

MAFBE Update and Preliminary Supplier Diversity Assessment



**Presented to the Board of Trustees
March 23, 2011**

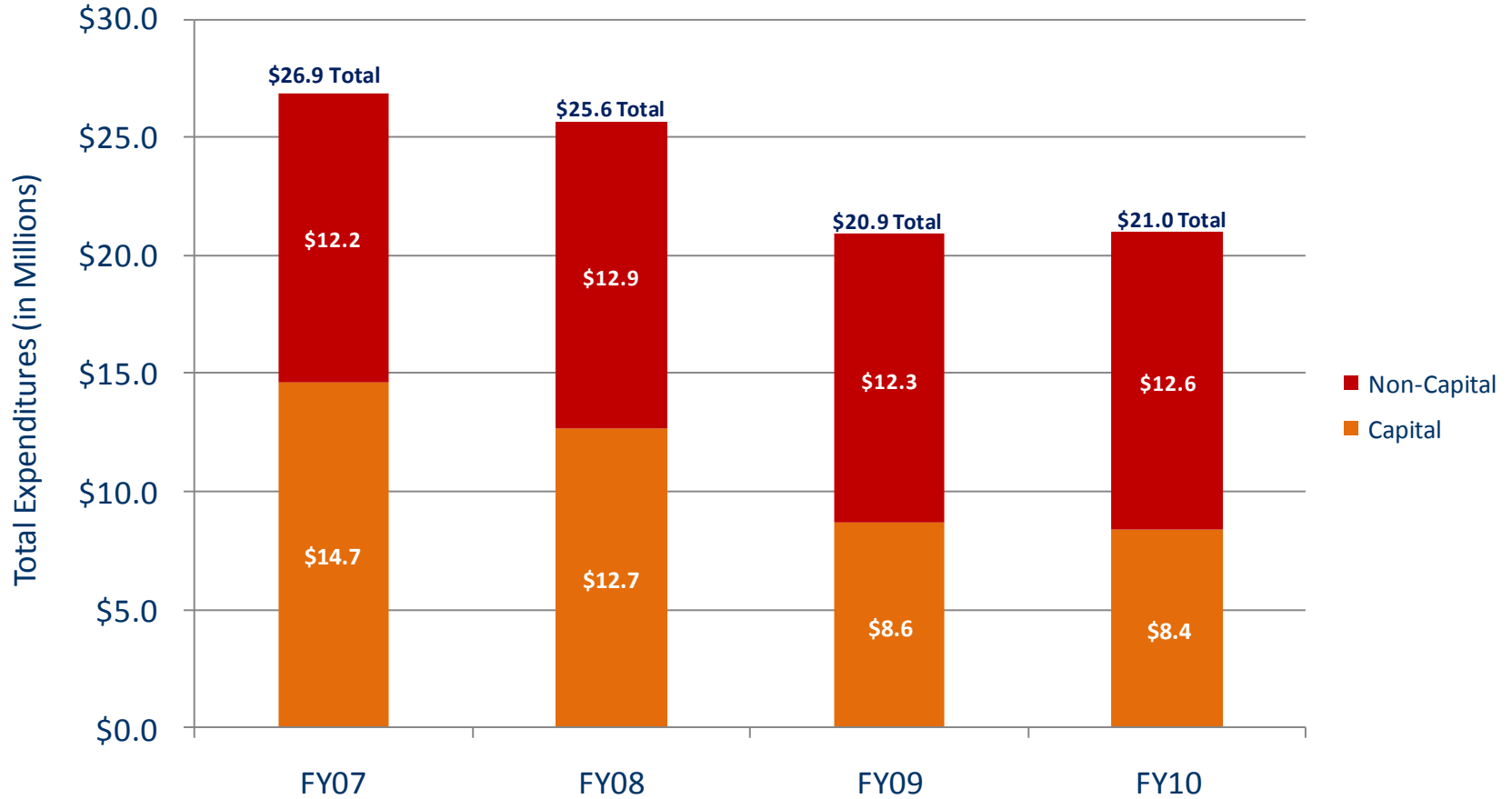
MAFBE OVERVIEW

- ❑ The purpose of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575) 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.

