

Implementing a Successful K-12 "DEI" Procurement Program

Saturday, November 19, 2022

Proposed Draft Agenda

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| • Welcome | Jeff Cohn |
| • Brief introductions | Jeff Cohn |
| • Setting the context on why we are here | Dr. Fred Coleman |
| • What is HB453 | State Rep Will Davis |
| • How you should consider implementing | Dr. Fred Coleman |
| • How I am implementing | Mr. Ron Anderson |
| • From a legal perspective | Attorney Scott Uhler |
| • Questions and Answers | Jeff Cohn |
| • Thank you for joining us. | Jeff Cohn |

House Bill 453

HB453 has inspired many Ill. districts to evaluate their procurement practices to ensure they are achieving the Diversity and Inclusion goals set by Illinois state agencies. Rep. Will Davis sponsored HB453, he and the panel will share insights of the bill and ways to achieve its intent.



Learning Objectives of Session

Learning Objectives #1

- Articulate the purpose of HB453.

Learning Objectives #2

- Ask the right questions about their current Diversity and Inclusion questions of their administration.

Learning Objectives #3

- Understand how to comply with the "Best Effort" intentions of HB453.

Learning Objectives #4

- Use the intent of HB453 to create a powerful Diversity and Inclusion statement in their community.

William “Will” Davis

State Representative - 30th District



Since taking office, Davis' top legislative priorities include education funding, increased health care availability, contractor & supplier diversity, as well as economic development. He understands that small businesses are the backbone of our community and has been a vocal advocate for bringing new jobs to our area as well as advocating for workplace equity and diversity.

In 2005, Rep. Davis helped make Illinois the first state in the nation to guarantee access to quality and affordable health care for all children. Working continuously to improve health care, he has supported actions to address cardiovascular disease, prostate cancer, high blood pressure, diabetes, lupus, sickle cell disease and cancer.

In 2017 Illinois took bold steps in the way it funded education. Davis was the chief House sponsor of SB1947, the Evidence-Based Funding model for school funding reform. Illinois adopted an evidenced-based model as a pathway to redefine how it distributes money to school districts. Since its passage, Illinois has appropriated significant new dollars to that effort.

Davis serves on several committees in the House of Representatives. Davis is the Chairman on the Appropriations-Elementary & Secondary Education Committee. Davis also serves as a member on the following committees: Appropriations-Public Safety, Energy and Environment, International Trade & Commerce, Executive and the Labor & Commerce Committee. He additionally, serves as a Commissioner on the state's Budgeting for Results Commission as well as the Illinois Guardianship and Advocacy Commission.

Davis has been recognized with "Legislator of the Year" awards from the Illinois Association of Code Enforcement, Illinois Primary Healthcare Association, Illinois School Counselor Association, Illinois Association of Park Districts, South Suburban Park and Recreation Professional Association, the Illinois Association of School Social Workers, as well as Omega Psi Phi Fraternity, Incorporated, "Citizen of the Year Award". Davis is a former Joint Chairman of the Illinois Legislative Black Caucus and a charter member of Pi Alpha Alpha, the International Honor Society for Public Affairs and Administration, at Governors State University as well as a member of Kappa Alpha Psi Fraternity, Incorporated.

Davis' 30th District includes all or portions of Blue Island, Dixmoor, Dolton, East Hazel Crest, Flossmoor, Harvey, Hazel Crest, Homewood, Markham, Midlothian, Oak Forest, Phoenix, Posen, Riverdale, and Robbins.



Dr. Fred Coleman, III, Ph.D.

- CEO, Coleman and Associates Inc. 20+ years
- Procurement Diversity Consultant
- MBE, DBE Illinois 7+ years
- Decatur Public Schools—Policy, Outreach and Compliance
- Champaign Unit 4 Schools—Policy Development and Implementation
- Springfield 186 Schools—Community Engagement
- Urbana Park District-- Program Design and Implementation
- City of Champaign—Outreach, Program Design, Policy Input
- City of Urbana—Program Implementation

Dr. Fred Coleman
(217) 493-3217 | fcoleman3@coleman-inc.com



Ronald Anderson

Ronald Anderson is the Executive Director of Operations for Oak Park and River Forest High School District 200 in Oak Park, IL., the National President of the Association for Facilities Engineering (AFE), and the former Chairman of the Illinois Association of School Business Officials (IASBO) Planning and Construction Committee.

