

REPORT OF THE GOVERNOR'S COMMISSION ON SUPPLIER DIVERSITY TO THE GOVERNOR

September 14, 2020

Dear Governor Holcomb:

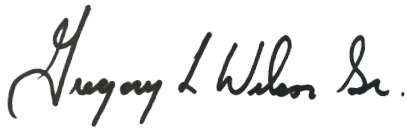
The Governor's Commission on Supplier Diversity¹ ("Commission") is pleased to submit the attached report, as required by I.C. 4-13-16.5-2 (f)(9). The report is required to prepare a review of the Commission to be submitted to the governor and the legislative council on March 1 and October 1 of each year, 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.

¹ Effective July 1, 2020, the name of the "Governor's Commission on Minority and Women's Business Enterprises" changed to the "Governor's Commission on Supplier Diversity" through the legislation amendment of HB 1081.

Attached here is the report for October 1, 2020. Our next report, due on March 1, 2021, will be submitted in the spring of 2021. We are proud of the work of the Commission and of the Indiana Department of Administration's Division of Supplier Diversity and the progress that we have made for the diverse businesses so far. 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 Saprashvili.

Sincerely,

A handwritten signature in black ink that reads "Gregory L. Wilson Sr." The signature is written in a cursive style with a large initial 'G'.

Gregory Wilson, Chairman
Governor's Commission on Supplier Diversity

Commission Update

Quarterly Commission Meetings

The Governor's Commission on Supplier Diversity has held two quarterly meetings so far in 2020. The first quarterly meeting was held in person for public on February 22, 2020 and the second meeting was held electronically due to the COVID-19 pandemic on June 8, 2020. Both Commission meetings began with an orientation for the Commission members about their roles and responsibilities while serving on the Commission. Per the Chairman's request, the Commission meeting was proceeded by the reports of the State Educational Institutions (SEIs) on their utilization numbers.

Deputy Commissioner of the Division of Supplier Diversity (DSD), Maia Siprashvili, provided updates on the Minority Business Enterprises (MBE), Women's Business Enterprises (WBE) and Indiana Veteran Owned Small Business (IVOSB) program activities. Her reports included the highlights of the MBE/WBE and IVOSB certification, compliance, and business outreach of the year of 2020. Ms. Siprashvili provided:

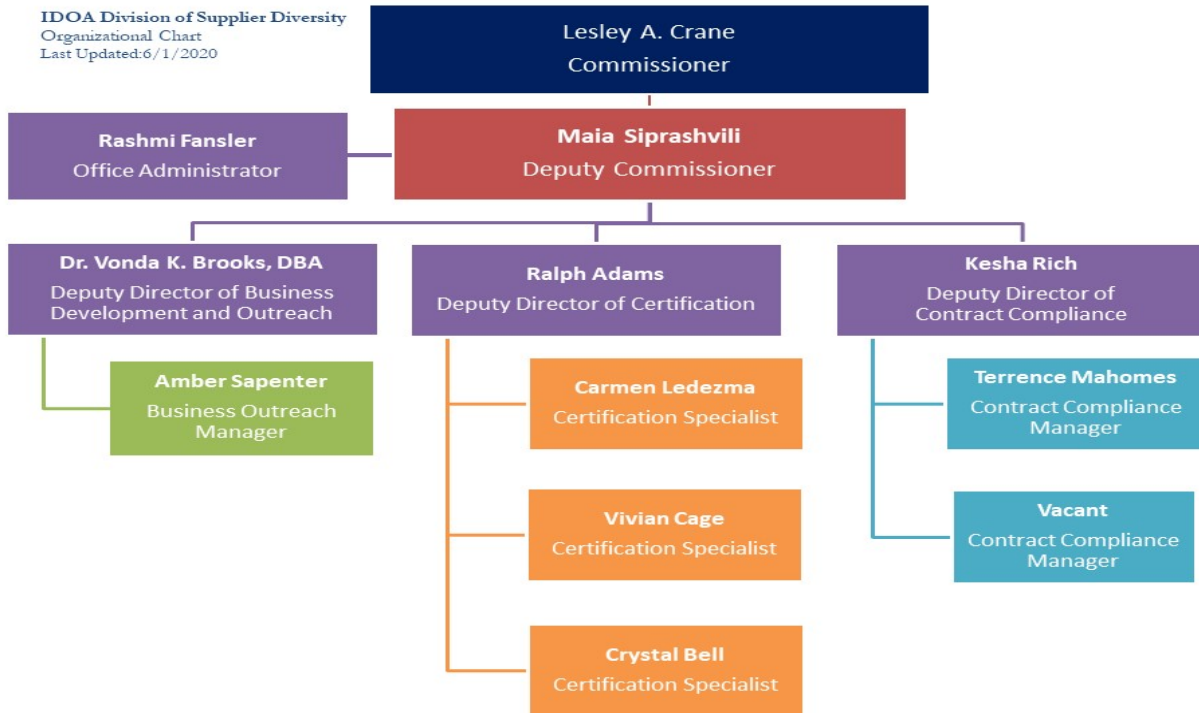
- Certification highlights and pre and post COVID-19 measures.
- Division's average days to process MBE/WBE/IVOSB certifications remain under the-90-day requirement.
- Contract compliance highlights pre and post COVID-19 measures.
- DSD is actively attending pre-proposal meetings to raise awareness on MBE/WBE/IVOSB subcontractor participation requirements.
- Business outreach highlights pre and post COVID-19 measures.
- Update on the Disparity Study timeline and project deliverables.