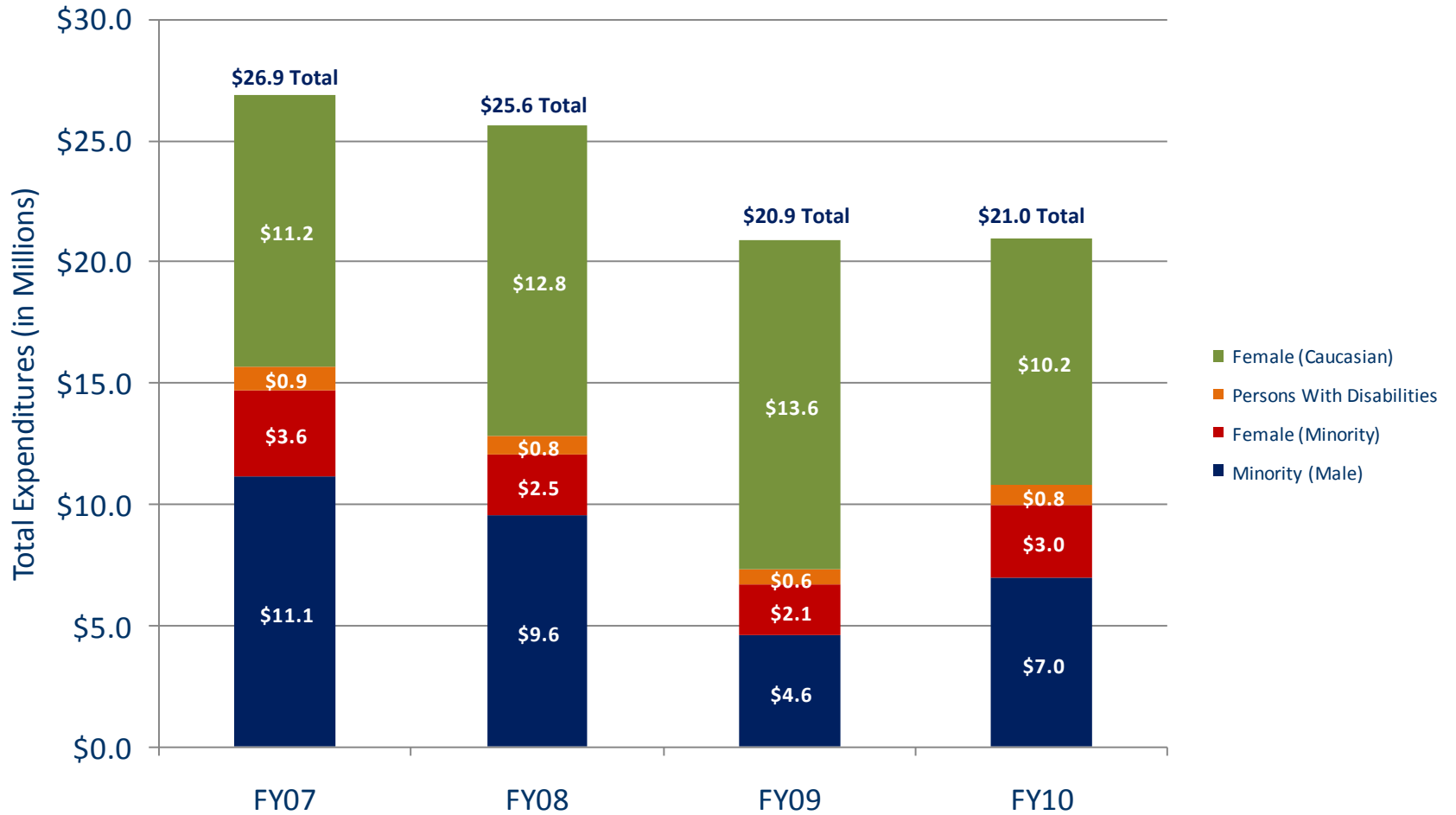
- ❑ **What defines a MABFE owned business?**
 - It is 51% owned and controlled by one or more of the following:
 - Minority Persons (African American, Hispanic, Asian American, Native American)
 - Females
 - Persons with Disability (severe physical or mental disability), and
 - Average annual gross sales of less than \$31.4M; increases to \$75M for FY11.

