

# SUPPLIER DIVERSITY STRATEGIC PLAN

Oregon Health & Science University

2023



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# President's Statement of Support

At OHSU, we recognize that when we do business with U.S.-based suppliers that are owned and operated by diverse groups such as women, people of color, veterans, lesbian, gay, bisexual, transgender, queer or questioning and disabled persons, it can be vital in fueling their growth and providing a stable source of revenue. But it also provides high-quality products and services for OHSU while creating shared value for all our communities.

Therefore, supplier diversity clearly aligns with our mission to improve the health and well-being of people in Oregon and beyond.

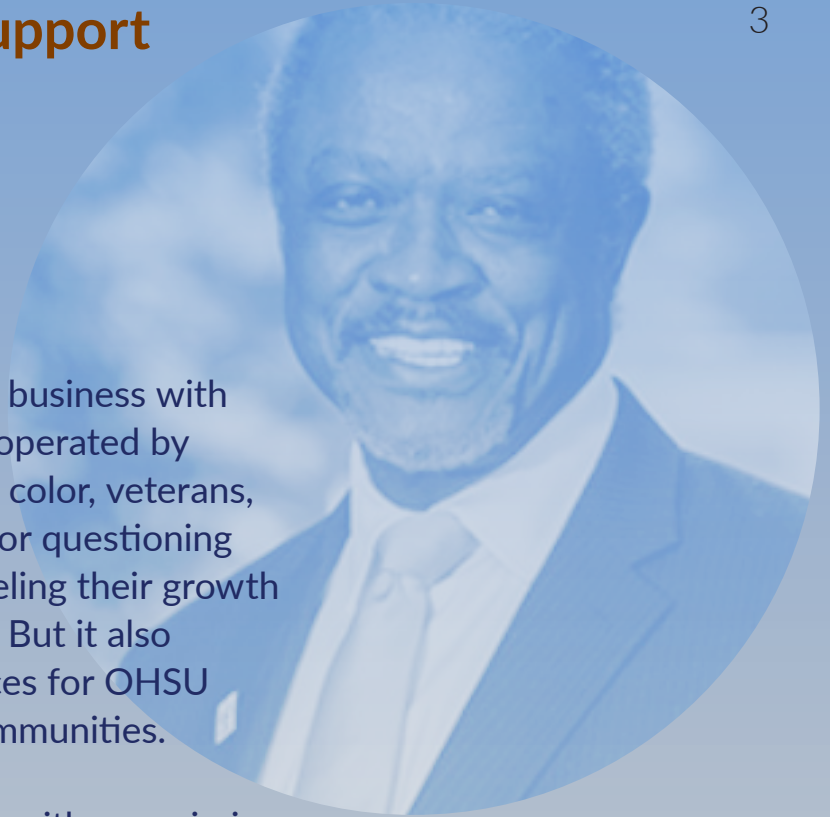
We are committed to increasing supply chain opportunities for certified diverse suppliers by providing access to contracting opportunities and supporting supplier development. Diversity, equity and inclusion should be integrated into all of our mission strategies and community partnerships, just like compassionate care, quality and excellence, going forward. This will be reflected in the way we use the strengths of all members and in all we do — from hiring to contracting with suppliers and to creating a welcoming environment for our patients and others we serve.

The following plan reflects how we will go forward.

Sincerely yours,

A handwritten signature in black ink that reads "Danny Jacobs". The signature is fluid and cursive, with the first name "Danny" and last name "Jacobs" clearly distinguishable.

Danny Jacobs, M.D., M.P.H., FACS  
President, OHSU



# Supplier Diversity Overview

## Certified Diverse Supplier

A certified diverse supplier must be validated as such via a third-party agency that has reviewed the ownership and management status of the business. The supplier must be a for-profit business enterprise which is at least 51% owned, operated and controlled by United States citizens who belong to the following groups:

- Ethnic minority
- Woman-owned business
- LGBTQ+ (lesbian, gay, bisexual, transgender and queer or questioning)
- Veteran-owned and service-disabled veteran-owned business
- Disabled

## Objective

Oregon Health & Science University (OHSU) will actively encourage, promote and support the use of small and diverse businesses in our supply chain through close collaboration with internal teams, external organizations and partners.

This plan shall apply to all purchases of goods and services, including contracts for construction, made by OHSU consistent with federal, state and OHSU policies.

## Call to Action

Lifting disadvantaged and underrepresented communities using our buying power is not just about being a good corporate citizen, it is ***our social commitment to the communities in which we live and operate***. Our Supplier Diversity initiative will ***generate economic opportunities for disadvantaged and underrepresented businesses***. It is not only a business imperative, but more importantly a moral one.

### Connection to the OHSU 2025 plan

This initiative aligns with the OHSU 2025 plan, which is built around our vision: OHSU will partner to make Oregon a national leader in health and science innovation for improving the health and well-being of all Oregonians and beyond.

### Six goals — timeless aspirations — form the basis of the OHSU 2025 plan:

1. Building a diverse, equitable environment where all can thrive and excel
2. Being the destination for transformational learning
3. Enhancing health and health care in every community
4. Discovering and innovating to advance science and optimize health worldwide
5. Partnering with communities for a better world
6. Ensuring a sustainable foundational infrastructure

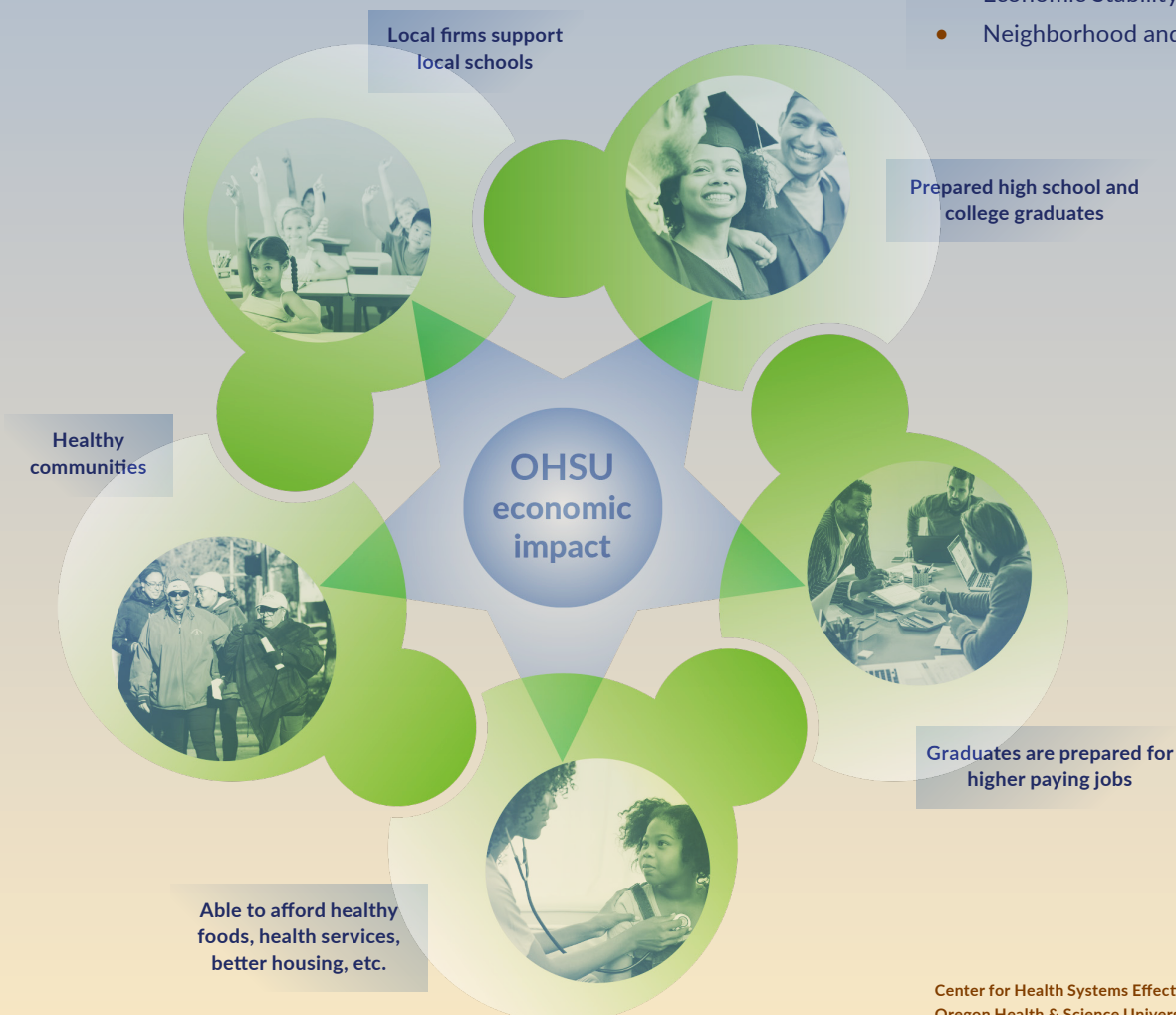


Approaching inclusive economic growth in a community context is vital to address the root causes of racial and gender disparities. Discrimination in all forms limits access to opportunities for improved social determinants of health and it drives health inequality.