At the Commission's first quarterly meeting on February 22, 2020, the Deputy Commissioner also distributed the Commission's bi-annual report to the Governor for their approval.

Several action items were identified at each of the meetings; some of these deliverables have already been sent to the Commission members and the rest will be presented at the next Commission meeting. The next commission meeting will be held on Monday, September 14, 2020 electronically due to the pandemic.

Division of Supplier Diversity Team

Here is the current DSD Organizational Chart:



Major Projects:

Electronic Certification

Online certification tool in place of the current manual paper-intensive process is much needed to improve the efficiency of DSD certification programs and operational needs and better serve our MBE/WBE and IVOSB vendor community. E-certification will help in the following areas:

- Elimination of the voluminous amount of paper associated with the current certification process.
- System-enforced requirements to prevent incomplete application submission.
- Self-serve access for companies to follow review and check status.
- Provide for communication and conversation tracking within the online tool.
- Allow companies to upload required documentation.
- Automated certification expiration alerts.

IDOA's DSD certification team is actively working with the IOT's GMIS team and a significant progress has been made in this regard. The electronic certification is tentatively scheduled to be launched in January 2021.

Disparity Study 2020

The Governor's Commission on Supplier Diversity will rely on the Statistical Analysis of Utilization Study (Disparity Study) to establish annual goals for participation of MBEs to ascertain a "compelling interest" as set forth by *Richmond v. Croson*, 488 U.S. 469 (1989). The Study will include data from July 1, 2013 through June 30, 2018 on both contracts and subcontracts, as well as the availability and utilization of MBEs and WBEs in the State of Indiana.

The Disparity Study will report on the utilization of MBEs and WBEs, in accordance with Indiana statute IC 4-13-16.5 for IDOA and applicable separate bodies, corporate and politic. The focus of the Study is to determine availability and utilization with the requirements set forth in IC 4-13-16.5-2 and Title 25 of Indiana Administrative Code (IAC), Article 5.

In September 2019, the IDOA commissioned BBC Research & Consulting (BBC) to conduct a Disparity Study to assess whether MBE, WBE and IVOSB businesses face any barriers as part of the State of Indiana's contracting processes. Information from the study will help IDOA assess its efforts to encourage the participation of MBE/WBE/IVOSB businesses in state contracts and help inform any refinements that IDOA might make to its implementation of the State's supplier diversity program or state contracting policies.

The Disparity Study will focus on construction; professional services; and goods and supplies contracts and procurements that state agencies and State Educational Institutions awarded between July 1, 2013 and June 30, 2018. BBC initiated the disparity study in September 2019 and will complete the study at the end of December 2020.

