Contracting and Purchasing with Historically Underrepresented Businesses

Annual Report - Fiscal Year 2013
# UNIVERSITY OF OREGON (UO)
## MINORITY WOMEN AND EMERGING SMALL BUSINESS (MWESB)
### FY2013 REPORT (July 1, 2012 – June 30, 2013)

## UO STATISTICAL DIRECT SPEND FOR FY2013 & COMPARISON TO FY2012

### STATISTICAL SPEND WITH MWESB VENDORS

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Certified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct MWESB Capital Construction Spend</td>
<td>$1,195,299.84</td>
<td>116.79%</td>
</tr>
<tr>
<td>Direct Non-Capital Construction Spend</td>
<td>$2,673,399.31</td>
<td>981.93%</td>
</tr>
<tr>
<td>Total State Certified MWESB Spend</td>
<td>$3,868,699.15</td>
<td>384.53%</td>
</tr>
<tr>
<td><strong>Self-Reported</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct MWESB Capital Construction Spend</td>
<td>$282,622.55</td>
<td>-44.80%</td>
</tr>
<tr>
<td>Direct MWESB Non-Capital Construction Spend</td>
<td>$5,046,508.03</td>
<td>-12.88%</td>
</tr>
<tr>
<td>Procurement Card Spend</td>
<td>$361,830.44</td>
<td>6.81%</td>
</tr>
<tr>
<td>Office Supply Vendors Spend</td>
<td>$28,021.39</td>
<td>-7.86%</td>
</tr>
<tr>
<td>Total Self-Reported MWESB Spend</td>
<td>$5,718,982.41</td>
<td>-14.31%</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total State Certified and Self-Reported MWESB Spend</td>
<td>$9,587,681.56</td>
<td>28.31%</td>
</tr>
<tr>
<td>% MWESB Spend</td>
<td>3.83%</td>
<td>60.31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTALS</th>
<th>FY 2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital Spend</td>
<td>$55,076,093.31</td>
<td>52.64%</td>
</tr>
<tr>
<td>Total Non-Capital Spend</td>
<td>$195,115,084.01</td>
<td>-0.59%</td>
</tr>
<tr>
<td>Total Spend</td>
<td>$250,191,177.32</td>
<td>-19.96%</td>
</tr>
</tbody>
</table>

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*Spend from UO’s Banner system using all vendor spend rather than by account code.

**Figures may be understated because OMWESB provided no tax ID or SSN for over 332 listed vendors. Tax ID or SSN is necessary for accurately obtaining vendor spend.*
Capital Construction Subcontracted Billings for FY2013

<table>
<thead>
<tr>
<th>2013</th>
<th>Sub-Contract value billed within the fiscal year (July 1-June 30)</th>
<th>Sum</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Certified Minority Business Enterprises</td>
<td></td>
<td>1,551,045</td>
<td>3.4%</td>
<td>13</td>
</tr>
<tr>
<td>2. Certified Women Business Enterprises</td>
<td></td>
<td>509,383</td>
<td>1.1%</td>
<td>10</td>
</tr>
<tr>
<td>3. Certified ESBs</td>
<td></td>
<td>1,088,191</td>
<td>2.4%</td>
<td>45</td>
</tr>
<tr>
<td>Total of 1-3</td>
<td></td>
<td>3,148,618</td>
<td>7.0%</td>
<td>68</td>
</tr>
<tr>
<td>4. Self-identified MWESBs and MWESBs certified by other than OBDD</td>
<td></td>
<td>12,257</td>
<td>0.0%</td>
<td>6</td>
</tr>
<tr>
<td>Total of 1-4</td>
<td></td>
<td>3,160,875</td>
<td>7.0%</td>
<td>74</td>
</tr>
</tbody>
</table>

SUMMARY OF MWESB BUSINESSES IN LOCAL COMMUNITY

In an effort to provide additional background for the above summaries, PCS with the assistance of UO Institutional Research compiled the following information on vendors in UO’s community:

- Per latest available US Census Bureau data of 2007, of the 32,627 businesses in Lane County, 6.1% (or 1,990 businesses) identify as minority-owned business and 30% (or 9,788 businesses) identify as women-owned businesses.
- Per the November 2013 OMWESB Certification list, 5.18% (or 172 businesses) of the all certified businesses on the list maintain a mailing address in Lane County.
- The 3 attached maps show the geographical location of the certified MWESB vendors in Oregon. As shown on the attached maps a majority of the state certified MWESB vendors in Oregon are located in the Portland area.