– Venkat Yepuri, Vice President  
Global Business Solution and  
Strategic Sourcing, Amgen

OHSU's impact of increased spending with local diverse suppliers can influence:

- Health Care Access and Quality
- Education Access and Quality
- Social and Community Context
- Economic Stability
- Neighborhood and Built Environment





## Executive Summary

OHSU will recruit key employees with the right skills, experience and attitude for Supplier Diversity. We will review and refine policies and processes that have created systemic bias against the inclusion of a more diverse supply chain. Lastly, we will employ internal and external technology solutions to automate progress reporting and program visibility.

### Mission

OHSU is committed to building an inclusive, comprehensive and innovative Supplier Diversity Program that aligns with our mission, vision and values and is integrated into our strategic sourcing and procurement processes. This mission aims to promote economic growth and vitality in various communities by forming partnerships with businesses, supporting their development and collaborating with like-minded community organizations.

### Vision

#### ***A movement, not a moment!***

Embed diversity into the essence of our Strategic Sourcing Value Proposition by:

- Developing a strong change management which fosters the continual change effort, provides transparency to goal attainment and supports the general health of the program.
- Positioning OHSU as a Supplier Diversity thought leader to community partners and advocacy groups.
- Quantifying the economic impact of our spending with diverse suppliers.



## Success Factors

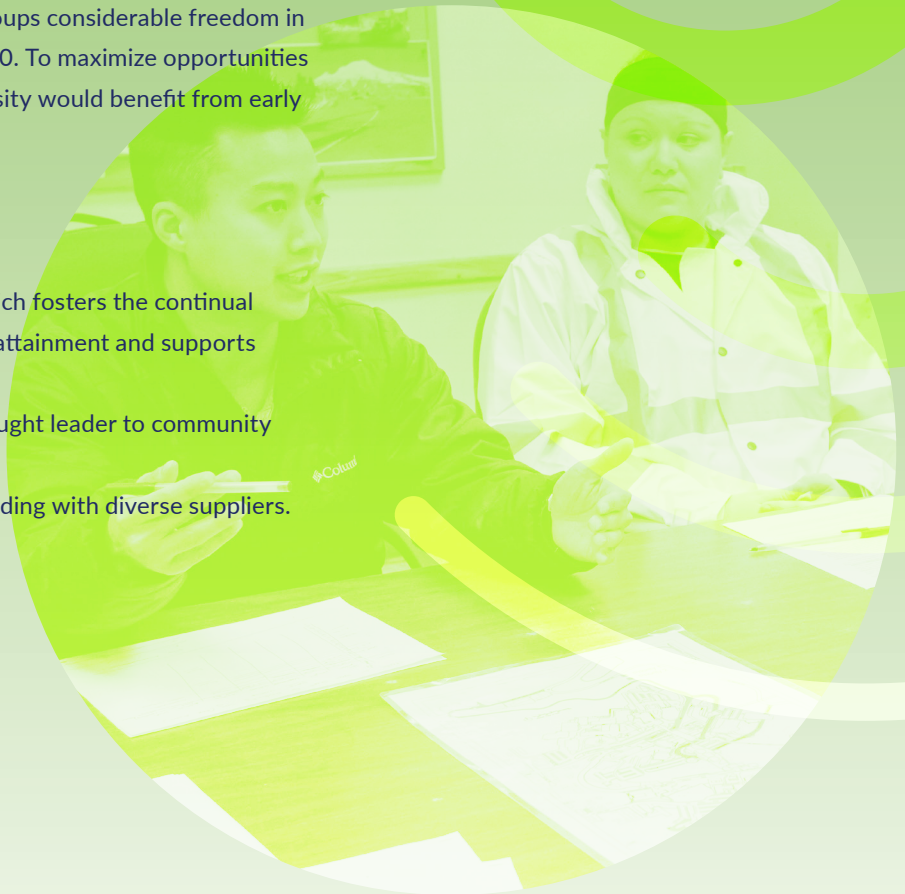
Successful implementation of Supply Chain Catalyst recommendations to accelerate OHSU Supply Chain's maturation toward providing increased value to the organization.

Cultural, behavioral and business process changes that expand OHSU's Supply Chain Sourcing's span of control need review and revision for the success of the Supplier Diversity Program.

OHSU's current policies give department-level groups considerable freedom in choosing suppliers for transactions up to \$250,000. To maximize opportunities for diverse suppliers, Sourcing and Supplier Diversity would benefit from early involvement to influence purchasing decisions.

### Other factors include:

- Developing a strong change management which fosters the continual change effort, provides transparency to goal attainment and supports the general health of the program.
- Positioning OHSU as a Supplier Diversity thought leader to community partners and advocacy groups.
- Quantifying the economic impact of our spending with diverse suppliers.





## Current State

### Addressable Spend

Identification of addressable spend or spend under management is the first step in understanding what areas of spend can be influenced by Supply Chain and Supplier Diversity activities. This is a critical step in defining Supplier Diversity metrics and customization of goals relative to a fiscal authority's ability to influence purchasing decisions.

Analysis of addressable spend is a long and intensive process that requires ongoing refinement as the Supplier Diversity Program matures and the willingness of the organization to invest in long-term supplier development activities increases such that previously nonaddressable spend becomes attainable.

The Supplier Diversity team has collaborated with Central Disbursements, Budgets & Finance and BI Analytics (full FY2022 dataset) to identify data sources and spend exclusion methodologies that have resulted in the identification of \$828M in Supplier Diversity addressable spend. Diverse supplier spend for FY2022 was 1.69% (\$13.9M) vs. non-diverse spend of \$814M.

### Recommendation

Goal recommendations should follow 18 months of steady state Supplier Diversity Program operations for inclusion in FY2025 metrics.

### Benchmark Data

Organizations like OHSU use benchmark information below for program conceptualization but NOT for goal setting. There are NO standard criteria for spend assumptions, exclusions or accepted certifications, making comparisons problematic at best:

"We've seen members establish or have mandated goals that *range from 5%–30% annually*," November 2022, Shaleta Dunn, VP, Supplier Diversity and Social Investment Impact, *Vizient*.

*Supplier.io's 2021 STATE OF SUPPLIER DIVERSITY PROGRAMS* — 177 companies surveyed; the *Average Spend with Diverse Suppliers was 5.9 %*. ©supplier.io 2021. All Rights Reserved.

