operate in the roll of the MWBE Commission Chair.

Certification

Luther Taylor, Deputy Director of Certification and Operations reviewed utilization and participation numbers. Mr. Taylor stated handouts would be given to commission members outlining the numbers that he discussed.

Commissioner Faulkner questioned the basis for most denials and Mr. Taylor explained the majority reason was control issues.

Commissioner Madrid questioned whether or not data was being tracked on the activities of MWBEs to see if they were involved with state contracting opportunities. Deputy Commissioner Watson stated no and a pay audit system would help with that process.

The pay audit system was discussed and a recommendation was made to Senator Ronnie Alting that a request is made to the legislature for funds to obtain the system. Senator Alting stated there was a deficiency in funding at this time and didn't think funds would be available. Commissioner Wynkoop mentioned they would be working very hard to get a system in place within the next 3-6 months to track what primes are paying out to all sub-contractors. Commissioner Wynkoop mentioned they would not approach the legislature for funding for the pay audit system but would look at the IDOA budget for funding.

Business Development and Compliance

Natalee Summers, Deputy Director of Business Development and Compliance reviewed past auditing activities which included activity for contracts \$500,000 and above, audit commitments to actual participation and the cumulative averages for MWBEs in fiscal year 2010.

Ms. Summers mentioned as of March 2010 her team efforts changed from only auditing contracts \$500K and above to now auditing 80% of contracts under \$500K and at least 90% of contracts over \$500K and inquiries for primes or subs or other state agencies requesting an audit on a specific contract. They have also implemented an Excel workbook outlining outcomes of audited contracts for construction, supplies and professional services.

Ms. Summers stated a total of 121 contracts (July 2009 – May 31, 2010) were audited and reviewed some specifics of some of the contracts that were audited. She also explained the process for the way they actually verify the information during the audit.

Utilization participation numbers fiscal year to date reflect 10.13% (MBE) and 5.25% (WBE).

Commissioner Rae Pearson stated she appreciated the efforts of the MWBE agency and also appreciated whenever she or any other MWBE companies had questions regarding contracts or any other matter; the agency was stealth in their response and their performance.

Deputy Commissioner Report

Alice Watson, Deputy Commissioner, Minority and Women's Business Enterprises, stated she had to make a mandatory emergency trip to Washington DC because our agency had won an award for our MBEC center for the most jobs created in 2009 and this recognition was directly attributed to Rae Pearson of Alpha Rae Personnel for 490 jobs created.

Ms. Watson also introduced the new Executive Director of MBEC, Lloyd Tucker. She also asked the commissioners to review the outreach efforts of the department on their own due to time constraints.

Commissioner Faulker mentioned most agencies are not reaching their goals and asked if a letter could be sent by the Governor to department heads requesting a look into why agencies are not meeting goals and what can be done for them to adhere to the established goals. Commissioner Wynkoop mentioned it was a possibility but will not say yes to that at this point without further discussion. He also explained the break-out spend by various agencies including IDOA. Commissioner Pearson mentioned that quasi government agencies are using MWBEs on contracting efforts but because of their status their numbers are not shown on the MWBE Division utilization reports.

Commissioner Faulker mentioned there needs to be a fix because when goals are set if goals are not met, they will be set lower. She also feels jealous of the MBEC program and would like to see the equivalent of that program for women-owned businesses and asked if we could look into that.

Deputy Commissioner Watson mentioned we are the only MBEC center embedded in the State and it is really a private program. Ms. Watson mentioned other programs geared toward women-owned businesses were WBENC and some others they may be beneficial.

New Business

Chairman Smith asked that Commissioner's should be prepared to comment and report on what is happening in their respective areas across the state. He would like to hear about issues that may be large or small to bring more awareness of what is happening across the state.

Commissioner Pearson (Ft. Wayne, IN) - May 25, 2010, Partners in Contracting Corporation (PICC) held an annual conference in which Alice Watson attended with Commissioner Pearson. This community has a lot of business events and Commissioner Pearson mentioned she would let us know what was going on as soon as she received the information. She mentioned the issues she saw were ongoing auditing, getting a contract and getting certified are all brought forth at this meeting. She gave her contact information for those wanting to speak with her.

Commissioner Faulkner (South Bend, IN) – Mentioned she was trying to educate people in her area. She feels there is a growing need as far as education in that area and is exploring some opportunities for the MWBE staff to present at some local events including the Women Business Owners of Michiana as well as the Hispanic Chamber of Commerce. She mentioned the St. Joseph county area has been hurt since Vivian Sally left. There has been a void of activity and she would like to request a list of currently certified businesses in that area because she would like to have a fair to make them aware of opportunities and who their commission representative is in the area. She would also like to do some media outreach in each commissioner area.

Commissioner Pearson requested a letter be sent to all certified businesses letting them know who their representatives are in their respective areas.

It was requested we do community radio and regional matchmaking events. It was also mentioned the Hispanic Commission would be a great partner for the MWBE commission so we are not duplicating efforts.

BBC Consulting (Sameer Bawa) – Mr. Bawa gave an overview regarding the Disparity Study and what could be expected over the next few months. Data collection has been wrapped up and now analysis is being performed. Survey efforts have also been concluded. Quantitative and qualitative analysis have also been completed that will give the state some of the barriers some MWBEs may face when going into businesses. A full draft of the report will be made public in September or October after which a public forum will be held in November. The final study will be completed in December.

Honda – Honda made a presentation regarding their supplier diversity efforts and how companies can do business with them.

Public Comments

No public comments

Adjournment

Chairman Smith adjourned the meeting at 3:00 p.m.

Submitted by: Terrie Daniel, MWBE Commission Secretary