



## UNIVERSITY POLICY

<b>SUBJECT:</b>	PURCHASING SERVICES	<b>TITLE:</b>	SUPPLIER DIVERSITY AND VENDOR DEVELOPMENT		
<b>CATEGORY: Check One</b>	<b>Board of Trustees</b> <input type="checkbox"/>	<b>Presidential</b> <input checked="" type="checkbox"/>	<b>Functional</b> <input type="checkbox"/>	<b>School/Unit</b> <input type="checkbox"/>	
<b>Responsible Executive:</b>	Vice President for Supply Chain Management		<b>Responsible Office:</b>	Supplier Diversity and Vendor Development	
<b>CODING:</b>	00-01-60-25:00	<b>ADOPTED:</b>	06/30/88	<b>AMENDED:</b>	04/05/10
			<b>LAST REVIEWED:</b> 04/05/10		

**I. PURPOSE**

To outline action plans to support and enhance the University's vendor diversity goals ensuring an equitable portion of purchases are placed with New Jersey small businesses, which includes minority and women-owned businesses, in compliance with the New Jersey Set-Aside Program under state law N.J.A.C. 12A:10 (N.J.A.C. 17:13) and N.J.A.C. 12A:10A (N.J.A.C. 14:14 0).

**II. ACCOUNTABILITY**

Under the direction of the Vice President for Supply Chain Management, the Assistant Vice President for the Office of Supplier Diversity and Vendor Development shall ensure compliance with this policy. The Deans, Vice Presidents and President/CEOs of the Healthcare Units shall ensure implementation of this policy.

**III. DEFINITIONS**

The following definitions are based on the requirements of the State of New Jersey's Small Business Set-Aside program as set forth in N.J.A.C. 12A:10A (N.J.A.C. 17:14):

- A. Vendor Diversity Program – A program that was developed to administer the University's commitment to ensure that a fair percentage of the total purchases for supplies, equipment, services, and construction are placed with small businesses, which include minority and women-owned businesses. The University has established a 25 percent minimum goal for Small Businesses.
- B. Small Business Enterprises (SBE) - A small business is defined as having its principle place of business in New Jersey, gross annual revenues of \$12 million or less and no more than 100 full-time employees.
- C. New Jersey Business – may be determined in one of two ways:
  - a. 51% or more of its employees work in New Jersey as evidenced by payment of New Jersey unemployment taxes; or
  - b. 51% or more of its business activities take place in New Jersey as evidenced by payment of New Jersey income/business taxes.

- D. Sole proprietorship, partnership or corporation – A business entity having 100 or fewer employees, not including seasonal and part-time employees who work less than 90 days annually, if seasonal and part-time employees are normal to the industry. This does not include a consultant engaged by the business for work to be performed on a contract not related to the contract for which the small business is seeking eligibility.
- E. Construction Contract - Any contract involving any construction, renovation, reconstruction, rehabilitation, alteration, conversion, extension, demolition, repair or other changes or improvements of any kind whatsoever of any structure or facility. The term also includes the supervision, inspection and other on-site functions incidental to actual construction.
- F. Second Tier Spending Reporting – The Office of Supplier Diversity and Vendor Development tracks spending of primary suppliers with SBE/Diversity sub-contractors under the heading of “Second Tier Spending.” Second Tier spending activity is included in the Annual Report.

#### IV. POLICY

##### A. Requirements:

###### 1. General Guidelines:

- a. As part of its Supplier Diversity Program encompassing small businesses, the University is committed to actively and affirmatively seek a diverse group of vendors, including relationships with small, minority and women-owned businesses. The goal is to ensure that a twenty-five percent (25%) portion of the University's total purchases for construction, goods, equipment and services is placed with these businesses.
- b. Vendors are required to complete the State mandated Sub-Contractor Utilization Report in order to comply with target goals set by the University.
- c. All academic, healthcare and administrative units of the University make a good faith effort to purchase goods and services from vendors identified by the Office of Supplier Diversity and Vendor Development.

###### 2. UMDNJ Vendor Diversity Program Goals and Targets:

- a. A total of 25% of all contracts awarded to registered small businesses which include minorities and women owned firms will be, where possible apportioned as follows:
  - 10% to firms whose gross annual revenues do not exceed \$500,000
  - 10% to firms whose gross annual revenues do not exceed \$5 million
  - 5% to firms whose gross annual revenues do not exceed \$12 million
- b. A small business may be registered in one of three categories, based upon its annual gross revenues. These categories are:
  - up to \$500,000
  - up to \$5 million
  - up to \$12 million
- c. The University is committed to the spirit and language of the law regarding small businesses. On an annual basis, the Office of Supplier Diversity and Vendor Development will evaluate the progress of the program; and, if one group – under the umbrella of small business – has been underutilized, the University will make adjustments to address the disparity while remaining within the guidelines stated in the law.

3. Program Requirements:

UMDNJ schools and units are expected to meet a 25% minimum overall goal, identified in IV.A. 2.a. Department heads should instruct their administrators to work with Purchasing Services and the Office of Supplier Diversity and Vendor Development in a planned effort to achieve this goal. The head of any Department who fails to meet the 25% goal must explain the business rationale for such failure in writing to the Office of Supplier Diversity and Vendor Development and the corrective action to be taken to meet the goal.

4. Reporting Requirement

The Office of Supplier Diversity and Vendor Development must report to the Board of Trustees Diversity Committee on UMDNJ's Operating Divisions' outreach efforts.

5. Small Business Set-Aside Bid Eligibility

In order to be eligible to bid, a firm must be registered as a small business as of the date of the bid opening. Previous requirements mandated a firm to have submitted an application one-day prior to bid opening.

6. Other UMDNJ Purchasing Services Policies and Procedures:

The UMDNJ Vendor Diversity Program requirements shall apply to all other policies and procedures of the UMDNJ Department of Purchasing Services.

7. Grant Reporting

- a. All Grant reporting requests should be prepared by the UMDNJ Grants and Contracts Department.
- b. The Office of Supplier Diversity and Vendor Development will review all vendors used and identify the SBE/Diversity firms for reporting purposes. The resulting information will be provided to the Grants and Contracts Department for preparation of the final report.
- c. The Office of Supplier Diversity and Vendor Development will review all final reports for accuracy and sign as the official approval for UMDNJ.

B. Responsibilities

1. All departments seeking goods and services from outside vendors must demonstrate that they have evaluated and where appropriate, used vendors from the Supplier Diversity and Vendor Development roster. Such evidence will be assessed in the overall spending of each department.
2. The Office of Supplier Diversity and Vendor Development is responsible for annually reporting spending activity with SBE/Diversity suppliers to the New Jersey Department of Treasury, Office of Supplier Diversity.
3. The Office of Supplier Diversity and Vendor Development is also responsible for sharing copies of the annual report with the UMDNJ Board of Trustees, internal departments and other external agencies and affiliates as appropriate.

By Direction of the President:

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Vice President for Supply Chain Management