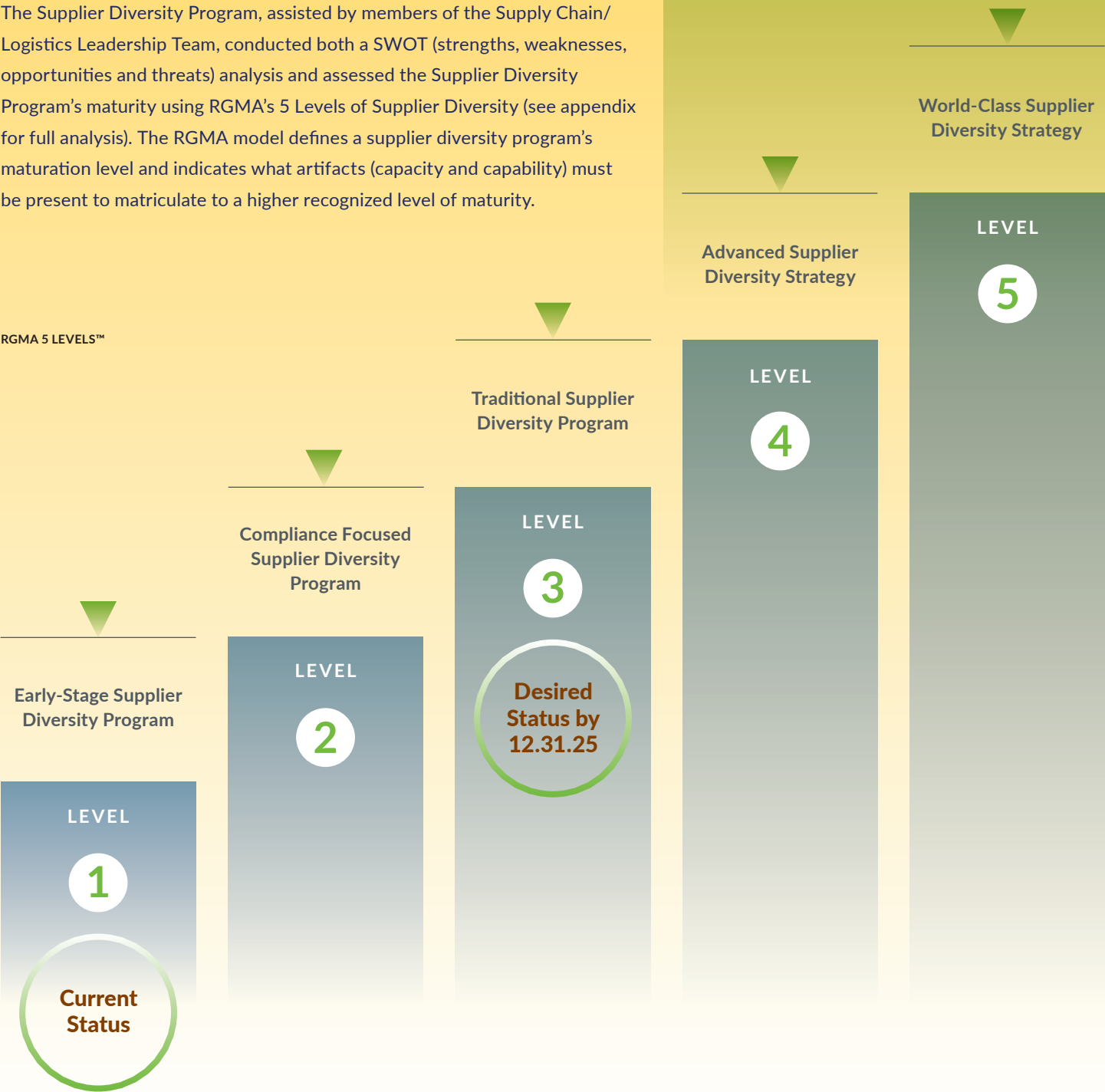
*The Hackett Group's 2019 Supplier Diversity: Moving Beyond Compliance Drive Meaningful Value. The median diversity spend as a percentage to total spend is 11%*, but this varies notably when looking across all organizations."

*DiversityInc's 2019 Supplier Diversity report states that "best-in-class procurement spend was 18.65% on Tier 1 and 3.85% on Tier 2 diverse suppliers. Our survey found the average Supplier Diversity Program spend as a percentage of sourceable spend was 14.5%."*

# Program Maturity

The Supplier Diversity Program, assisted by members of the Supply Chain/ Logistics Leadership Team, conducted both a SWOT (strengths, weaknesses, opportunities and threats) analysis and assessed the Supplier Diversity Program's maturity using RGMA's 5 Levels of Supplier Diversity (see appendix for full analysis). The RGMA model defines a supplier diversity program's maturation level and indicates what artifacts (capacity and capability) must be present to matriculate to a higher recognized level of maturity.

RGMA 5 LEVELS™



Leading organizations such as the *Billion Dollar Roundtable* and *National Minority Supplier Development Council (NMSDC)* have embraced the RGMA Five Levels™, introduced in 1994, as the gold standard for benchmarking corporate Supplier Diversity Programs worldwide. Although the current health, social and financial crises have amplified the urgency to reimagine supplier diversity, the need for change has been building for three decades, fueled by the following factors:

- Digital disruption
- Demographic disruption
- The advent of strategic sourcing
- Increased reliance on global supply chains
- Expanded focus on economic, social and environmental sustainability
- Increased importance of diversity, equity and inclusion

### Levels 0-3: Supplier Diversity Program; characteristics include:

**Level 0:** Noncontributing Supplier Diversity Program: No plans to implement a Supplier Diversity Program.

**Level 1:** Early-Stage Supplier Diversity Program: Just getting started based on a customer requirement or an expanded DE&I (diversity, equity & inclusion) commitment.

**Level 2:** Compliance Focused Supplier Diversity Program: The program's sole objective is to satisfy customers' diverse supplier utilization requirements.

**Level 3:** Traditional Supplier Diversity Program: The program has visibility, but limited impact due to a lack of senior leadership engagement.



Visionary CEOs and their senior leaders command the influence, access, budget and accountability to elevate Supplier Diversity Programs into business diversity strategies. The Business Diversity Value Proposition is impactful:

- Operational Excellence
- Brand Equity and Enhanced Reputation
- Economic Justice
- Community Transformation

### Level 4: Advanced Business to Business Diversity Strategy; characteristics include:

- Active C-Suite engagement.
- The Supplier Diversity leader is a director level or above and has a strategic link to category management, strategic sourcing, marketing and sales, sustainability and the community.
- A savvy Supplier Diversity team is supported by adequate resources in place.
- Advisory council/steering team is in place for guidance and executive support.
- A robust business training strategy for all associates.
- Innovative capacity-building strategies are in place for suppliers.
- Opportunities expanded from supply chain to the entire value chain to enhance opportunities in professional services and outsourcing.
- A mission-driven Prime Supplier program (contract language to support program with goals).

### Level 5: Best-in-Class Business Diversity Strategy; characteristics include:

- The Supplier Diversity leader is a VP (or above) and active member of all Diversity and Sustainability councils and dynamic leader in local and national advocacy organizations.
- Business diversity strategy is in alignment with sustainability and DE&I strategies.
- Supplier Diversity's contribution to community transformation is a C-Suite performance metric.
- Diverse suppliers are integrated throughout the global supply chain.
- Business units have quantitative and qualitative business diversity goals.
- Contribution to market share and shareholder value are important metrics.
- Earning national recognitions and awards are embedded in annual plans.
- Active C-Suite leadership.

## Future State

OHSU will be best known (“North Star”) for its program delivery in the form of:

Exceptional execution	Measured by conformance to policy and procurement procedures
Program capacity and capabilities	Ability to analyze spend patterns, make supplier recommendations, provide program visibility to all fiscal authority levels, partner with internal and external partners
Diverse supplier development success	Build the business acumen of the diverse supplier community and their capacities and capabilities to do business with OHSU and others
Recognition of Supplier Diversity Excellence	Program success is published: Trade and local magazine articles, white papers

## Governance

### Committee Structure

**Executive** – The Executive Steering Committee defines how strategic roadmap decisions are made so that Supplier Diversity deliverables align with business outcomes. The Executive Steering Committee consists of senior leaders, vice presidents and mission heads. The committee drives the success of the program by aligning and prioritizing investments with business goals and available delivery capabilities, and monitors and directs the program to protect its benefits and mitigate program risks:

- Sets program goals with counsel from director of Supplier Diversity Program and AVP, Supply Chain/Logistics.
- Champions Supplier Diversity goals for spend within their organization.
- Assigns Steering Committee member and/or department liaison to work directly with the Supplier Diversity Program in the identification, vetting and selection of diverse suppliers to meet assigned Supplier Diversity Program goal.
- Periodically reviews status of annual and long-term program goals.
- Reviews policies yearly against Procurement Compliance Metrics and capacity/capability to support achievement of Supplier Diversity goals.
- Approves reporting modifications and visibility levels.





**Steering** – Drives the adoption of the Supplier Diversity Program mission and vision within their organization toward the selection of diverse suppliers to fulfill business needs. The Steering Committee consists of directors, department heads, subject matter experts and partners, who can help with technical, methodological and change management concerns:

- Contributors to Supplier Diversity Program elements and goal development.
- Foster change within their organization relative to sourcing options by identifying, reviewing, rebidding and unbundling current and future needs; support other procurement practices that will drive Supplier Diversity Program goal attainment.
- Are program ambassadors who broadcast the business imperative of Supplier Diversity downline within their teams and across the organization.
- Assist with the evolution of procurement policy and SOPs and ensure execution of same within their organization.

