

**University of Missouri System Supplier Diversity
Annual Report
Fiscal Year 2018**

Executive Overview

The University of Missouri continues to demonstrate their role as a good corporate citizen by endorsing and promoting initiatives, which lead to strong economic development for diverse suppliers. Equally important, the inclusion of all firms interested in providing products and services to the University allows the University to obtain quality products and services at competitive prices. Supplier Diversity ultimately makes for stronger and more viable communities within the cities UM operates.

Highlights and Results

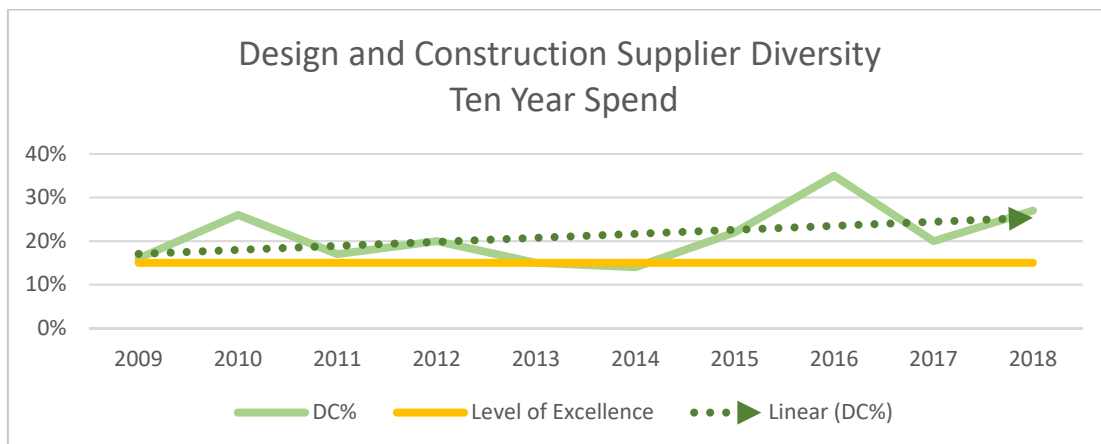
This report covers Supplier Diversity (SD) activities and spending for Design & Construction (D&C-Campus and Health Care) and UM System Supply Chain (UMSSC). Highlights during FY2018 include the following:

Total Supplier Diversity spend - During Fiscal Year 2018, \$70.9M, representing 11.6% of UM's total addressable spend was attributed to diverse or women-owned businesses. Participation levels for FY 2018 show growth over the 10.1% reported for FY 2017.

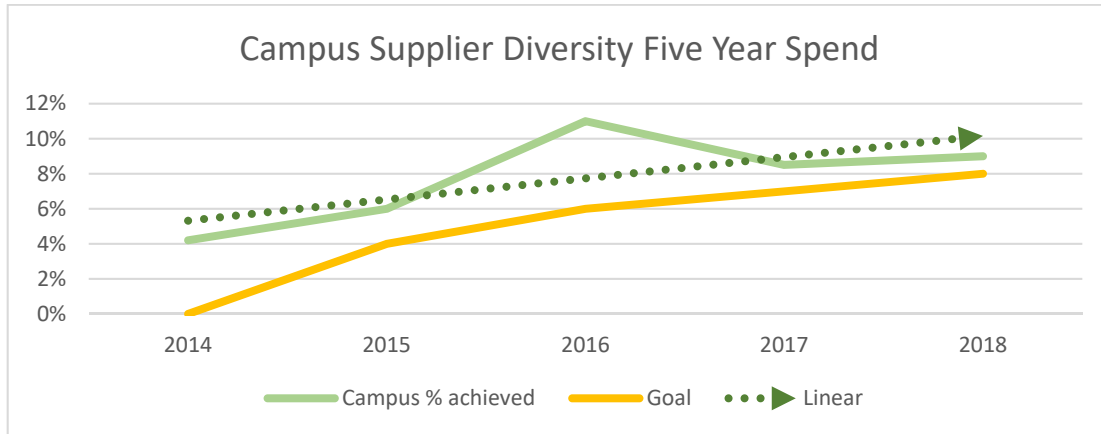
Diversity Spend FY 2018				FY 2017
Business Unit	Addressable Spend	Diversity Spend	Participation Levels	Participation Levels
Campus (All)	\$285,784,807	\$25,157,198	9%	8.5%
MU Health Care	\$198,619,102	\$11,557,729	5.6%	4.9%
A&E Design & Construction	\$124,774,282	\$34,181,330	27.4%	20%
Total	\$609,178,191	\$70,896,257	11.6%	10.1%

Participation levels for FY 2018 show growth over the 10.1% reported for FY 2017. This is evidence that the continued efforts of individuals in both D&C and UMSSC are worthwhile. Opportunities exist for improvement and are addressed respectively for each area below.

