FY2014 Annual Report
OSU Contracting and Purchasing with Historically Underrepresented Businesses
Introduction

This report represents the joint effort of Procurement, Contracts and Materials Management (PCMM) and Capital Planning and Development (CPD) to provide information on the participation of Minority, Women-Owned and Emerging Small Businesses (MWESB) vendors in fiscal year 2014 at Oregon State University (OSU).

Procurement, Contracts and Materials Management (PCMM) is responsible for the management and oversight for procurement related to goods and services. Capital Planning and Development (CPD) is responsible for the management and oversight for all capital construction and large-scale renovation procurement.

MWESB participants include suppliers, construction contractors and professional service providers. PCMM and CPD continued to actively promote and engage the utilization of MWESB firms through a variety of outreach activities.

OSU’s total expenditures for capital construction, goods, and services increased by over $89 million dollars in FY14, largely due to increased capital construction projects. This increase improved OSU’s utilization of MWESB vendors as follows:

Cover Photo: Centro Cultural César Chávez (CCCC) opened April 7, 2014, bringing 3,500 SF of space for achieving the CCCC’s efforts to support issues central to the Chicano/Latino/Hispanic culture and heritage. MWESB participation included 9 subcontractors and the lead architect.
Outreach and Engagement

Building Relationships
OSU continues to build relationships with MWESB vendors and expand contracting opportunities with these firms.

PCMM and CPD understand that in order to increase MWESB participation, it is essential to reach out to MWESB vendors who are interested in working with OSU and to provide education about the contracting or subcontracting process.

Taking the commitment to supplier diversity a step further, PCMM created and filled an Administrative and Diversity Manager position to focus on facilitating outreach and developing a strong supplier diversity procurement program. This position works collaboratively with CPD’s Capital Administration Manager, and collectively both departments support the overall goals of outreach, engagement and encouragement of MWESB utilization by OSU departments.

CPD hosted several MWESB companies at its quarterly brown bag vendor lunch. These informal meetings gave OSU project managers, construction managers and other interested parties an opportunity to hear from vendors who want to work on campus describe their services and share information.

Additionally, PCMM and CPD participated in a number of networking events and tradeshows to meet with individuals representing MWESB vendors and discuss how OSU can explore providing opportunities to these firms.

- Governor’s Marketplace 2014 at the Salem Conference Center
- 2014 Oregon Public Purchasing Association’s Reverse Vendor Trade Show at the Portland Memorial Coliseum
- OAME (Oregon Association of Minority Entrepreneurs) meeting
Sponsorships
OSU made additional efforts to escalate its commitment to support MWESB participation. With funding from Finance and Administration, OSU was able to provide a Silver Sponsorship of $2,500 at the 2014 Governor’s Marketplace Conference, which allowed OSU to join other Northwest notable sponsors:

- Wells Fargo
- Tri Met
- NW Natural
- PGE
- Kaiser Permanente
- Portland Community College
- Howard S. Wright
- City of Portland

This demonstrates our commitment in supporting supplier diversity and collaboration with the Governor’s Office of Economic & Business Equity.

PCMM and CPD leadership team reached out and met with the Director of Economic & Business Equity in the Governor’s Office to better understand the Governor’s goals regarding economic and diversity equity and learn how to better promote the MWESB Certification Program to suppliers, contractors and consultants.

Staff Development
The new PCMM Administrative and Diversity Manager position brings the opportunity for training and networking opportunities with other supplier diversity programs throughout higher education. We recognized the need to hit the ground running, developing the position with appropriate training.

The Administrative and Diversity Manager attended the National Association of Educational Procurement (NAEP) Supplier Diversity Institute. This workshop provided extensive education, training, materials and networking opportunities for attendees.

Focusing on strategies and opportunities to engage campus communities in supplier diversity, this investment resulted in a wealth of information, ideas and connections that helped the Administrative and Diversity Manager create a direction and goals for OSU’s supplier diversity program, while obtaining certification in completing the program.

Photo: Administrative and Diversity Manager, Christine Atwood (R), at National Association of Educational Procurement Supplier Diversity Institute
FY 2014–2015 Data

Data Collection
Collecting data to determine which vendors have MWESB status is very important, and OSU works diligently to update vendor information.

To ensure OSU captures current vendor information and MWESB status, OSU Business Affairs requires new vendors, or vendors who haven’t done business with OSU in the last two years, to complete an OSU substitute W-9 form.

This form allows vendors to update information and select their applicable MWESB status, and once returned to OSU, the information is recorded in the Banner Financial Information System.

