



Supplier Diversity Policy

Policy Number: 108
Effective Date: July 1, 2023
Revisions: February 23, 2024
Applicability: All Purchases and Contracts

1. Policy Purpose

Lehigh is committed to developing mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged, veteran-owned business enterprises through a Supplier Diversity Program. The Supplier Diversity Policy reflects Lehigh's desire to create opportunity for suppliers to provide products and services to the University and to encourage University purchasers to offer opportunities to such suppliers. Lehigh will strive to enhance our supplier base to reflect the markets we serve.

The Supplier Diversity Program is designed to support adherence to this policy and to include diverse and small businesses that can provide the best quality and value of services to the University. This program provides diverse suppliers access to opportunities where traditionally consideration might be limited.

2. Diverse Categories Lehigh will look to engage with:

- Women-Owned Business Enterprise (WBE)
- Minority-owned Business Enterprise (MBE)
- Small Disadvantaged Business (SBA)
- LGBTQ- Owned Business (LGBTBE)
- Veteran-owned Business (VBE)
- Service-disabled Veteran-owned Business (SDVBE)
- Small Business Enterprise (SBE)
- HUBZone (HUB)
- Disability-owned Business Enterprise (DOBE)

3. Validation of a supplier's diverse status is preferred for participation in the Lehigh University Supplier Diversity Program. Certification documents from the following qualified agencies are acceptable. Certifications from additional city, state or Federal agencies may also apply.

- Pennsylvania Department of General Services (DGS)
- Federal Department of Transportation
- National Minority Supplier Development Council (NMSDC)
- Eastern Minority Supplier Development Council (ENMSDC)
- Southeastern PA Transportation Authority (SEPTA)
- Women Business Enterprise National Council (WBENC)

- Pennsylvania Unified Certification Program (PA UCP)
- Pennsylvania Department of Transportation (PennDOT)
- National Women Business Owners Corporation (NWBOC)
- U.S. Small Business Administration (SBA)
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- National Veteran Business Development Council (NVBDC)
- U.S. Business Leadership Network (USBLN)

4. Policy Goals

The goal of this policy is to increase the visibility, participation and business opportunities of certified small and diverse businesses. The University's commitment is to maximize M/W/DBE participation through the development of mutually beneficial business relationships with such firms.

5. Policy Statement

Lehigh University is committed to creating a climate that encourages diverse suppliers to compete for university business and will help encourage and foster the success of these businesses. It is our intent to form a network with vendors, certifying agencies and our continuing education resources to build strong community relationships. In doing so, we will help ensure the future of small and minority business in Pennsylvania while keeping revenue in our city and Commonwealth.

6. Process and Procedures

- Develop a university-wide website through the efforts of Purchasing Services
- Actively seek out certified diverse suppliers that can provide competitive, high-quality goods and services whose business is aligned with the needs of the university
- Ensure the inclusion of diverse suppliers as a part of our strategic sourcing and procurement processes, and in compliance with the existing \$25,000 bidding threshold (\$10,000 for federally funded)
- Identify and implement campus engagement activities to include diverse suppliers
- Encourage the registration of small and diversity-owned businesses by participating in supplier diversity organizations
- Develop communication strategies in conjunction with peer departments (UCPA, SBDA, CEC, etc.)
- Educate the campus regarding the value of supplier diversity both internally and externally to all stakeholders
- Establish tracking, reporting and goal setting mechanisms for the program and the campus community (i.e., increase the number of diverse providers, increasing spend with diverse providers, etc.)
- Require prime contractors to report spend awarded to diversity owned subcontracts on projects valued over \$5,000,000

7. Roles & Responsibilities / Supplier Opportunity

Department requesters are encouraged to consider small and diverse suppliers as described within this policy for vendor selection related to any departmental purchasing activity and competitive bidding. Departmental approvers should review vendor selection for consideration of small and diverse suppliers as described within this policy. Purchasing can assist departmental requesters and approvers with appropriately identifying and considering small and diverse suppliers as described within this policy prior to formally ordering goods or services on behalf of Lehigh.

