

UMass Supplier Diversity Program

Business Case for Formalized Targets



University of Massachusetts

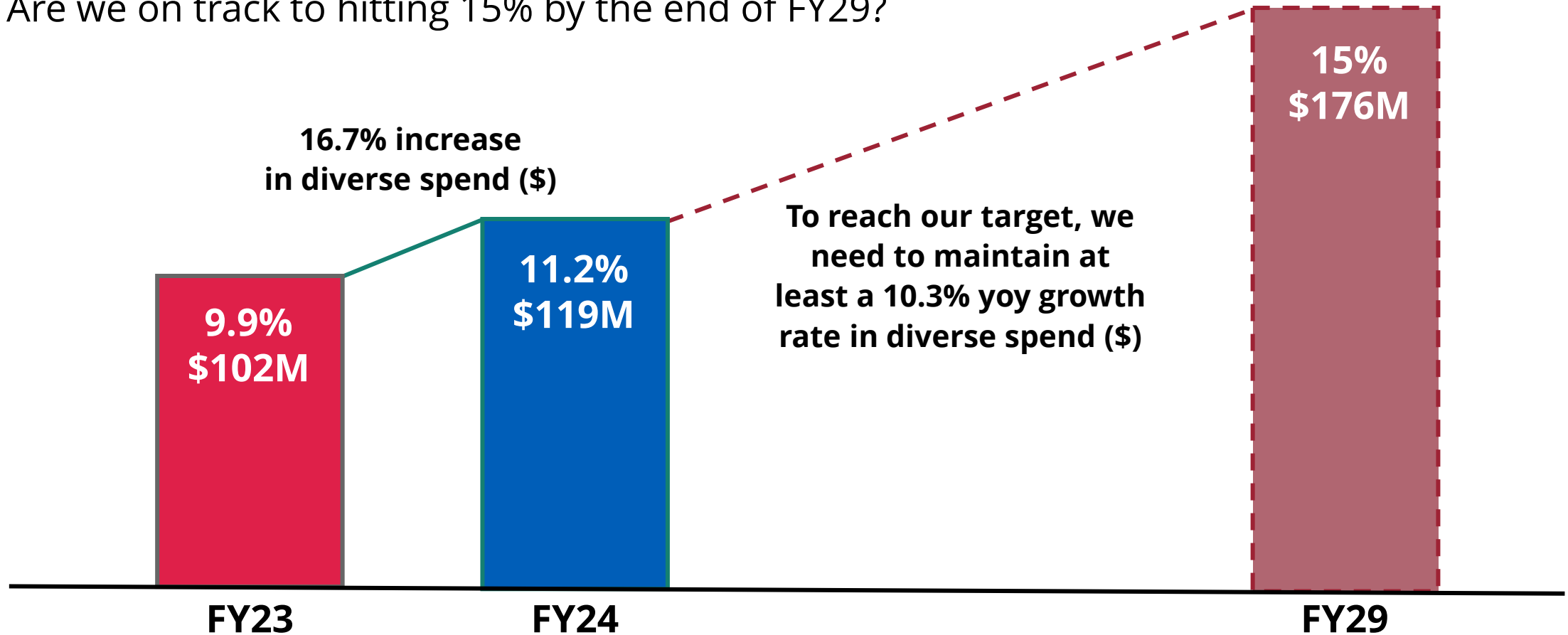
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Background

- UPST engaged in a system-wide supplier diversity initiative to increase representation in local and disadvantaged businesses, including minority, veteran, women, LGBT, etc.
- The UMass Procurement Policy, updated in 2021, added Supplier Diversity to the UMass “Value” definition for competitive procurement decision-making. Over the last 1 year, we have focused on institutionalizing improved tools, processes, templates, and education for supplier diversity with UMass.
- Diverse supplier spend has increased from 5.6% (FY19) to 11.2% (FY24) with more room for improvement.
- Today, we present the updated goals and stretch targets of the UMass Supplier Diversity program for your review and approval.

