

THE UNIVERSITY OF VIRGINIA

2007 SWAM Implementation Plan



*...enabling strategic and sustainable
relationships with diverse firms.*

The University of Virginia
Procurement Services
Phone 434.924.7174 • Fax 434.924.6154

Introduction

This year the University of Virginia is submitting a SWAM Plan for both its Academic and Medical Center Divisions. While there is much to be gained from shared outreach and the use of certain tools to implement a SWAM strategy, it is important to note that the two agencies are two very different businesses. The Academic Division, Agency 207, operates in accordance with the Higher Education Restructuring Act. The attributes of this division allows for flexibility and discretion in the choice of vendors used in its supply chain. The Medical Center, Agency 209, operates under codified autonomy and, by the nature of its core business, patient care, spends a significant amount with healthcare suppliers. Contracts with Novation, the Medical Center's group purchasing organization, account for nearly 40% of its discretionary spending, including more than two thirds of its medical supply purchases. Novation actively seeks diverse vendors to participate in its contract offerings. Because of these differences, the plans will be presented in two parts yet they will share a common commitment from the top and implementation of the plans be centered with the University's Supplier Diversity Initiative.

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The Academic Division – Agency 207

1. Designation of Diversity Champion

PROGRAM MANAGER:

William S. Cooper, Jr. – Director of Supplier Diversity
Phone: (434) 924-7174
Email: coop@virginia.edu
Mailing address:

Procurement Services
1001 North Emmet Street
P.O. Box 400202
Charlottesville, VA 22904-4202

The Director oversees SWAM Coordinators for both construction and non-construction activities.

EXECUTIVE SPONSOR:

Colette Sheehy – Vice President for Management and Budget
Phone: (434) 924-3349
Email: cc@virginia.edu
Mailing address:

Office of the Vice President for Management and Budget
P.O. Box 400227
Charlottesville, VA 22904-4227

The Vice President for Management and Budget is responsible for both Procurement Services and Facilities Planning and Construction.

2. Top – Down Commitment

The University believes that a top-down commitment is critical to the success of The Supplier Diversity Initiative. In this regard:

- The Board of Visitors is kept apprised of SWAM activities and performance;
- The President and other University executives speak of the Initiative in their conversations and appearances throughout the community;
- The Executive Vice President and Chief Operating Officer has informed all vice presidents and those reporting to them that all will be held accountable for participation;
- A letter from the Executive Vice President and Chief Operating Officer is included in all RFPs informing all that desire to do business with the University of the University's desires to include diversity in its supply chain;
- All majority vendors and prime suppliers received a letter from the Executive Vice President and Chief Operating Officer requiring their cooperation and participation with creating and reporting on second-tier opportunities for SWAM vendors;
- The Executive Vice President and Chief Operating Officer and the Vice President for Management and Budget regularly attend SWAM outreach activities around the Commonwealth.

3. Mission Statement

The Supplier Diversity Initiative's mission is to eliminate the excuses that would prevent the University of Virginia from being the best that it can be because it failed to diversify its supply chain. We strive to maintain strategic and sustainable relationships with diverse firms through straight talk, business development, insuring access to information and effective networking.

4. Analysis of the Purchasing Process

UVA uses a decentralized purchasing process. Departments have delegated purchasing authority for unrestricted purchases up to the current threshold over which competition is required -- \$5,000.

Purchases in restricted categories or over the threshold for competition are made by buyers in Procurement Services or buyers in a small number of areas with delegated purchasing authority, such as Facilities Management or the University of Virginia's College at Wise. The following guidelines for competition are used for purchases \$5,000 or more in dollar value:

- \$5,000 to \$29,999.99 -- Competition requirement may be met by buying from a contracted vendor or by soliciting three quotations by phone, in writing, or by informal on-site quoting.
- Dollar Amounts \$5,000 to \$49,999.99 -- Competition requirement may be met by buying from a contracted vendor or by soliciting four quotations in writing.
- Dollar Amounts \$50,000 & up -- Procurement Services solicits minimum of six potential sources in writing, either through an Invitation for Bid (IFB) or Request for Proposal (RFP). Solicitations are posted on the Procurement Services website and on the eVA website. RFP solicitations are also posted in the Daily Progress, the local Charlottesville daily, as well as the Richmond daily, the Richmond Times Dispatch, and two MBE-certified weeklies -- Charlottesville's The Tribune and Richmond's The Free Press. Minimum solicitation periods are 10 days. For RFPs and IFBs, buyers consult with representatives from the requesting department and selected experts in both the formulation of the RFP and in the evaluation of vendor bids or proposals. For IFBs price is generally the determining factor in making the award; for RFPs other factors may be considered to be of equal importance. Pre-proposal conferences and/or site visits may be necessary for both RFPs and IFBs.
- For construction services and professional services all procurements are conducted as detailed in the University of Virginia Higher Education Capital Outlay Manual (HECOM).
- Special SWAM Procedures:
 - Departmental users making non-contract purchases for less than \$5,000 are required to obtain at least one quotation from a Department of Minority Business Enterprise (DMBE)-certified minority or woman (MW) vendor.
 - Buyers are required to solicit two SWAM firms for purchases in the \$5,000 to \$49,999.99 range and four SWAM firms for purchases of \$50,000 or more.

- Procurement Services notifies the DMBE of all new IFBs and RFPs to help ensure that M/W firms are aware of opportunities for doing business with the University.
- All RFPs and IFBs are posted on the eVA website.
- Each firm responding to an RFP must submit a plan describing the firm's past and planned future use of SWAM firms. The SWAM Plan carries a minimum weight of 10% of the evaluation criteria.
- Prime contractors are required to report on all SWAM subcontractors utilized.
- There are few exceptions to the above requirements:
 - Emergency procurements \$5,000 and up – purchases required to protect life and/or property, or to prevent substantial economic loss or the interruption of service.
 - Sole Source \$5,000 - \$9,999.99 – Sole Source procurements can be made when only one firm can satisfy the requirement. Price is not a factor in sole source vendor selection. Procurement Services engages requested vendor in non-competitive negotiation.
 - Sole Source \$10,000 and up – Procurement Services must conduct a market survey and reference checks.