## What Are the Artifacts of Success

Building the capability and capacity of our Supplier Diversity Program will drive long-term sustainable success.

### FY2023

#### Program capabilities and artifacts of maturation toward achievement of Stage 2 – Compliance Focused/Incubating

- Update Procurement policies to address inclusion of suppliers that are more reflective of underrepresented communities.
- Systems are available to monitor contractor compliance to OHEP-IPA Minority Women Emerging Small Business (MWESB) inclusion goals.
- Build the Supplier Diversity Program staff to increase capacity and team capabilities to audit program compliance, conduct internal and external outreach training and perform spend analytics to identify diverse supplier participation opportunities.
- Author and seek approval of the Supplier Diversity Strategic Plan in alignment with OHSU's mission and vision from the Steering and Executive committees.
- Define total addressable spend to be used in the denominator of spend reporting (includes the removal of all employee-related expenses).
- Implement systems and processes to increase our diverse supplier identification abilities and track supplier spend and diversity metrics.
- Develop dashboard(s) of key performance indicators (KPIs) and standard reports for operations and leadership review.
- Develop communication and outreach plan in partnership with Community Affairs, Communications and Marketing teams.
- Structure roadshow reviews to socialize program, define current state and review specific organizations' spend patterns.
- In collaboration with Procurement directors, author desktop procedures to partner with contracting and purchasing groups on when and how to engage the Supplier Diversity Program team.

## FY2024

### Program capabilities and artifacts of maturation toward achievement of Stage 2 to Stage 3 – Traditional

- Build an external Supplier Diversity website to include supplier registration, how to do business with OHSU, calendar of events, current contracting opportunities, etc.
- Initiate internal partner roadshows to socialize program, define current state and review specific organizations' spend patterns for diverse supplier opportunities.
- Strategic Plan Brief, mission and vision and executive commitment exist and are visible on OHSU external website.
- Supplier data and OHSU department information used to investigate diverse supplier opportunities; analysis shared with fiscal authority or their designee during roadshows.
- Supplier Diversity Program participation language has been drafted and made available to sourcing personnel for use in the contracting process.
- Supplier Diversity Program team is visible at local/national events; engages in branding opportunities; speaks and participates on panel discussions; creates OHSU signature event(s) to educate, advise and share contracting opportunities.
- Present enterprise Supplier Diversity goal recommendations and cascade methodology to Steering/Executive committees.
- Develop pilot program that will allow Tier I (direct) suppliers to share/report their spending with their diverse suppliers (known as Tier II reporting) to OHSU.

## FY2025

### Program capabilities and artifacts of maturation toward achievement of Stage 3 – Traditional

- Provide development and counseling services to targeted firm(s). These services may manifest in the form of a mentor/protégé relationship, advanced education programs/training, scholarships, etc.
- Diverse supplier spending goals have been established based on spend analysis of No Less Than (NLT) 18 months of data since Supplier Diversity Program implementation.
- Drive accountability by linking leadership compensation (bonus/incentive pay) to meeting annual diversity goals such as a weighted component of the Grow Conversation toward impact on merit determination.
- Implement automated systems and/or tools to manage the acquisition and reporting of Tier II data.
- Internal recognition process has been defined for extraordinary support of the Supplier Diversity Program to assist with program visibility and change management.
- Leverage operational reporting mechanisms to monitor procurement process, compliance to policies and requisition workflow.
- Supplier Diversity Program will maintain a list of pre-vetted suppliers posted to internal Supplier Diversity Program website based on known customer needs and buying history.

## Looking to the Horizon (FY2025 and Beyond)

The Supplier Diversity Program leader is a VP (or above); an active member of all Diversity and Sustainability councils; has a strategic link to category management, strategic sourcing, marketing and sales, sustainability, community; and is a dynamic leader in local and national advocacy organizations.

The Supplier Diversity Program extends its program management and/or influence to affiliate companies, network partners and joint venture participants.

Diverse supplier opportunities have been expanded from supply chain to the entire value chain including professional services and outsourcing.

The Supplier Diversity Program is an advocate for diverse supplier merger and acquisition (M&A) activity, which is a standard tool for building capacity within diverse suppliers, service providers and business partners.

OHSU's business diversity's contribution to community transformation is a C-Suite performance metric that is cascaded to department-level managers.





## Metrics and Expectations

The measurement process will be built on a deliberate systems approach to improve diverse supplier performance, along with action plans that help OHSU increase usage of diverse suppliers. Our metrics will also focus on utilization of diverse suppliers. We believe these metrics will help us drive organizational performance and impact results.

### Outcome Measures (Ends): Value and Impact

- Total addressable dollars spent
- Total addressable dollars spent with diverse suppliers (aggregate and by unique diversity category)
- Total number of diverse suppliers by category
- Percentage of diverse supplier spend (by diverse category) to total addressable spend
- Contract compliance
- Economic Impact Study (2026)

### Predictive Measures (Means): Operational Performance and Relationship Quality

- Compliance with Procurement policy and Standard Operating Procedures
- Utilization

# Data and Report Availability

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The ability to search for diverse suppliers will be made available to the Supply Chain/Logistics organization and others based on requisition authority. Reports can be generated on demand but will be done formally on a scheduled basis.

*Please note the matrices below:*

## Diverse Supplier Identification – KPI Data Updates

Frequency	Requisitioners	Supplier Diversity Office	Department-level Metrics
Monthly KPI updates			✓
Monthly data feed		✓	
Real-time supplier search	✓		

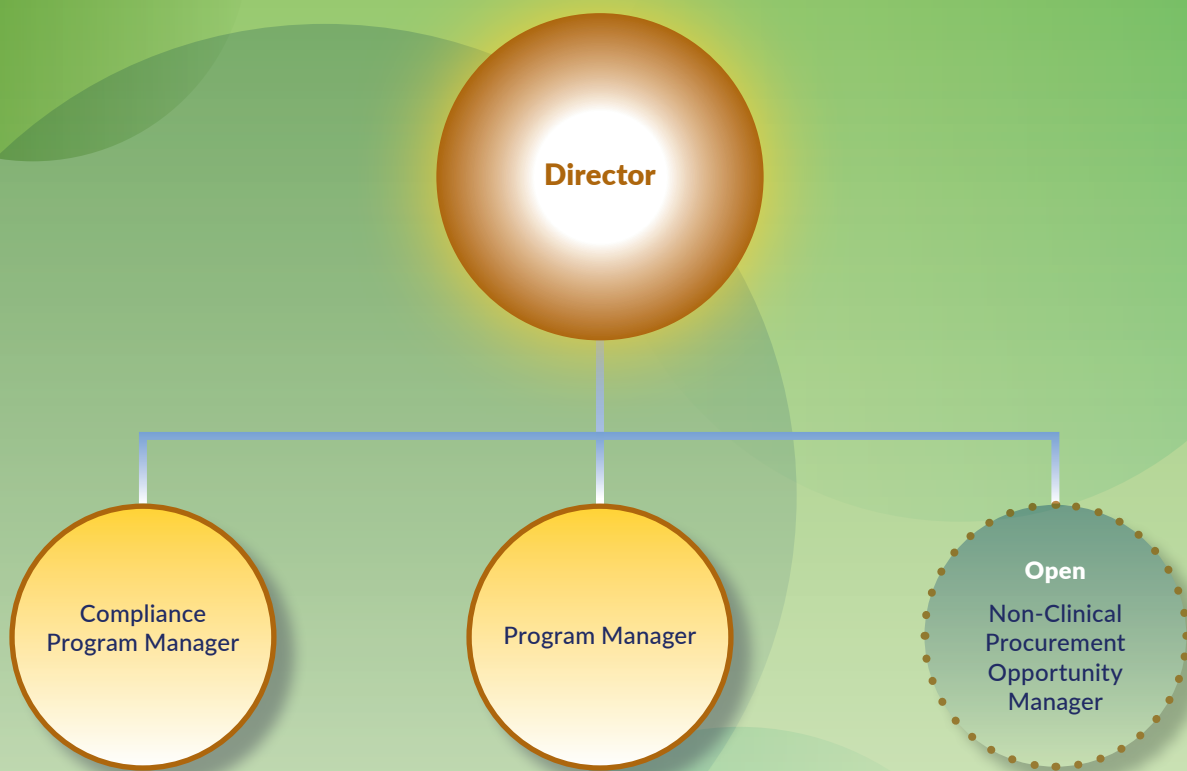
## Formal Program Reports

Frequency	Steering Committee	Executive Committee	Board of Directors
Annual			✓
Semiannual		✓	
Quarterly	✓		