The disparity study will be to examine whether there are any disparities between:

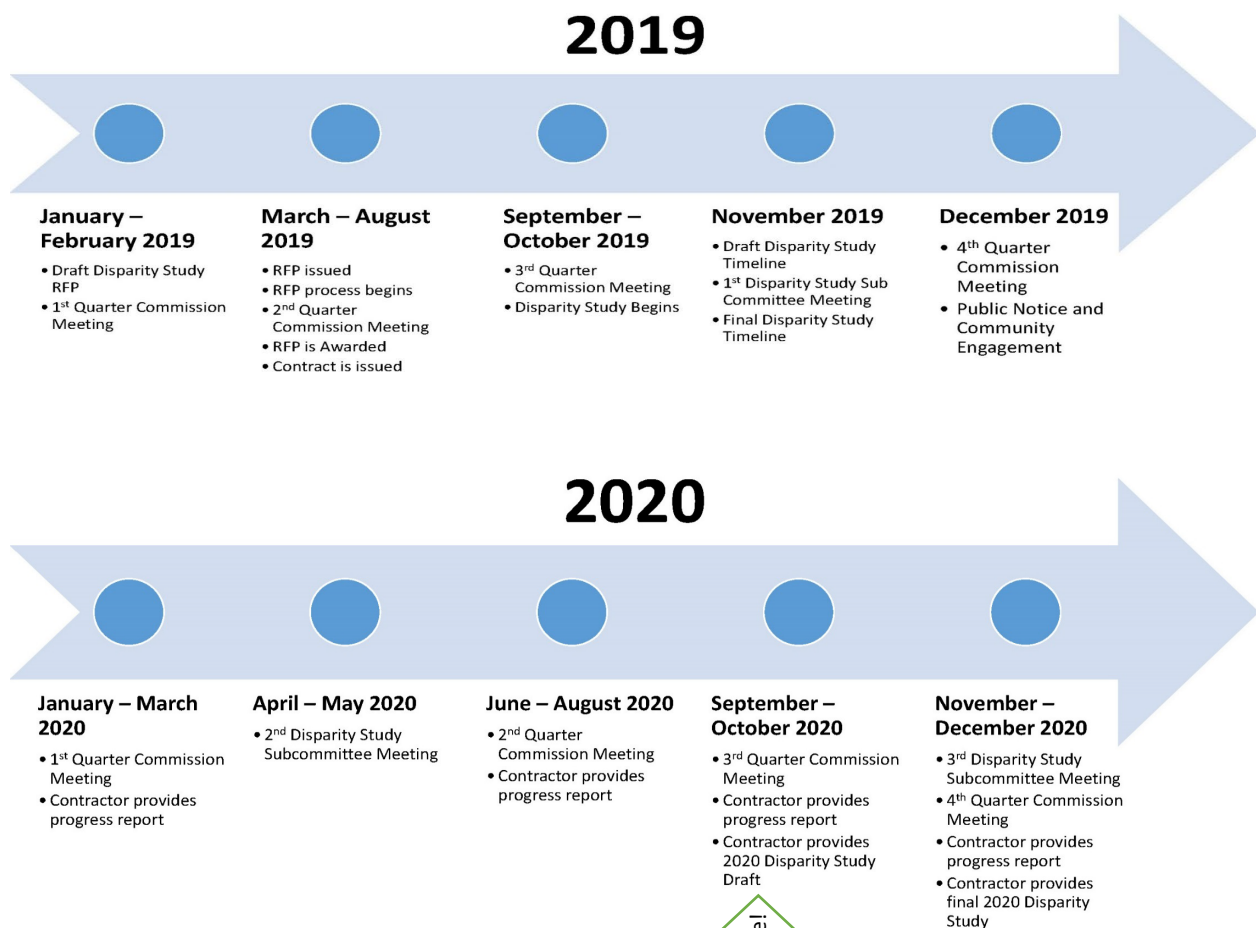
- The percentage of contract dollars that state agencies and SEIs spent with MBE/WBE/IVOSB businesses during the study period (utilization); and
- The percentage of contract dollars that MBE/WBE/IVOSB businesses might be expected to receive based on their availability to perform specific types and sizes of state contracts (availability).

