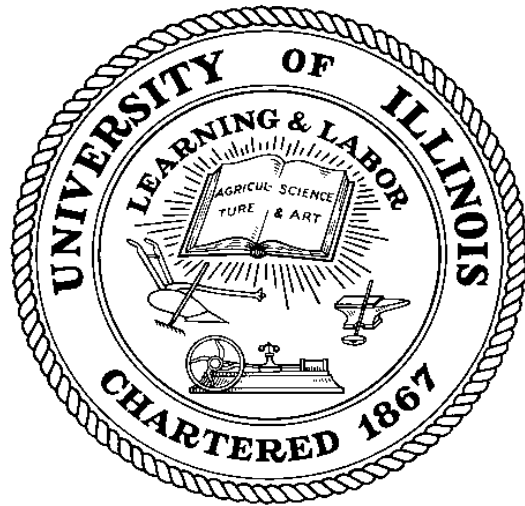


MAFBE Update and Supplier Diversity Recommendations



**Presented to the Board of Trustees
December 2, 2011**

PRESENTATION AGENDA

- 1. Trends in University MAFBE and Supplier Diversity Efforts**
 - ❑ MAFBE Expenditures FY07-11
 - ❑ Expenditures as a Percentage of Spend FY09-11
 - ❑ MAFBE Outreach Efforts

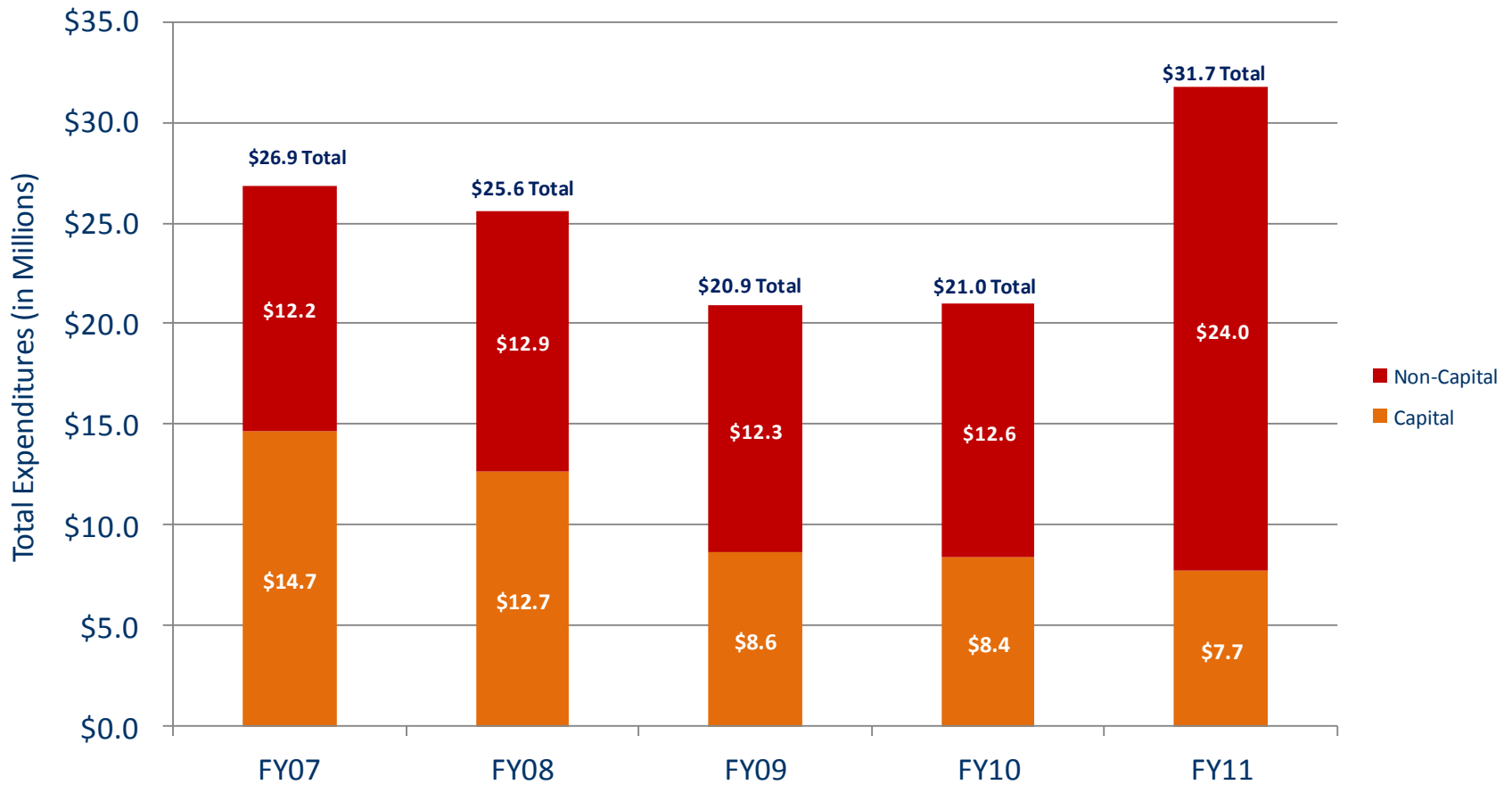
- 2. Bronner Group Phase Two Assessment and Recommendations**