Mr. Anderson's passion for computers and technology led him to pursue a Bachelor of Science degree in Computer Information Systems (CIS) from DeVry University. With love for education and learning, he has obtained a Master's degree in Business Administration (MBA) and a Master's degree in Project Management (MPM) from the Keller Graduate School of Management. He holds a plethora of certifications, including but not limited to Chief School Business Official Administrative Certification (CSBO), Certified Professional Maintenance Manager (CPMM), Certified Plant Supervisor (CPS), Certified Health and Life Safety Building Inspector, (IASBO) Facilities Operations Certificate, Certified Nonviolent Crisis Intervention Instructor (CPI), and Certified Local Education Agency Designated Agent (LEA).

**Mr. Ronald Anderson
(773) 619-3727 | rcanderson@afe.org**



Scott F. Uhler

Scott Uhler is a Partner at Klein, Thorpe and Jenkins, Ltd. counsels school districts, municipalities and local governments on all facets of their general operations. Scott serves as general counsel to multiple school districts and provides specialized support services for multiple school districts, municipal and library clients of the firm.

In addition to his work with school districts, libraries and municipalities, Scott has lectured on local government issues as an adjunct professor and guest lecturer at the Bachelors, Masters and Doctoral levels at Argosy University, and as adjunct and guest lecturer at Concordia University, Lewis University, National Louis University, Aurora University, North Park University, Governor's State University and the University of Illinois.

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Drivers of DEI in K-12 Procurement



BILL SPONSORS (6)



William Davis

Democratic • Representative
• District 30

PRIMARY



Napoleon Harris, III

Democratic • Senator • District 15

PRIMARY



Carol Ammons

Democratic • Representative
• District 103

COSPONSOR



Nicholas K. Smith

Democratic • Representative
• District 34

COSPONSOR



Debbie Meyers-Martin

Democratic • Representative
• District 38

COSPONSOR



Jacqueline Y. Collins

Democratic • Senator • District 16

COSPONSOR

HB 453

Amends the Property Tax Code. Provides that any taxing district that has an aggregate property tax levy of more than \$5,000,000 for the applicable levy year shall make a good faith effort to collect and electronically publish data from all vendors and subcontractors doing business with the taxing district as to whether the vendor or subcontractor is a minority-owned, women-owned, or veteran-owned business or whether the vendor or subcontractor is a small business. Preempts the concurrent exercise of home rule powers. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

Policy Development and Implementation

Need Established

- Input, discussion from stakeholders
- DEI drivers

Board Approves

- Input, discussion, implications and language
- Direction and specificity

Administrative procedures

- Resources, e.g. other public agencies or peers
- Subject Matter Experts, e.g. consultants

Policy Development and Implementation



State Laws and State Agency Requirements related to Procurement, Diversity, Equity and Inclusion

Laws

- 105 ILCS 230 School Construction Law
- 105 ILCS 231 Design-Build for Public Schools Act
- 102-0265 (HB 453) Amendment to The Property Tax Code of The Illinois Revenue Act

State Agencies

- Illinois Capital Development Board
 - Funding
 - Oversight of design and construction
 - <https://www2.illinois.gov/cdb/business/Pages/MinorityBusiness.aspx>
- Illinois Department of Human Rights
 - Public Contracts Unit
 - <https://dhr.illinois.gov/public-contracts.html>



How am I Implementing it?

- Advertise
- Hold Public Outreach Meetings
- Require Contractors to Disclose MBE/WBE Levels Commitments in Bid Documents
- Track and Report to the Board of Education

Oak Park and River Forest High School

MBE/WBE Inclusion Plan



Advertise

Project 1/Phase 2: Main Entry, Welcome Center, Student Commons and Classroom Renovations, Capital Improvements, and HLS

Oak Park and River Forest High School District 200, along side Pepper Construction and FGM Architects encourage participation in its contracting by all members of the community including Minority Business Enterprises (MBE) and Women Business Enterprises (WBE).