The study will also examine other qualitative and quantitative information related to:

- Legal considerations surrounding IDOA’s implementation of the supplier diversity program.
- Marketplace conditions for MBE/WBE/IVOSB businesses.
- Contracting policies and business assistance programs that IDOA currently has in place.
- Program measures for IDOA to consider implementing to further encourage MBE/WBE/IVOSB business participation.

Per IDOA Commissioner and the Commission Chairman’s initiative, IDOA created a Disparity Study Subcommittee (“Subcommittee”), where the members meet monthly and discuss the progress and challenges of the Study, especially, due to the pandemic. DSD staffs the subcommittee meetings and coordinates reporting efforts between the IDOA, BBC representatives and the members of the Subcommittee. Per the request of the Subcommittee members, DSD and BBC held a joint webinar on April 30, 2020 to give the public updates about the Disparity Study and where it was in the process thus far. The Subcommittee members also requested DSD’s outreach initiatives during the COVID-19 restrictions and DSD presented all their efforts to the members in June 2020 meeting.

Here is the Disparity Study timeline:



Certification of MBEs/WBEs and IVOSBs:

Due to the COVID-19 pandemic and Governor Eric J. Holcomb’s executive orders, in March 2020, the IDOA DSD granted all MBE/WBE and IVOSB vendors a 60-day automatic extension of the certification initially, until May 31, 2020. After the Governor extended non-essential licenses and certification, DSD granted the certified MBEs/WBEs and IVOSBs with another certification extension until August 31, 2020.

MBE/WBE/IVOSB Certification Statistics:

	<u>TOTAL</u>	<u>MBE</u>	<u>WBE</u>	<u>IVOSB</u>
Q3 2020	2,015	706	1,083	226
Q2 2020	1,976	684	1,071	221
Q1 2020	1,925	666	1,043	216

MBE/WBE Certification Statistics:

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020*</u>
New Incoming Applications	63	94	122
Recertification Application	42	81	111
Applications Completed	87	141	189
Preliminary Denials Issued	5	13	4
Applications Denied	0	1	0
Average Processing Time (Days)	32.7	17.2	24

IVOSB Certification Statistics:

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020*</u>
New Incoming Applications	15	20	18
Recertification Application	3	11	5
Applications Completed	17	23	25
Average Processing Time (Days)	13	9.6	10.25

DSD Compliance:

With the IDOA Commissioner’s support, the Deputy Commissioner of DSD split the roles of the Deputy Director of Business Outreach and Contract Compliance and created separate positions of the Deputy Director of Contract Compliance and the Deputy Director of Business Development and Outreach. Therefore, from January 2020, the DSD contract compliance team has been focusing solely on monitoring the compliance and utilization of the MBE/WBE and IVOSB subcontractors on state contracts.

DSD contract compliance team continues to proactively audit state contacts with the MBE/WBE and IVOSB subcontractor utilization. So far in 2020, there have been total of 96 compliance reviews, most of them with the subcontractor participation plan change and the Good Faith Effort (GFE) reviews. DSD contract compliance team has attended 21 pre-proposal meetings and presented the information on the tier two MBE/WBE and IVOSB utilization.

DSD is the final approval authority on requests to change subcontractor participation plan, therefore 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 and IVOSB subcontractor plan change.



DSD Compliance Initiatives

- *Preparation Meeting Opportunity Workshops and Webinars*

Before the award of a proposal or the contract execution phase, the Contract Compliance team promoted the utilization of MBE/WBE and IVOSBs through attending pre-proposal meetings. Pre-proposal meetings are specifically called for the primary vendors or subcontractors, who are interested in bidding on the state contract and scheduled by IDOA Procurement after a solicitation has been advertised. The purpose of pre-proposal meetings is to clarify any concerns bidders may have with the solicitation documents, scope of work, and other details. The meetings also serve as networking opportunities for bidders to meet potential subcontractors. Subcontractors are made aware of solicitation expectations and requirements.