MAFBE AND SUPPLIER DIVERSITY

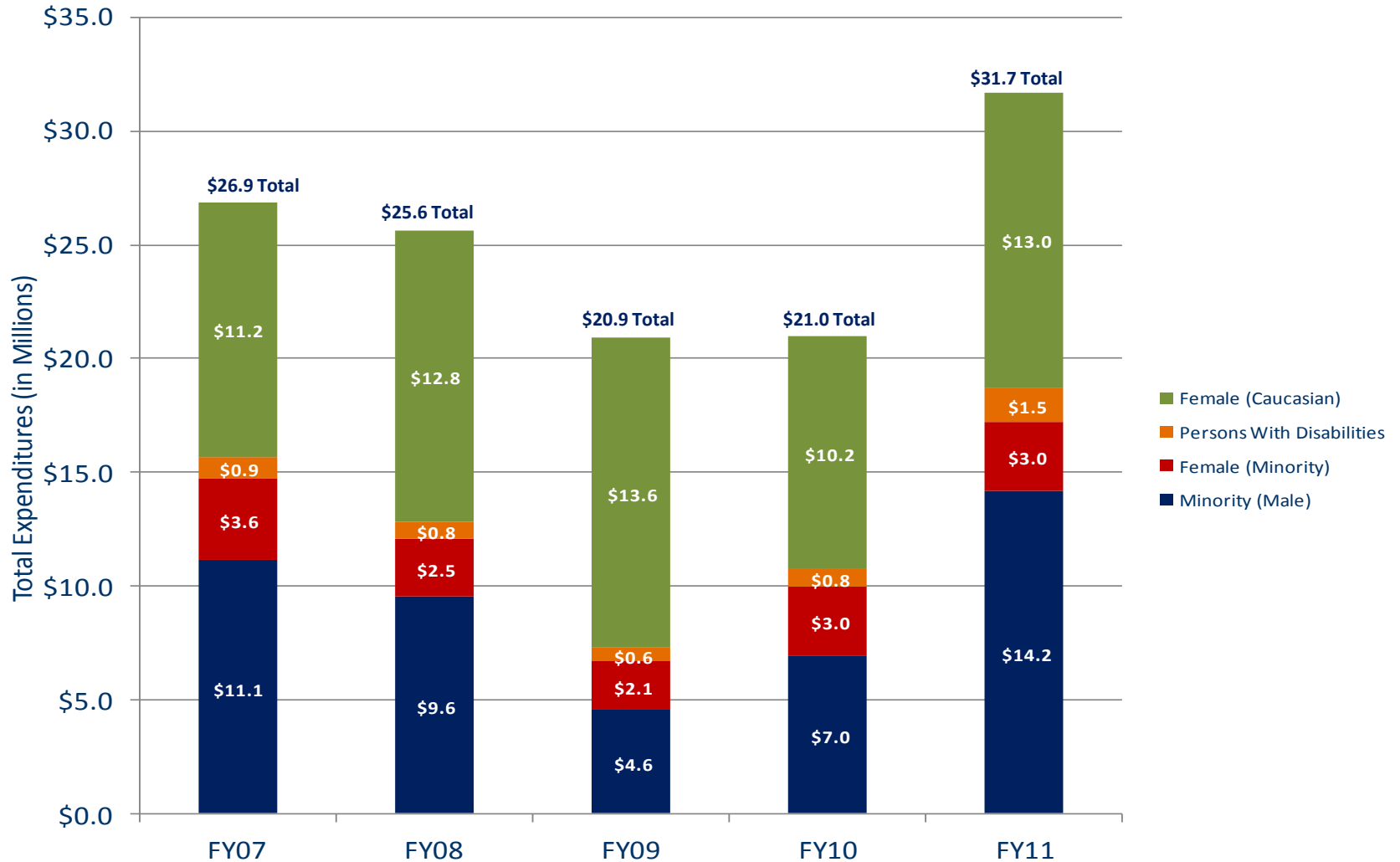
- ❑ **MAFBE (Business Enterprise for Minorities, Females, and Persons with Disabilities Act)**
 - Purpose is to provide access to procurement opportunities by creating an equitable and competitive business environment while stimulating the growth and development of businesses owned by minorities, females and persons with disabilities
 - Annual Gross Sales of Businesses Limited to less than \$75 million
 - Goal is Twenty (20) percent of allowable State expenditures