- ❑ **FY10 Goal of 19%**
 - Female Caucasian – 9%
 - Minority (Male) – 5%
 - Minority (Female) – 3%
 - Persons with Disability – 2%

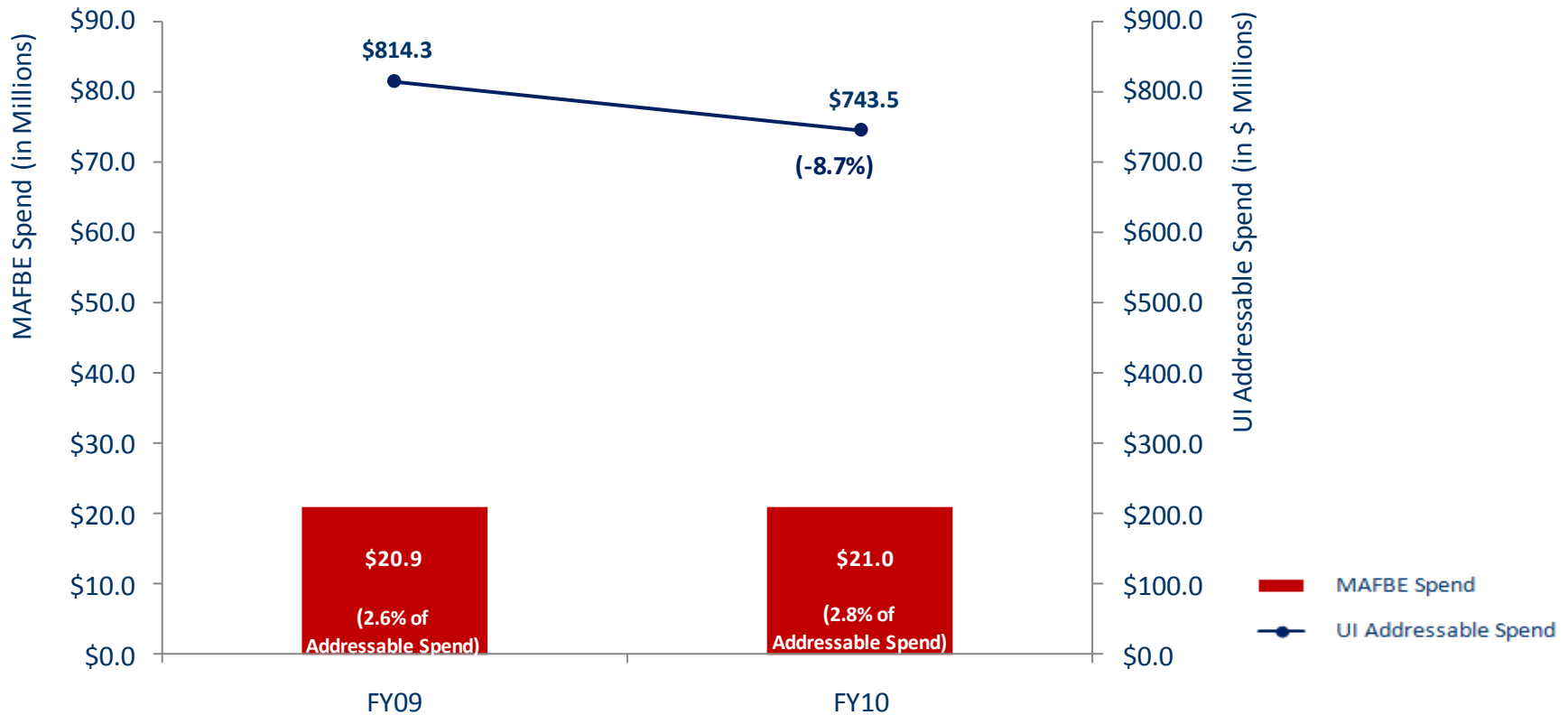
FY07-FY10 CAPITAL & NON-CAPITAL MAFBE EXPENDITURES



FY07-FY10 MAFBE EXPENDITURES BY CATEGORY



FY09 & FY10 MAFBE 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.

MAFBE OUTREACH ACTIVITIES & VENDOR WORKSHOPS

- ❑ **Initiated Annual MAFBE Conference three years ago:**
 - UIC-sponsored conference held in Chicago
 - Representation from all University of Illinois campuses, UIC departments, other higher education institutions, and government agencies
 - Attended by approximately 400 MAFBE vendors in 2010, a 66% increase from 2009

- ❑ **Other Outreach Events – a total of 17 for FY10, 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