PCMM has also included MWESB subcontractor reporting language in many of its supply contracts. This language allows PCMM to request annual reports detailing how much of OSU’s spend with the Contractor went to MWESB subcontractors.

This year, MWESB subcontractor data was collected from three of OSU’s largest supply contractors for inclusion in the annual report.

CPD continued to follow the OUS General Conditions for construction and consultant contracts that requires MWESB subcontracting and reporting.

These requirements record efforts by General Contractors to capture MWESB subcontracting activity for all OSU capital construction projects as well.
MWESB subcontractor data was collected on over 164 capital construction projects from 82 different contractors.

A new web-based data collection system is currently being developed in-house for use in FY15.

**Spend Data Sources**
OSU collects and includes spend data from multiple sources for this annual report.

*See Appendix for data*

| For spend data included in the Capital Construction section, OSU uses the following data sources: |
| - Banner Financial Information System MWESB Report |
| - OSU** CapCon MWESB Report |
| - OUS** CapCon MWESB Tables |
| - OUS** CapCon MWESB Consolidation |
| - Capital Construction contractor’s subcontractor reports: 381 reports total for FY14 |

**Oregon University System (OUS)**

| For spend data included in the Goods and Services section, OSU uses the following data sources: |
| - Banner Financial Information System MWESB Report |
| - US Bank Procurement Card Socio-Economic Report |
| - MWESB subcontractor reports from large supply contractors: three reports total for FY14 |

Photo: The Student Experience Center (SEC), a new building bringing 89,640SF for student activities, included 4 MWESB sub-consultants and 8 MWESB subcontractors
MWESB Outreach Plan 2014–2015

“...diversity and excellence go hand-in-hand, enhancing our teaching, scholarship, and service as well as our ability to welcome, respect, and interact with other people.”

—OSU Core Values

Background and Key Objectives

As units within Oregon State University (OSU), an institution that strives to build the advancement of diversity within its organization, Procurement, Contracts, and Materials Management (PCMM) and Capital Planning and Development (CPD) support the provision of business opportunities to Minority, Women-Owned and Emerging Small Businesses (MWESB).

To support this key initiative within the mission of the university, PCMM and CPD endeavor to contribute by focusing on the following objectives:

- Maintaining a strong and ongoing working relationship with the Governor’s Office of Economic & Business Equity
- Increasing MWESB awareness of business opportunities with OSU
- Increasing business conducted with MWESB vendors, while fulfilling the governing rules for competition of the procurement of goods and services and construction contracts
- Targeting training for MWESB vendors on how to effectively do business with OSU

Photo: The Learning Innovation Center (LInC), brings 135,00 SF to provide a one-of-a-kind teaching and learning environment and has included 2 MWESB sub-consultants and 6 MWESB subcontractors
Demographics

The Oregon Office of Minority, Women and Emerging Small Business (OMWESB) is the authority responsible for providing a certification program for Oregon disadvantaged, minority, woman-owned and emerging small businesses. Of the 3,287 businesses with certifications registered with OMWESB:

- 68 located in Benton County, the county in which OSU resides
- 65 located in Linn County
- 38 located in Polk County
- 217 located in Lane County
- 305 located in Marion County
- 20 located in Lincoln County

With only 2.07% of all OMWESB certified vendors located in Benton County and only 21.7% in surrounding counties, OSU must continue to focus on the efforts in this outreach plan to accomplish the Background and Key Objectives.

MWESB Businesses
3,287 total registered with OMWESB
MWESB and OSU

OSU Policy

OSU policy directs OSU staff in encouraging MWESB participation:

PaCS Policy 316-001: Minority, Women, and Emerging Small Businesses (MWESB) Affirmative Action: OAR 580-061-0030 expands economic opportunities for Minority, Women and Emerging Small Businesses (MWESB) by offering them the contracting and subcontracting opportunities available through Institution Contracts.

Notices of all Contracts over $25,000 procured through a Competitive Process will be provided to the Advocate for Minority, Women and Emerging Small Business (MWESB) through the Oregon University System Procurement Gateway.

OUS Equity Contracting and Purchasing Policy and Data Reporting Procedures requires that sufficient business opportunities be provided to MWESBs.


In adherence with that policy, PCMM must ensure sufficient solicitation efforts be utilized to provide such opportunities.

Each Institution submits an annual MWESB report that provides data pertaining to expenditures with MWESB’s.

Photo: Libby Ramirez (R) with The Estimé Group – an MWESB company working with OSU
Web Presence
Because Oregon State is located in the southern heart of the Willamette Valley, within 81 miles of the Portland metropolitan area, it can be a challenge to provide accessible information to the vendor community.