5. SWAM Business Outreach

- The University supports The Supplier Diversity Initiative within the Department of Procurement Services, dedicated to the promotion of SWAM business participation in the University's procurement activities.
- The Director of Supplier Diversity (DSD) is engaged full-time in networking among small, women and minority business owners, speaking with them daily and meeting with them frequently both on- and off-site, respectfully encouraging them and advising them on ways to capitalize on business opportunities at the University. Equally important, the Director is candid in those cases where there appears to be little or no opportunity for a firm.
- The DSD also sits on the boards of a number of organizations focused on increasing the participation of SWAM businesses in the local and regional economies. They include the Virginia Regional Minority Supplier Development Council and Venture Richmond's Executive Committee.
- The DSD works closely with organizations such as the DMBE, Virginia Department of Business Assistance (DBA), the National Minority Supplier Development Council (NMSDC), The Central Virginia Minority Business Association (CVMBA), and the Virginia Minority Supplier Development Council (VMSDC) to encourage opportunities for SWAM firms.

- The Annual Construction and Design Inforum is held displaying construction and professional services opportunities at the University and affording a networking opportunity for SWAM firms.
- The Supplier Diversity Initiative works with the University's majority-owned prime contractors to encourage subcontracting opportunities, joint ventures, and partnerships for SWAM firms.
- The University will continue to adhere to the Commonwealth of Virginia's Prompt Payment Law. Our current compliance rate of 98% provides assurance to all vendors that they will receive timely payments. We will continue to promote and encourage our prime contractors to provide prompt payment to subcontractors.
- Procurement Services notifies the DMBE and VMSSDC of all new IFBs and RFPs to help ensure that M/W firms are aware of opportunities for doing business with the University.
- The Supplier Diversity pages of the Procurement website provide or will provide links to public postings, contact information, and several useful options for locating SWAM firms:
 - SWAM definitions
 - Links to resources
 - Listing of newly registered SWAM vendors at the University
 - Listing of most utilized SWAM vendors at the University, by categories of commodities purchased.
 - Search for SWAM vendors by category of commodities purchased, which will be expanded to include all DMBE-certified firms.
- The University has determined that each of the following purchasing segments is unique and therefore has developed an outreach strategy for each. They are:
 - *Commonwealth Opportunities* – Purchases in excess of \$50,000. They may be procured by either an RFP or an IFB. Every attempt will be made to identify potential vendors as soon as the forecast for the procurement is announced by using the following sources:
 - The DMBE Database of Certified SWAM vendors
 - The NMSDC Minority Business Information System (MBISYS)
 - Other sources as known to all involved.In each case, if a vendor is not certified with DMBE, then they will be actively coached, encouraged, and assisted with compliance.
 - *Quick Bids* – Procurements estimated to fall within the range of \$5,001 and \$50,000. While the RFP may be used, it is more likely that these opportunities will be based on low bid using the following sources:
 - The DMBE Database of Certified SWAM vendors
 - The NMSDC MBISYS
 - Other sources as known to all involved.

In each case, if a vendor is not certified with DMBE, then they will be actively coached, encouraged, and assisted with compliance.

- *Everyday Spend* – These are purchases made for less than \$5,000. It is the University's goal to develop an interested and qualified pool of SWAM vendors within close proximity of the University's sites. The Everyday Spend is an excellent opportunity to develop relationships with local M/W-owned firms. Outreach efforts are arranged with various organizations including the City of Charlottesville, CVMBA, and the Central Virginia Small Business Development Center.
- The University has determined that the use of data from existing databases is often less than sufficient to insure inclusion of SWAM firms in opportunities. Many times firms are invited to participate and fail to respond or to acknowledge receipt. Further investigation is required to reach definite conclusions as to the reasons for the apparent disinterest. Meanwhile, in an effort to be more targeted in its offerings for major opportunities, the SDI Team introduces the opportunity to potential SWAM bidders. This allows expectations to be managed on both sides of the table.
- Through its involvement with VASCUPP, the University seeks to leverage its SWAM experiences with and to learn from its sister institutions.
- SWAM firms are invited and encouraged to attend the quarterly vendor training sessions conducted by the Director of Procurement Services and co-sponsored by The Supplier Diversity Initiative. At these sessions and on the Procurement Services website, vendors receive comprehensive information about how to conduct business with the University of Virginia, including:
 - How to register and update registration information
 - How to identify business opportunities at the University
 - Posted solicitations
 - Contracts due to expire
 - Contact information for nearly 400 decentralized purchasing units
 - Contact information for other delegated purchasing authorities
 - Contact information for vendors holding major service contracts (who may offer subcontracting opportunities)
 - Contact list of buyers and the commodities they purchase
 - Maps of the grounds
 - How to do business with the University :
 - Procurement Services website – <http://www.virginia.edu/procurement/>
 - VASCUPP manual – <http://www.procurement.virginia.edu/main/about/PurchasingManual.html>

- Facilities Management manuals for construction and professional services – <http://fmweb.virginia.edu/fpc/links.htm>
- Facilities Management Construction and Professional Services Procurements – <http://www.fm.virginia.edu/FPC/ContractAdmin/ContractAdmin.htm>
- Health System Supply Chain Management -- <http://www.healthsystem.virginia.edu/internet/scm>
- Financial Policies and Procedures of the University
- UVA Order Information
- Invoicing and Payment rules
- Terms and Conditions
- Limited Purchase Order (LPO) Instructions
- The University's commitment to diversity
 - Our Supplier Diversity Initiative
 - Our Supplier Diversity web page – <http://www.procurement.virginia.edu/main/diversity/DiversityProcurement.html>

6. Strategies for Removal of Barriers to SWAM Participation

- Procurement Services has developed a new practice of issuing RFPs for recurring services asking for each vendor's best offer, then awarding to all vendors that respond.
- Where practical, where the size of a contract would be likely to limit availability of SWAM vendors, the University may attempt to unbundle the opportunity in order to reduce the size of the contract and increase the potential participation of SWAM vendors.
- Buyers make the SDI Team aware of opportunities to be publicized to the SWAM community.
- All new vendors registering with the University of Virginia are requested to register with the DMBE if SWAM-qualified.
- SWAM designations for all vendors registered in the University's ERP system will be visible in the system to those with purchasing responsibility (requires provision of electronic certified vendor files by DMBE).
- The Procurement Services website will provide search options for locating SWAM vendors who are not yet registered with the University, but who may be

able to provide needed goods or services (requires provision of electronic certified vendor files by DMBE).