- ❑ **Conducted six Purchasing and OCP Vendor Workshops during FY10**

STEPS TO INCREASE MAFBE PARTICIPATION

- ❑ Issued an RFP to request the services of a diversity consultant who will be expected to provide, among other services, the following:
 - An assessment of current MAFBE efforts and opportunities for improvement
 - An identification of opportunities to increase MAFBE spend in professional services, supplies and equipment and construction
 - Proposed strategies for increasing MAFBE spend in these areas
 - Recommendations on MAFBE goals by campus and/or commodity area
 - Recommendations on staffing levels, training and communication
- ❑ The results of this engagement are expected to generate strategies and opportunities for increasing MAFBE participation



Assessment Overview for the Board of Trustees

March 23, 2011
Springfield, Illinois

What We'll Discuss

- 1) About Bronner and Our University of IL Team
- 2) The University's Statement of Work: Our Charge
- 3) "Key Takeaways" from the Phase One Assessment:
 - Regarding the IL Procurement Environment;
 - Regarding the University's Supplier Diversity Policy;
 - Regarding the University's Implementation of Supplier Diversity;
 - Regarding University Outreach to Diverse Vendors; and
 - Regarding the University's Sourcing Strategies
- 4) Next Steps in Our Supplier Diversity Engagement
- 5) Questions from the Board and Discussion

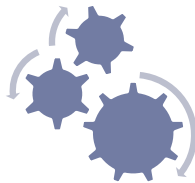
About Bronner Group, LLC

BRONNER The Business of Government State of Illinois/City of Chicago Certified WBE

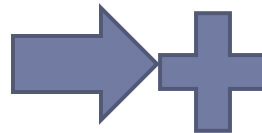


BRONNER The Business of Government Founded in 1987 by University of IL Alumnus Gila J. Bronner

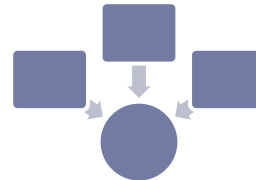
BRONNER The Business of Government Provider of Professional Services Exclusively to the Public Sector



Strategy



Transformation



Accountability

BRONNER The Business of Government Designing Supplier Diversity Compliance for the City of Chicago

The University's Scope



“The purpose of this RFP is to obtain a report outlining recommendations and strategies that can be implemented by the University to enhance the participation by minorities, females, persons with disabilities and disadvantaged businesses in the University’s contracting.”

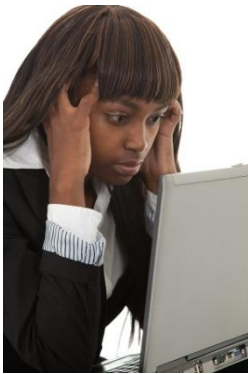

PHASE ONE:
ASSESS

PHASE TWO:
RECOMMEND

PHASE THREE:
IMPLEMENT

Key Takeaways: IL Procurement Environment

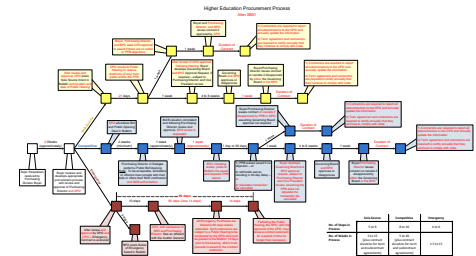
Why does the Procurement Environment Interfere with Supplier Diversity?



Diverse Businesses
Choose Not to
Compete



Businesses Believe
Outreach is “Regulated,”
not “Encouraged”