# Organization Structure and Budget

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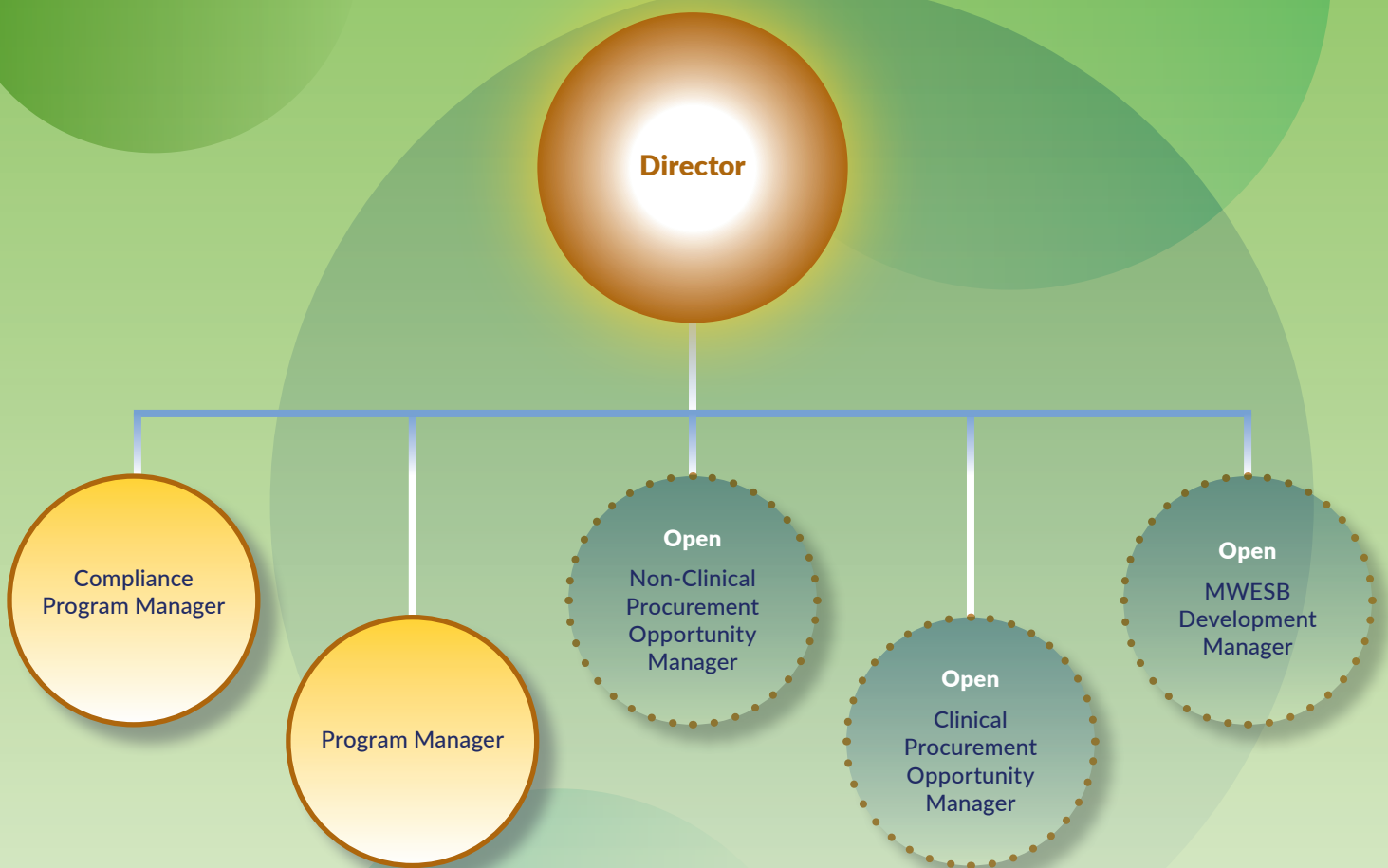
FY2023



# Organization Structure and Budget

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FY2024-2025: Growth Plan



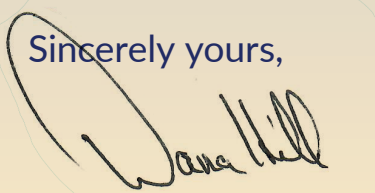
**Supplier Diversity** creates a climate of economic inclusion for underrepresented suppliers. It is our social commitment to the communities in which we live and operate as a major health care institution to champion diversity and be a recognized leader in creating a culture of inclusivity.

It is important that all businesses have an opportunity to participate in our systemwide procurement efforts and those who hold primary or delegated purchasing authority on behalf of OHSU must understand the value of creating an environment that levels the playing field so all businesses can successfully compete for OHSU procurement opportunities.

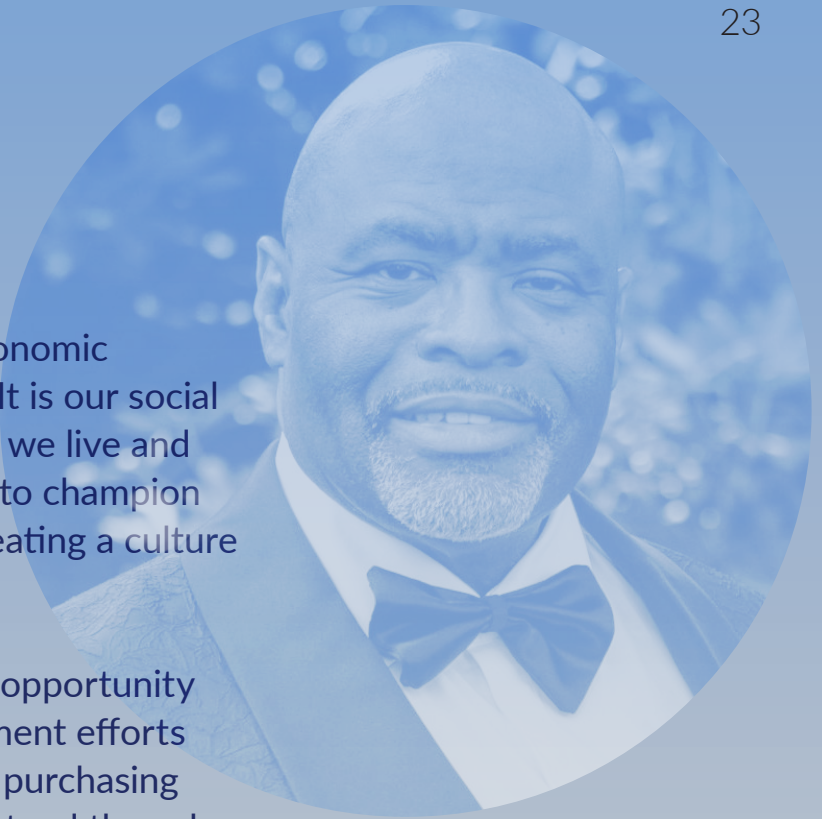
We will develop **Supplier Diversity Program** goal recommendations after 18 months of steady state **Supplier Diversity Program** operations for inclusion in **FY2025** metrics and cascade methodology to leadership.

Diversity broadens horizons and encourages innovation in the supply chain, which will only strengthen OHSU's future growth. The inherent success of this program and the strategic initiatives outlined in this plan are directly connected to the commitment of all OHSU administration, faculty and staff, and by working together as a team, OHSU will become a leader in **Supplier Diversity**.