- ❑ **Supplier Diversity**
 - Same purpose as MAFBE Act
 - Broader base of qualified businesses owned by minorities, females and persons with disabilities
 - All diversity vendors are certified by city, county, state, quasi-governmental or national certifying agencies

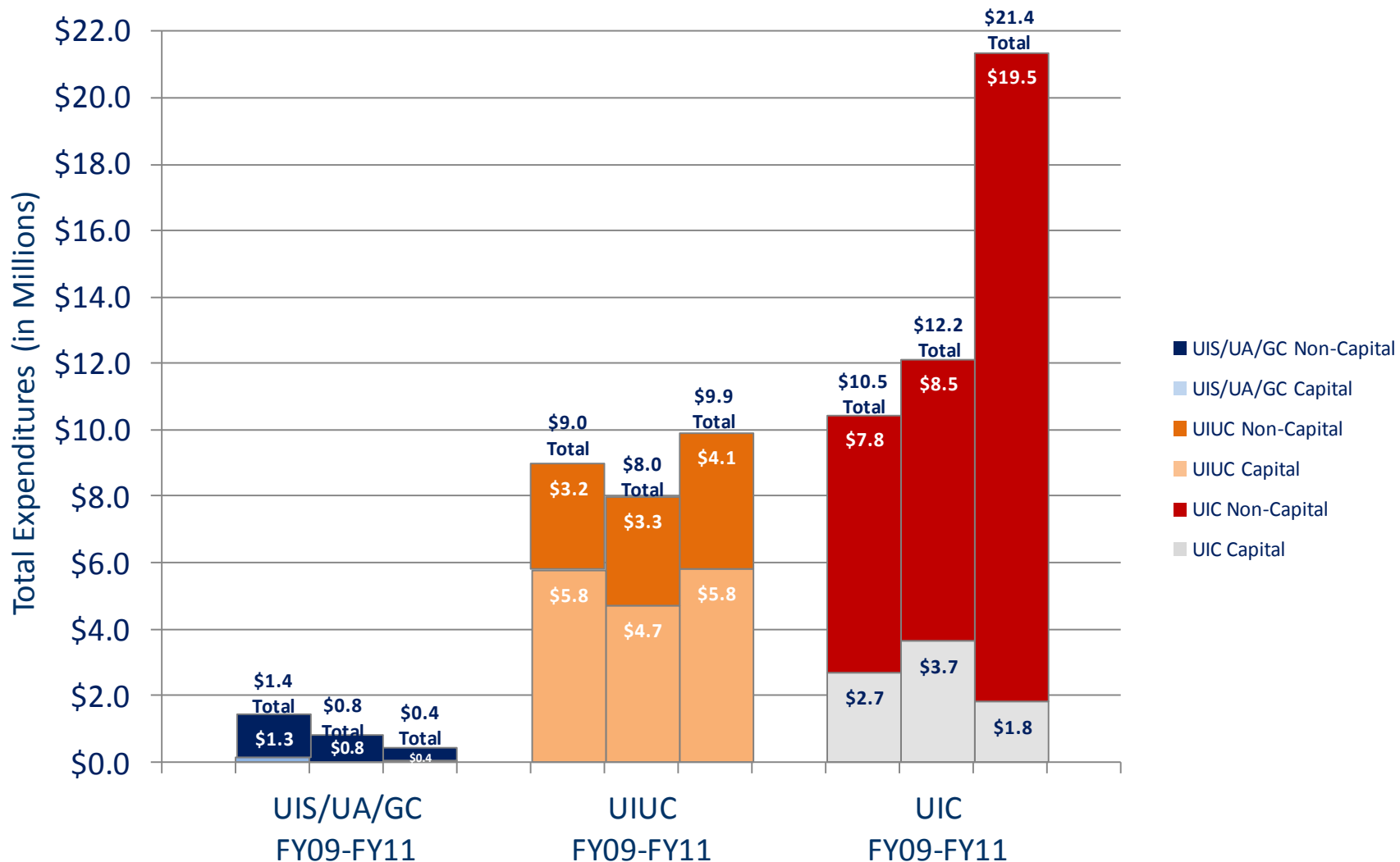
FY07-FY11 CAPITAL & NON-CAPITAL MAFBE EXPENDITURES



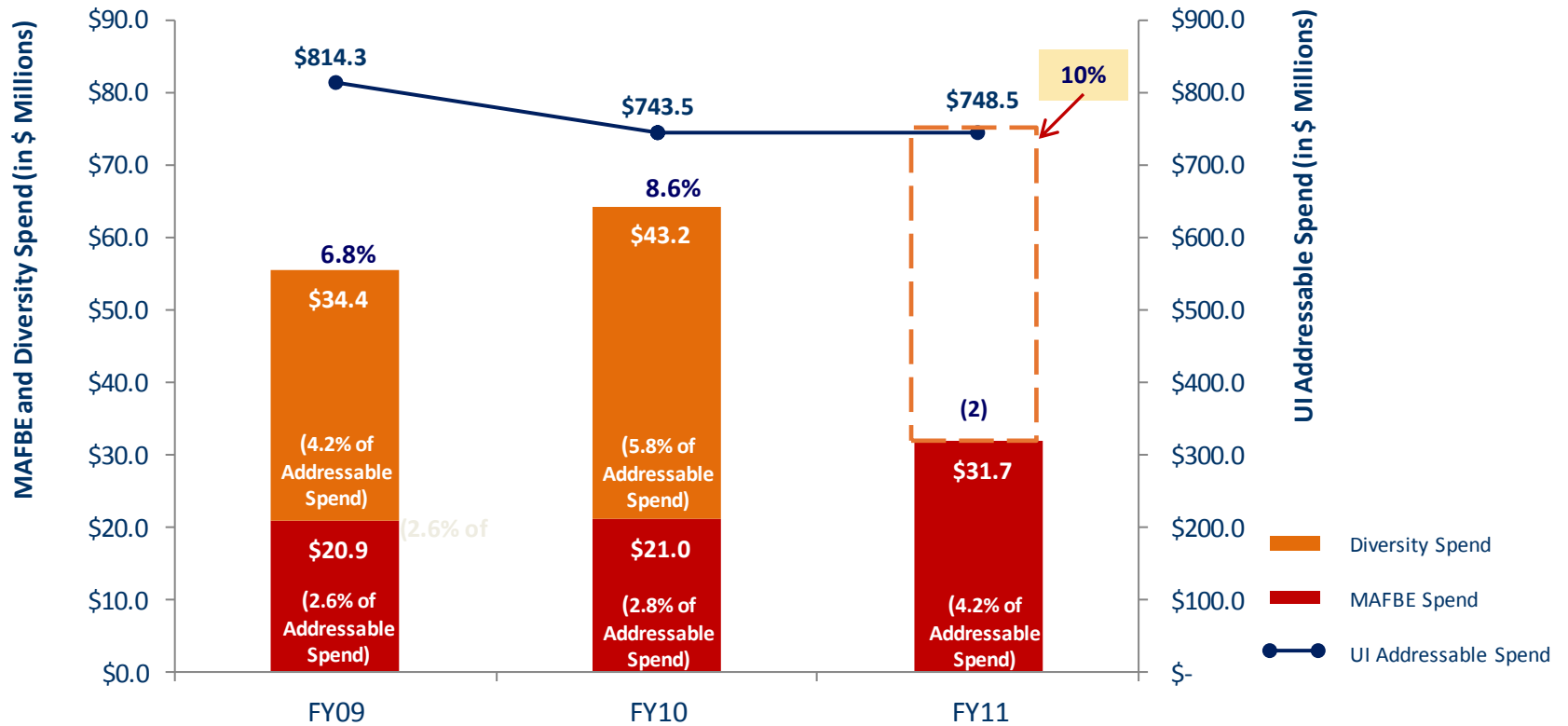
FY07-FY11 MAFBE EXPENDITURES BY CATEGORY