SPEND DATA SOURCES

1. FY2013 UO MWESB Direct Banner Spend. UO Statistical Direct Spend Data for FY2013 is calculated based on the data found in the Excel Spreadsheet titled: “FY2013 UO MWESB Direct Banner Spend.” This spreadsheet provides details on the business transactions between UO and all its vendors during FY2013, including those vendors that are certified and self-reported MWESBs. Below is a brief explanation of the data contained in the spreadsheet and the methodology used in compiling that data:
   - Tab 1 – UO Summary:
     This contains the same data that is reported on page 1 of this report. The summary includes UO FY 2013 spend information as well as UO FY 2012 data for comparison. The percent change year over year for each category is calculated to show data trends. Overall, UO’s MWESB spend increased 28.31%, even while UO’s total spend with all vendors decreased 19.96%. 
• Tab 2 – OUS Data Format:
The UO MWESB data in reporting format required under the OUS Equity Contracting and Purchasing Policy and Data Reporting Procedures. 
NOTE: The data reported on this form only includes direct contractor spend. OUS changed the data format and source for subcontracted construction spend starting last fiscal year. Due to the disparate sources and reporting methods, OUS and UO agreed subcontracted spend would be reported separately from direct spend. For subcontracted capital construction spend, see Excel Spreadsheet title: “FY2013 MWESB Subcontracted Capital Construction Billings.”

• Tab 3 – Total Vendor Spend:
All direct UO vendor spend data for FY2013 from the Banner system. This data also identifies MWESB status.

• Tab 4 – Total MWESB Vendor Spend:
All direct UO MWESB vendor spend data (certified and self-reported) for FY2013 from the Banner system. Column C reports spend on capital construction projects. Column D reports total spend. This data also identifies MWESB status.

• Tab 5 – PCard:
Total UO MWESB spend on PCard program as reported by US Bank.

• Tab 6 – Office Supplies:
Total UO MWESB spend for office supplies as provided by office supply vendors.

• Tab 7 – Dir Cap Const:
All direct UO capital construction vendor spend. Data extracted from Tab 3-Total Vendor Spend to provide data for direct capital construction calculations.

2. FY2013 MWESB Subcontracted Capital Construction Billings. Excel Spreadsheet titled “FY2013 MWESB Subcontracted Capital Construction Billings” contains capital construction subcontracted billing data from UO prime construction contractors that submitted an OUS worksheet. Each UO prime capital construction contractor was required to complete an OUS worksheet detailing its billings related to its subcontracting activities. Please note for this report, the subcontracted data collected and tracked did not include subcontracted data from UO professional consultants (i.e. architects and engineers).

• Tab 1 – Start and Tab 2 Pivot:
These tabs contain links underlying source data that is not available on this spreadsheet. For the purposes of this report, these two tabs should be disregarded.

• Tab 3 – Initial:
This tab contains the initial subcontract value for all construction subcontracts issued by UO prime construction contractors during FY2013.

• Tab 4 – Fiscal Year:
The OUS computed value of all invoices billed by subcontractors during FY2013 pursuant capital construction subcontracts issued by UO prime construction contractors. For the purposes of reviewing the OUS compilation, this is the tab that contains the capital construction subcontract billings for FY2013.
• Tab 5 – Final:
  This tab contains the final close-out value for all capital construction subcontracts
issued by UO prime construction contractors where all work under the contract
was completed in FY2013.

3. Differences between Data Sources. The direct spend data in part 1 differs from the
capital construction subcontracted data in part 2. The direct spend data is obtained from UO’s
financial system by pulling amounts UO actually paid to vendors during FY2013. The
subcontracted capital construction data is self-reported though UO’s prime construction
contractors who complete a worksheet that tracks subcontracted amounts and amounts
billed/invoiced by subcontractors in FY2013.

FY2013 MWESB EVENTS
UO continues to attend events targeted at MWESB vendors such as those reported below.
The goal of UO’s efforts was to provide information regarding UO business opportunities to
vendors and to collect information from vendors regarding products or services they could offer
to the UO.
• February 27, 2013, University of Oregon Reverse Vendor Fair at The Autzen Club, Eugene.
  o 63 Tables, including 20 Tables hosted by outside public agencies
  o 441 Registered Vendors attended
  o OMWESB attended and hosted a table to assist MWESB vendors with the
    MWESB certification process. Computers were available to access the OMWESB
    Website containing certification forms and information.
  o UO Construction Managers/General Contractors (CM/GC) working on current UO
capital projected hosted tables. CM/GC informed vendors about current
subcontracting opportunities on the current projects.
  o An online Vendor Registration site was created that captured vendor information,
    contacts, and services offered. This information was made available to all UO
departments through the PCS website after the Fair ended.
  o Presentations:
    ▪ Breakout Session #1: Covering acquisition of goods and services,
      presented by Cheryl Myers, Director of the Governor’s Office for Economic
      and Business Equity, and Cathey Susman, Director of UO Purchasing and
      Contracting Services.
    ▪ Breakout Session #1: Covering Capital Construction, presented by Darin
      Dehle, Director of UO Capital Construction, and two UO construction
      contractors – Howard S. Wright and Fortis Construction, Inc.
      o In the eight months since the event, UO has done business with 26% of vendors
        that attended, for a total of $15,361,768; of which $812,948 was with MWESB
        vendors.
• Platinum Sponsor – Business Diversity Institute (BDI) - Business Leadership Recharge 3-
day conference. Oregon Darden Resort – Silverton.
• March 20, 2013 – OPPA/Colombia Chapter NIGP – 2012 Reverse Trade Show “Forging
  Alliances 2013”, Salem Conference Center, Salem.
• April 17, 2013 – 2013 Governor’s Marketplace Conference in Salem
• May 9, 2013 Oregon Association of Minority Entrepreneurs Conference and Trade Show in Portland, Oregon Convention Center.

