

**University of Missouri System
Supplier Diversity Report
Fiscal Years 2019 and 2020**

Executive Overview

The University of Missouri has a public interest in promoting and supporting vendor diversification. UM Procurement & MUHC Supply Chain and Design & Construction areas continue to expand relationships and enrich economic opportunities for minority and diverse owned businesses, to carry out the University's mission of education, research and service. The following information comprises both Fiscal Year 2019 and 2020 data.

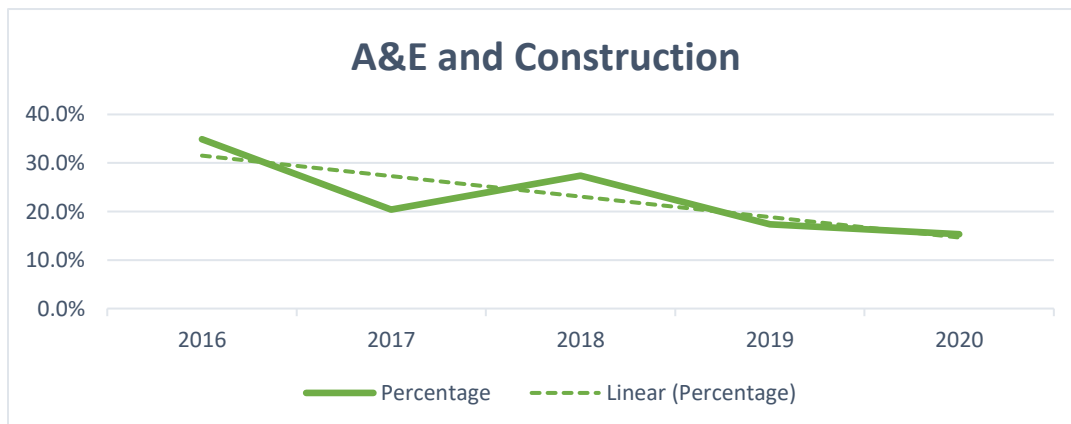
Highlights and Results

Total Supplier Diversity spend - During Fiscal Year 2019, \$52.7M, representing 8% of UM's total addressable spend was attributed to diverse or women-owned businesses. Participation levels for FY 2020 show an overall improvement over the FY2019 spend, with 9.2% or \$69.3M of spend with diverse or women-owned businesses.

Diversity Spend FY 2019			
Business Unit	Addressable Spend	Diversity Spend	Participation Levels
Campus and MUHC	\$504,836,588	\$ 25,863,511	5.1%
A&E Design and Construction	\$154,746,153	\$26,849,581	17.4%
Total	\$659,582,741	\$52,713,092	8.0%

Diversity Spend FY 2020			
Business Unit	Addressable Spend	Diversity Spend	Participation Levels
Campus and MUHC	\$482,856,978	\$28,408,238	5.9%
A&E Design and Construction	\$267,365,397	\$40,968,805	15.3%
Total	\$750,222,375	\$69,377,043	9.2%

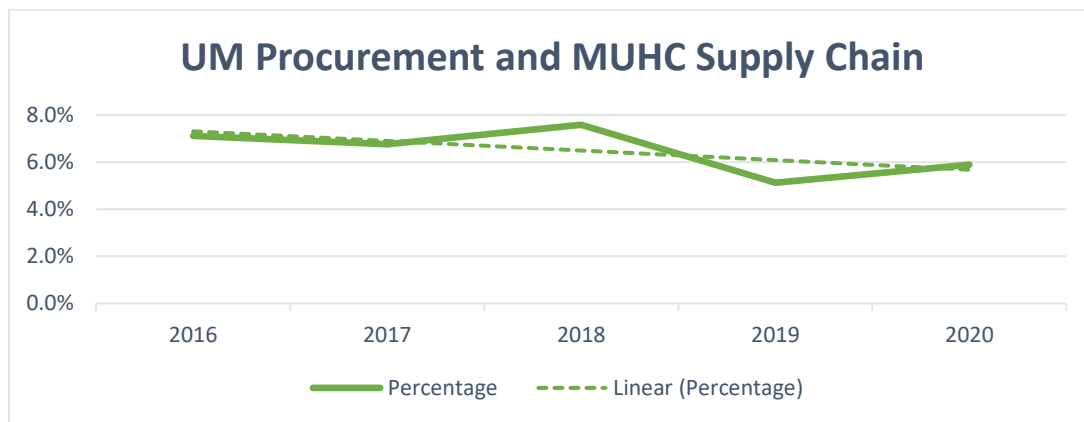
- Design and Construction** – Design & Construction has had a strong commitment to the University of Missouri's supplier diversity program for over 30 years and FY 2020 was no different. Diversity spending goals are incorporated into each major construction project. Overall, the total dollar amount of Architecture and Engineering design, and Construction contracts awarded for the University was \$267.4M; the diverse supplier participation in those contracts was 15.3%. The chart below highlights the 5-year trend for Design and Construction.