FY09-FY11 CAPITAL & NON-CAPITAL MAFBE EXPENDITURES BY CAMPUS



FY09-FY11 MAFBE & DIVERSITY EXPENDITURES COMPARED TO UNIVERSITY OF ILLINOIS ADDRESSABLE SPEND



NOTES

- (1) Addressable spend only includes expenditures where the designated MAFBE agency determines that minority vendor opportunities exist.
- (2) The FY11 Diversity expenditure total is not yet available.

MAFBE OUTREACH ACTIVITIES

- ❑ **Initiated Annual MAFBE Conference four years ago:**
 - UIC-sponsored conference held in Chicago
 - Representation from all University of Illinois campuses, UIC departments, other higher education institutions, and government agencies
 - Approximately 440 attendees

- ❑ **Other Outreach Events – a total of 13 for FY11, including:**
 - Minority Business Development Agency (MBDA) Annual Vendor Conference
 - Chicago Business Opportunity Fair (CBOF)
 - WBDC Annual Woman’s Entrepreneurial Conference
 - Hispanic American Construction Industry Association Construction Expo
 - Chicago Changing Color of Leadership Conference
 - Cook County Business Opportunity Expo

THE BRONNER GROUP ENGAGEMENT

- ❑ Hired the Bronner Group to develop a report outlining recommendations and strategies that can be implemented by the University to enhance the participation by minorities, females, and persons with disabilities including:
 - Phase one assessment of current MAFBE efforts and opportunities for improvement
 - Phase two recommendations to include a proposed policy statement and organizational model; the identification of opportunities and strategies to increase MAFBE spend in professional services, supplies and equipment and construction; proposed staffing levels, training and communication strategies and proposed performance metrics
 - Phase three proposed implementation plan
- ❑ The results of the Phase One assessment were presented at the March 23, 2011 Board meeting. Today the Bronner Group will be presenting their Phase Two recommendations