Sincerely yours,



Dana Hill  
Supplier Diversity Program Director, OHSU





# APPENDIX

Spend Analysis

SWOT Analysis

RGMA Five Levels™, Ralph G. Moore & Associates (RGMA)

Metrics and Expectations

OHSU Certification Recognition Business Rules

Commercial Definitions

# Spend Analysis

## Addressable Spend

First, we define what portion of our spend is addressable vs. nonaddressable by sourcing activities. Addressable spend refers to those goods and services which sourcing activities can impact or “add value” to, such as:

- Improve pricing or terms
- Direct to a standard and/or approved vendor
- Ensure institutional priorities are being considered such as diverse spend and/or environmental/sustainability concerns

Nonaddressable spend is spend that cannot be impacted through sourcing activities:

- Benefits and pension activity
- State/federal transactions
- Utilities

In collaboration with Central Disbursements, Budgets & Finance and BI Analytics, the following have been excluded from our analysis:

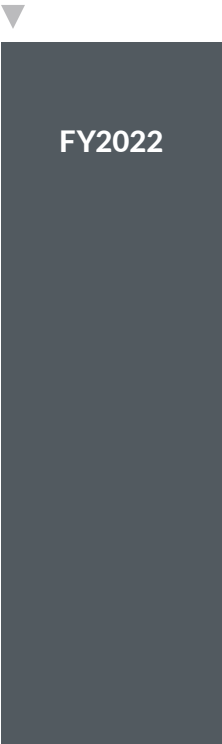
Individuals	Transactions	Suppliers of Personal Services
<ul style="list-style-type: none"><li>• Employees</li><li>• Patients</li><li>• Students</li><li>• Honoraria fee recipients</li><li>• Beneficiaries</li><li>• Tax refund recipients</li></ul>	<ul style="list-style-type: none"><li>• Stipend payments</li><li>• Incentives</li><li>• Petty cash</li><li>• Payroll deductions</li></ul>	<ul style="list-style-type: none"><li>• Government agency</li><li>• Foreign government agency</li></ul>

This review results in *Sourcing Addressable Spend*. For diverse supplier analysis we must apply an additional lens to ascertain the availability of diverse suppliers within a spend category which further refines *Sourcing Addressable Spend* to *Supplier Diversity Addressable Spend* of **\$828M in FY2022**.

FY2022 Diverse Supplier Spend was 1.69% (\$13.9M) vs. Non-Diverse Spend of \$814M.

Yearly Spend as a Percentage of Supplier Diversity  
Addressable Spend \$828M in FY2022

98.31%



Not Diverse

Diverse

Yearly Spend Type, Total Dollars (\$M)

Spend Type	FY2022
Not Diverse	814
Diverse	14
Total Spend	828

Diverse Spend Categories (%)

Spend Category	FY2022
Woman	0.72
Minority Business Enterprise	0.45
Emerging Small Business	0.29
Other Diverse Categories	0.23
Total Diverse Spend	1.69

## SWOT Analysis — Results

Strengths	Weaknesses
We have senior leadership support.	High number of existing OHSU suppliers.
We have a director and department that is fully staffed.	High bid thresholds.
Fresh minds and perspectives can be leveraged with new staff members.	Not enough staffing in Procurement.
We already have great tools in place to support new activity in Procurement.	We are more transactional and less strategic.
We have good relationships with our internal business partners.	Inability to monitor compliance with Procurement policies.
We currently have major suppliers with the tools to support our diversity efforts.	We do not yet know how we are going to manage our Tier II spend.
	We have specialized and specific products we utilize that we may not be able to create new opportunities around.
Opportunities	Threats
Supplier engagement.	Culture at OHSU — we have never had a Supplier Diversity Program.
Reporting and telling our story internally and externally.	No accountability from the fiscal authorities.
Low number of potential suppliers.	Competition with other organizations around the Pacific Northwest trying to engage suppliers with similar intentions.
Removing barriers for participation at OHSU.	Some suppliers we have currently may not be able to scale to larger amounts needed.
Increased transparency of spend reporting.	Lack of resources at our internal business partners.
Gives us an opportunity to meet strategically with our internal business partners.	Risk to OHSU's reputation if we have any missteps.
Ability to recognize success when it happens.	The competition for suppliers by other organizations that have the certifications required for us to utilize.

# RGMA Five Levels™, Ralph G. Moore & Associates (RGMA)

The RGMA model defines the program maturation level of the organization and indicates what artifacts (capacity/capability) must be present to matriculate to a higher recognized level of maturity.

Each program stage is inclusive of all components of the prior stage. It should also be noted that each Supplier Diversity category is a subcomponent of the Procurement function. Hence, many processes and procedures identified below are contingent on their prior implementation into the whole of the procurement process. The maturation levels are described in brief below:

**Level 1:** Early-Stage Supplier Diversity Program: Just getting started based on a customer requirement or an expanded DE&I commitment.

**Level 2:** Compliance Focused Supplier Diversity Program: The program's sole objective is to satisfy customers' diverse supplier utilization requirements.

**Level 3:** Traditional Supplier Diversity Program: The program has visibility, but limited impact due to a lack of senior leadership engagement.

**Level 4:** Advanced Business to Business Diversity Strategy

**Level 5:** World-Class Business Diversity Strategy

The current OHSU Supplier Diversity Program Artifacts indicate:

- Leadership Support: **Level 2**
- Alignment to mission/vision: **Level 2**
- Reporting: **Level 2**
- Engagement with sourcing/procurement organization: **Level 1**
- Inreach/Outreach: **Level 1**

Therefore, OHSU's Supplier Diversity Program is at **Level 1**.



Dimension	Level	Description	Explanation
Leadership Support	1	No Support	No program exists.
Leadership Support	2	Manager Support	Has managerial support – a statement of commitment to SD exists
Leadership Support	3	Director and Above	Success of the Supplier Diversity Program is tied to the goals of a director or above (financial repercussions if missed).
Leadership Support	4	Officer	Officer compensation tied to meeting annual diversity goals; accountability at executive level to meet performance goals
Leadership Support	5	Board Support and Accountability; Best-in-class Recognition	All levels of leadership's compensation are tied to meeting annual diversity goals.
Alignment to Mission/Vision (M/pV)	1	No Alignment to M/V	No program exists.
Alignment to Mission/Vision (M/pV)	2	No Alignment to M/V	<p>Supplier Diversity is a stand-alone program that exists for compliance reasons only.</p> <ul style="list-style-type: none"> <li>There is no linkage of the Supplier Diversity Program to the company's strategic plan, mission or vision.</li> <li>The goal of the Supplier Diversity Program is not clearly defined.</li> </ul> <p>Formal policies have not been established to support the Supplier Diversity Program.</p>
Alignment to Mission/Vision (M/pV)	3	Alignment, Communication Strategy and Tracking exist	<p>The goal of the Supplier Diversity Program aligns with the company's strategic plan, mission or vision.</p> <p>Robust communication strategy, both internally and externally, about Supplier Diversity's role in helping the company achieve its strategic plan, mission or vision.</p> <p>Mechanisms are in place to evaluate and track the alignment between Supplier Diversity and the corporate strategic plan, mission or vision.</p>
Alignment to Mission/Vision (M/pV)	4	M/V is core value for company; accountability at executive level for program success	<p>The company provides clear evidence that Supplier Diversity drives sustainable value for communities and members in accordance to the company's strategic plan, mission or vision.</p> <p>Supplier Diversity is regarded as a core value of the organization and leadership at the top is stewarding Supplier Diversity efforts.</p> <p>Performance measures or accountability of the leadership team is tied to the success of the Supplier Diversity Program and its alignment to the company's strategic plan, mission or vision.</p>

Alignment to Mission/Vision (M/pV)	5		<p>The company is known for its leadership in Supplier Diversity and is benchmarked for its accomplishments. Sought after by other supplier diversity programs for advice on best practices.</p> <p>Leadership (including the Board of Directors) acknowledge that Supplier Diversity plays a key role in the company's success and achievements.</p>
Reporting	1		No program exists; no spend reporting.
Reporting	2		<p>Limited external reporting of spend results beyond that of required third-party entities and/or contractual requirements. No ability to goal set.</p> <p>Conducts the following data mining activities:</p> <ul style="list-style-type: none"> <li>Review spend data at the General Ledger level for item description and spend tree. Examine the supplier data record to determine if data field(s) exists to capture diversity category(s). Consider using third-party data scrubbing services to cleanse the supplier database. Ability to examine the data from P-Card related systems.</li> </ul>
Reporting	3		<p>Supplier and spend tracking mechanisms exist.</p> <ul style="list-style-type: none"> <li>Program can use spend data to develop goals.</li> <li>Tier II pilot program implemented manually (most likely MS Excel based). Limited rollout to top-tier suppliers who have prior Tier II reporting experience.</li> </ul> <p>It is important to identify which categories of spend are addressable — those where supply management professionals can make changes to sourcing and supply management strategies — and which categories are nonaddressable — those which supply management professionals cannot currently influence.</p> <ul style="list-style-type: none"> <li>Ideally, your ERP system should be your "System of Truth" for supplier data record.</li> <li>Spend data should have at a minimum the following elements: GL, Cost Center, Spend Category, Diverse Classification(s), etc.</li> </ul> <p>Consider conducting a data scrubbing/validation effort annually.</p> <ul style="list-style-type: none"> <li>An external supplier data repository (Excel, Access, etc.) system that receives monthly data upload may be necessary to manipulate data for reporting purposes.</li> </ul>

