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## SUPPLIER DIVERSITY PROGRAM

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**SCOPE:** Louisiana State University and A&M College, LSU Agricultural Center, Pennington Biomedical Research Center, LSU Alexandria, LSU Eunice, and LSU Shreveport

**EFFECTIVE:** 12/3/2021

**PURPOSE:** Establish Procedures to identify and engage diverse suppliers in compliance with the LSU supplier diversity objectives set forth by PM-81.

Louisiana State University (LSU) is committed to fostering small business development through the use of diverse suppliers (hereinafter referred to collectively as Historically Underutilized Businesses or 'HUBs') as suppliers, contractors and subcontractors in contracting and procurement. The objective is to identify, align, strengthen and connect with HUBs to foster opportunities that result in a meaningful economic impact for the communities in which we operate.

### DEFINITIONS:

1. **Agreement/Contracts:** any written form of documentation legally obligating the parties to a particular transaction, also referred to as a contract, which includes language related to pricing, deliverables, statement of work, insurance, indemnification, rights, and responsibilities of either party.
2. **Contractor/Supplier:** a vendor or seller of goods or services
3. **Goods:** all property including but not limited to equipment, materials, supplies, insurance, license agreements for software and leases on real property; excludes a permanent interest in land.
4. **Historically Underutilized Businesses (HUBs):** any business with a qualifying diverse supplier certification. A list of qualifying certifications will be maintained by the Supplier Diversity Program.
5. **Procurement:** the process by which the ownership or use of goods or services are acquired. Procurement includes but is not limited to description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. Procurement oversight is not intended to substitute for management decisions or to supersede technical expertise provided by faculty and staff in other professional fields.
6. **Services:** the furnishing of labor, time, or effort by a vendor which may involve, to a lesser degree, the delivery or supply of a product, incidental to the required performance. Services include professional, design services, specialty, personal, social, and consulting services.
7. **Tier 1 Supplier:** a vendor that is directly contracted to provide goods and services that support the operations of an LSU campus or affiliated organization.
8. **Tier 2 Supplier:** a vendor that provides the tier 1 supplier with a good or service that is to be provided to an LSU campus or affiliated organization.

### SUPPLIER DIVERSITY PROGRAM RESPONSIBILITIES:

The Supplier Diversity Program (SDP) at LSU is responsible for promoting, facilitating and monitoring the use of HUBs to ensure that contracting and procurement activities are conducted in compliance with the supplier

diversity goals of the University including, ensuring that HUBs are able to bid and participate in contracting and procurements opportunities. SDP will monitor the solicitation and evaluation of bids, offers, and/or proposal responses, as well as the following:

1. Provide education and guidance to departments on the SDP mission, goals and objectives;
2. Assist departments in searching for qualified and capable certified diverse suppliers;
3. Contact potential suppliers who may qualify, but do not appear in the university's system to facilitate supplier registration;
4. Conduct interviews and/or request presentations with suppliers to ensure the accuracy of their provided documentation;
5. Verify and substantiate diverse supplier information in Workday; and
6. Follow up with suppliers after bidding and/or award to provide ongoing assistance as needed.

SDP will ensure the campus has established goals, including HUB participation goals for contracting and procurement. Where goals are identified, specific guidelines for evaluating progress toward achievement of the goals will also be established.

All procurement and contracting efforts are expected to support the Supplier Diversity Program goals. Procurements are expected to follow Procurement Policies and Procedures in an effort to solicit bids from the requisite number of diverse suppliers. If a department encounters challenges with a specific procurement, they are to collaborate with SDP to achieve, reduce or waive the goal. In the event a procurement requires a method involving scoring criteria other than award to the lowest responsive and responsible bidder due to the size or nature of the purchase, SDP will collaborate with Procurement Services to ensure that participation goals are supported through the proposal scoring mechanism.

#### **PROCEDURE FOR DEPARTMENTS TO IDENTIFY AND ENGAGE DIVERSE SUPPLIERS:**

Departments should use the following methods for identifying diverse suppliers for specific opportunities:

1. Utilize the supplier database in Workday to identify HUB's.
2. If none can be identified in Workday, submit a Diverse Supplier Request Form identifying the needed commodity or service, along with timeframe and type of procurement to SDP.
3. SDP will review and the request and provide diverse supplier recommendations.
4. If no diverse suppliers can be identified, SDP will provide a waiver to proceed with the transaction without a diverse supplier. Waiver is a one-time approval.

Pursuant to procurement policies, the requesting department is required to submit a Proposed Supplier Form for all purchases subject to bid; documenting suppliers to be solicited. The form must indicate which solicited suppliers are diverse. If seeking HUB recommendations or a waiver from SDP, the Diverse Supplier Request Form, which incorporates the information for all suppliers to be solicited including HUBs, should be used in lieu of the Proposed Supplier Form.

#### **GOOD FAITH EFFORTS:**

Requesting department must use good faith and best efforts to provide HUBs the maximum practical opportunity to participate in a contract or procurement. If a requesting department is unable to utilize a HUB in a specific procurement, they must submit a justification to SDP to obtain a waiver.

#### **REPORTING:**

An institution-specific report shall be generated quarterly identifying the total percentage of Tier 1 supplier HUB participation in that quarter for all direct spend. Upon award of a contract, purchase order or other agreement in which Tier 2 supplier arrangements are made, the requesting department must provide SDP with periodic reports and records as documented evidence that the HUB participation goal is being achieved in accordance with the provisions of the agreement. Any additional reporting requirements and due dates will be provided to the requesting department by SDP. Additionally, departments can report non-PO diverse supplier

spend, such as LaCarte spend, to SDP for vetting and inclusion in quarterly reporting.

**MONITORING:**

To ensure compliance with the HUB participation requirements, SDP may monitor the use of HUB and non-HUB subcontractors and suppliers by:

1. Conducting scheduled and unscheduled job site visits;
2. Tracking payments to HUB and non-HUB subcontractors;
3. Performing random and routine audits of subcontractor agreements and correspondence;
4. Performing random and routine audits of contract payments to subcontractors and suppliers;
5. Reviewing records and reports that are part of the work product and agreement;
6. Assisting both suppliers and departments when there is contract concern that arises in order to help mediate a solution; and
7. Conducting business reviews to verify compliance and to discuss additional HUB opportunities

**CONTACTS:**

Direct any questions concerning the Supplier Diversity Program to: [suppdiversity@lsu.edu](mailto:suppdiversity@lsu.edu)