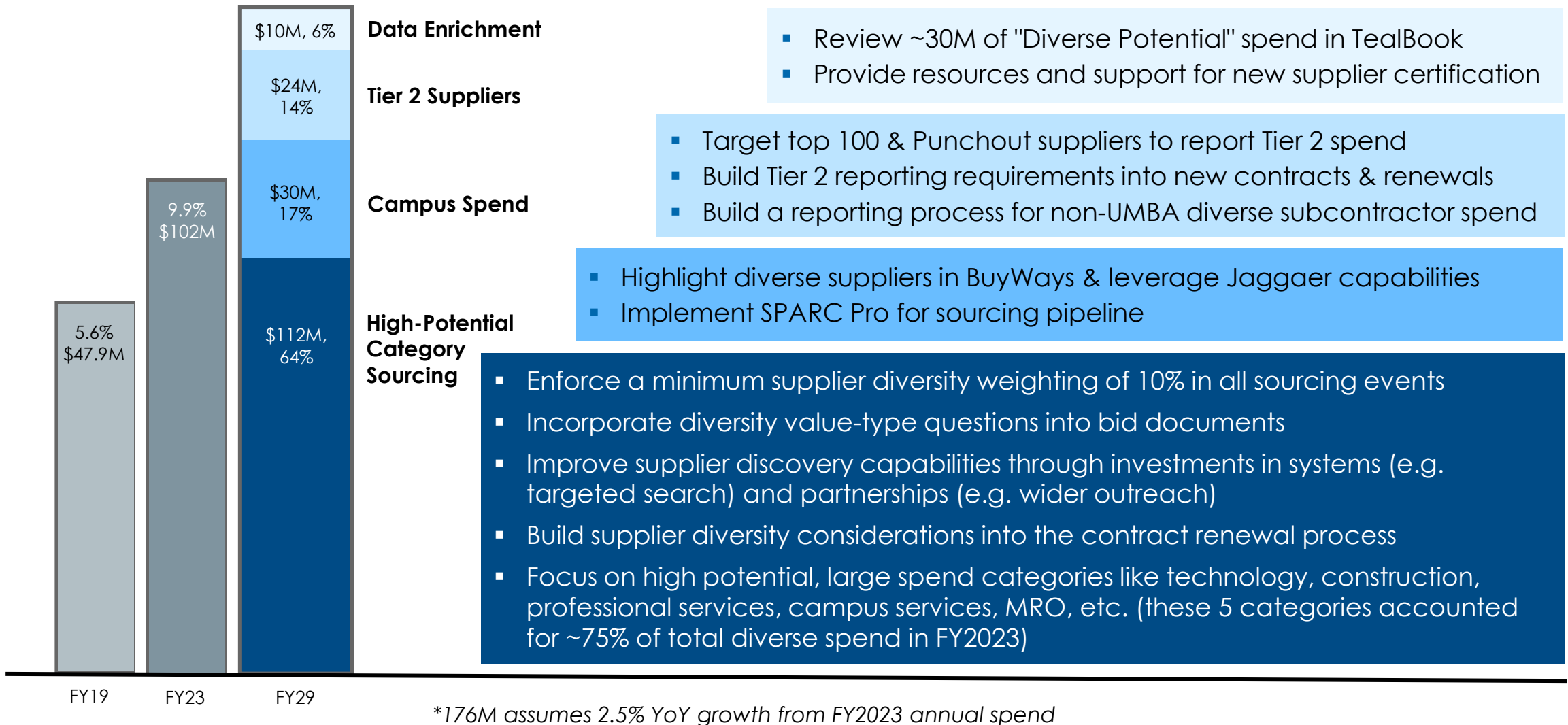
FY2024 Diverse Spend (Program Outcomes)

Are we on track to hitting 15% by the end of FY29?



Interestingly, the # of diverse suppliers decreased from 1058 to 1013 yoy - this could've been due to removing colleges/universities and some certifications, but also means we don't necessarily need to increase our pool of diverse suppliers. We should look at who we already work with to see how we can increase their business with UMass, build their capacity, as well as encourage incumbent diverse-owned businesses to get certified.

Getting to 15% (~\$176M*) Diverse Spend in 5 Years



Program Accomplishments to date

Process Integration

- ✓ Added supplier diversity **weighting of 10%** to sourcing request form and evaluation matrices
- ✓ Added supplier diversity questions and **evaluation guidelines** to RFX templates
- ✓ Provided and iterated on tools for **supplier discovery**
- ✓ Conducted 2-day training with Strategic Sourcing team + 2 quarterly check-ins
- ✓ Drafted contract terms and **contract renewal guidelines** for supplier diversity

New Processes & Systems

- ✓ Launched **Tier 2 outreach** program with TealBook (for one quarter)
- ✓ Started RPA POC with UITS
- ✓ Obtained go-ahead to perform bulk supplier updates with Jaggaer
- ✓ Initiated contract renewal discussions with TealBook (and explored Supplier.io)
- ✓ Initiated a plan to get **Construction/MRO diversity requirements** in compliance with the state

Program-Level Initiatives

- ✓ Issued v1 of a **Program Playbook**
- ✓ Conducted program kick-off with the Strategic Sourcing team
- ✓ Developed target and budget projections for Lisa
- ✓ Worked on research & **partnership opportunities** with SDO, NEU, Som
- ✓ Nominated and won the Pacesetters Champion award
- ✓ Redesigned **Supplier Diversity webpage/section**

Target FY25 Activities by Priority Workstreams

Workstream	Description
Data Enrichment & Systems	<ul style="list-style-type: none"> • Perform bulk supplier update with Jaggaer resources and continue RPA project with UITS (and revisit Sourcing Only records) • Enrich "potential diverse" with TealBook and existing UMass suppliers • Launch sourcing events on SPARC Pro
Program Marketing & Comms	<ul style="list-style-type: none"> • Utilize campus communications strategies that educate and motivate • Work with campuses on Construction/MRO diversity req compliance • Pilot a system-wide Supplier Diversity working group • Continue to strengthen relationships with universities and agencies
Tier 2 Program	<ul style="list-style-type: none"> • Continue outreach to key supplier list with improvements • Engage category teams and campus stakeholders • Add to diverse spend metric (e.g. what % would it be?)
Supplier Accountability & Enablement	<ul style="list-style-type: none"> • Reduce friction or barriers for suppliers who want to do business with UMass • Provide training and resources to diverse suppliers (e.g. cert support) • Continue to integrate supplier diversity throughout the supplier journey

Key Asks – What does the Council require to move forward?

- Review the **FY29 UMass target of 15%** and underlying assumptions
- Approve the implementation of underlying projects and announcement of this target within UMass and beyond, specifically:
 - Endorse the upcoming transition to standard construction/MRO bid packages to include diversity requirements and supplemental conditions.
 - Nominate people and submit ideas for more direct campus involvement in supplier diversity efforts.