Recommendations Overview for the Board of Trustees

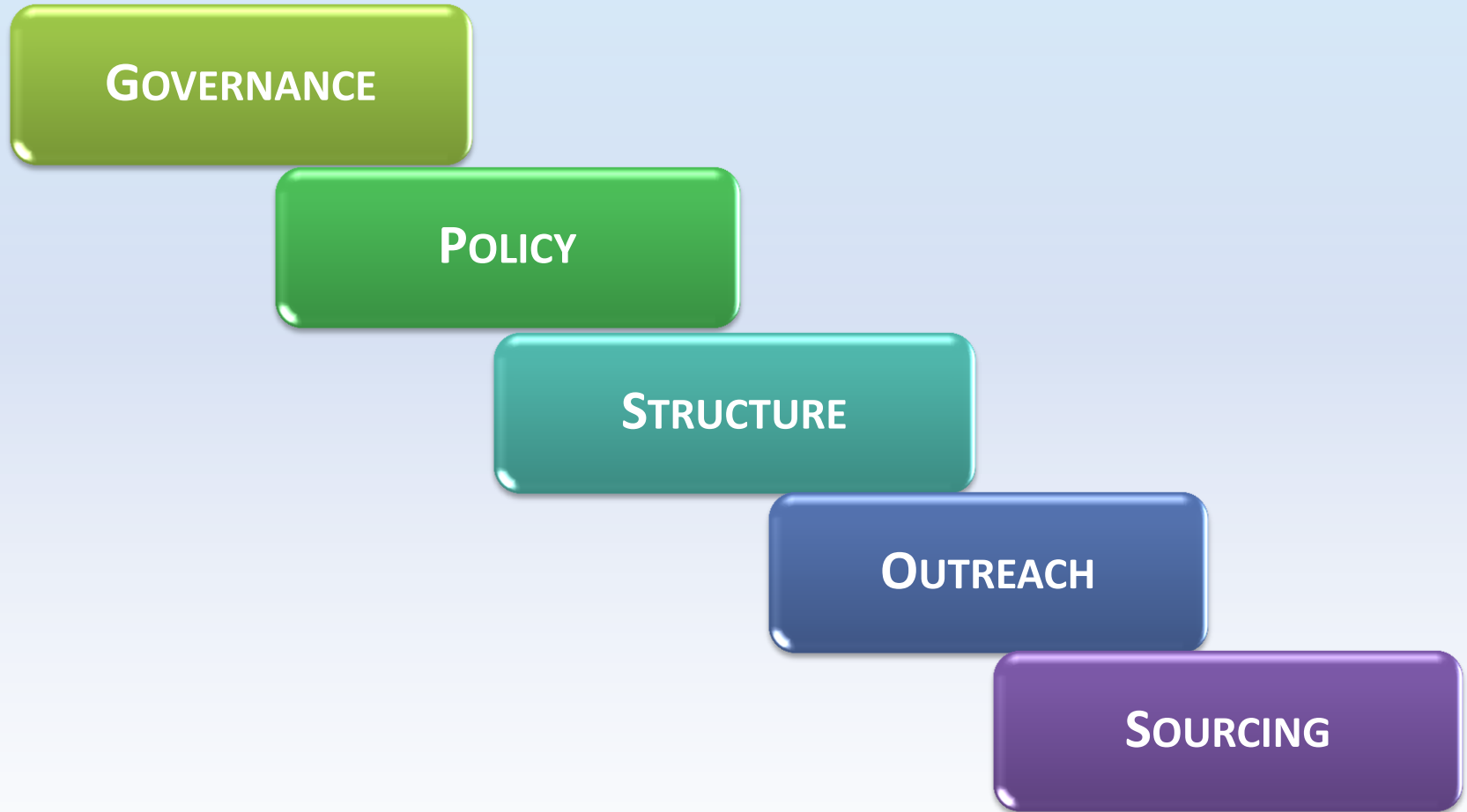
December 2, 2011

Springfield, Illinois

Agenda

1. “Key Takeaways” from the Phase Two Assessment:
 1. Illinois Procurement Environment
 2. University’s Supplier Diversity Policy
 3. Implementation of Supplier Diversity
 4. Outreach to Diverse Vendors
 5. Sourcing Strategies
2. Next Steps for the University of Illinois’ Supplier Diversity program
3. Q&A and Discussion

Phase II: Findings and Recommendations



Governance

PHASE ONE FINDING	PHASE TWO RECOMMENDATION(S)
<p>STATE PROCUREMENT LAW IS OFTEN MISUNDERSTOOD AND HIGHLY RESTRICTIVE</p>	<div data-bbox="1045 379 1280 554" data-label="Image"> </div> <p data-bbox="886 572 1460 618"><u>Pursue Legislative Relief</u></p> <p data-bbox="587 629 1760 733">Build a Supplier Diversity Advocacy Campaign and pursue changes to state procurement laws.</p> <p data-bbox="558 786 741 861">➔</p> <p data-bbox="757 801 1729 901">Scoring consideration for bids/proposals from diverse business</p> <p data-bbox="558 953 741 1022">➔</p> <p data-bbox="757 915 1769 1072">Acceptance of alternative certifications (beyond MAFBE) for veteran-owned and other diverse businesses</p>
<p>PROCUREMENT ACTIVITIES REQUIRE SUBSTANTIAL NEW EFFORT</p>	
<p>GENERAL STIGMATIZATION OF MAFBE VENDORS</p>	