8. Training

The University will work with state and national regulatory agencies and other providers to obtain supplier diversity training, particularly the purchasing staff. Such training may include workshops, technical assistance and seminars.

Purchasing Services will also train internal campus 'buyers' how to use the diverse supplier database to identify diverse suppliers by geographic region, types of goods or services or by certification for inclusion in competitive selection opportunities.

9. Reporting

The Supplier Diversity Committee will identify important metrics to track and publish regarding the program. One year after program implementation, the committee will establish specific goals for program performance. On a quarterly basis, results versus goals will be measured. These results will be released to and reviewed by senior leadership, Purchasing, and the Supplier Diversity Committee. Metrics will be posted to the Program website.

10. Diverse Suppliers Participation

As part of a phased rollout of the Supplier Diversity Program, the University intends to establish an overall goal for diverse business enterprise participation at a percentage (TBD) of the dollar volume of University purchasing, excluding purchasing from sole source providers where there is no discretion in supplier selection (e.g., utilities).

Within this overall goal, the University will also set established goals for socially and economically disadvantaged business enterprises, women-owned, veteran-owned, disabled veteran-owned and HUBZone business enterprise participation at a specific percentage (TBD) of the dollar volume of University purchasing. Goal establishment on awards from federal government agencies may differ per award.

Although individual purchases or projects may not reach the goals, the University's intent is to work for the achievement of these goals over the next few fiscal years as the program is implemented across the campus community. Success depends on the active commitment of all authorized buyers. University procurement activities for goods and services should be as inclusive as possible to diverse business enterprises the maximum practicable opportunity to participate in Lehigh acquisitions. The University's goals for procurement from diverse business enterprises should be given consideration along with other selection factors, such as cost, ability to meet required schedules and ability to perform the required work satisfactorily. University procurement activities for goods and services should be as inclusive as possible to allow diverse business enterprises a reasonable opportunity to provide goods and services to the University.

11. Good Faith Efforts

- Each purchaser should check if there are diverse suppliers available that might supply their needs. Purchasing will highlight diverse suppliers in the Unimarket Marketplace requisitioning system as well as providing a user-friendly diverse supplier database that can be used to identify diverse suppliers by type of certification, types of goods or services, by geographic area, and other filters.
- If a supplier indicates on their proposal that they are a possible diverse supplier, they are contacted to validate their diverse certification status.
- We will participate in diverse supplier networking events held for local vendors in an attempt to identify new suppliers (events such as Meet the Buyers). This may also include local, regional and national event participation.
- Engage with local organizations such as Chambers of Commerce and support efforts they are making regarding diversity certifications available to their members.
- Include language in our request for proposal (RFP) and contract templates that requires suppliers who are awarded services to identify their subcontractors and the information regarding possible certification.

- Maintain a log of RFPs sent to diverse suppliers and whether or not they respond and are awarded (and if not, why not, for supplier mentoring purposes)
- Develop Tier II initiatives such as requiring all large supplier contract holders to provide information regarding the diverse suppliers who supply them along with a record of amounts spent with these vendors.
- Updating our supplier database is an ongoing process. When a purchaser receives information from a supplier that they are certified, our supplier base should be updated in order to capture expenditures and the supplier's certifications.

12. Tier I & II Programs

Tier I suppliers (sometimes referred to as Prime suppliers) are suppliers that provide goods or services to Lehigh, invoices and receives direct payment for those goods or services.

Tier II suppliers are suppliers that provide goods or services to the Tier I suppliers, and invoices and receives payments through the Tier I supplier. Lehigh will require Tier II spend reporting for Prime suppliers on construction projects valued at the \$5 million threshold.

It is standard practice to have a strong, ongoing "Tier II" Program. Tier II Programs provide expanded opportunities for diverse suppliers through a systematic approach with key Lehigh suppliers that encourage them to adopt new, or strengthen their existing, supplier diversity programs. Lehigh's competitive selection (RFP/Sourcing) activities provide an opportunity to reinforce the expansion of both Tier I (direct) and Tier II (sub-contracted) opportunities for diverse businesses. Lehigh's Tier II Program will be a focus area as the Program expands over the first few fiscal years.