- The University has established a minimum of 10% weight for the evaluation of SWAM plans required for all requests for proposals.
- Plans for effective second-tier participation are being reworked in a effort to focus resources on the top 20% of the University's prime contractors. This is a best practice recommended by the National Minority Supplier Development Council (NMSDC).

7. SWAM Toolbox

During the last eighteen months, a number of key strategies have been developed and implemented. The result is a more effective enablement of SWAM vendor participation in our procurement processes. Following is a list of these strategies:

- SWAM Teams

Committees were formed in strategic areas throughout the University for the purpose of:

- Development and implementation of the University's SWAM business development program;
- Determination of SWAM business development goals;
- Development of an internal process to identify and communicate purchasing and contracting opportunities;
- Monitoring and keeping the executivemanagement informed on the implementation status of the program;
- Implementation of actions that resolve problems and enhance implementation of the program;
- Understanding legislation and policy affecting SWAM participation.
- Teams were organized in the following areas:
 - Procurement Services
 - Facilities Planning & Construction
 - Facilities Management Materials Division
 - Medical Research

- eNewsletter

Diversions, a bi-monthly electronic newsletter, containing unusual but relevant articles and tips for SWAM vendors is distributed to over 6,000 members of the SWAM community and their supporters.

- Directed Construction Opportunities

The Construction SWAM Team seeks an understanding of the capabilities and challenges relating to SWAM construction firms that are interested in doing business with the University. Meetings are held with the firm, and projects are identified that may be of interest to the firm and perceived by the SWAM team to be projects in which they could compete fairly.

- VASCUPP

The University has and will continue to play a leadership role in the collective actions of VASCUPP members with regard to SWAM. Central to this effort is the VASCUPP SWAMfest, now in its second year. SWAMfest is the organization's collective outreach effort to the SWAM community. It consists of straight talk, networking, and information exchange regarding topics that are relevant to SWAMming.

- UVa Marketplace

In December, the University will unveil its electronic marketplace. It is anticipated that more than 1,400 decentralized users will make their purchases in this "amazon.com-like" environment. The Marketplace will contain the goods and services of more than 50 contract vendors, 12 of which are minority-owned. Because of business rules built into the system, users will search for items based upon their needs and not have to be concerned about the requirements to source to SWAM vendors. Spend will be directed to SWAM vendors because of their representation in the pool of vendors and further because their ability to offer competitive goods and services were a criteria for the firm's inclusion.

- Spend Analysis

We have developed an application, nicknamed, *SWAM Scout*, which will allow each member of the University's executive management to see purchases made by their organization. Expenditure type, NIGP code, business unit, or award may be used to segment the purchases. In addition, each business unit's SWAM activities, or lack thereof, can be readily attained. By mapping the Oracle expenditure types used in our ERP system to the NIGP codes associated with certified SWAM firms, the application is able to identify SWAM firms that could possibly provide the goods and services required by each business unit. This will allow plans to be prepared for each business unit, and more importantly it will enable accountability to each unit for SWAM spend.

- Targeted Procurement

Whenever possible, the University attempts to use proactive matching of supply to demand. This allows the opportunity for all parties to get to know one another outside of the period of an actual procurement opportunity. This can improve the probability of success for the first-time vendor while allowing the University to develop contacts with SWAM firms that are interested and engaged in seeking opportunities.

- Benchmarking

The University intends to seek out other universities, corporations, and government agencies identified as having best practices in this area. The objective is to learn as much as possible from others' experiences and use the information to build superior performance. The process is scheduled to begin in October 2006.

8. Internal Monitoring Mechanism

- The DSD is responsible for monitoring UVA's SWAM compliance.
- SWAM spending levels in each category are monitored weekly.
- Quarterly meetings are held with each delegated purchasing area to review their progress in meeting SWAM goals.
- Prime contractors for purchase of goods and services, professional services and construction services are required by the terms of the RFP to report quarterly on utilization of SWAM vendors for subcontracts, and these reports are available for audit.
- Buyers review their quotes and solicitations to ensure that the prescribed number of SWAM firms are solicited.
- The University is also developing a tracking methodology for opportunities – not just awards but also the number of SWAM firms invited to participate and the number that respond. We consider this an important measure of the probability for an award as well as for understanding any barriers to participation.

9. Projected SWAM Business Purchases

A retooling of the SWAM business development process has been underway since March 2005, during which time the University has made significant strides in understanding what will be required to improve its SWAM spend. The University's overall goal is to create a world-class supplier development initiative, and its targets for 2007 reflect growth that is consistent with developing strategic and sustainable relationships with SWAM vendors.

- Based on the data collected and experiences during the past eighteen months, the University has identified the following three key areas on which to focus this year that will improve its probability for success:
 1. MBE Construction firms;
 - a. \$200,000 to \$2,000,000 as prime contractors
 - b. \$3,000,000 to \$5,000,000 as construction management firms
 - c. As subcontractors and joint venture partners on major capital projects greater than \$5,000,000.
 2. MBE firms that offer goods and services that are used frequently by the University community to be included in the December launch of the UVa Marketplace. Twelve MBE firms have been selected. Two offer research products and four offer goods that are required daily by the Facilities Materials Division.
 3. The minority business community in the Charlottesville-Albemarle region that would offer goods and services in our less than \$5,000 segment. An emphasis will be placed on temporary construction labor, professional services, and catering.
- In addition, in an effort to improve the pool of vendors from which to choose and in order to benefit from the best practices of the most celebrated supplier diversity programs in the nation, the University has become a national member of the NMSDC. The membership gives the institution access to over 15,000 certified MBE firms. It should be noted that the University of Virginia is only the third institution of higher education to join the Council.