The Procurement unit within PCMM has a comprehensive website for vendors that includes:

- information on how to do business with OSU
- where to locate open and advertised procurements
- key contacts for developing essential connections within the OSU community

http://fa.oregonstate.edu/pacs/resources/information-vendors

Through collaborative effort of PCMM and CPD, a new MWESB blog site was created to provide a training and events calendar, provide specific MWESB information for vendors, and give vendors a direct way to provide feedback and comments to CPD and PCMM staff.

http://blogs.oregonstate.edu/mwesbinfo/

Photos: Tebeau Hall, which opened fall 2014, bring over 76,000 SF and included 4 MWESB sub-consultants and 6 MWESB subcontractors.
MWESB Business Opportunities

PCMM and CPD encourage MWESB vendors to respond to the university’s procurement opportunities. Special outreach measures are taken to ensure that MWESB’s are provided every possible opportunity to respond to procurement opportunities and to provide them with information on how best to do business with OSU. OSU extends outreach efforts through the following measures.

**Advertised Bidding**

All formal and informal procurement opportunities are advertised on the Oregon University System (OUS) website, which provides notification to the Advocate for Minority, Women, and Emerging Small Business.

This website is currently hosted by OUS and is transitioning to OSU. Development is underway to rebrand the website specific to OSU and make enhancements that will improve the functionality.

**Solicitation Content**

All advertised solicitations for procurements of goods and services, require vendors to certify as part of their submittal documents accompanying their response or on a public contract that they have not discriminated against minority, women, or emerging small business enterprises in obtaining any required subcontracts.

**Capital Construction**

Solicitations for construction bids from general contractors contain language to encourage use of MWESB sub-contractors when possible.

Solicitations for constructions contain language to encourage use of MWESB sub-contractors and suppliers.

Solicitations for professional services associated with construction also encourage the uses of MWESB firms.

Photo: Austin Hall opened November 2014 and brings 100,000 SF as the new home for the College of Business and utilized 1 MWESB sub-consultant and 9 subcontractors in the design and construction of the building.
Outreach and Engagement

Reaching out to MWESB vendors interested in working with OSU is critical to ensure they respond to solicitations and are able to reach OSU purchasing decision makers. For 2015, OSU plans on participating in the following events:

- OSU Supplier Showcase Tradeshows, a refreshed version of the Merchant Expo. PCMM is targeting invitations to MWESB vendors and offering special discounts for these vendors.
- Governor’s Marketplace- OSU sponsorship/participation
- Oregon Public Procurement Association’s Annual Reverse Vendor Trade Show
- Oregon Association of Minority Entrepreneurs (OAME) Conference and Trade Show
- University of Oregon Reverse Trade Show
- OSU sponsored Access-Opportunity-Connections, a certification outreach event with OMWESB, ODOT, OBDD and DAS/ORPIN

OSU has memberships and relationships with the following organizations:

- Northwest Mountain Minority Supplier Development Council
- Corvallis-Benton Chamber of Commerce
- Oregon Association of Minority Entrepreneurs (OAME)
- National Association of Educational Procurement (NAEP)
- Office of Minority, Women and Emerging Small Business (OMWESB)

OSU’s Capital Projects Contracts Administration maintains strong relationships with general contractors and sub-contractors to continue reaching out to MWESBs for increased participation.

Other Measures

PCMM’s website encourages MWESBs to obtain certification:

http://fa.oregonstate.edu/pacs/resources/information-vendors and are provided with the appropriate governmental link: http://www.oregon4biz.com/How-We-Can-Help/OMWESB/

OSU Collaboration

With delegated purchasing authority for Business Centers at $25,000, educating and training the Business Centers on the impact expenditures have on MWESB vendors and local businesses is significant.

The PCMM website includes a link to the State of Oregon Office of MWESB to enable OSU departments to quickly identify and locate certified MWESB vendors.

CPD Project Managers have reached out to certified vendors to make them aware of business opportunities.
Future Initiatives

**Education and Training**
PCMM will continue to utilize the PCMM website, newsfeed and quarterly Business Center Buyer meetings to provide education for OSU staff about how units can identify and work with MWESB vendors to provide goods and services within their direct purchasing authority.

**Equity Contracting and Purchasing Policy**
OSU utilizes Solicitation Efforts and will continue actively engaging MWESB vendors in Solicitation Efforts. OSU is also utilizing evaluation criteria, contract language, and requiring capital construction subcontractor data which we anticipate will impact opportunities for MWESB vendors in 2014.