To heighten awareness and increase MBE/WBE firms, we will implement the following efforts:

- » Will hold a community outreach session to notify all local/interested contractors and organizations of the projects and the scopes of work
- » Utilize Pepper's MBE/WBE Subcontractor Bid List Database
- » Notify and partner with the Association/Assist Agencies serving the MBE/WBE contractor community to notify their members
- » Attend and present at the Association/Assist Agencies member meetings if requested
- » Social Media Informational Blasts with Informational Flyer (Twitter/Facebook/LinkedIn)
- » Notify local construction unions to share with their MBE/WBE signatory subcontractors

Please see attached bid list and list of the associations/agencies contacted.



This project contains M/WBE participation goals.



Hold Public Outreach Meeting

Join Us for a Contractor Outreach Session

SD 200: Oak Park and River Forest High School Athletic Fields



October 11, 2022
4:00-5:30 PM

**Oak Park and River Forest High School,
South Cafeteria**
201 N. Scoville Ave, Oak Park, IL 60302

Check-in will be at
Main Entrance Security Desk

Please feel free to reach out for additional
information or to RSVP to the session:

For project information:
Lisa Koeune
lkoeune@pepperconstruction.com

To RSVP:
Kelly Brockway
kbrockway@pepperconstruction.com

Our team is committed to engaging
and partnering with diverse contractors.

Improvements at the athletic facilities include an 8-lane competitive track and seating with a multi-sport synthetic turf field inside of it. There will be new multi-sport turf fields at both the South Field and Ridgeland Commons which both include upgrades to fencing/netting, scoreboards, security cameras, etc. There are also buildings being added at both the West and South Fields that include areas for storage as well as bathroom facilities.

Bid Packages:

Bid Issue Date: **10/5/22**
Bid Due Date: **10/20/22**
Project Start Date: **5/1/23**

- 01. Excavation
- 02. Site Utilities
- 03. Landscaping
- 04. Concrete
- 05. Masonry
- 06. Steel
- 07. General Carpentry
- 08. Roofing

- 09. Painting
- 10. Sports Equipment
- 11. Bleachers
- 12. Plumbing
- 13. HVAC
- 14. Electrical
- 15. Geothermal*

*(out to bid 10/26, due 11/16)



FGMAARCHITECTS

Pepper Construction
Tomorrow Transformed

Require Contractors to Disclose MBE/WBE Levels of Commitment in Bid Documents



PRIME TRADE MBE/WBE LEVEL COMMITMENTS

_____ % of dollar value of the prime trade contracts that will be awarded to **Minority Owned** business contractors.

_____ % of dollar value of the prime trade contracts that will be awarded to **Women Owned** business contractors.

If the prime trade contractor will not be sub-subcontracting any of the work to a MBE/WBE firm than a zero (0) must be filled in each blank above.



Track and Report to the Board of Education



Diversity Outreach Summary

Project 1 / Phase 2: Main Entry, Welcome Center, Student Commons and Classroom Renovations

Oak Park and River Forest High School District 200, alongside Pepper Construction and FGM Architects, encouraged participation in its contracting for **Project 1 / Phase 2: Main Entry, Welcome Center, Student Commons and Classroom Renovations** by all members of the community including Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). Although such participation was encouraged, award of a contract is not based on race or gender status.

To heighten awareness and increase MBE/WBE participation, we implemented the following efforts:

- Held a virtual community outreach session to notify all local/interested contractors and organizations of the projects and the scopes of work
- Utilized Pepper's MBE/WBE Subcontractor Bid List Database
- Notified and partnered with the Association/Assist Agencies serving the MBE/WBE contractor community to notify their members
- Attended and presented at the November HACIA Membership Meeting
- Published social media informational blasts with Informational Flyer (Twitter/ Facebook/ LinkedIn)
- Notified the Chicago Building Trades Council to share with their MBE/WBE signatory subcontractors

Please see attached bidder list and list of the associations/agencies contacted. Below is a summary of the efforts and results of the outreach process for this bid period.