- The table below shows the plan spend for 2007 as compared to that of 2005:
 - For firms certified by DMBE:

	FY 2005 Actual	FY 2006 Goal	FY 2006 Actual	FY 2007 Goal
MBE	1.2%	2.0%	2.1%	4.0%
WBE	3.7%	4.0%	3.5%	5.0%
SBE	29.0%	30.0%	18.3%	31.0%
SWAM Total	33.9%	36.0%	23.9%	40.0%

NOTE: The figures above are inclusive of subcontracting amounts.

- For firms certified by DMBE and self-certified firms:

	FY 2005 Actual	FY 2006 Goal	FY 2006 Actual	FY 2007 Goal
MBE	1.0%	2.0%	2.2%	4.0%
WBE	2.9%	4.0%	4.4%	5.0%
SBE	17.2%	30.0%	35.3%	31.0%
SWAM Total	21.2%	36.0%	41.8%	40.0%

NOTE: The figures above are inclusive of subcontracting amounts. This table is included because it shows the true effort with regard to developing relationships with SWAM-eligible firms. The effort to get the self-certified firms to certify with DMBE should be minimal; therefore it will be a priority of the SDI.

10. Compliance with Executive Order 33

There is still much work to be done in order to comply with Governor Kaine's Executive Order 33. Here are our comments:

- There are a number of items that will require guidance from the Commonwealth. Once received we will work to develop a timetable for implementation. These include:
 - The requirement to hold final payment until a contractor certifies evidence of compliance with the contract's SWAM Procurement Plan;
 - Implementation of processes established by DMBE for producing SWAM subcontracting data. Until such is received, we will make all possible attempts to insure that these data are collected and reported quarterly;
 - The process for collection of data for non-SWAM subcontractors performing on contracts over \$200,000 will be discussed with relevant

departments and a report of our discussions will be submitted during the second quarter of FY 2007;

- Particular guidance is requested with regard to the requirement to implement evaluation criteria for procurement personnel and end-users with regard to the attainment of SWAM goals. We see this process as one that will require a good deal of time to implement given the fact that it must comply with all applicable human resources policies.

11. Work Plan (Milestones)

- July – December 2006
 - Begin benchmarking project
 - Hire SWAM Construction Contract Administrator
 - Implement as appropriate, opportunities targeted only for SWAM-certifiable firms
 - Improve construction spending with MBE firms
 - Insure successful implementation of the SWAM firms included in the UVa Marketplace Project
 - Begin individual meetings with each member of the executive management team regarding development of SWAM Spending Plans.
- January – June 2007
 - Report on Benchmarking Project
 - Market SWAM firms in UVa Marketplace Project
 - Identify next round of SWAM firms to be included in UVa Marketplace
 - Complete individual meetings with each member of the executive management regarding development of SWAM Spending Plans.

The Medical Center – Agency 209

12. Designation of Medical Center Diversity Champion

PROGRAM MANAGER:

William S. Cooper, Jr. – Director of Supplier Diversity
Phone: (434) 924-7174
Email: coop@virginia.edu
Mailing address:

Procurement Services
1001 North Emmet Street
P.O. Box 400202
Charlottesville, VA 22904-4202

EXECUTIVE SPONSOR:

R. Edward Howell – Vice President and Chief Executive Officer of the
Medical Center, UVA Health System
Phone: (434) 243-9308
Email: reh2u@virginia.edu
Mailing address:

Office of the Vice President & CEO Of The Medical Center
PO Box 800809, McKim Hall, 3rd Floor
Charlottesville, VA 22908

13. Medical Center Policy Statement

“Discrimination in procurements based upon race, religion, color, sex, or national origin is prohibited. The Medical Center shall (a) ensure a non-discriminatory procurement process, and (b) prohibit employment discrimination by all vendors, firms, and contractors who provide goods and services to the Medical Center. These provisions shall be outlined in all formal procurement documents, including RFP’s, IFB’s, contracts, and purchase orders. The Medical Center shall actively seek to involve Small Business, Women-owned, and Minority-owned (SWAM) businesses in its procurement processes. The Administrator, Materiel Support Services, shall coordinate these activities with the Office of Diversity Procurement Programs for the University.”

(Source: Medical Center Policy # 0189 – Procurement Guidelines, Attachment A – Permanent University Implementing Procedures for Medical Center Procurements).

14. Medical Center Internal Monitoring Mechanisms

- The Operations Control Coordinator monitors and reports UVAMC’s SWAM supplier utilization.
- The amount of procurement dollars going to SWAM firms in each category is monitored and reported monthly and year-to-date and compared against prior year-to-date.
- Prime contractors are required by the terms of the RFP to report quarterly on utilization of SWAM vendors for subcontracts.
- Firms are required by the terms of the RFP to specify whether the firm is a Small, Women-Owned, or Minority (SWAM) business. If a firm is not a SWAM business, it is required by the terms of the RFP to describe its partnering relationships with SWAM businesses and how it plans to support the Medical Center’s SWAM procurement objectives.
- MC Procurement will track activity related to Non-Contract Spot-Buy Requests, Non-Contract Vendor-Add Requests, and Formal Procurement Requests and report a summary of their activities to the Operations Control Coordinator on a monthly basis.
- The Director of Medical Center Procurement shall review the results of all SWAM vendor sourcing efforts prior to the commencement of each formal procurement to ensure that SWAM firms have been sourced and included where possible.

- SWAM Introductory Meetings – Medical Center Procurement schedules introductory meetings with SWAM firms to review their product and service offerings and introduce them to the primary end-users of their products and services.