- *Pay Audit Training Bi-Monthly Webinars*

Per State's contract provisions, primary contractor(s) and subcontractor(s) are required to record their payments and subcontractor utilization numbers in the State's compliance tools, which is called the Pay Audit System (PAS). DSD contract compliance team holds bi-monthly webinars to educate the prime and the subcontractors on how to sign up and record the subcontractor utilization dollars.

DSD Business Outreach:

DSD compliance team 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>.

In 2020, the Division of Supplier Diversity participated in forty-four (44) different outreach-based events, twenty-three (23) of which were presented by DSD. The events that we hosted varied from webinars, to business conferences and workshops. By these efforts alone, we have been able to connect with nine-hundred and ninety-eight (998) attendees.

Each year, the Division of Supplier Diversity hosts business conferences across the State of Indiana. Due to COVID-19, the Division of Supplier of Diversity adjusted to our "new normal" and transitioned our outreach efforts to a digital platform, thus the "*Seeing the Big Picture*" webinar series began. Although these online webinar series have replaced our typical business conference format, DSD has been able to remain committed to providing all the resources to our

vendors, while maintaining the ability to have direct contact with our community partners. As a result of implementing this business strategy, our audience participation has expanded beyond just our State.

The Division of Supplier Diversity offered web series that featured pertinent resource information for Minority, Women, and Veteran business owners from our corporate and community partners. Each week we featured a new organization to highlight the best practices for businesses to consider, as they develop their contingency plans during the COVID-19 pandemic. The following topics were addressed: contracting opportunities; resources for businesses, such as Payment Protection Program (PPP) and other federal and local disaster relief programs, access to capital, bonding, etc. The hour-long webinars were conducted on a weekly or bi-weekly basis.

The “*Seeing the Big Picture*” webinar series began in May 2020 and will conclude with our 12th Annual Division of Supplier Diversity Business Conference in October. For this business conference, the DSD partnered with a WBE, Progression Partners, and will cover the content that is focused on leading and managing a business successfully, as well as offer various business resources of how to obtain contracts and the importance of State certification.

This year, the Division hosted another Preparation Meeting Opportunity Workshop (PMO). This workshop is a unique initiative to help newly certified MBEs, WBEs and IVOSBs navigate through the State of Indiana contracting process. This program identified the fundamental information business owners need to know when actively pursuing a state contract as a contractor or subcontractor.

On the 3rd Wednesday of each month, DSD host a certification webinar that walks attendees through the certification process. A certification specialist provides insightful information and highlights what common mistakes to avoid and tips for a smooth application process.

DSD posts and update events for businesses for them to attend and find out about upcoming outreach initiatives and networking opportunities: <https://www.in.gov/idoa/mwbe/2749.htm>.

Below is the table of events that DSD held and participated in since the pandemic.

DATE	EVENT	PROMOTIONS
March 23, 2020	60-day extension email	External e-blast, social media, letting partners know, calling individual vendors
April 2, 2020	Indiana Housing Community Development Authority	Live Webinar -Attendees
April 7, 2020	New America/Indianapolis Recorder	Live Webinar - Attendees
April 9, 2020	IBE Small Business Webinar	Live Webinar - Attendees

DATE	EVENT	PROMOTION
April 13, 2020	#We Need You to Survive COVID-19. A resource for Indiana Small Businesses	Distributed Gary Sanitary District's Promotions
April 23, 2020	IDOA DSD Pay Audit Webinar	External e-blast, social media, partner solicitation
April 30, 2020	IDOA DSD 2020 Disparity Study Webinar	External e-blast, social media, partner solicitation
May 6, 2020	Small Business Administration and Indiana Bankers Association	External e-blast, social media, partner solicitation

DATE	EVENT	PROMOTIONS
May 14, 2020	Indiana Economic Development Corporation and Indiana Housing & Community Development Authority	External e-blast, social media, partner solicitation
May 15, 2020	Indiana Housing and Community Development Authority Webinar	Distributed Indiana Housing & Community Development Authority's promotions
May 20, 2020	IDOA DSD Certification Webinar	Social Media
May 21, 2020	IndyGo and Indy Chamber	External e-blast, social media, partner solicitation
May 28, 2020	Indiana Airport Authority and INDOT	External e-blast, social media, partner solicitation