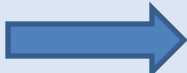


Policy

PHASE ONE FINDING	PHASE TWO RECOMMENDATION(S)
<p>UNIVERSITY POLICIES RELATED TO SUPPLIER DIVERSITY, WHILE WELL-INTENTIONED, DO NOT APPROPRIATELY CONVEY A SERIOUS COMMITMENT TO DIVERSITY VENDORS</p>	<div data-bbox="542 394 807 575"> </div> <div data-bbox="846 425 1224 529"> </div> <div data-bbox="1267 415 1818 551"> </div> <p data-bbox="724 572 1624 619"><u>Re-Brand, Re-Focus and Communicate</u></p> <p data-bbox="564 629 1715 733">Present the University's new program in a manner consistent with its genuine commitment.</p> <div data-bbox="558 786 741 862"> </div> <p data-bbox="757 801 1731 901">Board-level adoption of new supplier diversity mission and vision statements</p> <div data-bbox="558 948 741 1023"> </div> <p data-bbox="757 972 1763 1076">Link goals and measurements to the program's desired outcome: more diverse suppliers</p>
<p>COMFORT WITH EXISTING VENDORS INADVERTENTLY DISCOURAGES COMPETITION</p>	




Structure

PHASE ONE FINDING	PHASE TWO RECOMMENDATION(S)
<p>THE UNIVERSITY'S SUPPLIER DIVERSITY PROGRAM IS INADEQUATELY RESOURCED</p>	<div data-bbox="923 282 1431 351" style="text-align: center;"> <p>UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD</p> </div> <div data-bbox="873 354 1456 554" style="text-align: center;"> </div> <p style="text-align: center;"><u>Increase Staff, Unify Reporting</u></p> <p style="text-align: center;">Allocate the resources necessary to expand the current program and boost results.</p> <ul style="list-style-type: none"> <li data-bbox="558 786 1669 939"> <p>➔ Dedicate seven (7) full-time and one (1) part-time employees to supplier diversity-related activities, including outreach and technology</p> <li data-bbox="558 996 1715 1100"> <p>➔ Align the University's supplier diversity initiative under a single reporting relationship</p> <li data-bbox="558 1139 1653 1210"> <p>➔ Invest in technology to track sub-contractors</p>
<p>DISSONANCE AROUND CAMPUS-SPECIFIC VERSUS SYSTEM-CENTRALIZED</p>	
<p>FLAWED PROGRESS TRACKING, REPORTING, AND METHODOLOGY OF MAFBE CONTRACTS AND PERFORMANCE</p>	