15. Medical Center SWAM Supplier Sources

- National Minority Supplier Development Council: <http://www.nmsdcus.org/>
- Virginia Minority Supplier Development Council: <http://www.vmsdc.org/>
- U.S. Small Business Administration: http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm
- Virginia Dept. of Minority Business Enterprise: <http://www.dmb.e.state.va.us/vendors.html>
- Women's Business Enterprise National Council: <http://www.wbenc.org/>
- Novation: http://www.novationco.com/hubprogram/hu_overview.asp

16. Medical Center Aspirational Goals

The Medical Center's aspirational goals comprise the following:

- Increase actualized SWAM business with the Medical Center by 5% aggregate across all SWAM categories, benchmarked against the Medical Center's prior fiscal year SWAM spend. Areas that will be explored for additional opportunity include:
 - Construction (through Agency 207)
 - Courier Service
 - Furniture & Furnishings
 - Nurse Traveler Agencies
 - Indoor Plant Maintenance
 - Janitorial Products Distributors
 - Interior Moving Services
- Non-Contract Spot-Buy Requests: for all non-contract spot-buy requests between \$5,000 and \$50,000, buyers are to review the SWAM supplier sources

listed above and the SWAM suppliers in the Medical Center's PeopleSoft active vendor file to see if a SWAM supplier is available for the goods or services requested. Buyers shall maintain records of their efforts and report their activity to the Operations Control Coordinator each month. The buyer will engage such supplier firm(s) in a dialogue with the department as necessary to confirm appropriate business opportunities with the identified SWAM supplier source(s).

- Non-Contract Vendor-Add Requests: When a Medical Center department requests a new vendor to be added to the Medical Center's vendor file when submitting a requisition for goods/services, and there is no contractual or sole source basis for adding that new vendor, buyers shall first use the websites to identify alternate SWAM firms appropriate for solicitation & order placement.
- Formal Procurement Requests: Increase SWAM participation in all Medical Center formal competitive procurements (RFP's, IFB's) by identifying a minimum of (2) SWAM suppliers to be invited to participate in each formal procurement.
- Senior Contract Negotiators shall use the websites to identify appropriate SWAM firms for participation. Senior Contract Negotiators are encouraged to identify more than (2) SWAM firms as applicable to each procurement. However, should the minimum goal of (2) SWAM firms not be achieved, Senior Contract Negotiators shall document their due diligence in reviewing all of the websites. The Director of Medical Center Procurement shall review the results of all SWAM vendor sourcing efforts prior to the commencement of each formal procurement to ensure that SWAM firms have been sourced and included where possible.
- Novation Contract Reviews: The Director of Supply Chain Logistics shall ensure that all SWAM firms that have been awarded Novation agreements are included in the Medical Center's Novation contract review process.

17. NOVATION OVERVIEW

The University of Virginia Medical Center spends nearly 40% of its discretionary spending with contracts established by a group purchasing organization called Novation. Following is an overview of Novation:

Novation, LLC was established in 1998 through the consolidation of the supply programs of VHA and University HealthSystem Consortium (UHC), two national health care alliances. UVA Medical Center has been a member of UHC since 1986. Novation serves the purchasing needs of nearly 2,500 VHA and UHC health care organizations comprising \$25 billion in annual purchases. Novation is based in Irving, Texas.

Novation maintains a portfolio of nearly 800 agreements that cover nearly every type of product that a hospital might need. Novation conducts public competitive bidding and maintains a bid calendar on its website at <http://www.novationco.com/suppliers/bids.asp>. Members achieve the greatest value by committing to high commitment levels within agreements. The higher the commitment level (e.g., 80 or 90% of a members spend in a product category) the better the pricing will be. Participation at the highest levels has been

the centerpiece of UVA Medical Center's group purchasing strategy for many years as it provides clinicians with high quality products, drives product standardization, and maximizes economic value to the Medical Center.

Appendix

APPENDIX 1 – SIGNIFICANT AWARDS

Appendix 1 – Significant Awards

Significant Awards to Women-Owned Firms

- For significant purchases issued to **women-owned firms** October 1, 2005 to September 19, 2006. Figures represent totals for vendor referenced and may include more than one purchase order.

Vendor	Total Awards
ATLANTIC COAST TILE & MARBLE CONTRACTORS INC	\$21,080
BRIGHT IDEAS LLC	110,160
BROWNS LOCK & SAFE	89,405
CREED, MARY T	58,480
FACTORY DIRECT FOOD SERVICE EQUIPMENT	14,450
FROEHLING & ROBERTSON	400,000
GREENWOOD & ASSOCIATES INC	115,000
HEALTH TECHNOLOGY & SERVICE SOLUTIONS	62,625
HUDSON & ASSOCIATES LLC	43,290
IMAGE CREATIONS	27,000
JENNIFER CARROLL EVENTS	23,465
JUDITH NITSCH ENGINEERING INC	70,480
KAMINER & THOMSON INC	17,000
KSA INTERIORS	58,118
LANE TECHNOLOGY INC	10,900
LINCO INC	631,644
MECHANICAL SALES OF VIRGINIA LLC	30,875
MILLERS OFFICE PRODUCTS	36,000
OUTSIDE THE BOX	13,000
PAYNE ROSS & ASSOCIATES ADVERTISING INC	43,200
RHODESIDE & HARWELL	24,987
SILENT E DESIGN	17,850
TABLES CHAIRS & STAGING	489,124
Grand Total	\$2,408,134

APPENDIX 1 – SIGNIFICANT AWARDS

Significant Awards to Minority-Owned Firms

- For significant purchases issued to **minority-owned firms** October 1, 2005 to September 19, 2006. Figures represent totals for vendor referenced and may include more than one purchase order.