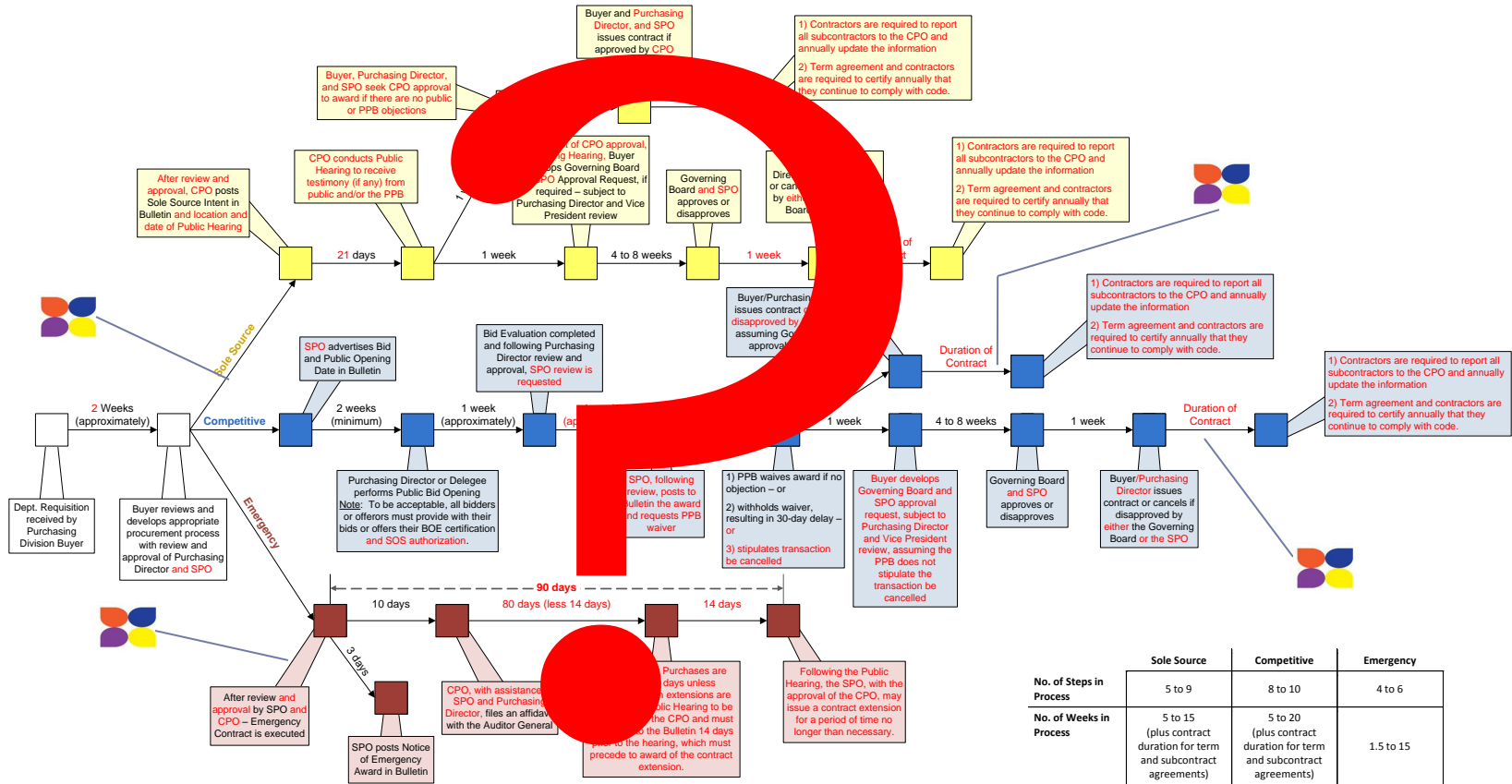


Routine Procurement
Activities Require
Substantial New Effort

Key Takeaways: IL Procurement Environment

Higher Education Procurement Process

After SB51



NOTE: During all steps of the procurement process after SB51, a detailed summary record of all vendor communications must be maintained and reported monthly to the Procurement Policy Board (PPB) for publications in the PPB clearinghouse website.

02/2010

Key Takeaways: University Policy

The commitment to supplier diversity by the Board of Trustees and University Administration is sincere.

However, despite acknowledgement of the commitment and legitimate effort to meet it, the University's statements do not adequately communicate the societal benefits and University value of a vibrant supplier diversity program,

The University's policy does not properly reflect the conditions necessary for the commitment to be operationally viable.

Key Takeaways: University Policy

What the Board and Administration Say Matters.

The **NATURE** and quality of the University's policy statements about supplier diversity programming

The **MANNER** in which the University's policy statements have been circulated across the University community

The **UNIVERSITY'S** goals and objectives, including the quality by which those goals are tracked, measured and evaluated

The **EFFORT** and involvement of University administrators and personnel in executing the spirit of the University's policy statements, goals and objectives

The **EXTENT** to which the University continues – at all levels – a dialogue about supplier diversity and continued interest in meeting the goals and objectives

Key Takeaways:

University Implementation

The University's supplier diversity program is inadequately resourced.

The sheer volume of routine, day-to-day procurement activities occupies increasingly larger increments of time, thus relegating supplier diversity to a secondary objective by necessity.

Further, as conditions on each campus differ, the University's ability to mitigate those challenges by sharing practices and tactics is also limited by an insufficient staffing structure.

