



Supplier Diversity Procurement Strategy Update

Board of Trustees

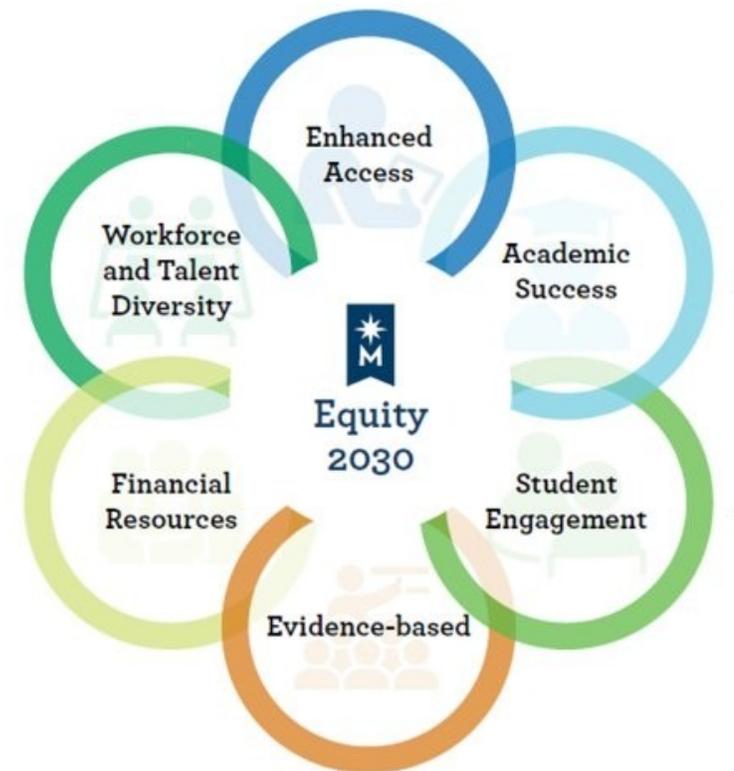
Joint Diversity, Equity, and Inclusion Committee
and Finance and Facilities Committee

May 22, 2024

Equity 2030

An Economic Imperative

Building and customizing pathways addressing our increasingly diverse economy towards ultimately sustaining the prosperity of the State of Minnesota.



Current State of Supplier Diversity

By the Numbers – Financial Overview

FY17

\$695.4M total spend
\$18.6M diverse spend
\$113.2M construction
\$563.6M non-construction
2.7% overall

FY22

\$687.2M total spend
\$16.0M diverse spend
\$122.3M construction
\$548.9M non-construction
2.3% overall

FY23

\$654.1M total spend
\$17.8M diverse spend
\$144.5M construction
\$509.5M non-construction
2.7% overall

FY24 (YTD*)

\$498.8M total spend
\$13.5M diverse spend
\$92.6M construction
\$406.2M non-construction
2.7% overall

* FY24 – July 2023 through February 2024

State Certification Process

- Small number of suppliers registered as diverse suppliers with Department of Administration (n=1,470) – Impacts reporting
- Opportunities to go beyond ADMIN to recognize diverse businesses.
- What additional collaborative efforts are available to address the low volume of registered diverse suppliers?



Current State of Supplier Diversity

Beyond Spend Percentages – A Different Approach

Total sourcing events in FY24	148
Diverse suppliers responding	1,641
Diverse suppliers invited	247
TGB suppliers responding	25 (10% response rate)
TGB suppliers awarded contracts	9 (36% of those who responded)

Numbers represent non-construction contracts

FOUNDATION

Campus Experience



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Campus Experience

- » The Why
- » Local Project Success
 - Preference Points
 - HEAPR and Capital Projects
- » Community and Regional Impact



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Barriers to Small Business Vendors

While we have identified several barriers, the barriers that we have direct control of will be addressed in FY25 include:

1. Solicitation response timelines are unrealistic:

- Review and potentially extend the response times for solicitations to allow adequate preparation by all suppliers, especially those with fewer resources.