Vendor	Total Awards
A GOFF TRANSPORTATION	\$248,075
ACTCOM SECURITY SOLUTIONS	31,140
CANTERBURY ENTERPRISES LLC	76,275
CONSTRUCTION COST SYSTEMS INC	16,675
DALY COMPUTERS	135,384
DATALINE INC	175,602
FIRE SOLUTIONS	12,511
FIVE STAR INDUSTRIAL & BUSINESS SUPPLY COMPANY	98,000
LOVING LOVING & LOVING CONTRACTORS	77,775
M B MECHANICAL CORP	11,927
TURNERS CLEANING SERVICE	258,700
UNIVERSAL JANITORIAL SERVICE & SUPPLY INC	265,188
USA BACKGROUNDS INC	20,000
YOUNG MOVING & STORAGE	12,500
Grand Total	\$1,439,752

APPENDIX 1 – SIGNIFICANT AWARDS

Significant Medical Center Purchases to All SWAM Firms

- For significant purchases made by the Medical Center Division:

Top Minority Vendors	Amount
NETWORKING TECHNOLOGY & SUPPORT	\$1,481,118
SECURITY BUSINESS ARCHIVES	\$150,310
ONE LAMBDA	\$135,488
DALY COMPUTERS	\$106,616
HMS TECHNOLOGIES	\$94,992
DIAGNOSTIC SYSTEMS LAB	\$41,320
BATTERIES INC	\$41,255
BUCKINGHAM GREENERY	\$40,563
STRONG VALUE GROUP	\$37,150
SYSTEM ONE INT'L	\$28,268

Top Women-Owned Vendors	Amount
CHAMBERLIN, EDMONDS & ASSOC	\$1,427,425
UNITED ANESTHESIA	\$469,610
MARY L C DANIEL Esq PC	\$251,774
HYPERGEN	\$203,803
HEALTH INFORMATION ASSOCIATES	\$156,589
TRAVEL NURSE ACROSS AMERICA	\$134,559
THE DANIEL GROUP	\$110,551
MDI MEDICAL STAFFING	\$101,800
R T TEMPS, INC	\$101,800
TECHFORCE 3	\$101,800

Top Small Business Vendors	Amount
MAILING SERVICES OF VIRGINIA	\$257,577
MICRO-THERAPEUTICS	\$256,520
MARTINAIR	\$252,345
MOBILE INSTRUMENT SERVICES & REPAIR	\$242,997
HARD MANUFACTURING CO	\$199,837
ADVANCED MEDICAL SYSTEMS	\$188,794
LXU MEDICAL	\$169,462
GRASS TELEFACTOR	\$156,964
ALLSORTS PROMOTIONAL PRODUCTS	\$152,705
CARTER PRINTING COMPANY	\$139,577

Appendix 2 – Agency Activities

Leadership Activities

- Director of Supplier Diversity participated on a panel on Supplier Diversity at the monthly meeting of the International Association of Facilities Managers in Richmond.
- Made a presentation to Board of Visitors Diversity Committee.
- Attended Regional Advisory Committee meeting of VMSSDC. At this meeting Director of Supplier Diversity presented an analysis he recently completed showing 127 certified minority-owned businesses in the State located west of Charlottesville (including 41 in Charlottesville). Members were provided with a data-mining tool that would allow them to use this data to source DMBE-certified MBE firms in their vicinity.
- Director of Supplier Diversity met with Chief of Staff Leighty to discuss the University's role and progress in SWAM development and to ask his support of reciprocal certification between DMBE and VMSSDC.
- Led debriefing of SWAMfest with VASCUPP members.
- Met with incoming Director of DMBE to brief him on current activities at the University and with VASCUPP.
- Director of Procurement Services and Director of Supplier Diversity began their participation on the search committee for the new Chief Facilities Officer.
- Director of Supplier Diversity began working directly with the Secretary of Administration's Office, the Director of DMBE and the President of the Virginia Minority Supplier Development Council (VMSSDC) to explore the possibilities of accepting VMSSDC's certification of minority-owned firms.
- Director of Supplier Diversity met with Director of UVA Television News and a reporter from the Associated Press to discuss SWAM activities.
- President, Vice President for Management and Budget and Director of Supplier Diversity, met with the Governor, Chief of Staff, and Secretary of Administration to discuss the University's progress with and plans for SWAM activities.
- Director of Supplier Diversity and SWAM Coordinator participated in a teleconference with the Deputy Secretary of Administration, Director of DMBE, and the Presidents of the Indiana and Virginia affiliates of the National Minority Supplier Development Council (NMSDC). The call was a part of the due diligence in the effort to have NMSDC certification of minority-owned firms accepted by the Commonwealth. A similar process has been implemented in the State of Indiana.
- Director of Supplier Diversity met with Assistant to the Vice President for Diversity and Chief Officer for Diversity and Equity to devise an ongoing communication strategy and working agenda between the Vice President's Office and the Supplier Development Initiative.
- The Director of Supplier Diversity attended the Board of Directors meeting of the Virginia Minority Supplier Development Council.

APPENDIX 2 – AGENCY ACTIVITIES

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- The SWAM Coordinator and Director of Supplier Diversity met with the planning committee for a series of Virginia Minority Supplier Development Council outreach events to be held in Charlottesville during the month of July.
 - The Director of Supplier Diversity met with the Director of Materials Management, Martha Jefferson Hospital to discuss implementation of a supplier diversity program at the hospital.
 - The Director of Supplier Diversity met with the Assistant to the Vice President and Chief Officer for Diversity and Equity. The regularly scheduled meetings are planned to insure that supplier diversity and diversity as a whole at the University are in harmony and presented as one.
 - The Director of Procurement Services and The Director of Supplier Diversity met with VASCUPP members. Major topics of discussion included SWAMfest II, new eVA fees, and challenges regarding reporting SWAM activities.
 - The Director of Supplier Diversity attended the Board of Directors' meeting of the Virginia Minority Supplier Development Council. A report by the VMSDC President stated that the Governor should sign a memorandum of understanding between the Commonwealth and VMSDC allowing for certification of VMSDC-certified MBEs by the end of June. The University initiated this project in 2005.
 - The Director of Procurement Services and the Director of Supplier Diversity attended the regular meeting of VASCUPP Directors.
 - The Director of Supplier Diversity attended a workshop for Program Managers in the National Minority Supplier Development Council's Network.
 - The Director of Procurement Services, SWAM Coordinator, and Director of Supplier Diversity attended the Virginia Minority Supplier Development Council's Profits In Partnership Luncheon. During the meeting VMSDC's President, Tracey Jeter, announced that after more than eighteen months of effort, a memorandum of understanding between the Council and DMBE was forthcoming. Once in place, MBEs certified with the Council may have their DMBE certification expedited. During her announcement, Ms. Jeter thanked the University for its leadership in this regard.
 - The Director of Supplier Diversity participated in Minorities in Healthcare Symposium sponsored by VMSDC and Owens and Minor.