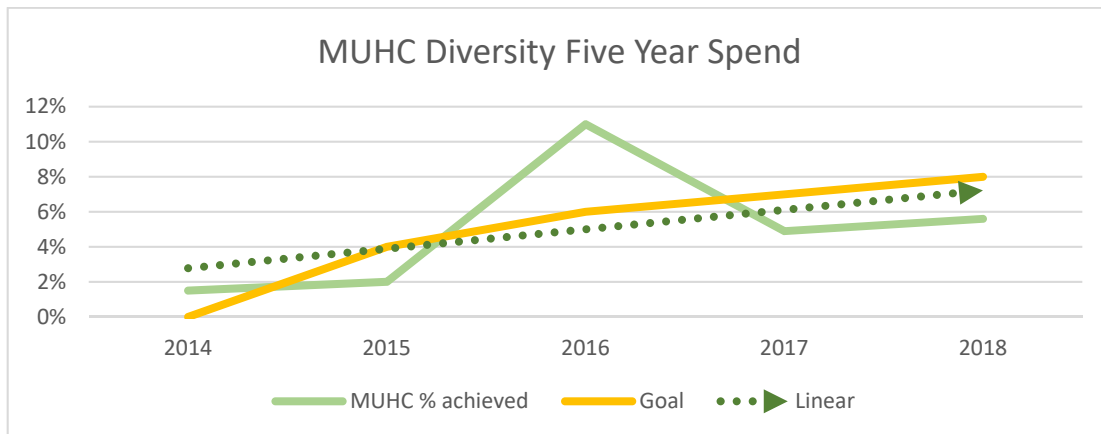
- Design and Construction – Design & Construction has had a strong commitment to the University of Missouri's supplier diversity program for over 30 years and FY 2018 was no different. Diversity spending goals are incorporated into each major construction project. Overall, the total dollar amount of Architecture and Engineering design, and Construction contracts awarded for the University was \$124.78M; the diverse supplier participation in those contracts was **27.4%**. This is an increase of 7% over FY 2017.



- Successes and Challenges associated with Design and Construction SD program:
 - Design and Construction's SD spend has exceeded 20% of total spend for the past 4 years.
 - Construction contracts are awarded based on low bid, which requires the University to continually reach out to SD vendors to encourage participation.
- UM System Supply Chain / Campus spend - The total amount of spend with diverse or women owned companies across all four (4) University campuses for FY 2018 was \$25.16M or **9%** against a spending base of \$285.78M for the UM campuses. This participation percentage remains flat from FY 2017.



- UM System Supply Chain / MU Health Care spend - For the fourth year, MUHC spend is reported separately because the business models for procurement (and the SD opportunities) in these two business units are significantly different. SD spending with MU Health Care was \$11.56M, representing about **5.8%** of total health care spending, an increase from **4.9%** in FY 2017.



- Successes and Challenges associated with Supply Chain programming:
 - The University continues to focus on nontraditional areas to grow diverse suppliers, such as focusing on Tier 2 as a strategy. Business Review discussions with Prime Suppliers include an emphasis on the utilization of 2nd tier minority suppliers, either directly or indirectly. These discussions have increased the amount of Tier 2 spend.
 - Request for Proposal (RFP) documents award extra points to suppliers who are a minority owned company, or who utilize minority owned companies in fulfilling the University needs. 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 to increase visibility.

- During FY18, 65 RFP's were issued, 53 diverse suppliers received the solicitations, and 28 responded. Out of those responses, eight (8) RFP's were awarded to diverse suppliers.
- Identifying and working with diverse suppliers continues to be part of the performance evaluations for sourcing team members. Direct involvement by this group helps drive the success of a strong supplier diversity program.
- Identifying diverse suppliers in health care poses challenges. Historically, women and diverse owned companies have been challenged with developing the human and financial capital that would allow them to manufacturer branded and patented pharmaceutical devices in any substantial way.
- Reporting of diverse supplier spend from the JPM Credit Card system is deficient and potentially poses a loss of reported opportunities. This will be addressed during the upcoming year.

Networking Opportunities – Representatives from UM Supply Chain and Design & Construction attended multiple minority expos and community events. These events allowed the University to collaborate and strengthen relationships with diverse owned businesses and business affiliate organizations. An outcome has been the development of new contacts, which enhances our opportunity to increase participation with women and diverse owned businesses. Some of the networking opportunities included:

- Match Making Table at Mid-States Diversity Council meeting, St. Louis
- Table Host at 2nd Annual Minority Contractor Expo, hosted by Shelter Insurance Companies, Columbia
- Presenter during Minority Certification Workshop at Columbia Chamber of Commerce Business Expo, Columbia
- Attendee at 2018 Midwest Supplier Diversity Expo at Metropolitan Community College, Kansas City

Conclusion

Participation in University's purchasing activities by all interested suppliers ensures the acquisition of quality products and services at competitive pricing, positions the University as a good corporate citizen, reflects the University's diversity initiatives and contributes to economic development, part of the core mission of the University of Missouri. We will continue in both the Supply Chain and D&C areas to look at and embed supplier diversity strategically as an added-value concept. Improving upon our already strong partnerships, we will continue the momentum we have achieved over the past few years.

Respectfully submitted,
 Teresa Vest
 Director, Supplier Diversity & Strategic Initiatives
 UM System Supply Chain