2. Insurance requirement:

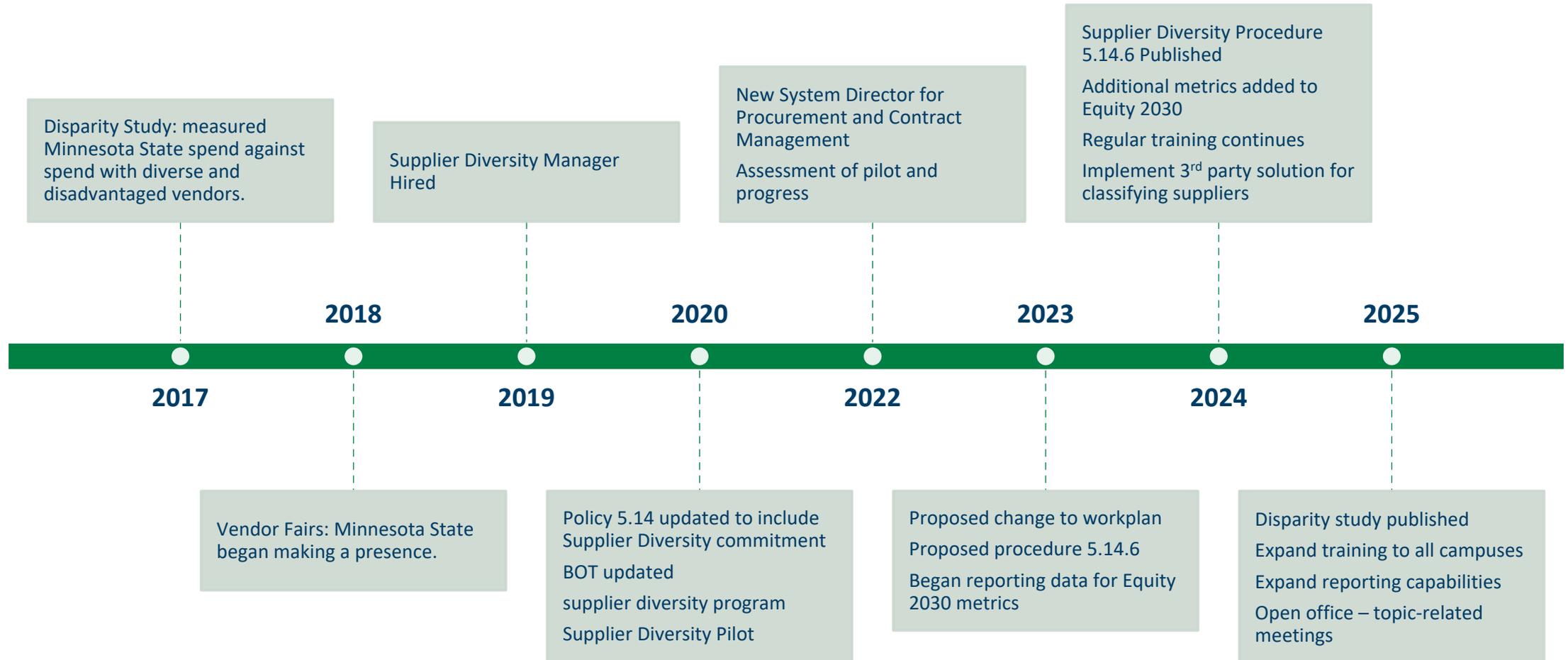
- Review and adjust insurance requirements to ensure they are proportional to the risk and scope, reducing barriers for smaller suppliers.

3. Bundling of multiple projects:

- Where feasible, break larger contracts into smaller, more manageable parts that can be handled by smaller suppliers. Encourage or mandate prime contractors to provide subcontracting opportunities to smaller businesses.

Looking Forward

Future Initiatives and Goals



Questions to Consider

1. Is Supplier Diversity prioritized appropriately?
2. What additional methods or resources are available for advancing system, college, and university spend with diverse suppliers?
3. What additional collaborative efforts are available to address the low volume of registered diverse suppliers?

Thank you.



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