

# Florida A&M University Supplier Diversity Program

## **Objective**

The purpose of this Program is to:

- identify and engage State of Florida Certified Minority Enterprises in the community that provide goods and services for purchase by Florida A&M University (University); educate University departments and divisions on the availability of minority vendors; and
- develop a comprehensive database of diverse suppliers and contractors interested in doing business with the University.

## **Responsibility and Authority**

The Associate Vice President of Finance and Administration and the Director of Procurement Services is responsible for overseeing the University's small business enterprise utilization activities.

The Director of Procurement Services (Director), reports to the Associate Vice President for Finance and Administration, and is responsible for program development, promotion, implementation, compliance monitoring, and reporting. The Director works closely with University departments and academic units, small businesses, including women and minority owned businesses, governmental entities, and community-based organizations toward the diversification of the University's Vendor base.

## **Supplier Engagement**

Active outreach and ongoing engagement are essential to developing a strong pipeline of diverse suppliers.

FAMU has access to the Office of Supplier Diversity (OSD), a national database a specialized team within the Division of State Purchasing and the Tallahassee Leon County Office of Economic Vitality. These tools can be used to identify and engage diverse suppliers. Other ways to develop a portfolio of diverse suppliers include:

- Attending networking and matchmaker events hosted by certification associations or other chambers to meet diverse suppliers
- Include voluntary self-identification questions in RFI surveys
- Develop internal advocacy and diverse supplier referral mechanism
- Create an online registration site and encourage certified diverse businesses to register

Supplier engagement and opportunity identification work hand-in-hand to increase the use of diverse suppliers. The Office of Procurement Services will work to ensure supportive processes are in place for internal supplier diversity champions to identify and advocate inclusion of diverse suppliers.

## **Key Elements for a Robust Supplier Diversity Process**

- Active process to identify and engage diverse suppliers for upcoming opportunities.
- Ongoing identification of opportunities for inclusion of diverse suppliers in direct
- as well as second tier bid opportunities.
- Educate and train MWBEs.
- Development of inclusive sourcing process
- Program management of the supplier diversity program
- Internal and external communication strategy

## **Communication**

A supplier diversity communication strategy is a valuable tool to build momentum, and should be introduced as early as possible in the process. Internal communication activities may include:

- Supplier diversity business case and leadership commitment (policy roll-out) to management
- Supplier diversity section on company intranet
- Champions in individual departments communicating supplier diversity activities in their internal meetings
- Promoting small and large supplier diversity successes

Externally the communication strategy will focus on brand building, ensuring that supplier and community stakeholders are aware of the University's commitment made to supplier diversity, and how successes impact the University and community alike. This message should be consistent across websites, annual reports, etc.

Ultimately, the communication strategy acknowledges and reinforces executive support and supports building a culture of inclusion across the University.

## **Management**

An effective program manager is an essential component to supplier diversity's success of the University. Effective program management involves the strategic and day-to-day implementation, monitoring and review of the supplier diversity process. The Office of Procurement Service will work with executive leadership to develop relevant performance management objectives that encourage organizational alignment and facilitate a cultural shift to active inclusion.

These supporting processes enable and support effective implementation of the supplier diversity program.

## **Core Elements**

### **Develop Metrics**

Establishing metrics to measure progress against University objectives is essential to the effectiveness and accountability of the supplier diversity initiative.

Examples of measurable key performance indicators (KPIs) include:

- # of diverse suppliers short listed per year
- # of contracts with diverse suppliers
- \$ saved/avoided in award to diverse supplier
- % success/win rate (amount of business awarded vs. amount of business diverse suppliers invited to bid for)
- \$ of diverse spend per year
- % of diverse spend per year (of total addressable spend)

Establishing a baseline of diverse suppliers is a valuable starting point for goal setting. Leveraging spend analyses (internal and external) will assist in identifying targeted goals within the University.

The establishment of the supplier diversity program will initially look for tracking mechanisms within the University's existing vendor management systems to tag suppliers as certified.

**Develop Reporting Tools**

The Office of Procurement Services will work closely with contractors to identify areas of opportunity that will enhance the use of Minority-owned businesses in construction related projects.

The Office of Procurement Services will monitor all contracts to assess the level of minority-owned business enterprise participation in accordance with the State of Florida Minority Business Enterprise Statutes.

Ex. Minority-Owned Business Subcontractor Use Report

<b>Company Name</b>	<b>Business Phone &amp; Contact Person</b>	<b>FEIN</b>	<b>Detailed Scope of Product or Services</b>	<b>Anticipated Utilization Date</b>	<b>Percentage of Utilization</b>	<b>\$ Value of Utilization</b>

**Florida Minority Business Enterprise Statutes**

Furthermore, the Sections 255.102 and 287.057(7), Florida Statutes, encourage state agencies to spend the following percentages of contract moneys with certified MWBEs in the following four industries:

- 21% of moneys expended for construction contracts (4% percent with African Americans, 6% with Hispanic Americans, and 11% with American women);
- 25% of moneys expended for architectural and engineering contracts (9% with Hispanic Americans, 1% with Asian Americans, and 15% for American women);
- 24% of moneys expended for commodities (2% with African Americans, 4% with Hispanic Americans, 1% with Asian Americans and Native Americans, and 17% with American women); and
- 50.5% of moneys expended for contractual services (6% for African Americans, 7% for Hispanic Americans, 1% for Asian Americans, .5% with Native Americans, and 36% for American women).

## **Definitions**

### **Florida Certified Minority Business Enterprise (CMBE):**

A business that has been certified by the State of Florida's Office of Supplier Diversity (OSD), or a Florida Reciprocal Certification Partner as a minority business enterprise. Florida Statute 288.703(1)

### **Minority & Women Small Business Enterprise (MWSBE)**

Minority and Women Owned Small Business Enterprise is a business that has a specific ownership composition of minimally 51%.

### **Minority Business enterprise (MBE):**

A small business concern which is organized to engage in commercial transactions, domiciled in the State of Florida, and is at least 51% owned, managed, and controlled by a minority person(s). Florida Statute 288.703(3)

### **Minority Person:**

A lawful, permanent resident of Florida who is an African American, American Woman, Asian American, Hispanic American, or Native American (origin to an Indian tribe prior to 1835 upon presentation of proper documentation thereof as established by rule of the Department of Management Services. Florida Statute 288.703 (4).

### **Small Business Enterprise (SB):**

An independently owned and operated business concern that employs 200 or fewer permanent full-time employees, and that, together with its affiliates, has a net worth of not more than \$5 million. Florida Statute 288.703(6)

### **Small Disadvantaged Business (SDB):**

A small business concern owned and controlled by socially and economically disadvantaged individuals. 13 C.F.R. §124.105

## **Helpful Links**

### **FAMU Vendor Information**

<http://www.famu.edu/index.cfm?Purchasing&VendorInformation>

### **Florida Office of Supplier Diversity**

[https://www.dms.myflorida.com/agency\\_administration/office\\_of\\_supplier\\_diversity\\_osd](https://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd)

### **Tallahassee/Leon County Minority & Women Small Business Enterprise**

<http://oeforbusiness.org/programs/minority-women-smallbusiness-enterprise/>

### **MBE Classification Guideline Instructions**

[http://www.famu.edu/Purchasing/MBEClassCodes\\_v3\[1\].pdf](http://www.famu.edu/Purchasing/MBEClassCodes_v3[1].pdf)

### **8(a) Business Development Program**

<https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program>

### **FAMU Small Business Development Center**

<http://www.sbdcfamu.org/>