

Inclusive Procurement and Contracting Board Meeting Minutes

Date: September 17, 2024 | Time: 5:30 pm | Location: Microsoft Teams (Virtual) &
TRC 1165 Franklin Street, Suite 100, South Bend, IN 46601

Link: <https://tinyurl.com/ipcboardmeeting>

❖ **Call to Order-** The IPC Board is now called to order on September 17, 2024, @
5:30 p.m.

- BOARD MEMBERS PRESENT: Murray Miller, Kimberly Hurt, Wilbur Boggs, Breanna Allen, Jeff Rea
- BOARD MEMBERS PRESENT VIRTUALLY: Keana Baylis
- DIVERSITY & INCLUSION: Bianca Jones, Cynthia Simmon-Taylor
- PURCHASING:
- LEGAL: Michael Schmidt
- BOARD MEMBERS ABSENT: Michael Morris, Rachel Tomas Morgan, Kara Boyles,

❖ **Approval of Minutes:**

August 20, 2024 meeting minutes – (Wilbur Boggs was present at August meeting) Miller motions to approve / Wilbur seconded with correction
All Ayes not Nays

Notes:

I. Procurement:

Simmons-Taylor presented the procurement report.

1.63 million spent with Certified MBE/WBE/MWBE

1.84 million spent with self-identified minority or women owned businesses

August spends with:

MBE: \$106,854.44

WBE: \$19,784.56

MWBE: \$64,128.50

Boggs questioned if the MBE and WBE should total what the MWBE spend is since MWBE is a combination of both M and W.

Simmons-Taylor explained that the M is for any minority, the W is for any women, and the MW is specially for minority women. They are separate categories and spend is counted separately in DFO. Rea followed to clarify that those 3 totals make up the 1.63million which was correct.

Rea had a question regarding the top 10 vendors and it seeming as though most of the vendors were outside of the region. Schmidt explained that some of the vendors may be housed in the region but their billing may be in a different area so the system would pick up on their billing address.

Miller questioned if the numbers reflected professional services in the total spend. Rea added that the second page does show businesses that are professional services. Simmons-Taylor noted.

Rea stated that the minutes does not reflect what happened at the meeting and if we are making progress or not. Absent of us communicating it, everybody thinks that we are not doing a good job. He suggested that we need to improve how we report that.

Simmons-Taylor suggested that we maybe we should do a side-by-side comparison from the previous year to show we are moving the needle. Rea agreed.

Rea stated we used to have the purchasing side and the public works side, and the current report does not have that which makes it difficult to show progress over time.

There was question on the map in the back of the report. Simmons-Taylor stated that we will have Mickey, the Director of Purchasing, present at Octobers' meeting to review this report.

II. Public Works:

Jones– Presented the BPW report.

Month of August there were 3 bids awarded and 3 quotes awarded. One of the bids was for machinery and did not have goals. 2 projects closed out. 1 project was rejected because it exceeded the budget.

January 1,2024 – August 31,2024 – Payment to the Primes on PW projects with goals was \$28,205,358. Payment to MBE/WBE Subcontractors on PW projects with goals was

\$2,067,826 with an overall utilization of 7.33%. This is slightly down from last month's utilization percentage of 7.89%.

Spend breakdown:

MBE - \$1,250,257

WBE - \$817,568

Allen questioned if our utilization goal was 6%. Simmons-Taylor stated that she believed the 6% was the initial aspirational goal. Allen continued and stated that based on the numbers presented in the summary and if we are confident in these numbers then it is important to tell the story. There has been concerns about the lack of city spending with MWBEs. Allen stated we need to establish a strategy to share that information and how can we reflect back on how we progressed so when we reflect on the next goal we have a playbook.

Rea questioned if the 6% was on the on all spend or the PW spend. Simmons-Taylor clarified that the 6% is only on projects with goals. Jones added that while the 6% covers PW projects with goals, it does not include all public works eligible spend.

Allen inquired what is our obligation based on the program? Is it the current system that we are using to track goals? What are we held responsible for in terms of the data used to create our utilization goal? Simmons-Taylor stated that the only way they can assign goals is if they have the spend that counts. She went on to say that they have not the benefit of knowing the spend from last year which they will get this year. We will have the 2024 spend report by the end of Q1.

Miller questioned if the percentage was a year-to-date number or a monthly number. Jones confirmed it was a year-to-date number. Miller follow up question was centered around last month's goal being higher and if this percentage was based on the overall city spend excluding professional services. Jones clarified they 7.33% is only on PW projects with goal. The percentage dipped from the 7.89% from the prior month because the Prime spend increased by a couple million and the MWBE sub spend only increased by roughly \$300,000.00. Miller then inquired if the goals are established over the overall city spend. Schmidt added the overall aspirational goal spend is related to the entire city spend. PW is included in that spend. However, PW is uniquely broken down here because those are the only projects with goals associated with them. He further describes his interpretation of what Miller's point was, which was we need to be thoughtful of the total spend amount with the combination of what we see in PW reports that captures the subcontractor spend that counts in the program plan. We also need to count the non-certified spend as well as the MBE/WBE/MWBE certified spend. Where we run into trouble is there's strict adherence to our program plan to the point that we can only count those businesses who has certification on their record. Because of lack of paperwork (certification) the spend on overall would come in at about 2% and most of that is driven through the subcontractor performance in PW.