Outreach Activities

- Director of Procurement Services and Director of Supplier Diversity attended the week-long National Conference of the National Minority Supplier Development Council (NMSDC) in Dallas, Texas. Over 7,000 were in attendance.
- Director of Supplier Diversity hosted a member of the Board of Visitors and a number of other members of the University Community at a function in Richmond presented by MBE-firm Johnson, Inc. The conference focused on women; the keynote speaker was news celebrity, Star Jones-Reynolds.
- Director of Supplier Diversity attended the Greater Richmond Chamber of Commerce Awards Dinner:

APPENDIX 2 – AGENCY ACTIVITIES

- Discussed the development of financing programs for SWAM vendors with long-term contracts with representatives of two financial institutions.
 - Made an appointment with the President of the Hispanic Chamber of Commerce of Virginia to plan an outreach program for Charlottesville-area members of the Hispanic business community.
- Met with the regional representative for the Asian-American Business Assistance Center to coordinate outreach to the Asian-American business community.
- Director of Supplier Diversity attended the VMSDC Matchmaker and Reception held at MCI Headquarters in Ashburn, VA.
 - It was interesting to discover the number of MBEs that had deleted our SWAMfest email saying that they thought it to be SPAM. Further conversation revealed that in many cases, MBEs certified with DMBE or VDOT were unaware of the term SWAM. This is evidence of the need for VASCUPP's SWAMfest.
- VASCUPP's SWAMfest 2005 was held on December 7 at the Greater Richmond Convention Center. The Director of Supplier Diversity along with the VCU Director of Procurement Services served as coordinators of the event. Three members of the Procurement Services Staff also played critical roles in the project. Highlights:
 - 501 individuals registered for the event. Included in this number were 176 employees and owners of MBE firms; 156 from WBE firms; and 80 from SBE firms.
 - Of the SWAM firms represented, 83% were DMBE certified.
 - All nine institutions exhibited and had staff in attendance.
 - 22 individuals attended from the University including the Vice President for Management and Budget and the Executive Vice President and Chief Operating Officer.
 - Given the venue, all services associated with the facility had to be purchased from the facility. Therefore any funds spent outside of the facility were considered discretionary. 100% of these discretionary funds were spent with SWAM firms; of this amount 90% was spent with MBE firms.
- Attended the Metropolitan Business League's 2006 Virginia Business Empowerment Conference. Members of the Supplier Diversity and Procurement Services Team attended the 2-day conference and participated as exhibitors in the Match Making Marketplace.
- Director of Procurement Services and Director of Supplier Diversity participated in Facilities Management's Design Inforum – an outreach and information session for professional services firms in the construction trade. A number of significant introductions were made between MBE firms invited for the first time and key figures on the University's staff. Additionally, follow-up conversations were had and plans made with a number of firms that have been identified during the past year as potential strategic partners.
- The SWAM Coordinator attended an orientation at the local Procurement Technical Assistance Center. The organization helps small business to compete effectively for government procurement opportunities.
- The Director of Procurement Services and the Director of Supplier Diversity attended the VASCUPP meeting where a number of SWAM-related issues were discussed including SWAMfest 2007 and coordinated exhibit space at VMSDC's Virginia Business Opportunity Fair in May. Five of the nine member schools will be exhibiting together at the event.

APPENDIX 2 – AGENCY ACTIVITIES

- SWAM Coordinator and Director of Supplier Diversity participated in a VMSSDC-sponsored outreach program in Roanoke. A number of promising contacts were made including two strong candidates for construction opportunities.
- Supplier Diversity team attended the three-day Virginia Business Opportunity Fair sponsored by the Virginia Minority Supplier Development Council. Five VASCUPP members exhibited together at the trade fair. The event also marked the debut of the new VASCUPP logos.
- Supplier Diversity team attended the Jobs at UVa Event sponsored by a number of University departments. Over 450 local residents attended.
- The Director of Procurement Services and the Director of Supplier Diversity conducted an outreach session in Richmond at the Small Business Showcase.
- The SWAM Coordinator participated in the State Forestry Agency's SWAM Outreach event.
- The Director of Supplier Diversity participated in a Juneteenth Celebration Event (the oldest nationally celebrated commemoration of the ending of slavery in the United States) by serving as a panel member.
- The Director of Supplier Diversity made a presentation on diversity to a group of twenty new supervisors.
- The University hosted a two-day strategy session for the Board of Directors of the Virginia Minority Supplier Development Council (VMSSDC). On the evening between the two days a reception was held for the group. The eighty-five attendees included Deputy Secretary of Administration, Kim Farrar; Board of Visitors Member, Syd Dorsey; the University's Executive Vice-President and Chief Operating Officer; several members of executive management; Directors from Hospital Procurement, Planning and Construction and the management and buying teams from Procurement Services. In addition, there were members of the MBE community and representatives from other government agencies and corporations from the Central and Western Virginia Areas.
- The Director of Procurement Services and Director of Supplier Diversity attended the Second Annual Black Expo in Norfolk. After attending a VIP Reception with State Agency Officials and MBEs, the following day they participated in a SWAM Certification Workshop.
- The Supplier Diversity Initiative launched the inaugural issue of its e-newsletter, *Diversions*.