Reporting	4		<p>Metrics are in place to track progress against goals.</p> <p>Staff beyond that of Supplier Diversity Program director assists in design, build and routine reporting of spend data.</p> <p>Spend analytics tools are in place to improve visibility of sourcing opportunities within the Spend Tree.</p> <p>Automated systems and/or tools are in place or administered by third party to manage the acquisition and reporting of Tier II data.</p> <p>Supplier Diversity results are reported to C-Suite and/or Board of Directors.</p> <p>Starting/developing Tier II program reporting; program director partners with internal groups for supplemental resources to engage in tactical activities such as:</p> <ul style="list-style-type: none"> <li>• Report generation, spend query, etc.</li> <li>• Program/system can generate monthly report and/or support ad hoc report generation.</li> </ul>
Reporting	5		<p>Advanced program scorecard has been developed for periodic publication and on-the-fly customization. Tools and data sources are integrated into supply chain management systems.</p> <ul style="list-style-type: none"> <li>• Spend Analytics tools are in place that can peel back the layers of historically “bundled” sourcing activity into its constituent components to create visibility to more diverse supplier sourcing opportunities.</li> <li>• Functional automated Tier II program is operational.</li> <li>• Program can generate via internal resources or third-party assistance an Economic Impact Analysis.</li> <li>• Supplier Diversity Program results are integrated into enterprise sustainability strategy.</li> </ul>
Engagement with Sourcing/Procurement Organization	1		<p>No program exists.</p> <p>Spend reported only if requested (third parties; government)</p> <p>No or static online supplier identification/registration system</p>
Engagement with Sourcing/Procurement Organization	2		<p>No formal inter/intra Standard Operating Procedures exist.</p> <p>Manual tracking of contract expiration</p>

Engagement with Sourcing/ Procurement Organization	3		<p>Program director partners with internal groups for supplemental resources to engage in tactical activities such as:</p> <ul style="list-style-type: none"> <li>• Report generation, spend query, etc. <ul style="list-style-type: none"> <li>• Meet monthly with Sourcing/Procurement and/or category managers.</li> <li>• Review expiring contract report (preferably 180 days out); manual pull.</li> <li>• System for tracking contracts is in place; reports are not automatic or streamlined – must manually pull the report, not pushed automatically by the system.</li> <li>• Trigger conversations about RFP and potential for improved pricing and the addition of diverse suppliers.</li> <li>• Determine potential category opportunities to target diverse supplier engagement.</li> <li>• Secure time frame needed to procure potential suppliers.</li> </ul> </li> <li>• Supplier Diversity Program participation language has been drafted and made available to Sourcing personnel for use in the RFP/contracting process (see attached language).</li> </ul>
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Engagement with Sourcing/Procurement Organization	4		<p>Contract templates contain language requiring supplier participation at the Tier I or Tier II level with stated percentage participation goal. Participation is a contractual requirement or contracted entity must provide some other negotiated level of support to Supplier Diversity Program.</p> <p>Spend Analytics tools are used to identify additional areas of sourcing opportunity for diverse supplier participation.</p> <p>Review expiring contract report (preferably 180 days out); automatic push.</p> <p>Diverse supplier participates in company's Supplier Relationship Management Program (mitigating the "We don't like them anymore" scenario).</p> <p>Continuous Improvement component exists and is embedded in the plan/process; compliance mechanisms monitored and managed.</p> <p>Supplier Performance is tracked and reported:</p> <ul style="list-style-type: none"> <li>• Procurement Summit <ul style="list-style-type: none"> <li>• Internal Business Building Events; introducing diverse and women-owned suppliers to Prime Suppliers</li> <li>• External Business Building Events; work with advocacy groups, Chamber of Commerce, etc., for targeted category "matchmaking" and/or networking events.</li> </ul> </li> </ul> <p>Performance recognition process</p> <p>Program success is published:</p> <ul style="list-style-type: none"> <li>• Trade and local magazine articles</li> <li>• White papers</li> </ul> <p>Internal recognition for Procurement and business owner engagement with the inclusion of diverse and women-owned suppliers in the RFP process and/or meeting/exceeding the business area's diversity spend goal.</p>
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Engagement with Sourcing/Procurement Organization	5		<p>Supplier Diversity is an integral part of the organization's corporate citizenship agenda of diversity and inclusion, environmental sustainability, ethics and corporate social responsibility throughout the supply network. The program brings consumer awareness, competitive advantage and community impact.</p> <p>Program has sustained Level 4 Maturation for at least three years.</p> <p>Diverse suppliers are participating in company's vested sourcing model.</p> <p>Advanced program scorecard developed for periodic publication including Economic Impact Analysis. Tools and data sources are integrated into supply chain management systems.</p> <p>Supplier Diversity is integral part of company's Corporate Sustainability strategy.</p>
Inreach/Outreach	1		<p>No formal supplier registration process</p> <p>Periodically attends external advocacy events as a guest of other companies</p> <p>Supplier Diversity team has no inner company engagement.</p>
Inreach/Outreach	2		<p>Basic supplier identification/registration system (strictly a repository; no two-way engagement)</p> <p>No formal communication plans exist.</p> <p>Enterprise has vaguely heard of Supplier Diversity, but most are not clear on mission/purpose.</p> <p>Minimum inner company engagement</p> <p>Diverse supplier recommendations occasionally provided to sourcing team</p> <p>Sporadic participation in advocacy programming (matchmakers, trade fairs, training)</p>

Inreach/Outreach	3		<p>Basic supplier identification/registration system (strictly a repository; no two-way engagement)</p> <p>Ability for other business partners, sourcing specialists, buyers to search and identify/qualify suppliers (search by category/keyword; put internal notes on potential suppliers and flag high potential; upload certifications)</p> <p>No formal communication plans exist.</p> <p>Minimum inner company engagement</p> <p>Diverse supplier recommendations occasionally provided to sourcing team.</p> <p>Sporadic participation in advocacy programming (matchmakers, trade fairs, training)</p>
Inreach/Outreach	4		<p>Enterprise engages diverse supplier directly or partners with third party to provide diverse supplier developmental support.</p> <p>Advanced supplier identification/registration system</p> <p>Supplier recommendations consistently provided to sourcing team and OHSU departments.</p> <p>Company representative holds Board of Directors seat within external advocacy organizations.</p> <p>Internal business partners see the Supplier Diversity team as a trusted partner.</p> <p>Supplier Diversity Champions are in place within partner organizations.</p> <p>Internal Supplier Diversity Champion recognition program</p> <p>Enterprise Employee Resource Groups (ERG) engaged</p> <p>Spend Analytics tools are in place that can peel back the layers of historically “bundled” sourcing activity into its constituent components to create visibility to more diverse supplier sourcing opportunities.</p>



Inreach/Outreach	5		<p>Company representative holds Board of Directors leadership seat within external advocacy organizations.</p> <p>Supplier Diversity Advisory Board in place</p> <p>Internal business partners see the SD team as a trusted advisor.</p> <p>Company leads diversity matchmaker event(s).</p> <p>Advanced supplier identification/registration system – reporting and spend analytics; RFP tracking of diverse supplier engagement</p> <ul style="list-style-type: none"> <li>• Significant engagement of Tier I/Primes in the SD Program <ul style="list-style-type: none"> <li>• Company leads matchmaking for Primes to align with subcontractors for Tier II spend.</li> </ul> </li> </ul>
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# Metrics and Expectations

Our metrics will also focus on utilization of diverse suppliers. We believe these metrics will help us drive organizational performance and impact results.