Simmons-Taylor stated that the current program plan allows us to set goals on 27 NAICS codes and believes that if we increase the number of NAICS codes we may be able to increase the spend with M/WBEs. Rea questioned what established the 27 codes. Jones informed him the ordinance and program plan defined the goal eligible NAICS codes.

Boggs questioned hypothetically, if the city uses a minority business for photography, is that part of the 27 NAICS codes? He further questioned that if they are not part of the 27 NAICS codes the why we are showing them as part of the spend. Simmons-Taylor responded that they are not a spend with a goal. Jones added that if that business were a certified business we can count them in towards our goal but because they are not part of the 27 codes on PW projects, we cannot assign goals to them.

Allen questioned what the process looks like to expand the codes now that there are more certified businesses in the spend. Do we need another disparity study? Does this limit us on identifying a goal because of the restrictions. Jones stated that she thinks we should still be able to establish a goal based on the data we have available.

Rea stated that PW side is a lot easier, and the procurement side was a lot harder. The disparity study showed no spend with minority businesses and the idea was we must fix that, but when it comes to the procurement side of things it becomes very difficult and more expensive to find those businesses. He gave an example on the procurement side of using a M or W vendor in Kokomo is great, but it doesn't do anything for the folks here. He further explained that we even hinted at rewarding or highlighting those that do well and he does agree that at some point businesses need to be owned by minority and women but there are others who have a good track record of employing minority and women in our area and thinks we need to find a balance to those factors. Simmons-Taylor stated the departments use NAICS codes when purchasing which would allow us to identify where spend is happening. We would need to ensure the departments are using the right NAICS code. Rea responded that is where the difficulty happens because most of these businesses are not registered or certified, and not easily found.

Simmons-Taylor stated the first project should be to look at the 27 codes and what is not included based on the scopes of work that were seen.

Jones gave an example of how the 27 codes would be applied to a project. The example outlined how in a million-dollar project only 20,000 would have availability based on our goal eligible codes which only allows us to calculated goals on 20k of the 1mil.

Miller question if the calculation was correct because his understanding was the goal was assigned to the entire project amount. Boggs responded stating that based on the 27 codes we would only be able to place goals on those areas in the project.

Rea stated the PW projects are pretty much the same year to year and those codes should be covered. There are occasional projects outside of that but overall, the PW projects should be covered.

Jones showed an example of goal calculation in the B2Gnow system which confirmed that goals were only placed on the scopes of work defined by the 27 NAICS codes in the program plan. The discussion continued. Simmon-Taylor cited the Program Plan Sec 8.b.3.a to confirm that only identified NAICSs codes were allowed to have goals placed on them. Schmidt added that building a building is a bit different then a street or sewer project and a little unusual for a for PW but you would see the streets projects are the bread an butter.

Miller questioned if on a streets project are the only asphalt, concrete, and maybe trucking used? He also asked does milling have a separate NAICS code. Schmitd responded as said highway streets and bridge, land scaping, and water and sewer line.

Boggs stated that ODI has provided more information in 3 months then they have received in the first 2 years. He continued to say that the items we talk about are substantive and was never talked about in the past. It makes it worthwhile sitting there. Simmons-Taylor stated we are all on the same team and we want to make sure we give every opportunity weigh in on this program.

III. Office of Diversity and Inclusion:

Jones stated there were 2 upcoming events. We partnered with Notre Dame and St. Joseph County Library on How Small Businesses Get Big Contracts. We are in our 3rd Certification cohort with about 30 participants.

Simmons-Taylor added that she would be attending the Reparatory Commission Meeting the following even.

Jones added that we are looking to host a small business development partnership luncheon to help get to know the other business development partners in our area and identify who we can send businesses to for support. Allen asked is this extended to Elkhart. Jones responded yes. The goal is to get all of our area's partners, she went on to say that the certification workshop has even extended out to other areas as far as Ft Wayne. We had participants driving over every Saturday to attend. We will make sure we send out an invite.

IV. Old Business

- Simmons-Taylor stated that Rachel Tomas-Morgan wanted to present the Responsible Bidders Ordinance
- Rosa Tomas will be the Community Investments designee for the IPC board

- Mickey Lovey, Director of Procurement, will be present at the October meeting
- V. **New Business**

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- VI. **Announcements**
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- VII. Floor Open to the Public -

- VIII. Adjournment-
Miller – Motion to adjourn /Baylis – Second

Notes & Action Items