Outreach

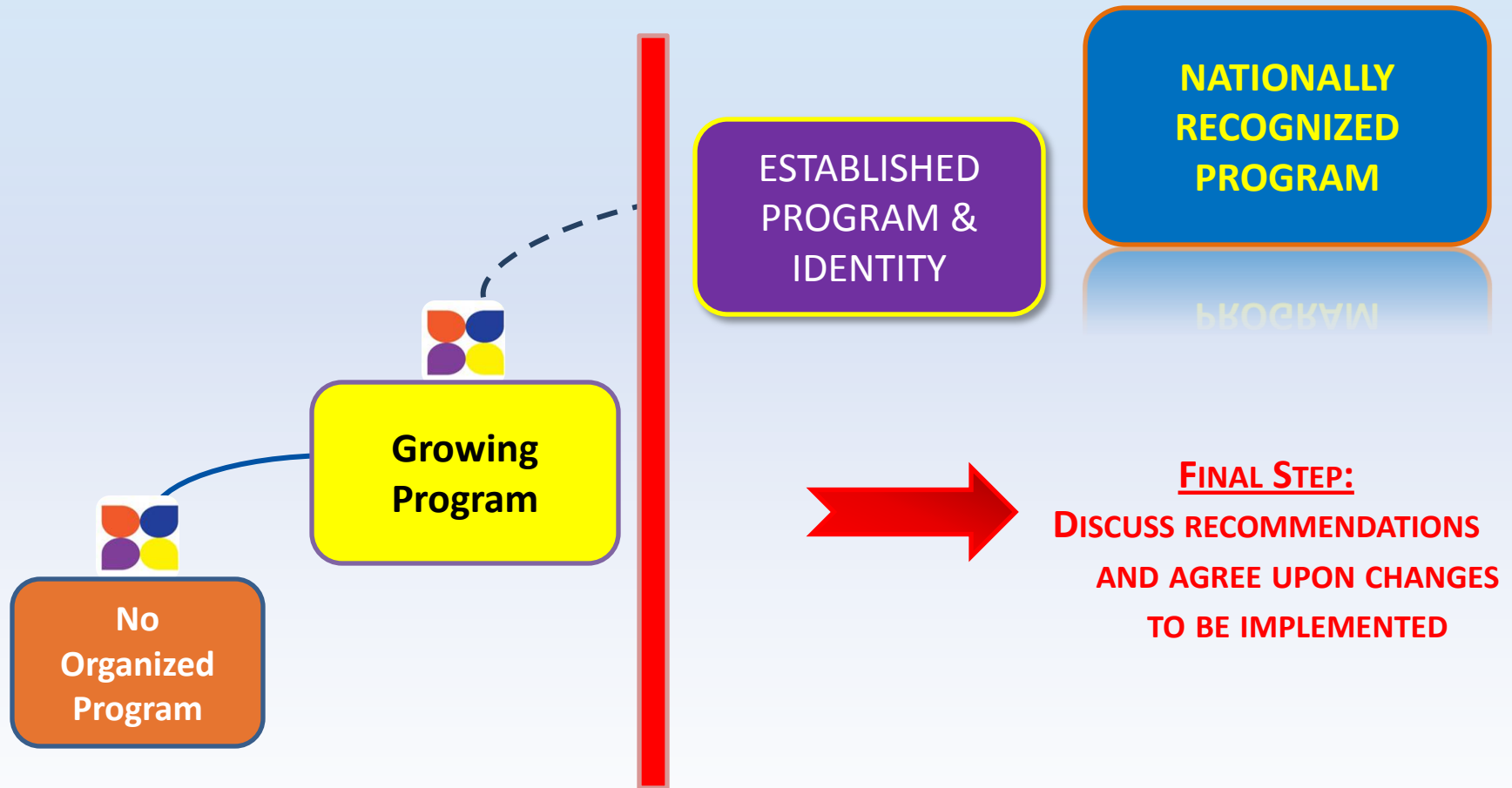
PHASE ONE FINDING	PHASE TWO RECOMMENDATION(S)
<p>OUTREACH EFFORTS ARE STRONG AT THE CHICAGO CAMPUS, BUT COULD BENEFIT FROM UNIVERSITY-WIDE COORDINATION</p>	<div data-bbox="898 364 1468 482" data-label="Image"> </div> <p><u>Better Leverage Diverse Business Feedback</u> University outreach activities should focus more closely on “actionable feedback” from businesses.</p> <ul style="list-style-type: none">  Create a Diversity Advisory Council and recruit vendor representatives  Build specific outreach plans tailored to each individual campus market  Host unique events, e.g. “matchmaking fairs”
<p>NON-TRADITIONAL OUTREACH TO DIVERSE VENDORS SHOULD BE ENHANCED, INCLUDING ACTIVE PARTICIPATION IN CAPACITY-BUILDING AND OTHER CREATIVE VENDOR SUPPORT STRATEGIES</p>	

Sourcing

PHASE ONE FINDING	PHASE TWO RECOMMENDATION(S)
<p>LACK OF CAPACITY-BUILDING AND MENTORING ACTIVITIES</p>	<div style="text-align: center;">    </div> <p><u>Inventory Businesses, Leverage Partnerships</u> Maintain and access a current listing of potential diverse suppliers and coordinate with peers.</p>
<p>INADEQUATE ACCESS TO AND COORDINATION WITH OTHER SUPPLIER DIVERSITY LOCAL AND STATE EFFORTS AND DATABASES & INSUFFICIENT GEOGRAPHIC REACH</p>	<ul style="list-style-type: none"> ➔ Assign responsibility to continually update and circulate new diverse vendors matrix ➔ Create mechanism for vendors to self-update profiles for the University ➔ Explore innovative “incubation” concepts

Summary and Next Steps

The University is on the Path to National Leadership in Supplier Diversity



Summary and Next Steps – cont.

➤ Phase Three: Implementation

APPROVE RECOMMENDATIONS AND DETERMINE IMPLEMENTATION



PREPARE NEW UNIVERSITY SUPPLIER DIVERSITY POLICY STATEMENT



ESTABLISH CLEAR ROLES AND RESPONSIBILITIES



DEVELOP A PROGRESS REPORTING AND PERFORMANCE SYSTEM



Questions & Discussion