## Outcome Measures (Ends): Value and Impact

- Total addressable dollars spent:
  - Based on multiple and individual dimensions including but not limited to:
    - Fund
    - Department Code
    - Mission
    - Object Code
- Total addressable dollars spent with diverse suppliers (aggregate and by diversity category)
  - Based on multiple and individual dimensions including but not limited to:
    - Fund
    - Department Code
    - Mission
    - Object Code
- Total number of diverse suppliers by category
- Percentage of diverse supplier spend (by diverse category) to total addressable spend
- Contract compliance
  - COBID MWESB utilization goal
  - Dollars
  - Percentage of total project
  - Number of diverse subcontractors used
- Economic impact (2Q 2026)
  - Socioeconomic indicators
    - Influence on job creation
    - Income derivation
    - Effect on tax base and community

## **Predictive Measures (Means): Operational Performance and Relationship Quality**

- Compliance with Procurement policy and Standard Operating Procedures (SOP)
- Number of requisitions and/or requests for procurement assistance received
- Number of requisitions and/or requests that meet current Supplier Diversity policy requirements for diverse supplier inclusion
- Utilization
  - Number of competitive bids
  - Number of diverse suppliers who participated in each competitive bid
  - Number of opportunities/awards to diverse suppliers
  - YOY spend growth with existing diverse suppliers

## **OHSU Certification Recognition Business Rules**

OHSU has adopted the B2Gnow software platform as its provider of Diverse Supplier Registration status. The B2Gnow database aggregates reported diverse supplier information from public databases as well as validated memberships to private databases, thereby greatly increasing the efficiency of the Supplier Diversity Program.

This document will define the SDO's Business Rules for diverse spend recognition.

### **Certified Diverse Supplier**

A certified diverse supplier must be validated as such via a third-party agency that has reviewed the ownership and management status of the business. The supplier must be a for-profit business enterprise which is at least 51% owned, operated and controlled by United States citizens who belong to the following groups:

- Ethnic minority
- Woman-owned business
- LGBTQ+ (lesbian, gay, bisexual, transgender and queer or questioning)
- Veteran-owned and service-disabled veteran-owned business
- Disabled

Additionally, the supplier must register on the OHSU Supplier Diversity Registration portal.

## Self-Reported and Self-Registered

OHSU will follow industry standards in the recognition of spend from self-reported or self-registered suppliers, e.g., Vizient, Kaiser Permanente, Mayo Clinic and Google. A self-reported or self-registered supplier is a supplier who has not or is unable to obtain a diverse supplier certification. To be reported in the OHSU Supplier Diversity spend results, either of the following self-reported or self-registered agencies will be accepted:

Applies to small businesses only

- Federal: The System of Awards Management (SAM) A DUNS and CAGE Code number of an Active registration  
<https://sam.gov/content/home>, or
- Federal: U.S. Small Business Administration (SBA)  
[https://web.sba.gov/pro-net/search/dsp\\_dsbs.cfm](https://web.sba.gov/pro-net/search/dsp_dsbs.cfm)

Applies to both small and diverse businesses

- State: A copy of an active state-based registration such as Oregon's Certification Office for Business Inclusion and Diversity (COBID)  
<https://www.oregon.gov/biz/programs/cobid/pages/default.aspx>

Any of the following certifying agencies will be recognized by the OHSU SDO for diverse spend reporting purposes:

Certification Dimension	Approved Certifying Agency
Minority	Certification Office for Business Inclusion and Diversity (COBID) 775 Summer St. NE, Suite 200 Salem, OR 97301 Telephone: 503-986-0123 <a href="https://www.oregon.gov/biz/programs/cobid/pages/default.aspx">https://www.oregon.gov/biz/programs/cobid/pages/default.aspx</a>
	National Minority Supplier Development Council 1040 Avenue of the Americas, 2nd Floor New York, NY 10018 Telephone: 212-944-2430 <a href="http://www.nmsdc.org/nmsdc/">http://www.nmsdc.org/nmsdc/</a>
	Any one of the affiliates of the National Minority Supplier Development Council <a href="http://www.nmsdc.org/nmsdc/">http://www.nmsdc.org/nmsdc/</a>
	Native American Business Alliance 30700 Telegraph Road, Suite 1675 Bingham Farms, MI 48025 Telephone: 248-988-9344 <a href="http://www.native-american-bus.org/">http://www.native-american-bus.org/</a>

Gender	<p>Certification Office for Business Inclusion and Diversity (COBID)  775 Summer St. NE, Suite 200  Salem, OR 97301  Telephone: 503-986-0123  <a href="https://www.oregon.gov/biz/programs/cobid/pages/default.aspx">https://www.oregon.gov/biz/programs/cobid/pages/default.aspx</a></p>
	<p>Women's Business Enterprise National Council  1710 H. Street NW, 7th Floor  Washington, DC 20006  Telephone: 202-872-5515  <a href="http://www.wbenc.org/">http://www.wbenc.org/</a></p>
LGBTQ+ (lesbian, gay, bisexual, transgender, and queer or questioning)	<p>National Gay and Lesbian Chamber of Commerce  729 15th St. NW, 9th Floor  Washington, DC 20005  Telephone: 202-234-9181  <a href="http://www.nglcc.org/about/overview">http://www.nglcc.org/about/overview</a></p>
Veteran	<p>U.S. Dept. of Veteran Affairs  Telephone: 800-698-2144  <a href="https://www.va.gov/">https://www.va.gov/</a></p>
Disability	<p>Disability: IN (formerly USBLN)  3000 Potomac Ave.  Alexandria, VA 22305  Phone: 800-706-2710  <a href="https://disabilityin.org/">https://disabilityin.org/</a></p>

# Commercial Definitions

**Minority Business Enterprise (MBE):** A for-profit enterprise, regardless of size, physically located in the United States or its territories, which is at least 51% owned, operated and controlled by minority group members.

**Disabled-Owned Business (DOB):** A business that is at least 51% owned by an individual or individuals who have a physical or mental impairment that substantially limits one or more of such persons' major life activities. Individuals must be involved in the day-to-day management of the business.

**LGBTQ+ Business:** A for-profit business with at least 51% ownership, operation and control by those that self-identify as LGBTQ+.

**Service-Disabled Veteran-Owned Business:** A business that is at least 51% owned by one or more qualified disabled veterans whose disability is service related, and the management and daily business operations of which are controlled by one or more qualified service-disabled veterans.

**Veteran-Owned Business (VOB):** A business that is at least 51% owned by one or more qualified veterans, and the management and daily business operations of which are controlled by one or more qualified veterans.

**Woman-Business Enterprise (WBE):** A for-profit enterprise, regardless of size, physically located in the United States or its territories, which is at least 51% owned, operated and controlled by a woman or group of women.

**Emerging Small Business (ESB):** Emerging Small Business (ESB) certification is for Oregon small businesses seeking opportunities for state, county and city government and special jurisdiction (e.g., hospitals and universities) contracts. ESB is a race- and gender-neutral program based on the size of the business rather than the characteristics of the individual. Businesses are limited to 12 years' participation.

## Federal Government Definitions

**Small Business:** An enterprise that is independently owned and operated, is not dominant in its field of operation and has qualified as a small business under the criteria and size standards established by the U.S. government (13 CFR 121). The number of employees and revenue can vary according to its products or services.

**The Small Business Administration's 8(a) Program:** Created in 1974 to help minority and other disadvantaged businesses grow through a program of federal contracting preferences and set-asides. Through the program, eligible firms can be awarded federal government contracts on a sole-source or noncompetitive basis. Contracts up to \$5M for manufacturing and up to \$3M for just about everything else are available under these noncompetitive bases. In addition, 8(a) firms will also be eligible for participation in limited competitions where the competitors will be other small disadvantaged companies. It is also critical to remember that an 8(a) contractor is also automatically certified as a Disadvantaged Business Enterprise (DBE).

**Disadvantaged Business Enterprise (DBE):** DBEs are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and Women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis ([www.SBA.org](http://www.SBA.org)).

**Minority Business Enterprise (MBE):** A for-profit enterprise, regardless of size, physically located in the United States or its territories, which is at least 51% owned, operated and controlled by minority group members.

**Service-Disabled Veteran-Owned Business:** A business that is at least 51% owned by one or more qualified disabled veterans whose disability is service related, and the management and daily business operations of which are controlled by one or more qualified service-disabled veterans.

**Veteran-Owned Business (VOB):** A business that is at least 51% owned by one or more qualified veterans, and the management and daily business operations of which are controlled by one or more qualified veterans.

**Woman-Business Enterprise (WBE):** A for-profit enterprise, regardless of size, physically located in the United States or its territories, which is at least 51% owned, operated and controlled by a woman or group of women.