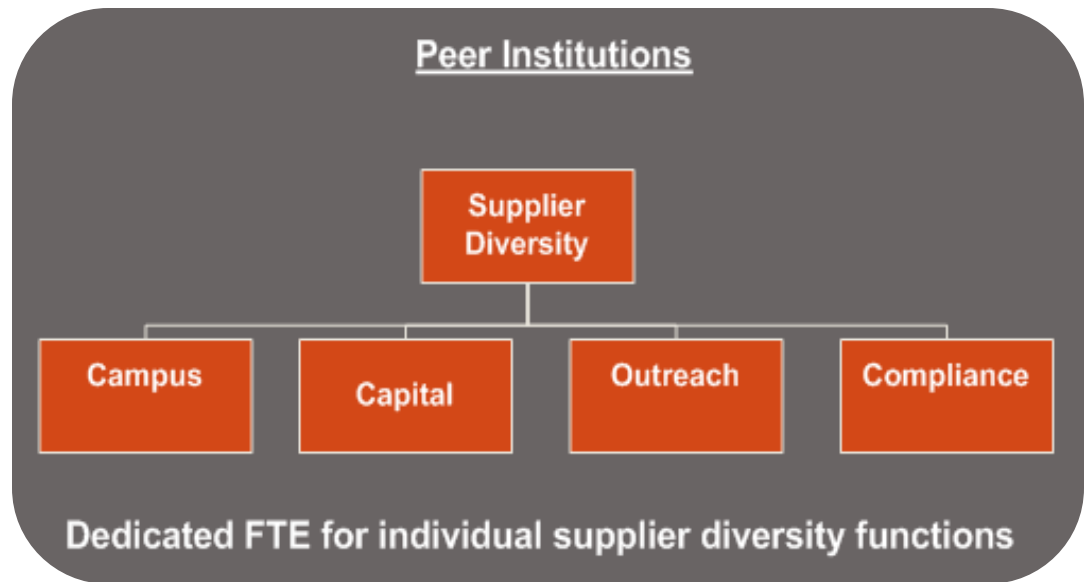
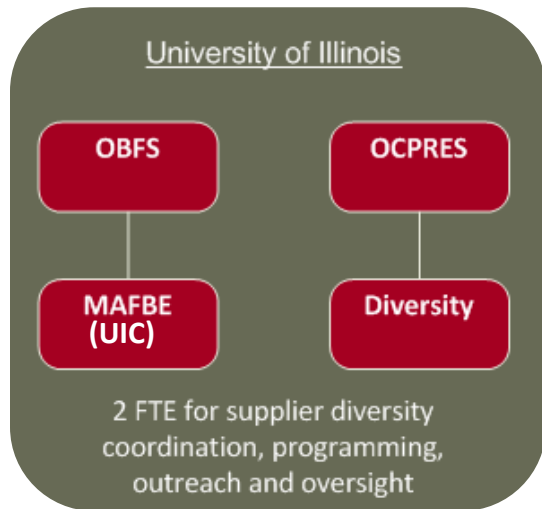
Key Takeaways: University Implementation

Where is the Organizational Responsibility for Supplier Diversity?

CENTRAL	CAMPUS
Better Leveraging of Best Practices and Success Stories	Better Understanding of Unique Economic Profiles
Peer Universities Endorse Central Coordination	Involvement of Chancellors and Campus Leaders is Necessary
Central Ownership of all Data Concerning Diverse Contracts	Actionable Plans to Mitigate Campus Challenges

Key Takeaways: University Implementation

The Current Staffing Structure Doesn't Measure Up.



Key Takeaways: University Outreach

The University has undertaken considerable effort to engage with the minority vendor community.

This effort has been particularly noteworthy in Chicago given the size of the vendor population located in the metropolitan area.

There is room for substantial improvement, however, in non-traditional outreach to diverse vendors and in building greater capacity amongst those businesses.

Improvement in this area is directly tied to the resource assessment summarized above.

Key Takeaways: University Sourcing Strategies

There is unrealized opportunity to leverage state and local resources to identify diverse businesses.

The University's existing effort relies heavily on self-identification by vendors through conference participation or bid submission.

However, it has not adequately accessed nor coordinated with supplier diversity programs and initiatives administered by state and local agencies in Illinois.

