Inclusive Procurement and Contracting Board Meeting Minutes

Date: February 18, 2025 | 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 February 18, 2025 at 5:30 p.m.**
  - BOARD MEMBERS PRESENT: Keana Baylis, Rachel Tomas-Morgan, Michael Morris, Murray Miller, Kimberly Hurt, Wilbur Boggs, Kara Boyles, Breanna Allen, Cynthia Simmons
  - BOARD MEMBERS PRESENT VIRTUALLY: Rosa Tomas.
  - DIVERSITY & INCLUSION: Bianca Jones, Micheal Szymanski
  - PURCHASING:
  - LEGAL: Michael Schmidt
  - INNOVATION & TECHNOLOGY: David Finley
  - BOARD MEMBERS ABSENT: Jeff Rea

- Approval of Minutes:

  December meeting minutes– Tomas-Morgan motions for approval – Miller seconded.

  All Ayes no Nays

Notes:

I. **Procurement** – Jones presented the December and January Procurement report.

December 2024 Procurement report was as follows:

All eligible spending was $188,714,766. We spent $7,858,293 with minority and women owned businesses which equated to 4.2%.

MBE – $1,541,950.00

WBE – $800,028.00

MWBE - $371,773

Our total certified spend was 1.4% of all eligible spending.

Miller question the 4.2% and stated the math doesn't come up quite right. Jones used the equation All M/W Spend / All Eligible Spend x 100 and came up with 4.16% which rounded up to 4.2%.

Jones presented the Public Works Spending that was captured in B2G Now. These totals only reflect projects with goals that were captured.

Total Spend - $54,018,520

Total MBE/WBE Spend - $4,171,989

The total certified spend percentage was 7.7%

Miller asked about if engineering firms were captured in that total spend, Jones confirmed those businesses if they are MBE/WBE or self-identified as minority or women owned businesses they will be captured in the Minority and Women-Owned Business spend and reflected in the list of businesses.

Regionally we spend 3 million (42.23%) and we spent 5 million (57.77%) outside our region.

Boggs stated that there were spends in Lake county with a non-certified self-identified business and because they are not certified we need to be looking within our region to spend with businesses. Jones explained that based on our Program Plan St. Joseph County, Elkhart County, Lake County, LaPorte County, Marshall County, Porter County, and Berrien County are in our regional or local marketplace.

Morris asked if there have been any trends with increased utilization of certified firms since we started our efforts on certifying. Simmons-Taylor stated she has not seen any in construction as of yet.

Baylis inquired on our efforts to not drop participants off after certification and showing them how to register their businesses as vendors on the city site. Jones said we make the effort to do so.

Morris stated that his program has 370 participants ODI should invest in a bulletin to board to announce certification and information on projects at the Collaboration Hub.

Miller stated that not all of them are going to be able to work on PW projects. Jones informed the board that they have pulled a report showing all city spending by NAICS code across all departments and will be able to be a little more pointed on what have actually been spending on.

Tomas-Morgan asked if we could tell the story on why we are spending more outside of our regional area. Finley explained that the map encompasses all of the city spending so it not just public works.

Morris stated that you would think that there would be more spending with minority and women owned business in the other areas outside of PW and the trades. Simmons-Taylor stated that she agrees and this year would be focused on moving to all other departments.

Baylis questioned why we are not using businesses that graduated out of Dr. Morris program? She stated that she sees numbers like $54 million dollars but we don't see these amount invested in Women and Minority-owned Businesses. Simmons-Taylor stated that some of these business may have some business they could offer to the city.

Morris stated that he thinks it would be a mistake to criticize what ODI is doing, the board just needs to understand the why we don't have the engagement we are looking for. Jones responded that we have been trying to find out why. ODI's first initiative on fact finding is hosting our first small business forum to help get feedback from local businesses in the city. We recognized the disconnect when we held the Prime and Sub Connect networking event. We had 5/6 primes show up but only 3 primes.

January 2025 Procurement report was as follows:

All eligible spending was $13,056,129. We spent $580,516 with minority and women owned businesses which equated to 4.4%.

MBE – $80,975

WBE – $36,222

MWBE - $13,946

Our total certified spend was 1% of all eligible spending.

Jones presented the Public Works Spending that was captured in B2G Now. These totals only reflect projects with goals that were captured.

Total Spend - $2,779,074

Total MBE/WBE Spend - $199,383

The total certified spend percentage was 7.2%

Regionally we spent $158k (27.17%) and we spent $423k (72.83%) outside our region.

II. DPW:

Szymanski Presented the December DPW report. Ther was 1 awarded project awarded hat was the 2024 neighborhood services and enforcement demolitions that was awarded to Indiana Earth for $550,295. The MBE on that project is Kennedy Trucking at 1.3% and the WBE is Montgomery at 4.5.

We had one rejection which was the Cleveland and Portage traffic Signal Improvements project the original bid round. The bids did not meet MWBE goals nor made a good faith effort and it also exceeded the available budget.

2 projects closed out –
Drury Brewery cleanup that was Indiana Earth with the final contract amount of $447,827.83. The MBE final percentage was 1.1 and the final WBE percentage was 4.64.

Cleveland and Ameritech Dr. intersection improvements with Milestone Contractors for the amount of $1,463,270.49. The MBE final on that one was 2.05 and the WBE was 8.06.