Bid Package #	MBE - Invited	WBE - Invited	MBE/WBE - Invited	MBE - Interested in Bidding	WBE - Interested in Bidding	MBE/WBE - Interested in Bidding	MBE, WBE, MBE/WBE Bids Submitted	MBE, WBE, MBE/WBE - Successful Low-Responsive Bidders
BID PACKAGE #01 – Masonry/ Tuckpointing	2	2		1			1	
BID PACKAGE #02 – Miscellaneous and Structural Steel	6			2				
BID PACKAGE #03 – General Carpentry	6	4	2	1	1		2	
BID PACKAGE #04 – Casework	6	5	1	1	1		1	
BID PACKAGE #05 – Roofing	3			1				
BID PACKAGE #06 – Doors, Frames and Hardware	1	1		1				
BID PACKAGE #07 – Storefronts	4			1			1	
BID PACKAGE #08 – Drywall	6	2	1	1	1		1	
BID PACKAGE #09 – Ceramic Tile	2	3		1	1			
BID PACKAGE #10 – Acoustical Ceilings	5	1		1				
BID PACKAGE #11 – Flooring	1	1		1	1		1	
BID PACKAGE #13 – Painting	4	3	3	1	3	3	1	Pro Nova Contracting
BID PACKAGE #16 – Plumbing	6		2	3				
BID PACKAGE #17 – HVAC	4	4		1				
BID PACKAGE #18 – Electrical	7	6	3					
BID PACKAGE #21 – Landscaping	2	2	2					
Totals:	113			28			8	1

VENDOR REPORTING REQUIREMENTS

[New]
*Basic Legal
Requirements*

The Illinois Revenue Act was amended in August 2021, by adding new **Section 200/18-50.2** to require new data collection and disclosure by covered taxing districts regarding their contracting with certain minority, women or veteran owned businesses.

COVERED ENTITIES: Specifically, all taxing districts with a tax levy of more than \$5 million per year, which would include school districts.

DATA COLLECTION: School districts are required to make a “good faith effort” to collect information as to whether their vendors or subcontractors are:

- ☐ A minority-owned business, a women-owned business, or a veteran-owned business;
- ☐ Holds any certifications for those categories or are “self-certifying”; and
- ☐ If “self-certifying”, does the business qualify as a small business pursuant to the U.S. Small Business Administration standards.

REPORTING REQUIREMENT(s): The collected data is required to be published electronically, but does not require any new “software” for such collection or reporting. This can then be satisfied by posting on the school district website. The amendment does not provide an alternative reporting method.

TIMING: The collection and reporting requirement began on January 1, 2022 and is ongoing.

CURRENT SCHOOL DISTRICT REPORTING REQUIREMENTS

Current School District Reporting Requirements:

Contracting With Minority or Women Owned Businesses

Must list all contracts over \$25,000 on the district's website.

Must submit to ISBE each year (along with the District Statement of Affairs) before December 1st District annual report on all contracts over \$25,000 awarded by the school district during the previous fiscal year.

The report must include the following for contracts over \$25,000:

The number of contracts awarded to minority-owned businesses, women-owned businesses, and businesses owned by persons with disabilities, as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and locally owned businesses

The total value of contracts awarded to minority-owned businesses, women-owned businesses, and businesses owned by persons with disabilities, as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and locally owned businesses.

The report must be available to the public and posted on the district's website.

Illinois School Code: 105 ILCS 5/10-20.44

**Definitions of
Covered Businesses
Business Enterprise
for Minorities,
Women, and Persons
with Disabilities Act
(30 ILCS
575/0.01)(the “Act”)**

Under the Act, “minority-owned business” means a business which is:

- ☐ At least 51% owned by minority persons
- ☐ If corporation, at least 51% of stock is owned by minority persons
- ☐ Management and daily business operations are controlled by one of more of the minority persons that own it

Under the Act, “minority person” is defined as a citizen or lawful permanent resident of the United States and who is one of the following:

- ☐ American Indian or Alaskan native (further defined in Act)
- ☐ Asian (further defined in Act)
- ☐ Black or African American (further defined in Act)
- ☐ Hispanic or Latino (further defined in Act)
- ☐ Native Hawaiian or other Pacific Islander (further defined in Act)

**Definitions of
Covered Businesses
Business Enterprise
for Minorities,
Women, and Persons
with Disabilities Act
(30 ILCS
575/0.01)(the “Act”)**

Under the Act, women-owned business means a business which is:

- ☐ At least 51% owned by women;
- ☐ If corporation, at least 51% of stock is owned by women; and
- ☐ Management and daily business operations are controlled by one of more of the women that own it.