- Successes and Challenges associated with Design and Construction SD program:
 - Construction contracts are awarded based on low bid, which requires the University to continually reach out to SD vendors to encourage participation.
 - We have fewer resources for outreach to SD vendors.

UM Procurement and MUHC Supply Chain combined - The desire continues to maximize and provide opportunities for minority and diverse businesses to participate in the University's business of procuring goods and services at all dollar levels. Our team is dedicated to providing progressive and responsible suppliers fair and equitable opportunities to compete for University business. The total amount of captured spend with diverse or women owned companies across all UM business units for FY 2019 was \$25.8M or 5.1.2% against a spending base of \$659.5M. During Fiscal Year 2020, the amount of spend with diverse owned companies was \$28.4M or 5.9% of addressable spend of \$482.9M.

The below chart demonstrates the five (5) year trend.



- Successes and Challenges associated with UM Procurement and MUHC Supply Chain programming:
 - The most significant challenge is the collection and calculation of data. University Procurement and MUHC Supply Chain data is based on tracking and reporting of both Tier 1 (Prime) and Tier 2 (subcontractor) expenditures. The University continues to focus on capturing Tier 2 as a strategy to support small diverse owned businesses. Unfortunately, this is a very manual process.
 - The University has a contract with CVM Solutions for a portal for Prime Vendors to enter their Tier 2 data. Currently only 13 vendors are entering information into the portal. Several of our Prime Vendors will only provide data manually to the University, while others find the system to be cumbersome to use. The Tier 2 data included in this report only represents a total of 22 of our Prime Vendors. Multiple contacts were made with many more of our top contract vendors, however they either did not respond to our requests or they do not capture and report Tier 2 data. Additional challenges result when some suppliers report on a calendar year basis vs a fiscal year.
 - When a new Supplier is created in Peoplesoft, the type of business ownership is only captured in a very small percentage of instances (approximately 5%). Data Enrichment results are processed once a year to true-up the business ownership data. The most recent enrichment process updated 16,789 suppliers.
 - Reporting of diverse supplier spend from the JPM Credit Card system remains deficient. This was discovered several years ago, and after numerous conversations with bank representatives they have identified that after an update to their reporting system, minority and diverse owned businesses are no longer recognized. As a result, we anticipate a large amount of spend data is not being reported. An RFP for Payment Card Services will be issued in FY21. A requirement will be included in the solicitation for minority and diverse reporting capabilities.
 - UM Procurement sourcing staff actively seek new and existing suppliers to respond to solicitations

for goods and services.

- A supplier locator database is used to identify suppliers when sending out RFP sourcing events. In addition, all University of Missouri bids are listed on the State of Missouri's procurement website, and PTEC websites to increase visibility.
 - During FY19, 98 RFP/B's were issued, 136 diverse suppliers received the solicitations, and 49 responded. Out of those responses, 15 RFP/B's were awarded to diverse suppliers.
 - The same statistics for FY20 were 103 RFP/B's issued, with 78 diverse suppliers receiving the solicitations, and 48 responded. Out of those responses, 13 RFP/B's were awarded to diverse suppliers.
 - Opportunities exist for sourcing staff to better understand why many diverse companies do not respond to our solicitations, and to provide better education on how to do business with the University.
- Identifying diverse suppliers in health care continues to pose challenges. Historically, women and diverse owned companies have been challenged with developing the human and financial capital that would allow them to enter the clinical healthcare space.

Networking Opportunities – Representatives from UM Procurement and Design & Construction attended multiple minority expos and community events. Prior to the pandemic these were held in person, and some have continued virtually. These events allow the University to collaborate and strengthen relationships with diverse owned businesses and business affiliate organizations. Outcomes include the development of new contacts and supplier sources, which lead to new minority and women owned suppliers.

Going Forward

The contract with CVM Solutions will expire in April 2021. The annual cost of \$55,734 was funded from the eCommerce account. At the beginning of the FY20/21, it was determined the contract should not be renewed as a part of the budget cuts. Without CVM Solutions, we will lose the Supplier Locator, the annual Data Enrichment, and the Tier 2 portal. We feel confident we can create our own portal that will collect Tier 2 data, and may actually reduce some of the manual work being performed today. However, we do not have the resources or the capabilities to replace the annual Data Enrichment and the Supplier Locator tool. Therefore, identification of certified diverse and women owned suppliers will become more cumbersome.

In order to remain competitive and advance minority and diverse owned business goals, work must continue towards a fully transparent, equitable and inclusive process. Promoting the University's supplier diversity programs will continue, both internally and externally to all level of constituents.

Finally, having a strong Supplier Diversity program positions the University as a good corporate citizen, reflects the University's diversity initiatives and contributes to economic development, all of which are part of the core mission of the University of Missouri. Efforts will continue to embed supplier diversity initiatives strategically into our processes as an added-value concept.

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