• June 25, 2013 - Hispanic Metropolitan Chamber’s Employment & Business Fair, Oregon Convention Center, Portland.

UO MWESB OUTREACH PLAN
UO has implemented a comprehensive strategy to engage MWESB entities in the purchasing and contracting processes utilized by UO. Several different avenues of engagement are currently employed by several different departments to increase participation by MWESB entities in provision of goods and services to UO. Below is an outline of UO’s outreach activities supporting UO’s comprehensive MWESB strategy in the purchasing and contracting areas.

1. UO Purchasing and Contracting Services’ (PCS’) web site directly links to the Office of Minority, Women and Emerging Small Businesses (OMWESB) and that office’s vendor directory of State of Oregon MWESB certified firms. The link is listed on PCS’ home page under “Vendor Information for Departments”: http://pcs.uoregon.edu/

2. UO requires all informal, formal, and alternative solicitations (bid, proposal, and quote requests) for goods, trade services, personal services and construction services to include posting on the Oregon University System (OUS) website. Pursuant to an agreement with the Governor’s Advocate Office, posting on the created OUS website serves as notice to MWESB vendors. OUS website: https://secure.ous.edu/bid/

3. UO Capital Construction continues to require the following additional procedures for its solicitations:
   • All Construction Manager/General Contractors (CM/GC) working on UO capital projects in excess of $1 million dollars must advertise subcontracting and material supplier opportunities connected with the large project.
   • All multi-contractor retainer solicitations are advertised on the OUS procurement website so that sub-trade opportunities on smaller projects are publicly known to interested contractors.

4. UO Campus Planning and Real Estate Office continues to require the following additional procedures for its solicitations:
   • All informal and formal procurements for architects, engineers, and planning consultants are advertised in a variety of minority trade journals such as the Portland Observer, The Skanner, and El Hispanic News.

5. UO continues to promote and enforce the OUS MWESB policy campus-wide for goods, trade services, personal services, and construction services. All purchasing and contracting processes and procedures have been updated to support the policy and increase outreach to the MWESB vendor community.

6. UO PCS continues to promote UO’s vendor portal site accessed through the Web. The Vendor Portal site serves two purposes: (1) allows any vendor to register and provides details about their business including MWESB status; (2) allows campus purchasers to find available vendors. To help ensure MWESB vendors are adequately represented on the site, UO actively markets the new Vendor Portal through outreach to MWESB chambers and business groups as
well as through the Governor’s Advocate listserv. UO continues to grow the UO Vendor Portal encouraging MWESB vendors to register and departments to use as resource for finding vendors.

7. UO Capital Construction continues to provide periodic opportunities for entities providing construction related services, including MWESB entities, to present their experience and professional capabilities to the Capital Construction staff, primarily utilizing two formats.
   • UO provides twice-monthly opportunity for entities to attend a departmental meeting with Capital Construction staff devoted to presentations and networking.
   • UO holds monthly luncheons where vendors are afforded the opportunity to attend and present information regarding their experience and professional capabilities. In FY2013, 23 companies presented information. Eight presenters have been MWESB companies. UO has since procured construction related services from eight of those that have presented and 2 of these companies are MWESB firms.

8. UO CM/GC formal procurements provide a 15% scoring value towards MWESB participation information (greater than the minimum of 10% required by OUS MWESB policy).
   • UO Capital Construction hired first CM/GC team that incorporated fully integrated MWESB partner in construction services portion of the contract.

9. UO Capital Construction continues to work with the OUS Chancellor’s Office to develop updated construction contract templates.
   • UO Capital Construction worked with the OUS Chancellor’s Office to revise the General Conditions for Construction that are used for all OUS construction contracts. The revised language includes additional obligations on UO prime contractors to increase MWESB vendor subcontracting participation.
   • UO Capital Construction will work with the OUS Chancellor’s Office to update the CM/GC contract language to better support direct procurement from MWESB firms as subcontractors on projects for work with a value under $50,000.

10. UO prime construction contractors are required, by contract, to report their outreach efforts and MWESB contracting to UO.

11. UO Capital Construction will develop strategic bid packages within CM/GC projects. Strategic packages will provide opportunities to smaller contractors where the market indicated these smaller contractors exist within various trades.

12. UO continues to require every new vendor to complete a UO Substitute W-9 Form as part of the vendor set-up process. The UO Substitute W-9 allows vendors to self-report their MWESB status in one or more of six (6) categories. This data allows UO to more accurately report on its contracting activities with self-reported MWESB vendors.

13. UO PCS will continue to host a Reverse Vendor Trade Fair. The next UO Reverse Vendor Trade Fair is scheduled for February 2015.

14. UO will continue outreach efforts by attending events targeted to MWESB during FY2014 independently and in conjunction with OUS and other state agencies including but not limited to the following:
• October 2, 2013 – Governor's Marketplace Roadshow, Lane Community College Downtown Campus, Eugene.