Key Takeaways: University Sourcing Strategies



Mentor-Protégé
Program

SIEMENS

Corporate Alliance



Local Inventory



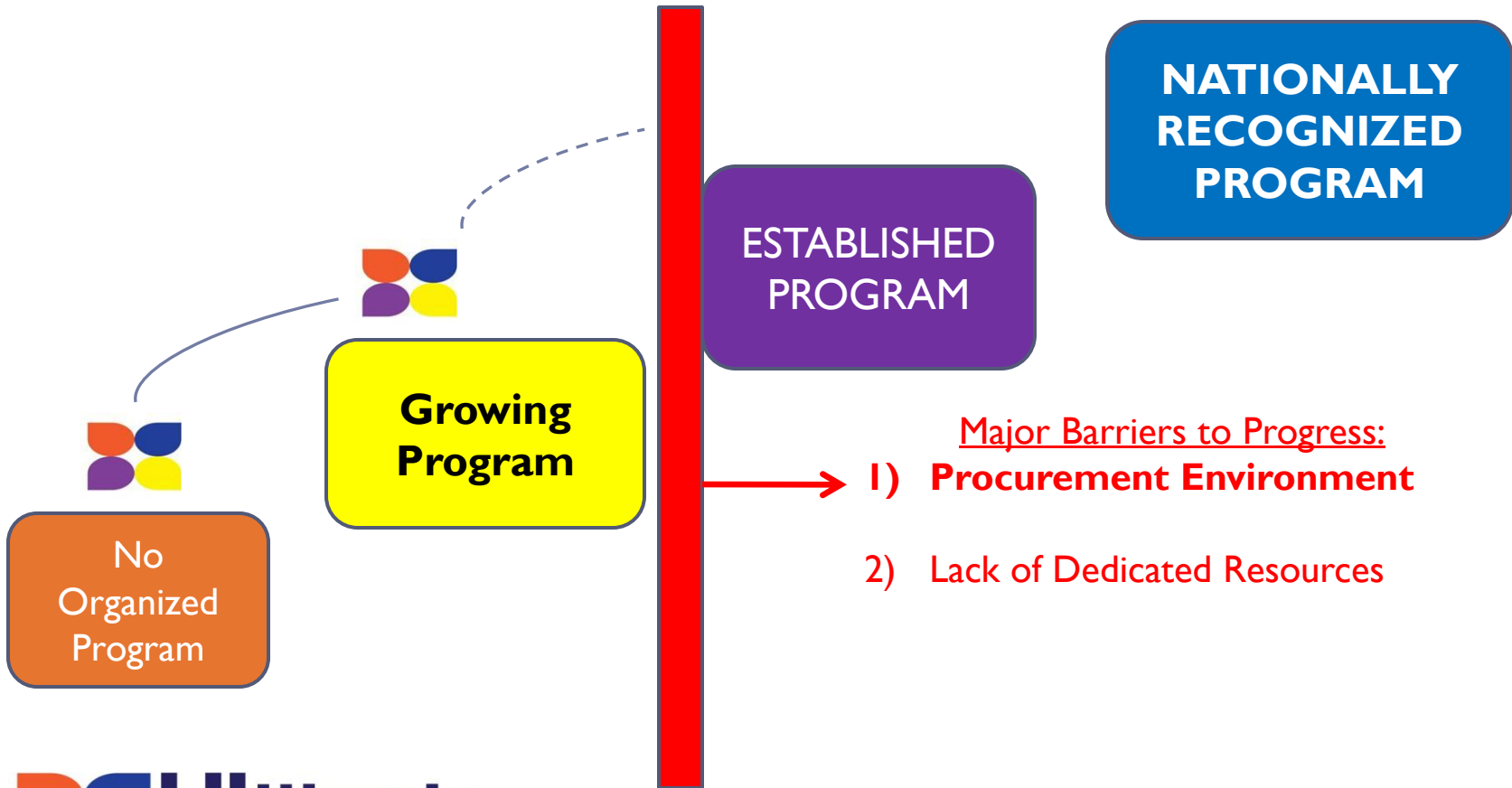
Geographic Expansion



Capacity Building

Summary and Next Steps

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



Summary and Next Steps

Phase Two: Recommendations

-  **Involve the University Community (MAFBE Advisory Committee)**
-  **Engage with the Vendor Community: What Works?**
-  **Evaluate Peer University Best Practices**
-  **Specific Contract Categories: Where are the Vendors?**

Phase Three: Implementation

-  **Prepare new University Supplier Diversity Policy Statement**
-  **Establish Clear Roles and Responsibilities**
-  **Develop a Progress Reporting and Performance System**

Questions and Discussion

