

Governor's Supplier Diversity Council

August 26, 2013 Meeting

(Modified) Minutes from August 26, 2013 Governor's Supplier Diversity Council Meeting

Attendees:

In person: Ken Anderson, Dean Stotler, Anas Ben Addi, Nick Callazzo III, Cathy Imburgia, Sakthi A. Vel PhD, Ron Tutundji, Shirley Lerner, Brian Leahy, and Michelle Morin

On the phone: James Collins, Jennifer Carlson, Wendy Brown, Carmen Herrera, Clay Hammond, and Ron Frazier

Meeting Opened:

Meeting Called to Order by Ken Anderson, GSDC Chair, at 10:05am.

Quorum:

The meeting opened with a notice by Chair Ken Anderson that the meeting does not have a quorum for voting purposes and that other members are expected. At 10:10am a quorum was reached with six members in attendance.

Prior Meeting Minutes:

Minutes for the meeting held on June 18, 2013, were reviewed without being read, no correction or comments were offered, and the minutes were accepted via motion by Nick Callazzo and seconded by Dean Stotler.

August 26, Meeting Notes:

- Dean Stotler Introduced Michelle Morin, new Executive Director of the Office of Supplier Diversity (OSD). Michelle provided a short bio. Ken Anderson welcomed Michelle on behalf of the entire Council.
- Summary of OMB GSS Preparations for the Anticipated Small Business Focus Program in CY 2013 was provided by Dean Stotler. The Small Business Program was discussed, establishing that the Alternative Proposal for sourcing opportunities was the program plan that will move forward.
 - The program is a race and gender neutral small business program that is in process of creation with an anticipated start of no later than the end of February, 2014.
 - Under threshold sourcing will require that 1 of the 3 written quotes will come from this new group; this is in addition to the 1 quote required from the OSD MBE, WBE, VOB, SDVOBE directory.
 - The progress of this program will be reflected on the Agency Score Card.
 - The discussion included questions from Cathy Imburgia, Anas Ben Addi, and James Collins regarding process, accountability, tracking, and reporting. The measurements of the program are expected to include the opportunities, and how they result in spend. There is not yet a metric to capture quote analysis analytics. The 1 for 3 process was explained and noted that it is part of the agency Supplier Diversity Plans. Dean Stotler identified that the e-Procurement solicitation is active now and that at a future point in time the under threshold procurement

process is anticipated to be captured within e-Procurement. Discussion included that the function of the under threshold is for efficiency and that the process should not develop into a large process.

- The challenge within the state to track the spending to the open check book was discussed. It is noted that currently it is not possible to track or report on the under threshold spend, specifically as checks may include multiple services and are not tied to contracts.
- Sakthi A. Vel, Cathy Imburgia, and Ronald Tutundji suggested and support that the council bring the state payment process to include associated purchase orders and relate them to payments to assist in furthered transparency.
- Proposed Small Business Focus Program Size and Industry Threshold Standards were discussed. Michelle Morin suggested an alteration to the Council's metric for eligibility and graduation point size caps for the small business focus program. In order to promote a systematic standard, a formulaic approach of 50% of the smallest industry size cap (as set nationally by the SBA, and utilized in Delaware by DelDOT for their DBE program) and based on a two year average was recommended in lieu of the size caps currently contemplated. Discussion included that SBA and DelDOT size caps are established for each NAICS code as either gross sales or full time equivalents based upon a three year average; the benefit to the state; capacity within vendor shops to meet the 1 for 3 quote projects at this level; benefits of a formulaic approach, and the intention to celebrate the success of businesses that grow beyond the program and into the next sized opportunities. The program size was discussed in relationship to the current work performed by DEDO, DelDOT's DBE program, and the OSD certifications. The size cap was reviewed and was suggested to be based upon a three year average rather than the suggested two year average. The name of the program was also discussed. Michelle Morin suggested the name of Micro Business Program to delineate businesses in this program from the name Small Business as the 100% SBA size standards are the caps for small business, to create uniqueness, and further to create a graduation point from Micro to Small. Discussion was held with respect to the name. Ken Anderson spoke in support of keeping the name as the Small Business Focus Program. Cathy Imburgia suggested that the council continue to work on the name for a future meeting. Anas Ben Addi moved for a vote that the formula of 50% of the national size caps be adopted based upon a three year average. The motion was seconded by Ron Tutundji. Chairman called for the vote, the Ayes have it with no opposition, and the motion carries. The size caps and three year average were passed as follows:

	Industry	NAICS sectors	Small Biz size cap FTE (full time equivalents)	Small Biz size cap Gross sales
			Based upon a 3 year average	
1.	Wholesale	42	< 50	none
2.	Retail	42 44 45	< 25	< \$3,500,000
3.	Manufacturing	31 32	< 250	none

		33		
4.	Service	various	< 50	< \$3,500,000
5.	Construction	23	< 250	< \$7,000,000
6.	A/E Services	541 237	none	< \$3,500,000

- Chairman Ken Anderson reviewed the GSDC Focus Areas for the balance of 2013 and the council members identified their areas, volunteered, or were volunteered to manage the initiatives as follows:

Leadership for each item	Initiatives To Be Pursued By Council during 2013
Cathy Imburgia Dean Stotler	Examine and where practical, establish a standard for all agencies in terms of contract length and increased transparency on how the length of contract decisions are made
Dean Stotler Clay Hammond	Encourage School Districts to report their Diversity spend on the Supplier Diversity Score Card
Dean Stotler	GSS to actively participate in School Districts Vendor Days including the providing of training; School Districts represent approximately one-third of the State's spend
Completed	Ensure that the State's Supplier Diversity Vendors have access to plans and related documents for all Public Works Solicitations
Tabled upon request from Michelle Morin until after the first SDO quarterly report is published.	Reaffirm the objectives in terms of percentage of spend for Supplier Diversity vendors
Dean Stotler Cathy Imburgia Michelle Morin	Devise a method for effectively communicating current Supplier Diversity Score Card information to the Supplier Diversity Community
Dr. Williams	Evaluate the consistency and integrity of the RFP process, including follow-through and status updates by Procurement personnel. Create accountable timelines for Vendors who have submitted formal proposals
Ken Anderson Nick Callazzo	Continue to work on codifying and promulgating the various initiatives explored and proposals developed through the Council Tiger Team process. This includes incorporating Veterans into the initiatives.
Dean Stotler Ken Anderson Anas Ben Addi	Continue to work with the Governor's Office to see the establishment of a Small Business Focus Program or its Under Threshold Alternative

- Sourcing models and spend analysis were suggested as a new topic for the council to consider.

Dean Stotler Cathy Imburgia	Sourcing models and spend analysis
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- Clay Hammond presented that he met with the Governor and his staff to request the Governor's support on commercials for Delaware to increase face/voice time with Supplier Diversity programs. He stated that there are 75,000 black businesses within fifty miles of Delaware and that there is a perception that there is a lack of opportunity for black business in Delaware. He provided reports for 2012 for media stations ranking for Wilmington, Delaware by both Tapscan and Ranker to suggest outreach via radio commercials. Discussion was had regarding the cost of commercials, and that the Governor speaks in support of various constituencies when he is at events for those constituencies. The Marketplace announcements were discussed, the State of the State address, and move to discuss that the Governor speaks on behalf of all members of the Supplier Diversity Community with a possibility of the council recommending messaging to the Governor's office that there are opportunities for all businesses to come take advantage of in Delaware. Discussion continued that members of the community have to bid to take advantage of the opportunities and that applying for certification helps the state count the number of businesses and the spend that the state already does within the community. Michelle Morin mentioned that she will attend the Delmarva Black Chamber's Access to Capitol event on September 26th and will bring applications for the members to apply to the state for certification.

- Chairman Ken Anderson informed the council that recommendations for new GSDC Voting Members were desired as two members have stepped down and those positions need to be replaced. Discussion was held regarding the seats represented as Hispanic and Minority from private sector. Recommendations were made as follows:
 - Nick Callazzo
 - submitted the name of Mr. Charles Gillean
 - Cathy Imburgia
 - supported Mr. Charles Gillean
 - submitted Mr. Carlos Dipries(sp)
 - submitted Ms. Hollis Thomases
 - Michelle Morin
 - supported Mr. Charles Gillean
 - submitted Mrs. Theresa (Terri) Brown-Edwards, Esq.

The Chair recommended the council hold off on a vote on the recommendations so that the names could be reviewed. No vote was held.

- Open Forum for Public Inputs was created and Chairman Ken Anderson asked if there were any members of the public on the telephone line; none were in the room. No member of the public announced themselves or spoke.

Next Meeting:

The next meeting is not yet scheduled.

Meeting Adjournment:

Motion to adjourn made by Dean Stotler and seconded by Nick Callazzo.

Meeting adjourned by Ken Anderson, GSDC Chair at 11:52am.