Business Development Activities

- Director of Supplier Diversity met with majority firm and its MBE-firm partner in a joint venture to discuss details of their SWAM plan for a major construction project.
- Met with the President of The Executive Leadership Council (Washington, DC) to discuss potential of a partnership with the University.
- Developed plan with General Manager of John Paul Jones Arena for outreach to MBE firms for upcoming janitorial contract for the Arena
- Continued working with an MBE firm to find opportunities to establish a coffee service on the Grounds.
- Met with 3 MBE firms considering expansion of their business via a merger.

APPENDIX 2 – AGENCY ACTIVITIES

- Met with an MBE technology firm and several MBE construction firms from Richmond to discuss strategies for competition in their respective areas.
- Worked with a majority firm currently negotiating a major procurement opportunity to improve the company's SWAM plan.
- Director of Supplier Diversity attended site visit for those interested in the John Paul Jones Arena Janitorial Services RFP. Seven MBE firms attended the meeting.
- Director delivered "SWAM message" to group gathered for pre proposal meeting regarding the RFP: Furnish and Deliver Materials/Supplies/Services.
- A number of meetings were held with both MBE and majority-owned firms participating in a major RFP. The goal was to foster relationships between the two groups.appendix 2 – agency activities
- Director of Supplier Diversity met with the Athletic Director and the CEO of a minority-owned public relations and marketing firm to discuss the potential of athletic events involving the University and promoted by the firm.
- Premier Reprographics, an MBE firm from Northern Virginia, made a presentation to the Manager of the Facilities Management Resource Center and members of the Procurement Services Staff. The presentation was centered on the company's online construction document management solution – a potential key opportunity with the Resource Center.
- The Director of Facilities Planning and Construction, the Contract Administration Manager, the Director of Construction Services and the Director of Supplier Diversity met with the CEO of The Prestige Construction Group to debrief Prestige on their recent performance in an unsuccessful proposal. Additionally, the group identified a number of future opportunities for the company.
- The Supplier Diversity Team met with representatives of Canterbury Construction, an MBE firm, to map out a strategy for the company's marketing efforts at the University and with VASCUPP institutions. Canterbury was in Charlottesville to gather information on a bid for a construction job in Procurement Services. Director of Supplier Diversity met with the following firms to develop marketing plans for both the University and VASCUPP: MB Mechanical, an MBE Mechanical contractor. MB Mechanical has been actively seeking opportunities at the University and is considering opening an office here. Double Image Studios, an MBE photographic firm. Their goal is to be positioned as an artistic and reliable source for photographic services at all levels in an agency of the Commonwealth.
- Supplier Diversity team held a meeting with the owners a number of MBE restaurants in the area. The purpose of the meeting was to get them certified and begin development of a marketing plan for them to offer catering services at the University.
- Director of Supplier Diversity and Executive Assistant to the President met with the principals of The Prestige Construction Group to discuss a strategy for the company's continued participation in the University's major construction opportunities.
- Director of Supplier Diversity continued working with the owner of an MBE conference facility on a marketing plan for the business.
- Director of Supplier Diversity met with minority-owned public relations and advertising firm, Exit10, to discuss a strategy for business development for the firm.
- Meetings were held with a several MBE firms to discuss possibilities for doing business with the University. The firms were in the consulting and mechanical construction businesses.

APPENDIX 2 – AGENCY ACTIVITIES

- SWAM Coordinator and Director of Supplier Diversity met with a majority contract vendor to discuss plans for more SWAM participation.
- Director of Supplier Diversity met with members of the Darden School's Executive Education Faculty to discuss educational needs and interests of SWAM firms.
- Held the first meeting of the women- and minority-owned businesses participating in the inaugural launch of the University's e-procurement project. The concept was well received by all of the vendors present. The project is a critical element in the University's SWAM Plan for FY 2007.
- A number of meetings were held with construction companies trying to do business with the University. In those cases where a company had attempted to do so without success, the meetings were used as an opportunity to debrief the company on its performance.
- The Director of Supplier Diversity met with representatives of the two firms involved in the MR6 construction project to discuss the status of SWAM participation and to establish expectations for the remainder of the project.
- Facilities Management Materials Division met with Robert Sullivan for Southwest Janitor & Supply (MBE) in an effort to interest the firm in competing for business at the University.
- The Director of Supplier Diversity met with one of the University's MBE construction contract vendors to review his participation and performance.
- The Director of Supplier Diversity met with the Marketing Director of an MBE Research Products firm to continue discussions of strategies for the company's introduction to the University's research community.



UNIVERSITY of VIRGINIA

OFFICE OF THE PRESIDENT

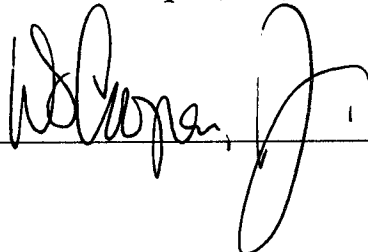
Commonwealth of Virginia Annual SWaM Procurement Plan FY 2006 - 2007

Agency/Institution: The University of Virginia – Agency 207 and the University of Virginia Medical Center – Agency 209

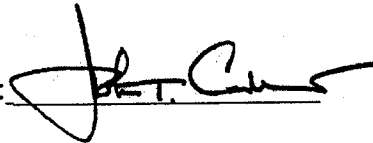
Director / Agency Head / Institution President: John T. Casteen III

Secretariat: Education Date: September 29, 2006

Completed by: **W.S. Cooper, Jr., Director, Supplier Diversity**

Signature:  Date: September 29, 2006

Reviewed by: John T. Casteen III
Agency/Institution Head

Signature: 

Date: September 29, 2006

The plan will be reviewed by DMBE. Any comments made by DMBE on your agency/institution's plan will be submitted to your Secretary for approval. An approved and signed copy of the plan will be returned to the agency head.

Approved by: _____
Secretary

Signature: _____

Date: _____