**Collaboration**
PCMM will continue to work with CPD to identify areas where we can work together to provide more information about MWESB vendors who want to contract or subcontract on construction projects for OSU. Resources allowing, PCMM and CPD will investigate the possibility of OSU hosting an outreach, education and engagement event that could bring OSU purchasing and contracting decision makers together with MWESB vendors.

**Subcontractor Reporting**
Whenever feasible, OSU will include MWESB data reporting requirements in newly developed contracts.

**Campus Outreach**
The Administrative and Diversity Manager will begin participating in some of the Quarterly Business Center Buyer meetings as part of outreach and engagement with OSU staff, to raise their mindfulness of giving MWESB business opportunities when feasible. The Buyer meetings will be the first step in getting feedback and suggestions on how we do that.

Photo: Black Cultural Center will bring 3,500 sf of space to compliment the academic program of studies and enrich the quality of campus life for African and African-American students. MWESB participation included 9 subcontractors and the lead architect.
## APPENDIX—FY2014 MWESB Annual Report Data

<table>
<thead>
<tr>
<th></th>
<th>Capital Construction (including subcontracting)</th>
<th>Goods and Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Certified Minority Business Enterprises</strong></td>
<td>$6,915,869.00</td>
<td>$194,465.62</td>
<td>$7,110,334.62</td>
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<tr>
<td><strong>Certified Woman Owned Business Enterprises</strong></td>
<td>$5,247,426.83</td>
<td>$1,607,733.52</td>
<td>$6,855,160.35</td>
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<tr>
<td><strong>Certified Emerging Small Business Enterprises</strong></td>
<td>$6,909,846.15</td>
<td>$1,671,627.25</td>
<td>$8,581,473.40</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$19,073,141.98</td>
<td>$3,473,826.39</td>
<td>$22,546,968.37</td>
</tr>
<tr>
<td><strong>Self Identified MWESBs and MWESBs certified by other than OBDD</strong></td>
<td>$11,020,188.18 *</td>
<td>$10,141,854.83 **</td>
<td>$21,162,043.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$30,093,330.16</td>
<td>$13,615,681.22</td>
<td>$43,709,011.38</td>
</tr>
</tbody>
</table>

* amount includes $403,199.00 in certified disadvantaged business enterprise spend
** amount includes $79,966.87 in office supply MWESB spend, $635,963.31 in lab supply MWESB spend, $699,188.80 in certified disadvantaged business enterprise spend, and $788,487.13 in Pcard spend
### Percent of Total Expenditures

<table>
<thead>
<tr>
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<th>Capital Construction (including subcontracting)</th>
<th>Goods and Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Minority Business Enterprises</td>
<td>5.87%</td>
<td>0.11%</td>
<td>2.47%</td>
</tr>
<tr>
<td>Certified Woman Owned Business Enterprises</td>
<td>4.45%</td>
<td>0.94%</td>
<td>2.38%</td>
</tr>
<tr>
<td>Certified Emerging Small Business Enterprises</td>
<td>5.86%</td>
<td>0.98%</td>
<td>2.98%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>16.18%</strong></td>
<td><strong>2.04%</strong></td>
<td><strong>7.82%</strong></td>
</tr>
<tr>
<td>Self Identified MWESBs and MWESBs certified by other than OBDD</td>
<td>9.35%</td>
<td>5.95%</td>
<td>7.34%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25.54%</strong></td>
<td><strong>7.99%</strong></td>
<td><strong>15.16%</strong></td>
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</tbody>
</table>

### Number of Historically Underrepresented Businesses doing Business with OSU

<table>
<thead>
<tr>
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<th>Capital Construction (including subcontracting)</th>
<th>Goods and Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Minority Business Enterprises</td>
<td>136</td>
<td>13</td>
<td>149</td>
</tr>
<tr>
<td>Certified Woman Owned Business Enterprises</td>
<td>94</td>
<td>71</td>
<td>165</td>
</tr>
<tr>
<td>Certified Emerging Small Business Enterprises</td>
<td>139</td>
<td>133</td>
<td>272</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>369</strong></td>
<td><strong>217</strong></td>
<td><strong>586</strong></td>
</tr>
<tr>
<td>Self Identified MWESBs and MWESBs certified by other than OBDD</td>
<td>47*</td>
<td>2,091**</td>
<td>2,138</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>416</strong></td>
<td><strong>2,308</strong></td>
<td><strong>2,724</strong></td>
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</tbody>
</table>

* count includes 3 newly certified disadvantaged business enterprises
** count includes 244 office supply MWESB subcontractors, 26 certified disadvantaged business enterprises and 1021 P-Card MWESB vendors