Under the Act, woman is a citizen or lawful permanent resident of the United States and who is of the female gender.

Note: The Business Enterprise for Minority, Women and Persons with Disabilities Act does not define “veteran-owned business”. A definition of “qualified veteran-owned small business” can be found in the Illinois Procurement Code at 30 ILCS 500/45-57(e). 4 30 ILCS 575/0.01 et seq.

SMALL BUSINESS ADMINISTRATION STANDARDS

For minority or women-owned businesses “self-certifying”, the following are the standards to qualify as a small business pursuant to the federal Small Business Administration standards.

- ❑ The SBA assigns a size standard to each NAICS code. Most businesses with 500 employees or fewer, and most non-manufacturing businesses with average annual receipts under \$7.5 million, will qualify as a small business. See 13 CFR 121.201 [Small business size standards]
- ❑ To determine if your business qualifies as "small" for government contracting purposes, use the SBA's [Size Standards Tool](https://www.sba.gov/size-standards/index.html). <https://www.sba.gov/size-standards/index.html>
- ❑ Register with “SAM”. To participate in federal government contracting, you must register your business in the federal government’s System for Award Management (“SAM”). SAM is a database that government agencies search to find contractors. SAM allows you to certify that your business is eligible for contracts that are reserved for small businesses.

RECOMMENDATIONS

Compliance

Step One: Develop/adjust data procedure requiring all vendors and subcontractors to provide data regarding those certifications they have as a minority, women or veteran-owned business, and whether they are certified as a small business or meet the small business certification requirements under SBA standards.

Step Two: The procedure should include a form for the reporting and collection of this data by vendors and subcontractors.

Step Three: Develop/adjust system for tracking school district contracting/purchasing which includes the “certification status” of vendors and subcontractors.

Step Four: Report/publish the certification data “electronically”; presumably this will be on the district website.

Sample Data Report Form Provisions Vendor & Subcontractor Public Act 102-0265 and School Code Section 10-22.4 Certification

Is your business a minority-owned business? ____ Yes ____ No

A minority-owned business is one that is at least 51% owned by one or more minority persons. In the case of a corporation, a minority-owned corporation is one in which at least 51% of the stock is owned by one or more minority persons; and the management of daily business operations of which are controlled by one or more of the minority individuals who own it. A minority person is defined as a person who is a citizen or lawful permanent resident of the United States and is an American Indian or Native Alaskan, an Asian, a Black or African American, a Hispanic or Latino or a Native Hawaiian or Pacific Islander.

Do you hold any certification for your status as a minority-owned business? ____ Yes ____ No

Do you self-certify as a minority-owned business? ____ Yes ____ No*

Is your business a women-owned business? ____ Yes ____ No

A women-owned business is one that is at least 51% owned by one or more women. In the case of a corporation, a women-owned corporation is one in which at least 51% of the stock is owned by one or more women; and the management of daily business operations of which are controlled by one or more of the women who own it.

Do you hold any certification for your status as a minority-owned business? ____ Yes ____ No

Do you self-certify as a minority-owned business? ____ Yes ____ No*

Is your business a veteran-owned business? ____ Yes ____ No

A veteran-owned business is one that is at least 51% owned by one or more veteran service members. In the case of a corporation, a veteran-owned corporation is one in which at least 51% of the stock is owned by one or more veteran service members; and the management of daily business operations of which are controlled by one or more of the veteran service members who own it.

Do you hold any certification for your status as a veteran-owned business? ____ Yes ____ No

Do you self-certify as a veteran-owned business? ____ Yes ____ No*

* If you self-certify under any of the three categories above, do you qualify as a small business under the Federal Small Business Administration standards? ____ Yes ____ No

If you self-certify, please provide the following information:

NAICS Code: _____

Number of Employees: _____

Annual Receipts: _____

Questions and Answers



Thank you for joining us!!!

Enjoy the rest of your conference!!