January DPW Report –

We awarded 4 projects in January:

The momentum site improvements was awarded to Premium Concrete.
Their MBE is 1st Class Logistics at 2.17% and the WBE CE Hughes Milling 4.6%

Beacon Health Parking Lot was awarded to Indiana Earth in the amount of $2,367,090.00. The MBE participant there is Kennedy Express Line for 2.6%. Two WBEs which are State Barricading and Montgomery Trucking. The combined total was 5.38%

South Bend Central Fire Station and the roof replacement at the Public Works Center, both were awarded to Slatile. They use JMH Roofing as their M&W supplier for both projects at .6% and a 2.1%.

One Rejection for the Byers Softball Complex bids did not meet the goals nor make good faith efforts and exceeded the available budgets. This was requested to re advertise.

Project completion - Fire Station. #8 was completed by R Yoder for a final amount of $4,087,535.70. Final percentage is there for M&W are 10.4%. Both goals were exceeded.

LaSalle Ave. Streetscape completed by Milestone for a final contract amount of $6,025,155.26.

The final MBE percentage on that was 20.6%, and the WBE was 8.1%. We exceeded both M and W.

III. Office of Diversity and Inclusion:

Simmons-Taylor stated we will give a copy of the 2024 annually report will be given once it is approved.
Jones touched on a review of 2024 events ODI participated in.
In 2025 ODI will run the Prime and Sub Connect the first month of every quarter. We will host certification workshops the 2nd month of every quarter. We are also working on hosting the Northern Indiana Small Business Summit.

Miller asked if we will have the 2024 annual report in March and also inquired about the 2023 annual report. Simmons-Taylor said we can disseminate that at the March Meeting.

Simmons-Taylor touched on the number of change orders that has taken place on projects. She stated that some projects have multiple change orders on 1 project but as these changes happen, we don't increase goals where feasible. She stated that it is not spoken to in our program plan and ordinance. She stated that ODI is looking at the capacity of the current marketplace to identify additional NAICs codes that can be added. She asked about the boards opinion of prime contractors qualifying to satisfy the MBE/WBE goals on a project.

Morris asked for clarity on why we have change orders.

Boyles responded that it is inherent on every project so it is unlikely that a project would ever be completed without a change order. She listed several causes for change orders.

Morris clarified that based on Simmons-Taylor ask, the understanding is when a change order happens for a larger amount then we increase the goals, to which Simmons-Taylor confirmed that was what she was asking the boards consideration on. Morris's follow up question was If somebody already has the contract, how do you go to somebody when they already have contracts and increase?

Miller stated that if there are unforeseen conditions that could be a change order. Morris stated that he understands that but the question is should we increase the target. Boyles responded here are times when we have additional funding in a project and we may so probably what somebody's referring to most is say we're doing paving and we notice that our you know the project comes in under budget we. Mor the contract for $1,000,000 we had 1.2 so we decide we have another $200,000 in the project budget cause price came in under the estimate and so we decide let's change order and maybe up to $200,000 because technically we can, under state law, change order up to 20% of work is in addition to. So things that are unforeseen don't count, but anything in addition to you can go up to 20%. That doesn't happen all the time but occasionally, especially with paving as a good example. Morris stated that the question Cynthia asked was if that happens, you said give me a price but also understand that you're going to have to meet a higher… (Boyels) burden… Morris asked Simmons-Taylor if she wanted an answer and her response was, Yes. Simmons-Taylor stated that where others see burdens she see opportunity. Boyles stated that it's a percentage, but in the situation that she just described it would be very simple because it's the same scope of work but it will not always be that clean. Its sometimes presented as a number and not broken down to use. It adds another level of what we are asking the contractor for in order to break down what that change should be in the goal.

Morris stated that it sounds nice to raise it but it seems too complicated.

Boyles stated that we have not done any assessment in terms of looking into change orders. Simmons-Taylor stated that we have, but it has not been categorized into different buckets but its over $5,000,000.00 worth of change orders just last year.
Boyle stated that it is important to know if its 5 million, how do you break that into scopes, and what NAICS codes would that have gone specifically to. To say we are significant with $5 million in change orders I don't have a KPI to tell you if that's bad or good because we probably have not tracked that over the years.

Tomas-Morgan stated that she is familiar with hearing of change orders all the time on attending the redevelopment commission meetings.
Boggs stated that change orders have to be addresses on an individual basis.

Schmidt stated that the concern that he would have from the legal standpoint is there is opportunities to maybe increase participation but contractually when proposing a change to a contract you don't want them to say no and demobilize. You don't want them to be delayed because then you lose something because you are adding additional conditions which complicate their ability to get the job done.

Simmons-Taylor stated, she wanted to make it clear that she understands when it's an emergency situation that you don't stop and change goals and rebid and things like that. She stated she wanted to put that out there to see what the board thought about it and then if it would be permissible that we check with some other cities, see what they do with change orders.

IV. New Business:

- Simmons-Taylor stated that she was unsure if they had been selecting officers regularly.
  Tomas-Morgan stated that county, commission and boards have regularly selected officers annually.
  Simmons-Taylor spoke on the board members being on top of their appointments. She stated that Keana was not reappointed by the Council, and she is currently

sitting as President. The council has appointed another person. Keana wanted to make sure that everybody knew in a meeting that this was the case. Please check with the appointing body to see if you've been reappointed. If you have been reappointed, then you need to be sworn in again to be active.

Baylis stated that she was unaware until Cynthia called to tell her.

Schmidt stated she can still serve until your appointment, or your replacement has been appointed.

There was question of when the board was notified of their appointment expiration dates. Jones stated that she sent an email to everyone on January 11th 2024 informing them if they were expired or their expiration date.

V. Old Business

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VI. **Announcements**

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VII. Floor Open to the Public -

VIII. Adjournment-

Baylis– Motion to adjourn /Boggs – Second

Notes & Action Items