DATE	EVENT	PROMOTIONS
June 3, 2020	Gary Sanitary District and the City of Hammond	External e-blast, social media, partner solicitation
June 8, 2020	2nd Quarter Commission Meeting	External e-blast, social media, partner solicitation
June 11, 2020	USI, ISU and BSU	External e-blast, social media, partner solicitation
June 16, 2020	New York Finger Lakes Webinar	Live Webinar - Attendees
June 17, 2020	Mid-States MSDC Virtual Conference Training	Live Webinar - Attendees

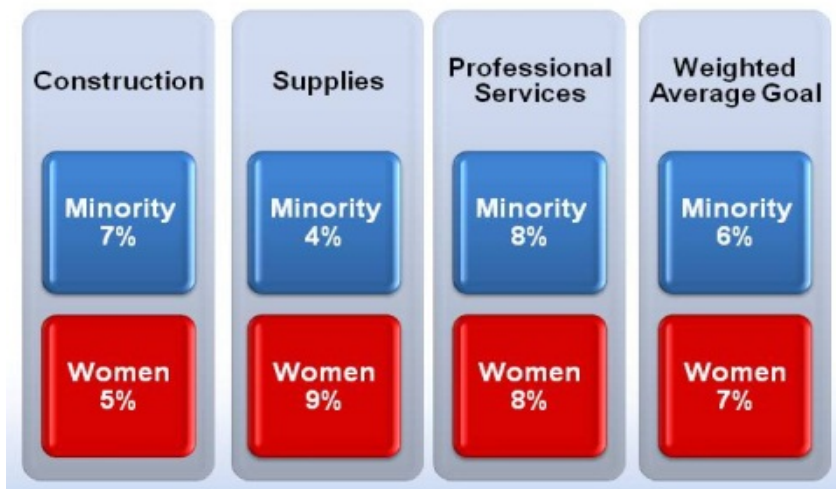
DATE	EVENT	PROMOTIONS
June 25, 2020	PU, IU and VU	External e-blast, social media, partner solicitation
July 9, 2020	Indiana Toll Road Concession and Bureau of Motor Vehicles	External e-blast, social media, partner solicitation
July 15, 2020	IDOA DSD Certification Webinar	External e-blast, social media, partner solicitation
July 23, 2020	Indiana Black Chamber, Mid-States MSDC and Indiana Department of Natural Resources	External e-blast, social media, partner solicitation
July 30, 2020	INDOT Moving Forward in Transportation	Live Webinar - Attendees

DATE	EVENT	PROMOTIONS
August 3, 2020	IBE Mayor Hogsett Moving Beyond Diversity to Racial Equity in the Workplace Webinar	Live Webinar - Attendees
August 4, 2020	IBE Governor Holcomb Webinar	Live Webinar - Attendees
August 13, 2020	Indiana Native American Indian Affairs, ICSSBM	External e-blast, social media, partner solicitation
August 27, 2020	Indiana Black Expo, Indiana Latino Expo	External e-blast, social media, partner solicitation
August 27, 2020	IDOA DSD Pay Audit Webinar	Social Media

DATE	EVENT	PROMOTIONS
September 14, 2020	3 rd Quarter Commission Meeting	External e-blast, social media, partner solicitation
September 16, 2020	IDOA DSD Certification	External e-blast, social media, partner solicitation
October 5-9, 2020	12 th Annual Division of Supplier Diversity Business Conference	External e-blast, social media, partner solicitation
October 24, 2020	IDOA DSD Pay Audit Webinar	External e-blast, social media, partner solicitation

Conclusion:

The current MBE/WBE participation goals are as follows:



In conclusion, the Governor’s Commission on Supplier Diversity works closely with the IDOA to ensure that the Division promotes, monitors, and enforces the standards for certification of the Minority, Women’s, and Veteran 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 and IVOSB programs to the next level.